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Folder Title: Shared Unit Files - Policy Development Records - ESSD - Environment General - Correspondence File

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Series: Policy and guidelines development and supporting materials

Dates: 05/03/2000 – 09/25/2000

Fonds: Records of the Environmentally and Socially Sustainable Development Network

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THE WORLD BANK

Washington, D.C.

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The World Bank

1818 H Street NW

Washington DC 20433

Telephone: 202-473-1000

Internet: www.worldbank.org

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ESSD - ENVIRONMENT GENERAL
2000-2001

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 **Archives**

 **1832157**

R2004-088 Other #: 6 207550B

Shared Unit Files - Policy Development Records - ESSD - Environment General -
Correspondence File

THE WORLD BANK/IFC/MIGA

M E S S A G E

DATE: 6/18

TIME: 9:28

Received by: SD

TO: KG

FROM: Demise

DEPT./OFFICE: Auto Ins. Company

EXTENSION: _____ PHONE: 1-800-562-2208

☒ Called

☐ Call back

☐ Came to see you

☐ Will call again

☐ Returned your call

☐ Requests appointment

☐ U R G E N T

REMARKS: Re: Your accident

on Friday

0115179 claim No



United Nations Environment Programme

برنامج الأمم المتحدة للبيئة • 联合国环境署
PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT • PROGRAMA DE LAS NACIONES UNIDAS PARA EL MEDIO AMBIENTE
ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОКРУЖАЮЩЕЙ СРЕДЕ

NEW YORK OFFICE 2 UN Plaza Room DC2-0803, New York, NY 10017, USA
Tel (212) 963-8210 - Fax: (212) 963-7341 - E-mail info@rona.unep.org - http://www.rona.unep.org

TELEFAX TRANSMISSION

TO: Ms. Fiona Mathews-Kosior
Chief Executive Officer
Athena Foundation Inc.
Washington, DC, USA

DATE: 3 May 2000

FAX No: 202-234-3309

FROM: Adnan Z. Amin
Director

Page 1 of 1

SUBJECT: Athena Foundation

Dear Fiona,

It was a pleasure to see you again in New York, and hear of the progress you have made in establishing the Athena Foundation and in preparing for the inaugural event.

I would like to express our appreciation for the excellent work that you have done and to confirm that we would be very pleased to be part of this endeavour, and, in particular, to play a role in developing the state of the planet reporting, as well as take part in the selection process.

With best wishes.

Business Planning & Research International, Scriptor Court,
155-157 Farringdon Road, London
EC1R 3AD

bpri

FACSIMILE TRANSMISSION

TO:	Mr Johnson	FROM:	Krista Jansson
COMPANY:	World Bank	DATE:	Monday, 09 July 2001
FAX. NO.:	001 202 522 7122	TOTAL NO. OF PAGES INC. COVER :	1
RE:	Shell Corporate Campaign Monitor		

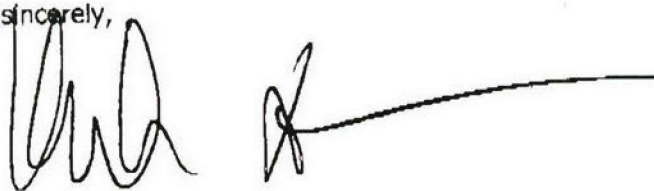
Dear Mr Johnson,

I am writing to confirm that Anna Mcavoy, our consultant, will visit your office (1818 H Street NW, RM MC 4-123, Washington DC 2043) on the 10th of July at 2PM. The meeting will explore perceptions of international oil and gas companies in order to understand the views of the global stakeholder community.

BPRI is advising Shell and will be writing a report on this issue. All comments by individuals will be anonymous and neither will any comments be attributed to the organisation the individual belongs to. BPRI is a member of the Market Research Society and adheres to its Code of Conduct, which guarantees confidentiality.

The meeting will last between 45-60 minutes.

Yours sincerely,



Krista Jansson
Project Co-ordinator
44 (0) 20 73008302
Krista.Jansson@bpri.co.uk

Calendar Entry:
Appointment

Subject:	Anna Mcavoy--International Oil & Gas Co.(44-207-300-8300)	Location:	
Begins:	Tue 07/10/2001 02:00 PM	Entry type:	Appointment
Ends:	Tue 07/10/2001 03:00 PM		
Chair:	Ian Johnson/Person/World Bank		

☐ Pencil In	Time will appear free to others.
☐ Mark Private	Others cannot see any details about this event.
☐ Notify me	Have Notes notify you before the event.
Categorize:	

Description:
Assess Global perceptions on International Oil & Gas Co.

**"Janice
Anderson-Smith"**
<janice@econtext.co.
uk>

To: <ljohnson@Worldbank.Org>
cc: <Betzy_Econtext@Tesco.Net>
Subject: Environmental Context's Sustainable Development Who's Who

06/14/2001 08:23 AM
Please respond to
janice

6/14: Forwarded to Kristyn. Vln

Dear Mr Johnson

Owing to problems with our server, some addressees on our previous mailing have found their replies bouncing back. We are therefore resending this e-mail using a new server. We apologise to you for bothering you a second time - and especially respondents who may have already replied.

The new e-mail address is: Janice@econtext.co.uk.

We are a London-based sustainable development consultancy working with business, concentrating on strategy and communications. One of our activities is to conduct opinion leader research. We are extending our database and developing a global who's who of the world's top opinion formers in the environmental and sustainable development field. We would like to include you.

The list contains people who work for campaign groups and NGOs, as well as politicians, regulators, media personalities, business leaders and recognised thinkers. The list only contains information that is already

publicly available (name, business address, business telephone, e-mail and a short biography).

We will use the list for our own research. We will also make it available selectively to our clients who might want to send information about their sustainable development work (such as an environment report) to the world's opinion leaders.

If you do not want to be part of this group, please say so and we will remove your name.

If you want to know more about the who's who, please contact Peter Knight at Environmental Context (telephone: +44 207 251 0050, e-mail: peterk@econtext.co.uk) or visit our website at www.econtext.co.uk.

If you want to be listed, please reply to me (Janice) at the e-mail address above. Please include a short biography, any corrections to the information we have for you, and website if not already mentioned.

Please state which group from the following list is most appropriate for you:

- Academics
- Consultants/Business People/Industry organisations
- Environmental and social NGOs
- International Government (Civil Service/Regulators/Agencies)
- Investors (Green and Ethical Funds)
- Media and Journalists
- National Government (Civil Service/Regulators/Agencies)
- Politicians
- Regional Government (Civil Service/Regulators/Agencies)
- Personalities, entertainers, royalty, others.

For a minority of addressees, the group is not immediately apparent to us.

To ensure that our database is complete and of high quality, would you kindly check that your details at the end of this e-mail are correct and that it includes the following: organisation, first name, surname, position, postal address, telephone, fax, e-mail and website.

We hope that all addressees will want to be listed. But please reply even if you don't want to be listed - it helps with our record-keeping.

With best wishes,

Yours sincerely,

Janice Anderson-Smith
Database Manager

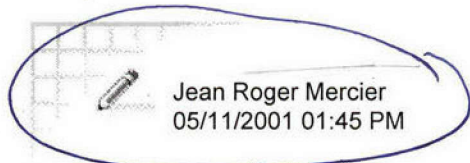
Title : Mr
First Name : Ian
Initials :
Surname : Johnson
Position : Vice President and Network Head
Other Positions Held :
Organisation : The World Bank

Address

Vice President and Network Head
Environmentally and Socially Sustainable Development (ESSD)
The World Bank

Town or City :
County or State :
Post or Zip Code :
Country : United States

Telephone :
Fax :
e-mail : ijohnson@worldbank.org
Website :



Extn: 35565 ENV
Subject: Fiona Mathews

Caryl,

In spite of being totally frustrated by the fact that I will have to walk three floors up to talk to you in the future (and, being a rusty grand-father, I assume that it will take the best part of my 9-5 (?) to do this), I am thrilled to copy to you the message I sent to Kristalina on May 3.

This is to report on the follow-up meeting after you welcomed Fiona Mathews-Kosior, CEO of the Athena Foundation, and explained to her what the process for establishing partnerships with the Bank was.*

After a presentation by Fiona of the Foundation's activities (more in the folder which comes to you with a hard copy of this message), it became clear to Gonzalo and I that (i) the Foundation, especially through its Earth Champions, State of the Planet and Knowledge Pond programs is pursuing objectives which are germane and probably synergetic with our outreach and knowledge management activities, (ii) the Foundation might be well advised to work closely with grassroots organizations and other networks (e.g. the Center for Science and Environment in India which produced the first State of the Environment in India entirely written by NGOs - <http://www.cseindia.org> - or the MELISSA regional initiative in Sub-Saharan Africa), and (iii) the Foundation should be urgently informed of the process for proposing a formal partnership with the World Bank.

I hope this is useful. More information can be obtained directly from Fiona (fmathews@bigpond.com).

Regards.

** Headquartered in Australia. From a rapid search on the Internet, there seems to be two or several Athena Foundations with totally separate objectives, HQs and boards.*

Seriously, I'm gonna miss you, but I will just croak louder to announce myself. Have a great week-end.

Jean-Roger Mercier,
Lead Specialist - Environmental Assessment,
Quality Assurance and Compliance,
Environmentally and Socially Sustainable Development, World Bank,
Room MC 5-135,
Tel 202-473-5565, Fax 202-477-0565, Email: jmercier@worldbank.org

To: M. Caryl Jones-Swahn
cc: Kgeorgieva@Worldbank.Org
ljohnson@Worldbank.Org

no MOW to E&S sector Board

no \$

retired Bank staff on steering committee

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street
Washington, DC 20433
USA

SenderPhone: 202-458-5118
SenderFax: 202-522-7122

July 9, 2001

Ms. Fiona Mathews-Kosior
Chief Executive Officer
Athena Foundation Inc.
Level 8, 257 Collins Street
Melbourne Victoria 3000
Australia

Dear Ms. Mathews-Kosior:

I enjoyed meeting you during your May visit to the World Bank. I believe the Earth Champions effort of the Athena Foundation is a promising initiative for raising public awareness regarding the importance of ensuring environmental sustainability.

As discussed, formation of an International Steering Committee may well be an effective means of continuing momentum and raising visibility of the effort — mixing recognized advocates with representatives of successful practicing organizations. If the Athena Foundation chooses to pursue this course, some contacts I would recommend making early-on are: Maurice Strong (Earth Council), Ismail Serageldin (former World Bank), Jean-Roger Mercier (World Bank), and the Center for Science and Environment in India (www.cseindia.org).

Good luck with all your efforts.

Sincerely,



Odin Knudsen
Senior Advisor
Environmentally & Socially Sustainable Development

bcc: I. Johnson (ESDVP), K. Georgieva (ENV), R. Hilton, K. Ebro (ESDVP), L. Vidaeus, J.R. Mercier (ENV)

Odin

This is a laudable initiative.

Response strategies include:

- 1) polite response $\hat{=}$ pass off to
WBI or EXT
- 2) polite response, recommending
high-profile former Bank
official @ potential judge
yes $\rightarrow$
- 3) polite response $\hat{=}$ propose MOU
thru ENV sector board.

I would recommend 2) given the
cost associated w/ 3) and the
ineffectiveness of 1).
If you agree, will proceed.

[Signature]



Edkosior@aol.com on 05/12/2001 01:23:24 PM

Subject: Athena Foundation Initiative.

Dear Odin,

Thank you very much for the opportunity to meet with you and Ian yesterday. I am delighted that we identified common values and vision and I am very keen to develop the relationship with the World Bank along with our other Partners and Associates.

1. As a starting point, I would greatly appreciate a letter of support from the World Bank expressing your interest in the initiative and the value it may deliver to the communities of the world and the World Bank. Could this possibly be made available as soon as possible given normal constraints. (I know it is a stretch to ask, but we have a major meeting on Tuesday with BP and your letter would be extremely helpful) Please could you send it to fmathews@bigpond.com
2. I would be very keen to learn about the outcome of discussions with Jim Wolfensohn on our initiative.
3. Your suggestion on the formation of an international Steering Committee was greatly appreciated and I would be happy to receive some guidance on who you would like to recommend to join with our associates and partners.
4. I would like to progress the relationship between the Athena Foundation and the World Bank while the ideas are fresh in everyones mind and I would seek your advice on what steps are required. In my mind an initial Memorandum of Understanding would be useful, followed by a draft Partnership/Association document outlining the areas of common interest and support.

Odin, thank you very much for your support, together can we make this happen.

We believe that this is a great initiative which can leave a legacy that transcends all our lives and gives hope and empowerment to future generations.

Kind regards,
Fiona

To: Oknudsen@Worldbank.Org
cc: ljohnson@Worldbank.Org

Fiona Mathews-Kosior
Athena Foundation
Email: fmathews@bigpond.com

- 1) Strong letter of support of participation of program.
- 2) Inviting World Bank to talk to Earth Champions.
- 3) Looking to form an international selection committee of experts. If the WB can give advise and suggestions on experts they can add to the list.



Sheraton Suites

AT LINCOLN HARBOR

Fax

To: IAN JOHNSON

From: FIONA MATHEWS

Fax: 202-522 7122

Fax: 201 617 5627

Phone: World Bank, Wash. DC

Phone: 201 617 5600 Room 540

Pages: 12

e-mail:

Date: 11.5.00

C/O - Caroline

Dear Caroline

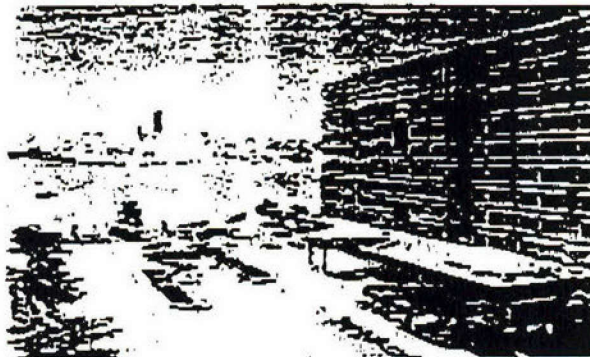
Comments:

Documents for preview for today's meeting.

Look forward to seeing you

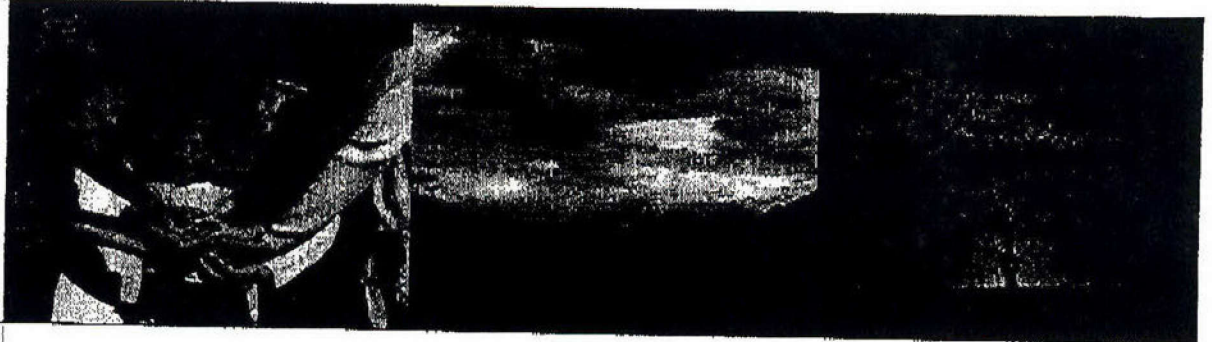
Regards

Fiona Mathews





Athena Foundation overview



Athena Foundation Inc 8/257 Collins Street Melbourne, Vic 3000
Ph: +61 03 9650 0822 Fx: +61 03 9650 0977 Email: fmathews@bigpond.com

May 2001

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Athena Foundation

Timelines

- 2001** **Announcement of Earth Champions program**
United Nations Committee for Sustainable Development Meeting,
New York
- 2002** **Official Invitation to all Nations**
- start of the search for Earth Champions:
*Note: The Athena Foundation will explore with each country ways in which
existing award processes may be utilised*
United Nations Rio+10 Earth Summit
- 2004** **1st global announcement of Earth Champions**
Ceremony to be held in Athens;

1st State of the Planet Report
Presented at the Earth Champions Ceremony;

Knowledge Pond
On line world-wide.
- 2008+** Earth Champions presented every four years.

For further information please contact:

Fiona Mathews
Chief Executive Officer
Athena Foundation
Level 8, 257 Collins Street, Melbourne
Victoria, 3000 Australia
Ph: +61 03 9650 0977
Fx: +61 03 9650 0822
Email: fmathews@bigpond.com





United States Department of State

*Bureau of Oceans and International
Environmental and Scientific Affairs*

Washington, D.C. 20520

June 2, 1997

Fiona Mathews
President, Greenhouse Action Australia
45 Wentworth Street
Randwick
NSW
Australia 2031

Dear Ms. Mathews,

Thank you for your letter regarding the establishment of the *Environment Foundation Millenium 2000*, which was referred to us by Katie McGinty at the Council on Environmental Quality. The vision and purpose for such a foundation is certainly a welcomed contribution to efforts to increase public awareness of our global environment. Your ideas are certainly exciting and complement a growing number of governmental and non-governmental activities to promote actions that will help ensure a health planet for future generations.

I am including a copy of the State Department's recent report on Environmental Diplomacy which I hope you will find useful in your efforts to launch the Foundation. I wish you the best of luck, and look forward to hearing about the progress made in bringing your proposal to fruition.

Sincerely,

A handwritten signature in dark ink, appearing to read "Rafe Pomerance", written over a horizontal line.

Rafe Pomerance
Deputy Assistant Secretary
Environment and Development

Enclosure:
As Stated.

**United Nations Environment Programme**

برنامج الأمم المتحدة للبيئة • 環境保護
PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT • PROGRAMA DE LAS NACIONES UNIDAS PARA EL MEDIO AMBIENTE
ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОХРАНЕ ОКРУЖАЮЩЕЙ СРЕДЫ

NEW YORK OFFICE 2 UN Plaza Room DC2-0803, New York, NY 10017, USATel (212) 963-8210 • Fax: (212) 963-7341 • E-mail info@rona.unep.org • <http://www.rona.unep.org>**TELEFAX TRANSMISSION**

TO: Ms. Fiona Mathews-Kosior
Chief Executive Officer
Athena Foundation Inc.
Washington, DC, USA

DATE: 3 May 2000**FAX No:** 202-234-3309

FROM: Adnan Z. Amin
Director

Page 1 of 1

SUBJECT: Athena Foundation

Dear Fiona,

It was a pleasure to see you again in New York, and hear of the progress you have made in establishing the Athena Foundation and in preparing for the inaugural event.

I would like to express our appreciation for the excellent work that you have done and to confirm that we would be very pleased to be part of this endeavour, and, in particular, to play a role in developing the state of the planet reporting, as well as take part in the selection process.

With best wishes.



**Australian
Conservation
Foundation**

INC ABN 27 507 408 480

340 Gore Street, Fitzroy

Victoria 3065

Ph: 03 9418 1166

Fax: 03 9418 0767

reception@acfonline.org.au

www.acfonline.org.au

6 April 2001

To Whom it may concern

The Australian Conservation Foundation (ACF) is an accredited NGO with both the Commission for Sustainable Development and the United Nations Environment Program, and wishes to participate in the CDS10 in cooperation with the Athena Foundation.

I as Executive Director of the Australian Conservation Foundation, will be ACF's representative to the meeting. Other participants and attendees will include Fiona Mathews, Helen Armitage, Professor Ed Kosior, Barry Huguenon, Fay Otruber, Adela and John Piskora, Beverley Biggerstaff, Martin Gillam, Tim Hatfield, and a number of young people who will be singing, led by Emily Biggerstaff.

We will be having a 15 minute event where the young people and Dr. Noel Brown (former Director of UNEP in the US) will invite the delegates to begin a program, where each delegate takes the invitation back to their country and explores and discusses being part of a national search for their Earth Champions and in 2002 Earth Summit announce their intention to participate. In 2004 the competition is held in Athens.

Yours sincerely,

Don Henry
Executive Director



Athena Foundation

Mission

To inspire the communities of all Nations to salute and promote as champions those dedicated to restoring and sustaining Earth.

Background

"All they give us is rock stars and athletes" was the anguished cry from the son of the Foundation's Chief Executive Officer, Ben Mathews, whose 16 year old friend had just committed suicide because she could not see anyone shaping a future in which she wanted to live.

It was this call to Fiona Mathews that sowed the seed of the Athena Foundation.

Attending the United Nations Commission for Sustainable Development in New York at the time, Fiona was surrounded by inspiring individuals dedicated to making a difference. But Ben was right - these people, and many others like them around the world were almost anonymous, especially to a young generation needing to believe the planet had a future.

Noting the way in which human excellence is celebrated at the Olympics and the way its champions are recognised, Fiona set about creating a global competition to find Earth Champions, role models whose achievements will be announced to the world every four years in the city of the summer Olympics.

Based in Australia, the Foundation was launched in September 2000 with the presentation by Nelson Mandela of the first Earth Champions Award to Gina Litton of West Australia.

The Athena Foundation aims to spend the next 100 years redefining the current concept of a champion to include those dedicated to restoring and sustaining the Earth.



Athena Foundation

Earth ChampionsTM

Earth Champions are people or organisations who have made a significant and positive impact on an environmental issue at a local, national or global level. They may be individuals of any age, or groups of individuals working together. They may be companies, government agencies or non-government organisations.

Anyone rich or poor can be an Earth Champion.

The purpose of Earth Champions is to inspire people, especially youth, and to involve world communities in seeking their own champions who are dedicated to finding solutions to environmental problems. It is unique because the benchmarks are standardised throughout the world and the search is in the hands of the people, rather than remote committees.

All countries of the world will be invited to nominate their representatives of environmental excellence in the categories of:

- national initiative
- corporate project
- community project
- individual project
- indigenous wisdom

A distinguished judging panel comprising representatives from organisations such as the United Nations Environment Program, IUCN and the Nobel Laureates will be established. Criteria will be based on the United Nations Best Practice Protocols. Assessments will also be made utilising Agenda 21 and Triple Bottom Line parameters.

The announcement of the final five Earth Champions will be celebrated at a major event to be held every four years in the city of the Summer Olympics.

These events will be upbeat and positive, displaying human creativity and excellence whilst serving as a reminder that *"doing well by doing good can move the world from a path of exploitation to the path of sustainability"* Ray C Anderson, Interface Inc.



Athena Foundation

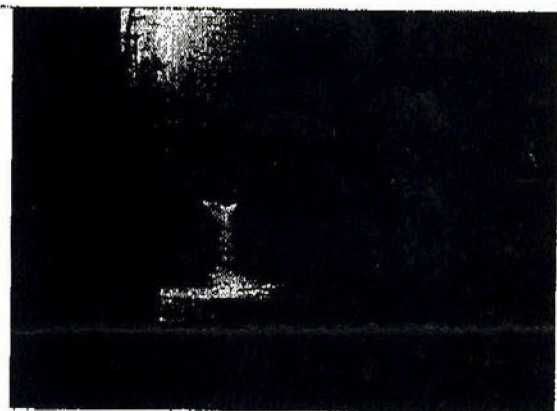
State of the Planet Report

All people are shareholders in the planet. The State of the Planet Report, to be televised and delivered at each Earth Champion Celebration, will act as an audit of the Earth, presented at a 'global general meeting'. Measuring, auditing and reporting to shareholders is crucial to the business of sustaining the planet now and for our future generations.

The State of the Planet Report, featuring the seven major regions of the world and based on the five indicators of water, air, forests, desertification and biodiversity, will be read by eminent and well-known people.

The aim is not to alarm, rather to simply state in a clear and unbiased manner the condition of the earth every four years. Judgement of its progress or otherwise will be up to the 'shareholders'.

The Report sets the scene for the global announcement of the Earth Champions and an acknowledgement of those who are answering the 'call to action' in each nation.





Athena Foundation

Knowledge Pond™

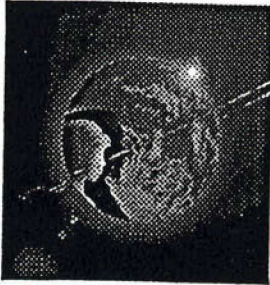
One of the most valuable outcomes of the Earth Champion competitions is the creation of an ever-expanding 'Knowledge Pond'. Earth Champion nominations from every country will be entered into an internet site for access by the world community.

There are no losers in the competition as all information will be recorded on the web or in libraries for all to see and utilise.

Acting as a catalyst for technology transfer, the Pond will be a tool for fostering global interaction especially between countries and communities sharing common problems.

The Pond will also encourage the growing intellectual resource of environmental solutions that will help restore and sustain the planet.





WE ARE ALL IN THIS TOGETHER

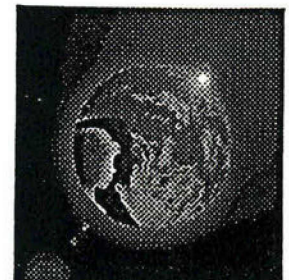
Let me highlight some of the more pressing issues the planet faces:

- Every ten minutes the earth is losing a living species, a quarter of the world's mammal species are at serious risk of extinction, and biological diversity is disappearing at an alarming rate.
- Over 80 percent of the planet's forests have been destroyed or degraded.
- More than forty percent of agricultural land is seriously degraded.
- A fifth of the world do not have access to clean water and fifty percent lack adequate sanitation.
- The world's population has now passed six billion, and the majority of these people live in poverty.

Every person on Earth has the right to clean air, clean water, and a clean and healthy world in which we live. It is imperative that we take action to ensure all vital elements of this precious earth are conserved, or we give no hope to the children of the future. All people are shareholders in this planet. We must work together to reverse the trends of the last one hundred years. Without natural resources, nations will be at war to feed their own people.

**"I want an earth that is healthy, a world at peace,
and a heart filled with love"**

Ekanath Easwaar



Humanity needs a champion

Nelson Mandela appeals for the world to aim as high in social progress and equity as it has in other fields.

THE 20th century was in human history the era of the most outstanding and astounding achievements. Advances in science and technology outstripped the cumulative achievements of all previous centuries.

The limits of human possibility were radically redefined as we made the far reaches of outer space accessible and penetrated the smallest units of matter. Communications and information technology shrunk the planet to a veritable village where geographic separation became increasingly irrelevant for the exchange of knowledge and information.

In that situation of unprecedented progress and with the ability to transmit and share information across barriers and boundaries, one could reasonably have expected that human beings all over the world would have been living in conditions conducive to the fullest development of their potential. The contrary is, however, true. Rather than humanity of the 20th century being a species of universal champions, the divide between those with privilege and those living in penury has increased.

The great arsenal of knowledge and capacity generated by the advances of the century was not effectively used to combat inequity.

We closed the century with an even more marked distinction between the powerful rich nations on the one hand and the poor and marginalised on the other. The majority of people on the planet continue to languish in poverty, subject to the social and physical degradation attendant upon poverty.

That the century closed in that manner is the more disappointing considering that it was also an era marked by the presence on the

world stage of so many champions of freedom and equality.

The process of decolonisation, led by great fighters for freedom and dignity, was a major step towards global equality; the international community, once more under the leadership of some inspired statesmen, created bodies and agencies to guard over peace and freedom and protect the rights of all nations and people. As democracy spread to all parts of the world, there was a growing hope that the rule of the people would lead to greater prosperity and better living conditions for all.

How did we fall these champions of freedom, dignity and equality? Why did we fail to create the conditions for great achievement to be the domain of the many, rather than a select few?

The brave dream with which humanity entered the last century, imbued with the ideal of progress, was of a world of champions, one in which we all would have optimal opportunities to develop our potential to the fullest. It is that relationship of the champion: to the team, the leader to the collective, the achieving individual to the group and community, that has occupied our attention throughout our life.

A recognition that no individual achieves and performs in isolation; must stand at the heart of our reflections on what makes a champion. Those astounding achievements of the past century are the products of the collective labors of human beings at a particular point in time and as the cumulative effect of those of preceding generations.

I was singularly privileged by history and circumstances to have been in a position to make a particular contribution to what has been described as one of the great moral struggles of the past century.

The fight to end apartheid and establish a non-racial democracy in South Africa captured the imagination and enjoyed the support of people from all walks of life in all parts of the world. That struggle on the part of the people of South Africa achieved championship status among the moral endeavors to make of the world a place of freedom, dignity and quality.



Those who were privileged to give leadership to that struggle and gain recognition in the wider world could do so only by the consent of the collective. This recognition of and respect for the collective inspires one to keep the common good constantly in mind.

To achieve those goals to which one is committed and chooses to dedicate one's life, a belief in yourself is essential. That self-belief becomes vain and egotistical, and ultimately self-defeating. If it does not derive from a dedication to and faith in the common goal. The necessary self-belief of the true leader or champion is tempered by the respect for the broader concerns.

We have learnt through the experiences of our life that in all circumstances and in all communities there are to be found good men and women who are prepared to stand up for those common goals and to achieve for the common good.

South Africa has provided an excellent example. When the rest of the world expected our country to get up in flames and in the greatest racial conflagration ever, the presence of such men and women in all our communities contributed to a peaceful solution that is today described as a miracle.

The struggle to change South Africa was in the first place led by the liberation movement, but without the participation and cooperation of all the major political parties and the people of the country, such a peaceful, negotiated political settlement would not have been possible.

If our country achieved in the eyes of the world the status of a "miracle nation", a champion nation of reconciliation, it was once more through the collective efforts of her people. Leaders and leadership were required to mobilise and direct those energies, but the energy came and derived from those good men and women to be found

in all communities and generations. Twenty-first century learning and science will be even more breathtaking and impact on the possibilities. Shall this provide champions of humanity and equality to match success that of the great in the field of science and technology?

As we prepare for the millennium Olympics, it is our fervent hope that the excitement and the universal friendship will be in this century. Let us be conscious of the ideal of making 21st century humanity that species of brothers and sisters, a brotherhood of nations where all share in their great advances and achievements.

This is an edited extract from Nelson Mandela's opening address at the 1994 World Cup in Sydney University.

Athena Foundation



Mission

- To inspire the communities of all Nations to salute and promote as champions those dedicated to restoring and sustaining Earth.



Background



- *The catalyst for the Athena Foundation was the suicide of a young Australian woman who despaired about the lack of anyone shaping a future in which she wanted to live.*
- ***“How are we meant to be inspired when all we get offered is rock stars and athletes?”*** asked a young friend.
- Athena Foundation was established to introduce the concept of finding and promoting environmental champions in the spirit of the Olympics.
- Athena Foundation was launched in Melbourne and the first Earth Champion Award presented by **Nelson Mandela** to 20 year old **Gina Litton**, in September 2000.

Earth Champions™



- **Call to Action for all Nations and communities to nominate their outstanding champions in environmental excellence.**

Earth Champions is unique because:

- It is a **global competition**.
- It **simplifies and disseminates** UN Best Practice Protocols (including triple bottom line) to “grass roots” level.
- **International judging panel** comprising United Nations Environment Program, IUCN and Nobel Laureates.
- Winners announced every four years. The first event will be held in **Athens 2004**.
- The search is left to the people, in the spirit of the Olympics.
- **Anyone can be an Earth Champion.**

Excellence Categories



Each country is invited to nominate examples of environmental excellence in **five** categories.

- **National initiative** -Government nominated.
- **Corporate Project** - Corporations nominate.
- **Community Project**- Local Government nominated.
- **Individual initiative**- Community nominated for an '**Unsung Hero**'. (Achievable mentor for youth)
- **Indigenous Wisdom** Award for life cycle awareness.

Assessment Methods

- **A steering Committee** will comprise of UN Environment Program, I.U.C.N. and Nobel laureates.
- **Distinguished judging panel** assembled by invitation.
- **“Living Criteria’ will be based on UNEP Best Practice standards** and protocols including Agenda 21.
- **Triple bottom line assessment** - economic, social and environmental.
- **Holistic, ethical and intergenerational** assessment.

State of the Planet Report



- **Globally televised event.**
- **Audit of the vital signs of Earth** delivered to the shareholders i.e. world community.
Using the five indicators established by UNEP for the seven regions of Earth:
Water, Air, Desertification, Biodiversity, Forests
- Delivered at the Earth Champions celebration
- Presented by **popular and distinguished people** from around the world.
- The information source, based on the UN's "Global Environment Outlook", is updated every four years.

Knowledge Pond™



- One of the most **valuable outcomes** of the Earth Champions competition will be an **Internet database** of all Earth Champions nominations
- Information will be accessible to the world community on an **interactive website**.
- The Knowledge Pond will be a catalyst for **technology transfer** facilitated by the UN.
- There are **no losers** in the Earth Champions competition because all nominations will be entered into the Knowledge Pond.

Structure

- The Foundation is an incorporated body registered under the Corporations (Victoria) Act 1990. It is an official charitable organisation. It is non-political, not for profit and tax exempt. The Foundation's Board currently consists of five directors:

Dr Brian Robinson, Chairman

Chairman of State Government of Victoria's Environment Protection Authority;

Dr Noel Brown

Former Director of UNEP for the Americas, former Professor of International Law at Yale University;

Dr Edward de Bono

Distinguished author of 63 books on creative management thinking and inventor of the term 'lateral thinking';

Fiona Mathews

Foundation Chief Executive. Former ABC reporter and correspondent, former public relations executive for Memtec, now Vivendi, previously served on UN committees;

Professor Edward Kosior

Research and Technology Manager Visy Recycling, leader of academic research in environmental technology at Swinburne University.

Support Organisations

Active support for the Foundation's activities has already been received from a number of organisations and individuals, including:

- ***United Nations Environment Program***
- ***IUCN - World Conservation Union***
- ***Nobel Laureates***
- ***State Government of Victoria***
- ***Andrews Foundation/De Bono Institute***
- ***Schumacher Institute***

Timelines

Earth Champions

- Announcement of Earth Champions and global launch of Athena Foundation: 1st May **2001** – New York United Nations Commission for Sustainable Development Meeting
- Official Invitation to all Nations – start of the search for Earth Champions: September **2002** - Johannesburg, United Nations Rio+10 Global Summit
- 1st Global announcement of Earth Champions: **Athens 2004**

1st State of the Planet Report

- Delivered at the Earth Champions Ceremony: **Athens 2004**

Knowledge Pond

- On line:

World-wide 2004

Humanity needs a champion

Nelson Mandela
appeals for the world
to aim as high in social
progress and equity as
it has in other fields.

THE 20th century was in human history the era of the most outstanding and astounding achievements. Advances in science and technology outstripped the cumulative achievements of all previous centuries.

The limits of human possibility were radically redefined as we made the far reaches of outer space accessible and penetrated the smallest units of matter. Communications and information technology shrunk the planet to a veritable village where geographic separation became increasingly irrelevant for the exchange of knowledge and information.

In that situation of unprecedented progress and with the ability to transmit and share information across barriers and boundaries, one could reasonably have expected that human beings all over the world would have been living in conditions conducive to the fullest development of their potential. The contrary is, however, true. Rather than humanity of the 20th century being a species of universal champions, the divide between those with privilege and those living in penury has increased.

The great arsenal of knowledge and capacity generated by the advances of the century was not effectively used to combat inequity.

We closed the century with an even more marked distinction between the powerful rich nations on the one hand and the poor and marginalised on the other. The majority of people on the planet continue to languish in poverty, subject to the social and physical degradation attendant upon poverty.

That the century closed in that manner is the more disappointing considering that it was also an era marked by the presence on the

world stage of so many champions of freedom and equality.

The process of decolonisation, led by great fighters for freedom and dignity, was a major step towards global equality; the international community, once more under the leadership of some inspired statesmen, created bodies and agencies to guard over peace and freedom and protect the rights of all nations and people. As democracy spread to all parts of the world, there was a growing hope that the rule of the people would lead to greater prosperity and better living conditions for all.

How did we fail those champions of freedom, dignity and equality? Why did we fail to create the conditions for great achievement to be the domain of the many, rather than a select few?

The brave dream with which humanity entered the last century, imbued with the ideal of progress, was of a world of champions, one in which we all would have optimal opportunities to develop our potential to the fullest. It is that relationship of the champion: to the team, the leader to the collective, the achieving individual to the group and community, that has occupied our attention throughout our life.

A recognition that no individual achieves and performs in isolation; must stand at the heart of our reflections on what makes a champion. Those astounding achievements of the past century are the products of the collective labors of human beings at a particular point in time and as the cumulative effect of those of preceding generations.

I was singularly privileged by history and circumstances to have been in a position to make a particular contribution to what has been described as one of the great moral struggles of the past century.

The fight to end apartheid and establish a non-racial democracy in South Africa captured the imagination and enjoyed the support of people from all walks of life in all parts of the world. That struggle on the part of the people of South Africa achieved champion ship status among the moral endeavors to make of the world a place of freedom, dignity and quality.



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As we prepare for the 21st century, let us have the fervent hope that the excitement and achievement and the universal friendship will be in this century. Let us be of the ideal of making 21st century humanity that species of brotherhood and brotherhood where all share in the great advances and achievements.

This is an edited extract of Nelson Mandela's opening address at the Sydney University.



Gloria Davis

Subject: Safeguards: Next Steps

06/14/2001 06:09 PM
82750 ENV

Please find attached, a very preliminary draft of the Safeguards Vision Paper - now called Next Steps. If you want an opportunity to quickly comment before I formally forward it to OPS and ESSD next Wednesday, June 20, this would be your chance.

The meeting originally scheduled for Monday to go over key issues has been cancelled.



Safeguards, Next Steps, 14 june.c

To: Kristalina I. Georgieva
Stephen F. Lintner
Michele E. De Nevers
Colin Bruce
Maninder S. Gill

June 14, 2001
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Safeguards: Next Steps

INTRODUCTION

The Context

There is good news in the safeguards story. As the ESSD Update on safeguards indicates, there has been considerable progress in improving the Bank's safeguards system over the past year. In particular, measures to clarify policies, enhance review systems, and strengthen regional accountability, have brought more coherence and consistency to the safeguard system applied by the Bank. In addition, recent client consultations on the Cost of Doing Business report demonstrate growing acceptance of the principles underlying safeguard policies and increasing recognition that the specific provisions of the policies can promote equity and speed the acceptance of development operations.

Yet, in spite of this forward motion, problems also remain. As the Cost of Doing Business report indicates, Borrowers are frustrated by the complexity of Bank policies and their internal inconsistencies, as well as by differences between donor requirements. They find the process of compliance costly, both financially and in terms of delays caused by Bank review. Most of all, they question why policies cannot be more aligned with their own legal frameworks and more consistent with the comprehensive development framework which envisions partnerships with Borrowers and builds capacity over time.

At the same time, policy advocates who have encouraged high standards and looked to the Bank to pursue them, claim that the Bank does not do enough to ensure that its policies are followed particularly during implementation, and recent fora such as the World Dams commission report and the Forestry Policy debate have made compelling cases for raising, not adjusting the bar.

With declining resources, both operational and technical staff feel caught in the middle, willing to promote attention to safeguards, but finding this possible only at the expense of other development objectives. Technical staff are also increasingly concerned that with the accelerated pace of preparation some reviews come too late to be helpful, and they recognize that the increased use of new lending instruments will require new approaches and possibly redeployment of resources if the Bank's safeguards are to have maximum effect.

One thing on which all stakeholders agree is that in the present safeguards system there is too much attention to upfront preparation, too little to implementation and results.

Purpose of this Report

In a paper sent by Bank management to the Board of Executive Directors in June 2000, the Bank acknowledged a tension between two trends: "... toward clearer articulation and better implementation of project-based safeguard policies on the one hand, and toward greater focus on country programs and capacity building on the other...." and it suggested that "there would be considerable benefits to looking at these trends together

with a view to promoting synthesis and synergies.” (p.5). A number of issues were proposed for discussion. These included: a) how to increase the development impact of safeguard policies; b) how to manage the linkages between the Bank’s environmental and social safeguards; and c) whether and how to define minimum standards.¹

This report provides a roadmap for ways in which these issues, and others, might be addressed. Written at the request of OPS and the ESSD Quality Assurance and Compliance Unit, it sets out a framework for advancing our work on safeguards over the next several years. Basically the report recommends actions on two fronts. First, continuing the internal effort to put our own house in order, by making the case for safeguards more convincing, and making our policies more accessible and implementable, and our processes more consistent and effective. Most of this is already underway, but not all. Second, moving more systematically to a systems building approach, aligned with other elements of our development work, which would build Borrower capacity to take social and environmental impacts into account in their own development programs and provide incentives for doing so. To be most effective this effort would need to be aligned with other donor initiatives to harmonize policies and build borrower capacity.

This report is intended to complement the end-year update on measures to enhance safeguard review and compliance and to provide direction for the future work on safeguards. Specifically, subsequent sections of this report recommend that the Bank give increased attention to:

- (a) *Making the Case* – by reaffirming safeguard objectives and linking them more clearly to the mission of the Bank, and by improving the analytical underpinnings and business case for attention to safeguards.
- (b) *Harmonizing Policies and Practices* – by aligning safeguard policies and making their principles more widely accepted through a harmonization effort including both donors and clients;
- (c) *Building Safeguard Systems in Client Countries* - by supporting ongoing capacity building initiatives and creating incentives and rewards for good performance, and by exploring new ways to delegate responsibility and accountability increasingly to Borrowers with proven capacity.

The following note describes each of these points, in turn, and it presents a timetable and work program for moving forward. It sets out actions to be taken by the Bank over the next year - in anticipation of the Rio +10 Summit in Johannesburg, South Africa; and over the next five years, when a pilot program for systems building would be put in place.

In the current context, some stakeholders will be suspicious that this an initiative to “water down” attention to safeguard policies, and for this reason, as we go forward we should make a special effort to make our work and our motives transparent. We should reaffirm our commitment to the safeguards system while exploring ways to increase the development impact of safeguards by mainstreaming them in Borrower programs. We must also find ways to deal openly with contentious and difficult issues.

¹ See Country Focus and Safeguard Policies: Institutional Issues, June 12, 2000.

I. MAKING THE CASE

Somehow, in the minutia and scrutiny of safeguards policies, an important principle has been lost. That is, that safeguard policies -- which are meant to avoid or minimize adverse impacts on the environment and to ensure that poor people, in particular, are not made worse off by development -- are an important element of the Bank's program to reduce poverty and promote sustainable development. That many people have a stake in these policies is evident from the attention they attract (in relation to procurement, for example) and this in turn is a testament to the increasing importance which the public attaches to equity and sustainability.

Yet in many Borrowing countries, and even within the Bank, there is considerable confusion about what these policies entail and skepticism about whether their benefits are worth their costs. Obviously, in the end, safeguard policies will be justified by Borrower adoption in the own programs and their results on the ground, but the environment for safeguards could be significantly improved by restating in plain language what safeguard objectives and procedures entail, and by strengthening the analytical underpinnings of and business case for safeguard policies. Not only would this make safeguards more accessible and potentially more credible, but it is a precondition to further actions which might otherwise be seen as efforts to weaken the safeguard structure.

Clarifying Values, Objectives and Procedures

Many businesses and public sector institutions, including the Bank, have adopted mission statements explaining what they do and why they do it, statements which explain how components of their program are related to overall institutional objectives.

To move the safeguards agenda forward, to clarify essential elements without cumbersome policy changes, and to dispel doubts about our intentions, it would be helpful to adopt a statement of principles setting out core values and objectives. Such a position statement would likely include the following elements (with new items in *italics*).

- A value statement linking safeguards to the mission of the Bank
- A statement of our intention to deal with both the environmental *and social* impacts of the operations we support
- Reaffirmation of our commitment to:
 - Participatory processes and disclosure of information
 - The principles and procedures set out in existing safeguard policies
- A brief statement of the implications for the way we work.

One possible approach is suggested in Box 1. This draft statement is indicative only and a final draft would need to be further elaborated by a Bank-wide team. This statement could be a subordinate part of an overall mission statement on sustainable development or a freestanding product. Ideally it would be agreed and adopted by the Rio +10 Summit in Johannesburg in the fall of 2002.

Box 1. Draft Statement of Principles

The World Bank is committed to poverty reduction and sustainable development, and it recognizes that its objectives cannot be achieved without due consideration to the social and environmental impacts of the operations it supports.

For this reason, the Bank:

- supports projects with positive social and environmental impacts;
- limits its participation in projects with significant or irreversible environmental impacts or significant adverse social impacts, especially upon the poor;
- and where such impacts are unavoidable, supports Borrower efforts to minimize and mitigate them to the extent feasible.

(We recognize that these objectives are easier to achieve in projects which have broad public benefits and limited environmental and social costs, and that it is more difficult in some types of reform and adjustment operations with economy and society-wide impacts, where we need new tools both for analysis and mitigation).

To ensure that adverse impacts are identified, evaluated and mitigated in its lending operations, the Bank requires that Borrowers:

- (i) disclose relevant information and consult with directly affected peoples and other stakeholder groups about the potential impacts of Bank assisted operations and take account of their views in project design and implementation;
- (ii) observe the requirements of specific safeguard policies (e.g. EA, dams, pesticides, conversion of natural habitats, forest management, resettlement, indigenous peoples and cultural property) when there are impacts in these areas.

It also supports its clients, in ways that they request, to develop their capacity to meet these objectives.

To facilitate the work of the Borrower, the Bank reaffirms its commitment to provide clear, consistent and rapid advice on safeguard issues and to help Borrowers identify the financial and technical support they require for addressing safeguard concerns.

While developing this position statement, it would also be useful to clarify due diligence, making clear what the Borrower's responsibilities are, and what the Bank does to support its clients. This would also be an opportunity to formally endorse procedures already largely agreed, but not incorporated into specific policies; and to stress the importance of upstream involvement and the role of managers in ensuring this.

Key elements of a statement on due diligence might therefore include:

- A brief clarification of the role of Bank and Borrower
- Increased emphasis the importance of upstream dialogue and the role of country and sector directors
- Formal recognition of procedures not in specific policies, for example, *upstream environmental and social reconnaissance*
- Formal acknowledgement of a *safeguards panel* intended to speed review

- Expectations about judgment and accountability.

A provisional statement of due diligence is included in Box 2. A working draft would be prepared by a Bank-wide team.

Box 2. Draft Statement of Bank Due Diligence

Preparation and implementation of projects are the responsibility of the Borrower. But the Bank supports the Borrower and ensures the effective implementation of its safeguards policies in the following ways.

In its country dialogue, the country director informs the Borrower about safeguard objectives and procedures, and discusses implications for project support and for country capacity building. *Relevant information is included in the CAS.*

In its sectoral dialogue, Bank staff ensure that agencies preparing projects for Bank support are aware of safeguard principles and requirements, and that they have the means to comply with them. Such judgments may be informed by *sectoral assessments carried out by the Borrower*.

Early in the project cycle, the task manager provides relevant information on safeguards to the project preparation team and they ensure that the borrower has the capacity to incorporate safeguards concerns into project preparation where relevant.

Where there may be significant adverse impacts in a specific operation, the Bank undertakes an early on-the-ground reconnaissance to determine the extent of the impacts and measures the Borrower should take to address them.

The task manager is responsible for fully disclosing safeguard issues in project documents and working with the Borrower to ensure they are disclosed within the country in a timely manner.

During appraisal the task team ensures that the provisions of key safeguard policies have been met and that the Borrower has adequate capacity to meet its commitments. At the decision meeting pertinent safeguard issues are disclosed and discussed.

Regional management is responsible for putting systems in place to ensure compliance with Bank standards and processes and for providing adequate resources to prepare, appraise and supervise safeguard requirements.

Regional management reviews, endorses, and is accountable for the judgment of technical and task teams and where questions arise it refers them to the *safeguards panel*.

Exceptions to Bank policies can be made only with the consent of the Managing Directors or the Board of Executive Directors.

Of the new measures noted above, most are agreed and in place, but several are new and require further elaboration and justification. The proposal for integrated environmental and social assessment will be discussed in detail in the next section. Sectoral assessments would be beneficial where a pipeline of support is anticipated or a Borrower intends to focus on capacity building. The recommendations for upstream technical reconnaissance, along the lines of procedures now in place in the Asian Development Bank, would go a long way to addressing technical concerns about late interventions, to resolving important issues early in the project cycle, and to signaling our intent to improve current practice. Incremental funding for such reconnaissance would need to be identified and might be allocated from QACU for important projects in order to establish Bank-wide priorities. The safeguards panel is already functioning, but is not

widely known. Whether these elements, among others, are included in the statement of due diligence would be determined as the draft moves forward.

Making the Analytical Case

In spite of the attention given to safeguards, the analytical underpinnings safeguards are weak and the business case has yet to be made by the Bank. Under the circumstances there is an urgent need to make the case for safeguards in order to persuade a skeptical audience of their importance and value. The Bank has several upcoming opportunities to do this: in the 2002 WDR on sustainability, which provides an opportunity to strengthen analytical basis for the approach, and through an ongoing exercise to make the business case for safeguards. The status of these initiatives is elaborated briefly below – and alignment between them is important.

WDR 2002.

The WDR 2002 on sustainable development will be a particularly important document for defining the way forward. It will be the first major Bank position paper on this issue since the 1992 WDR prepared for the Rio Summit, and its release will coincide with the Rio +10 assembly on sustainable development in Johannesburg, South Africa.

As it is currently evolving, the focus of the document will be on the perceived antagonism between growth and sustainable development. The document will likely argue that the concepts should be merged with a number of important implications. First, that sustainability is not a steady state or stewardship concept, but one that depends on social and technological transformations. Second, that technology, preferences and institutions are not exogenous but endogenous, and that failures from the perspective of sustainability are because we do not have the right incentives and institutions – particularly for collective action.

The WDR team recognizes that safeguards have played an important role in balancing market forces and are, in this sense, an example of rules (institutions) contributing to equity and sustainability. The desire would be to understand whether there are other and more effective mechanisms to reinforce this type of regulatory approach and what the role of safeguards is and should be in the future. Wherever this argument comes out it can have an important impact on safeguards discussions.

In order to facilitate a more in depth look at safeguards, we are exploring options to obtain incremental resources to be used by DEC for this purpose. Decisions would need to be made quickly about human and financial resources since this work will be completed over the next six months.

Making the Business Case

There is also a business case for safeguards, but it has yet to be effectively made. For Bank clients, in addition to improving the quality of the environment and the equity of development initiatives, a credible set of environmental laws, regulations and enforcement system can be a powerful incentive for attracting both domestic and foreign investment. In many cases, foreign investors look at a country's environmental management system as an indicator of the overall rule of law, fair competition and a

level playing field. A sound environmental management system can make a positive contribution to the overall investment climate.

For the Bank, the business case is equally important. Safeguards are needed both to achieve fundamental institutional goals of equity and sustainability, and to avoid reputational risk. Additional incentives for developing and documenting the Bank's environmental and social management system, including its safeguard system, are tied to a new process of public reporting and verification that are designed to position the Bank as a "triple bottom line" organization, that is, one that pays attention to social and environmental performance as well as financial returns,

Here, again, the business case is strong. Increasingly, investors and consumers are evaluating companies' environmental and social performance along with traditional financial measures. A host of rating systems provide rankings and public evaluations of company performance in these areas. These rating systems typically assess an institutions "footprint", or direct impact on the environment, as well as its strategy for environmental and social management, the transparency of the system, and accountability to external stakeholders as evidenced by independent external verification.

In anticipation of this triple bottom line exercise, it would be useful to develop the business case for safeguards more systematically, to pursue improvements in the existing safeguard systems, and introduce a number of new measures – some of which will be discussed in the next sections of this report. This exercise is being lead by Michele de Nevers and documentation should be available by the Summit in Johannesburg.

II. IMPROVING POLICIES AND PRACTICES

This section of the paper notes a number of policy related issues including some which are generic (see Box 3) and others which were raised specifically in the *Country Focus* paper. It acknowledges that change will be difficult, given strong interests on the part of many stakeholders, but recommends specific steps which could be taken by the Bank to move forward in the context of a donor harmonization effort focused on an Environmental and Social Impact Assessment.

Box 3. Selected Issues in Safeguard Policies

Alignment between Bank Policies. Bank safeguards policies differ in content and structure. EA covers all environmental impacts, but only selected social impacts. The EA policy sets out a process aimed at mitigating adverse impacts, but contains little concrete guidance on standards and requirements for how this is done. This information is included in other policies (pest management and cultural property) and in good practice documents (e.g. pollution abatement or the management of hazardous wastes), and in some areas there is no formal guidance at all (consultation procedures). While some policies specify broad conditions for working in a sector and have few processing requirements (e.g. the forestry policy), others have highly specified procedures to be followed by both Borrower and the Bank (e.g. resettlement). Some policies specify thresholds, but most do not; and some generate mitigation plans, but not all. Although there is an ongoing effort to standardize consultation and disclosure requirements, minor differences between policies are confusing to staff and borrowers.

Alignment with Borrower Policies. While the CODB report shows increasing appreciation for the principles underlying safeguard policies, Borrowers have problems with many specific provisions. For example, many borrowers object to the idea of looking at "all feasible alternatives" in projects with an "A" classification, since the complex process of selecting and locating projects is normally finished by the time the project is submitted to the Bank. Borrowers also have difficulty in some cases reconciling the standards for compensation in Bank projects with standards in their own programs, arguing that higher levels are not affordable and that the Bank should take more account of country circumstances, rather than encourage two standards. First. And the emphasis on process, informed by disclosure and consultation are often seen as reflecting an American faith in the merits of public participation which is not shared by all developing countries, nor all developed ones.

Alignment Between Donor Policies. Donors also have different approaches reflecting different histories and legal frameworks. For example, investigation of alternatives and models for public participation vary from agency to agency, and in some areas, notably in social areas such as worker health and safety, gender and child labor some institutions have policies which are more comprehensive than those of the Bank. (To be expanded by Art?)

Key Issues in Safeguard Policies

The paper "*Country Focus and Safeguard Policies: Institutional Issues*", which was sent to the Executive Directors in June 2000, describes the history of the Bank's safeguard policies and notes a number of outstanding issues which are a result of the historical legacy of policies in place when safeguard policies were defined. Among the specific issues identified in the paper were those related to (a) social coverage and the linkage between environmental assessment and social assessment; and of b) minimum acceptable standards. Since this report was written increased attention has also been

given to the question of adapting safeguard policies to new lending instruments. This section addresses each of these issues in turn.

Social Coverage. Of the range of social issues which might be covered by an EA, only resettlement and indigenous people (the subjects of existing policies) are mentioned in a footnote in the EA policy, and they often do not figure in project classification. Other adverse impacts on land and incomes are not explicitly mentioned in the policy, and they are seldom covered in practice unless they also raise specific environmental concerns. Moreover, in areas such as worker health and safety, and child labor, some multi-lateral institutions have more explicit assessment requirements as part of their EIA policies than the Bank.

Since internationally recognized EIAs already incorporate many social concerns, particularly those related to land acquisition and resettlement, and worker health and safety, this report recommends that the Bank move toward an integrated impact assessment process to identify direct adverse environmental and social impacts induced by investment projects, and that such a process involve both environmental and social expertise as required. It also recommends that any future efforts to harmonize donor requirements cover both environmental and social impacts under a common umbrella. We have provisionally called this an Environmental and Social Safeguards Assessment (ESSA) to distinguish it from other forms of impact assessment already underway in the Bank (in PRSCs, etc). We also recognize, that it will be difficult to expand coverage, unless there are opportunities for prioritization (see Box 4).

Box 4. Coverage and Selectivity

In development work, there is an emerging understanding that while analysis should be comprehensive, attention to issues must be selective, focusing on those areas with the greatest potential for action and taking into account the Borrower's capacity to absorb and internalize reforms.

If applied to the safeguards context, early safeguard reconnaissance would review all potentially important adverse impacts on people and the environment (this would be comprehensive) and from this, decisions would be taken on how to follow up, taking account of the significance of the impact, the feasibility of mitigation, and the capacity of the borrower to follow up (this would be selective, within clearly defined limits). Where impacts are very significant, but capacity to address them is very weak, the project would not go forward.

The problem is that this takes judgment and stakeholders differ strongly in the weight they give to different elements, in their judgment about the adequacy of mitigation proposals, and in some cases whether a project should proceed. Environmental assessment anticipates this problem by setting out a process to gather information and to get the views of all stakeholders on impacts and priorities. It does not and cannot determine what the exact decisions will be, although guidance is available on good practice and, in some cases, is reinforced by specific safeguard policies (impacts on natural habitats and resettlement, for example).

Recently, however, this system has been breaking down as policies and processes have become increasingly legalistic and prescriptive and the idea of tradeoffs and selectivity have been discouraged. At the same time conflicts are increasing between donors, borrowers and policy advocates who are playing by different rules of the game – some with absolute standards which should always be imposed at the highest feasible level, others with more relative ones. If we are to move forward this problem must be explicitly and transparently addressed.

At this time, the Bank is also developing a policy on social analysis which belongs to a suite of policies on economic, institutional and financial analysis and which will help mainstream attention to the human and social dimensions of Bank work. The primary objective of social analysis as defined in the draft policy is: *"to improve development effectiveness by helping borrower countries design and implement strategies for enhancing social inclusion, security and empowerment of their citizens"*. This policy is expected to have an important place in poverty alleviation efforts. As ESSAs would deal only with a narrow subset of social concerns – those focused on direct adverse impacts, it would complement and, in some cases, contribute to wider efforts at social analysis.

Minimum Standards

The paper on Country Focus and the Cost of Doing Business report both mention the possibility of minimum standards for safeguard policies. The presumption is that we should be able to distinguish between essential elements (or minimum standards) which should always be observed under all circumstances (i.e., you cannot procure class A (hazardous) pesticides, ever) and those that may be applied with discretion (when preparation of a pest management plan is required) In theory, such standards could and should be built into individual safeguard policies.

Some safeguard policies already embody the concept of thresholds. The EA policy, for example, classifies impacts (A,B,C) and requires more work where impacts are more severe. It also recognizes that different approaches are needed for projects which have direct, geographically specific impacts and those that go through financial intermediaries. Some other policies also recognize "significance" as a trigger, although acknowledging that it is tricky to define. But not all policies set thresholds, often with good reason, and it would be difficult in the current climate for the Bank to reduce standards which it has already set.

Rather than look at "minimum standards" for Bank policies, it might be possible to move more quickly and effectively, and with more positive results, in the context of a donor harmonization effort to define the essential elements of good practice in areas covered by an integrated safeguard assessment process. The purpose of such an exercise would be to define core elements to be covered and minimum guidelines for individual elements to which all donors could agree. It would also explicitly recognizing areas where some donors have additional, presumably higher requirements. A very preliminary, and oversimplified indication of what this might look like is shown for resettlement (see Box 5, below)

This approach would have the potential benefit of providing a floor that all donors and borrowers could be encouraged to reach in their own programs. Of course, it might also cause donors, including the Bank to look at outliers, and debate them. But it does not go without saying that they would or should change their requirements unless the justification is clear and broadly accepted. In resettlement, for example, it would be difficult for the Bank to change provisions intended to protect poor people in light of its poverty mandate. In any case, the ability and opportunity to weigh and compare are essential to the sound evolution of any comprehensive safeguard system.

Box 5. Essential Elements of a Land Acquisition and Resettlement Policy

Principle:

- All people should be fairly compensated and poor people should not be further impoverished by loss of land and/or assets taken for development purposes.

Essential Policy Elements (for all donors and borrowers).

- Compensation for land and other assets should be based on replacement value.
- In addition to compensation, resettlement assistance should be provided to poor people where necessary to ensure income restoration.
- Directly affected groups should be consulted on decisions which affect them.

Specific World Bank Requirements:

- Applies to people regardless of legal status
- Applies to people affected by the designation of parks and protected areas.
- Bank policy also has specific definitions and processes

New Instruments

When safeguard policies were developed, projects typically involved large-scale construction (dams, transport systems), had direct and localized impacts, and had long gestation periods which allowed mitigation plans to be fully prepared. In such projects national agencies were responsible for preparation and implementation, and the Bank was often involved from the outset in preparation, allowing a consensus on needed preparation activities. Technical support could be imported where capacity was lacking (See Box 6). In the past decade the portfolio has significantly changed. The Bank has very few large infrastructure projects (these are mainly in Asia), and programmatic lending and community-based initiatives have increased, both of which require new ways of thinking about safeguards.

Of the two, the management of safeguards in community driven development (CDD) projects is easier to address. Most of these projects have only limited adverse impacts, but since these can be important in the aggregate, appropriate mechanisms are needed to manage them. Given concerns about dispersed and weak capacity at the local level, the first choice is to keep CDD "clean" to the extent possible; that is, to reduce the likelihood of adverse impacts through a negative list of sub-projects which could be harmful and will not be supported (conversion of natural habitats, procurements of pesticides and the like). This approach has already been tried successfully in the Indonesia: Sub-District Development Program. Second, where essential elements of a program have specific environmental impacts (drilling bore holes for water supply, for example) and technical support will be needed implement such components, arrangements should be made to ensure that agency and private sector providers have clear guidelines and are able to take environmental and social concerns into account in their work. This could be checked through ex-post audits. While it is desirable to educate villagers and local officials about environmental and social concerns, and this can be done in part through the above provisions which would be known to communities,

one should not overstate expectations for fully internalizing environmental concerns in CDD projects which involve tens of thousands of villages and thousands of officials.

Issues in programmatic and adjustment lending are more difficult to address. Programmatic lending may involve financing for a series of projects (APLs for example), Programmatic Structural Adjustment Loans and Credits (PSALs/PSACs), or new approaches to low income countries, for example Poverty Reduction Support Credits (PRSCs). In general, such loans are usually prepared quickly on the basis of previous analytical work and they are disbursed in tranches when specific requirements have been met.

In adapting safeguards to specific Bank lending instruments, it is clear that projects which have direct and geographically-specific adverse impacts (in environment and selected social areas) require mitigation measures. It is also broadly agreed that where project have indirect or economy-wide impacts, which are not amenable to direct mitigation, a learning approach is required to determine how to proceed (see below). But there are also many projects in the middle and the distinction is often blurred. For example in APLs and SILs which strengthen institutions (in transport sector) direct impacts on the environment and the poor may increase as programs expand. Since the level of detail in safeguard policies is not a good fit with programmatic loans addressing broad policy issues, they are often ignored. It is possible, however, that if safeguard principles could be agreed, along the lines set out in the previous section (cf. Box 5) that it would be possible to introduce such principles (without the procedural specifics) into the policy dialogue and this should be pursued.

Where impacts are indirect and sector or economy-wide, the Bank will need to do more to develop the technical expertise to understand potential impacts, prioritize and learn from experience what can be done.^{/2} (FN) To this end, the Environment Department has recommended that each region commit the services of a senior economist with a good knowledge of environmental issues to review all adjustment loans and make recommendations for action. In light of resource requirements, it might be more feasible to establish environmental expertise initially in QACU (the Quality Assurance and Compliance Unit). This recommendation would require management approval and has resource implications.

Social impacts may need to be handled differently. Recently a joint implementation committee (JIC), consisting of IMF and Bank staff, has been reviewing the social impacts of PRSCs and PSALs. This effort covers positive and negative impacts and issues related to equity and distribution as well as adverse impacts. But since it brings together staff from several families (e.g. SD, SP and PREM), and since such expertise is extremely limited in the Bank, it should probably not be replicated in QACU at this time. Regardless of where the review is done and by whom, however, the intention should be to both provide timely advice on key impacts of policy and program lending, and to learn from experience, make impacts more predictable, and develop a menu of potential mitigation options suited to the instruments involved

[Footnote /2 There has been some discussion about addressing environmental and social impacts in program loans by moving upstream in our understanding of issues. In the recent past, about 20 sectoral environmental assessments have been done, in part, to guide programmatic lending. But this may not be feasible except in the largest and best established sectors and the

challenge remains to more systematically identify and address important impacts in individual operations which the Bank supports.]

Box 6. Different Bank Instruments Require Different Approaches

<i>Type of Instrument</i>	<i>Characteristics</i>	<i>Recommendations</i>
<i>Projects (esp. Infrastructure) (This is proto type for safeguard policies)</i>	National benefits/Localized costs/Long gestation periods Impacts are: Predictable Often large in scale Geographically specific Mediation technically feasible Capacity exists	Can be improved by: Clarifying thresholds and minimum standards Putting more emphasis on Borrower capacity
<i>SALs, SECALs, PRSCs</i>	Economy-wide benefits and costs/Short gestation Impacts may not be predictable Mediation measures may be unaffordable or not technically known	Should be addressed in country dialogue /sector EAs Will require, upfront specialized input (<i>in QACUor regions</i>) Needs rigorous ex-post analysis & learning
<i>Community driven development (CDD)</i>	Many small scale impacts Limited local capacity Follow-up is difficult	Negative List Guidance to private sector Ex-post review
<i>Emergency Relief</i>	Exceptions permitted in natural disasters and conflict	Exceptional situations could be better defined.

Harmonization and Alignment of Policies

Harmonization of policy requirements between donors, and alignment of donor and country requirements can be important forces for both understanding and underwriting compliance with safeguard policies. As the Harmonization paper sent to the Development Committee (April 2001) (FN -) notes: "aid recipients cite differences in donor operational policies and procedures as the single most important impediment to the effectiveness of external development assistance." For this reason, there have been increasing calls for donors to harmonize the requirements as one way of reducing the transaction costs of development assistance. Three priority areas were identified for work on harmonization: procurement, financial management and environmental assessment.

In April 2001, the Development Committee endorsed this recommendation encouraging "all development partners to rely increasingly on the borrower government's own planning and budgetary processes, helping strengthen these systems and processes where needed, and to work with developing countries to develop common good-practice approaches for procurement, financial management and environmental assessments."

Over the past few years, there has been a considerable amount of work done on alignment of EA policies, particularly between the Multilateral Development Banks. Among the MDBs, EA policies are now relatively consistent, with some outstanding differences related to the treatment of alternatives, consultation and disclosure requirements, and the coverage of social issues. Less work has been done on other safeguards policies, with the exception of a donor coordination effort on resettlement carried out in Asia between the Bank and ADB. Building on this base, an effort could now be made to distill the key elements of an Environmental and Social Safeguard Assessment Process which is common to the larger agencies and the most advanced clients.

Box 7. Principles of Good Practice for Environmental and Social Assessment

Purpose: To define essential elements of EA and document specific donor requirements

Essential Elements (Minimum for all borrowers and donors)

Coverage:

Significant Adverse Environmental Impacts Involving:

- Natural Ecosystems (Biodiversity, Forests, Water Resources)
- Human Health and Eco-system Functions (Large Dams, Pollution, Toxic and Hazardous Waste)
- Global Commons (Climate Change, International Waters)

Significant Social Impacts Involving:

- Income and Welfare (Resettlement, other)
- Traditions and Cultural Property
- Working Conditions (Occupational risk, child and forced labor)

Processes

- Screening and classification
- Analytical work and reporting requirements (inc mitigation plans)
- Consultation and Disclosure
- Implementation Monitoring

Specific Borrower Requirements (to be defined)

Presentation of framework in Johannesburg (October 2002).

Areas of coverage should be harmonized to the extent feasible and an effort should be made to identify and provide examples of good practice for key elements of the policy (See Box 7). As complete harmony on coverage cannot be expected, and where Donors have specific requirements, not shared by others, this could be noted in guidance to Borrowers. Process features should also be harmonized where feasible with reference to guidance on good practice and a checklist of particular Borrower requirements. This could be available electronically. In the case of both content and process, essential elements should be identified along the lines set out in Box 5.

In order to do this, and quickly get a document which can serve as the basis for a discussion of key issues and alternative approaches, the following steps are recommended. A general TOR should be drafted for discussion at the interim session of the MFI environment working group proposed for late July. If the concept is agreed, the TOR should be posted on the web for feedback and a shortlist should be prepared of the most eminent firms working in the area. At the MFI meetings held in conjunction with the annual meetings the TOR would be agreed and funding identified. Following the meeting proposals would be solicited from firms, and issues would be discussed with the consultants present at a workshop already planned for December.

To support this process, focus groups of eminent persons should be formed, including groups for donors, borrowers, and NGOs/other policy advocates, who would be invited to review the draft and make suggestions for improvement. A presentation in Johannesburg, could focus on alternative approaches. A final report would be prepared including recommendations for an integrated document on ESA, a record of issues and how they were resolved, and recommendations for how to proceed.

Box 8. Next Steps

A time bound action plan to advance work on an integrated environmental and social assessment document should be tied to the donor harmonization effort already underway with possible outputs by the Rio +10 summit. In summary, the following steps would be needed.

- Make proposal to interim meeting of MFI representatives (late July)
- Prepare TOR for consulting firm to undertake work (July – October)
- Discuss with Development Committee (Annual Meetings October 2001)
- Workshop (November/December 2001)
- Preparation of draft document and consultant report (January – May 2002)
- Reference group comments (July 2002)
- Final report, including draft and reference group comments plus recommendations (September 2002)
- Presentation of main findings in Johannesburg (October 2002).

III. BUILDING SAFEGUARD SYSTEMS IN CLIENT COUNTRIES

There is general agreement that safeguard policies would be most effective if mainstreamed in client countries and applied to country programs. To do this would require a new level of cooperation and collaboration between donors, participating borrower governments, and policy advocates. Donors would need to harmonize their policies and procedures, and develop benchmarks for measuring performance and for

delegating quality control to agencies with proven capacity. Clients should be part of this process, bringing to bear a developing country perspective. As coverage and standards are agreed, clients would need to align their systems with international standards and continue to build their capacity to do quality work in their own programs. And over time, the emphasis would need to move from front-loaded regulation and review, to an assessment of borrower capacity and delegation of accountability to borrowers, with an ex-post audit of results.

Not all developing countries have the incentives or the capacity to mainstream safeguard policies, but some do; and this section recommends a pilot mainstreaming effort involving one or two of the more advanced countries per region. Elements of a mainstreaming approach would involve a) assistance to pilot countries to analyze their policies, institutional arrangements and procedures; b) ongoing support for capacity building and policy change as required; and c) clear incentives and rewards for proven performance including delegation of responsibility and accountability. The nature of delegation would have to be clearly defined and might be gradual, for example, initially covering projects below a certain threshold of scale and complexity.

The purpose of this pilot would be: to increase the development impact of safeguard policies by mainstreaming in Borrower programs, to create incentives and provide recognition for quality work, and to allow donors including the Bank to reduce inputs where performance is good. This would allow donors to concentrate more effectively in problem areas and new instruments. For this to be feasible, all parties will need to be persuaded that the gains outweigh the costs.

This section briefly describes the main elements of a systems building approach: country assessment, capacity building, and delegation. It also describes how this pilot might fit with ongoing donor efforts to harmonize policies. There are pros and cons to mainstreaming from the point of view of donors, Borrowers and policy advocates and issues will have to be carefully considered as we move forward.

Country Assessments

The Bank already has models for delegating responsibility in areas where it has important fiduciary responsibilities. For example, procurement rules, like environmental and social safeguards, assume that the Bank must both exercise its fiduciary responsibilities while building borrower capacity to manage and monitor its own processes more effectively. But unlike E & S safeguards, procurement procedures envision increased delegation of procurement decisions to Borrowers as alignment with international standards and capacity increase.

To assess the Borrower's capacity to manage procurement, the Bank has recently instituted Country Procurement Assessment Reports (CPARs) intended to assist Borrower member countries to "analyze their procurement policies, organizations and procedures and modify their systems in order to increase their capacity to manage and monitor procurement, reduce the scope for corruption, and be consistent with internationally accepted principles and practices." CPARS provide a basis for decision making on the level of intensity and approach to supervision in Bank operations. They also help determine thresholds for country oversight.

Box 9. Country Environmental Assessment – Borrower Capacity

Country environment assessments would cover major environmental issues and Borrower capacity to deal with them. Assessments of capacity would look at the following type of indicators.

- **Regulatory framework.** Are environmental standards and regulations realistic, attainable, and appropriate for the country's development priorities and conditions? Are they capable of addressing key environmental risks and concerns? Do environmental regulators have the authority and power to adopt and enforce reasonable environmental standards for large and medium-size enterprises, especially those in the public sector?
- **Capacity of environment agencies.** For environmental agencies and other institutions involved in environmental permitting, assessment, monitoring and enforcement, what is the level of resources and staff capacity? How competent and skilled are their staff? How independent are they? To whom do staff report? Who appoints and fires management? How transparent is the permitting and enforcement mechanism?
- **Public participation.** What is the extent and nature of public participation in decision making? Is information about environmental conditions and decisions available to the public? What are the mechanisms for receiving and responding to complaints, reviewing environmental assessments, and ensuring public input into decisions? Are there mechanisms for resolving disputes and conflicts?
- **Coverage and exceptions..** Who prepares environmental assessments (EAs)? What types of projects and programs are covered? Are there exceptions, for example, are defense industries and large infrastructure projects exempt from environmental assessment? Who determines exemptions? Are there regulations that cover activities that effect the global commons?
- **Quality of Environmental Analysis (?)** Is EA documentation adequate? Who monitors the adequacy of EAs? If responsibility for EAs is shared between national and subnational government agencies, what is the capacity at the various levels? Does the country have the capacity to prepare EAs to internationally acceptable standards?
- **Past record.** What is the country's (or the state's) record in dealing with difficult environmental issues (e.g., in resource extraction and in the power, chemical, and other highly polluting industries)? Are fines and penalties imposed and enforced? What is its record in complying with environmental conditions in projects financed by international financial institutions?
- **Capacity for Corrective Action.** Does the Borrower have the capacity to monitor and introduce corrective action? Is reporting reliable and accurate? Is there a documented follow-up process? Who is responsible for follow-up, and who checks what happens? Would monitoring reports be sufficient for Borrower audits? (This would be the basis for delegation of accountability).

Drawn From Country Environmental Analysis: A Concept Note for Discussion. Pagiola and Lovei, June 2001.

The Bank's Environment Strategy Paper (FN -) has recently proposed Country Environmental Assessments to look at both major environmental issues and country capacity to deal with them. This reflects a trend within the Bank to focus increasingly on Borrower capacity rather than technical issues. Possible areas to be covered in assessing capacity are shown in Box 9. Such CEAs could serve a similar purpose to

CPARs, that is, take stock of Borrower policies, organizations and practice, and identify a program of action to improve Borrower practices, in order to bring policies and practice into line with international standards. They could also help determine thresholds for country oversight and benchmarks for success. One question to be resolved is whether these assessments would cover capacity for dealing with both environmental and social impacts of the sort which might be covered by an integrated ESA.

Some evaluations of country environmental assessment capacity have already been done (see Box 10). In the future, they could cover more than one policy area (under an integrated ESA framework) depending on the country and/or sector involved. To date such assessments have focused mainly on the legal and institutional frameworks, and quality and coverage during preparation, but if CESAs were to lead to decisions about delegation they would need to focus far more on the borrowers track record and ability to monitor implementation, redress problems, and report accurately on the status of performance.

Ongoing Capacity Building

The Bank has done considerable work in the area of capacity building, particularly (but not only) in the area of EA, and this provides a basis for moving forward. While different regions have taken different approaches to capacity building, but all have increasingly done this in collaboration with local counterparts and other donors.

For example, in the Africa region, following a high level meeting of Environment Ministers in Nairobi, the region developed a comprehensive strategy for EA capacity development in sub-Saharan Africa, based on the preferences expressed in the Ministerial meeting. From this initiative a new Africa-based program has emerged. One element of this is a program called Capacity Development and Linkages for Environmental Impact Assessment in Africa (CLEIAA). Based in Ghana's environmental protection agency, this group will serve as a help-desk to strengthen networking, cooperation, and collaboration in EA capacity building in African countries. In addition a new center of excellence has been established, the Southern African Institute for Environmental Impact Assessment (SAEIA) (located where?) which will provide professional training in EA.

In the Middle East and North Africa Region, after completion of a major environmental strategy paper in early 1995, the region made institutional capacity building and public participation major objectives of its program. Together with England's University of Manchester and the International Center for Environmental Technologies in Tunis (CITET), a number of workshops have been held and the capacity of local consultants to carry out high quality EA s has been strengthened. CITET, under a program sponsored by the Mediterranean Technical Assistance Program (METAP) has also carried out a number of country assessments of EA policy and practice (see Box 10), and it is now developing a library of EA legislation, procedures, guidelines, technical and academic reports for use by government officials and technical consultants; and it is developing a network of technical specialists throughout the region. Additional efforts focused on selected countries are underway in other regions.

Box 10: EA Assessments in MNA

EA assessments have already been undertaken in several regions/countries. For example, the Bank's ECA and MNA regions have supported a major effort to take stock of Borrower EA systems and legal frameworks. To date EA assessments have been carried out by a team from the University of Manchester and the Center for Environmental Technologies in Tunis (CITET), using a relatively standard methodology. Reports are now available for 3 countries in ECA and 5 countries in MNA. Each report describes the legal and administrative framework for EIA and the operational and institutional basis for implementation. It also compares country requirements for EIA with those of the EU and Bank (the major multilateral donors in the area), and makes recommendations for changes to align policy requirements. Discrepancies between borrowers, and between the Bank and the EU, are in areas such as treatment of alternatives, consultation and disclosure, and policy coverage

Given the emphasis in all reviews of capacity building on the importance of Borrower ownership, much of the work to date has involved training and awareness raising among government officials and NGOs, often in collaboration with WBI, but a number of efforts go beyond this.

A review of Environmental Capacity Building in 1999, identified 28 environmental capacity building projects originating between FY90-FY97 with 20 more in the pipeline. The total cost of projects under implementation was \$1.5B of which \$800m had been provided by the Bank. Projects covered a wide variety of activities including restructuring institutions; developing environmental policies; creating or strengthening environmental information systems; reviewing and/or developing of laws and regulations; decentralization, education and research and public awareness programs. (See Box 11).

The report noted recent and encouraging trends in capacity building including evidence that projects tend to be smaller and less complex, they place greater emphasis on support for stakeholder participation, and are more willing to attempt innovative approaches and pilots and to build on lessons learned. Most of the environmental institutional development project received "satisfactory" ratings during the Bank's annual review of projects. However, ID projects faced a number of constraints including limitations on client ownership outside environment agencies. Bank task managers also suggest that institution building requires more time, more country knowledge, and better incentives than are often available in the normal project context.

Box 11. Key Objectives of Environmental Institutional Development Projects¹

The 28 projects analyzed were undertaken in Africa (10), Asia (7), Europe and the Middle East (3) and Latin America (8), and they cover a wide array of ID issues. The most frequently cited project components are listed below, in the order of frequency with which they appear.

Institutional restructuring and strengthening. (#) These types of projects might involve creating a new institution to oversee environmental issues, creating a new agency within an existing institution or simply enhancing technical capacity within existing institutions. Human resource development plays an important role in such projects.

Development of environmental policies. (#) Countries with new environment agencies must often begin from scratch to create the policy framework within which the agency will work. These projects provide technical and other assistance to countries for this process.

Creation or strengthening of environmental information systems. These projects are usually aimed at building capacity for gathering information on the local environment and monitoring change.

Development or review of laws and regulations. In countries lacking environmental laws and regulations, support is provided to create them; in countries where such laws are weak or outdated, support is aimed at strengthening them to standards required by international agreements and including environmental impact assessments in the legal framework.

Decentralization and development of local capacity. In countries undergoing decentralization, support is provided for that process and to raise the capacity of local authorities to participate in and monitor environmental actions.

Education and Research. These projects seek to produce teaching material and environmental curricula, establish university environment programs, and support research into priorities and possible strategies in a country.

Public awareness. Twelve projects designed public awareness programs to encourage broader participation and understanding of environmental issues and build capacity and consensus for environmental action among NGOs and local communities.

Environment Capacity Building: A Review of the World Bank Portfolio Margulis and Vetlester, May 1999..

Although most efforts to date have focused on EA, there have been some exceptions. For example, the World Bank and the Asian Development Bank have collaborated on a number of capacity building initiatives focusing resettlement in countries in South and East Asia which have almost 80 percent of the resettlement in the Bank's portfolio. Sectoral guidelines have also been useful in mainstreaming attention to resettlement. (Other examples?)

Delegation of Oversight

Delegation of Bank oversight is likely to be controversial, particularly in safeguard areas, but it will be essential not only to create incentives and rewards for performance, but to allow the Bank to prioritize among projects and give increased attention to emerging issues – such as impacts of new lending instruments. The following section asks key questions about when and how such delegation could occur.

When can delegation be considered?

As noted in the previous section, procurement assessments serve not only to bring Borrower practices into line with international standards, but they also help determine thresholds for different types of oversight and levels of scrutiny required by the Bank. To use this model for environmental and social safeguards will require some changes in what we monitor.

One shortfall in the current safeguard system is that EA classification is based primarily on the nature of environmental impacts rather than the ability of the Borrower to manage them. In other words, although it might be more important to closely oversee a "B" project in a country with little or no EA capacity, than to oversee an "A" project in a country with demonstrated capacity to handle the relevant impacts, the current classification system does not provide for such judgment. This in turn has been the source of several "misclassification problems" in which projects have rated B because of demonstrated Borrower capacity to deal with the impacts involved.

To address this particular issue, technical staff are considering the use of a safeguard classification system (S**, S1,2,3) which considers impacts as well as the capacity to manage them (See Box 12). This would potentially provide a better basis for determining whether projects should proceed, and what level of oversight should be provided by the Bank.

For example, at one end of the continuum, A+ projects (those with significant and irreversible impacts) should be considered in countries with weak capacity only on an exceptional basis, and then only when dedicated Bank resources will be made available to deal with issues which might otherwise be managed by the Borrower (Chad-Cameroon is such an example). Even in countries with good capacity, it is unlikely that the Bank would be willing to, or should, delegate oversight for an A + (S1) project. At other end of the review continuum, the Bank may wish to maintain existing levels of oversight in A and B projects where capacity is weak or limited, but delegate responsibilities when capacity to manage impacts has been demonstrated. This could be done initially with B projects and extended to A projects as warranted.

Box 12. Proposed Safeguards Classification

<i>Evaluation of Borrower Capacity</i>				
<i>Rating of Impacts</i>	Limited Borrower Capacity S** (Critical List)	Borrower has capacity, but needs support S1	Proven capacity to manage impacts/risks S1	Comments
A + Project has impacts that are highly significant and/or very controversial				Bank should not delegate oversight in sensitive projects
A –Major environmental or social impacts	S1	S1	S1/S2	Delegation might be considered for borrowers with a proven track record.
B – Limited and/or manageable impacts (e.g. solutions are known)	S1/S2	S2	S2/S3 - certification	Early certification would occur at this level
C- No adverse E & S impacts	S3	S3	S3	No oversight required
FI - Any of above				Already delegated to financial institutions

Implications of Safeguard Rating

Covers both the nature of impacts and risks, as well as Borrower's capacity to manage them.
Covers all safeguard policies

S** Such projects are done on an exceptional basis only and with strong technical support. Dedicated Bank resources are necessary from the outset.

S1 - Significant Bank oversight of preparation and implementation required.

S2 – Standard Bank oversight and capacity building, moving toward reliance on borrower procedures through delegation and possible certification.

S3 - Impacts are either absent or excluded from coverage (through negative list) or fully manageable using borrower procedures – Limited and/or ex-post oversight.

What Would Delegation Entail?

As noted, delegation is already implicit in EA procedures, for example, "B" projects normally receive less scrutiny than "A" projects, because of the scale of the impacts involved; and in projects involving financial intermediaries and multiple sub-loans, most safeguard policies already delegate oversight to the financial intermediary, with Bank appraisal of the procedures and capacity of the financial intermediary – not the individual mediation measures in sub-projects.

As we move forward it will be critical to clarify what can be delegated by the Bank. For example, in countries which subscribe to Bank policies and have good capacity, more reliance could be placed on Borrower systems to determine the classification of projects (A, B, C) and the policy areas covered. Preparation would be left to the Borrower with only limited oversight from the Bank. Appraisal would continue to be the fiduciary

responsibility of the Bank, but the nature of ongoing supervision could also be dependent on both the extent and severity of impacts and the ability of the Borrower to manage them. In general, however, this approach should entail a shift from ex-ante review focused on planning to ex-post audits of results. This would have the benefit not only of reducing up front work, but of putting the emphasis on results on-the-ground which is what all stakeholders want.

If the Bank and Board agree to move forward with this approach, determining exactly what can be delegated and when will take considerable work and a proposal would be developed by Bank staff and LEG once the principles have been discussed and agreed with management and the Executive Directors

When Would Certification Be Possible?

Embedded in the concept of certification is the notion that specific countries, agencies (public or private) and/or consulting firms, could be certified to make the type of technical decisions normally made or scrutinized by the Bank or other funding agencies. Such certification would depend on a rigorous and possibly arms-length assessment of the capacity of the organizations involved. Whether this assessment would be made by Bank staff, by an existing technical group (the ISO model is mentioned, although their mandate differs somewhat), or by a new multi-stakeholder group, has yet to be discussed.

The future of Borrower certification will depend on the experience gained with delegation. For this reason, it would make sense to proceed with a pilot program in which responsibility and accountability are delegated to Borrowers with good capacity, and to consider certification as experience is gained and the dialogue evolves. Models could be explored as this proceeds, and work to develop such models is recommended.

Proposed Pilot Program

Building on past experience, and in countries with demonstrated capacity, it is now timely to move beyond capacity building to mainstreaming responsibility and accountability in client countries. Such a program of support could include: a) assistance to countries to analyze their policies, institutional arrangements and procedures; b) ongoing support for capacity building and policy change as required; and c) clear incentives and rewards for proven performance including possible delegation of clearance responsibilities (along the lines of current procurement procedures) or eventual certification of countries or line agencies. This effort would be linked to a cross regional effort to harmonize donor and country requirements, initially for EA/ESEA.

This initiative would have advantages to both borrowing countries and donors including the Bank. First, for those countries adopting international standards and good practice for their own programs, environmental (and possibly) social impacts would be more effectively addressed and adjustments to specific donor requirements would be simplified. Second, for donor agencies, such a pilot could stimulate harmonization of standards and procedures between agencies and with country requirements, using real country cases as examples, and it could, in due course, permit delegation of specific responsibilities (for example screening and clearance of certain types of projects) to countries involved.

We should not underestimate the issues involved in mainstreaming. In some areas such as Africa, the most competent government staff have moved to the private sector and, as in most regions, enforcement is weak. In virtually all countries, including OECD countries, planning is more advanced than implementation, and there are always vested interests. And while broad policy principles are generally agreed, there are significant differences in details and Borrowers may be unwilling to apply higher or different standards to national programs. But the benefit of a pilot initiative would be to flesh out areas of differences and to make them transparent and open to discussion, while at the same time providing incentives to upgrade systems overall.

Since only a limited number of countries would have both the interest in or capacity to mainstream internationally recognized safeguard principles, a pilot is proposed which would involve at least one of the more advanced countries in each region. While the focus would be on countries, the pilot initiative would aim to learn from all countries and should have mechanisms to do so.

A survey of regional staff has suggested the possibilities of work in the Environmental Protection Agency in Ghana and with CLEIAA, which sits within that agency. In Tunisia, work would be continued with the Environmental Agency and CITET. ECA has suggested work with Poland and the South Asia region has proposed two states in India. East Asia and Latin America have not yet nominated candidate countries. The idea of a pilot has yet to be cleared with the countries involved and these suggestions are offered at this stage to give a sense of what might be possible and the range of opportunities involved (See Box 9 - to be expanded).

Box 13. Mainstreaming ESSA, A Proposed Pilot Project

In general regional staff have proposed mainstreaming efforts in countries with demonstrated capacity and good enforcement, and countries in which there has been a well-established and long standing relationship with environmental agencies, often including capacity building initiatives. These proposals are provisional and subject to discussion with the countries involved.

Africa – Building on capacity building initiatives carried out to date the Africa region has proposed to work with the Ghana Environmental Protection Agency and CITAI to determine how mainstreaming could proceed in an African context.

East Asia – China (?) Possibly focusing on one sector such as Transport and more than one policy (e.g. EA, resettlement)

ECA – Poland has one of the most advanced EIA systems in the region, and it has had borrowed previously for TA in environment and capacity building for EA. It has an incentive for harmonization given its interest in EU accession. A pilot might focus on one or more sectors in the country.

LCR – To be determined

MNA – Tunisia. Tunisia has a strong EA system administered by an agency within the Ministry of the Environment and Regional Development. Through CITET the Ministry has also carried out a number of country assessments in MNA and ECA and provided courses in capacity building .

South Asia – Regional staff have proposed work with one or two Indian states where policy reform, country dialogue and capacity building are already underway - this would likely include Karnataka and/or Andhra Pradesh. Initial attention would be given to sectors generating the bulk of B projects.

Key elements of the pilot, in addition to ongoing institutional strengthening, would be country safeguard assessments (focusing on one or more of the safeguard policies), preparation of a formal proposal to delegate or decentralize specific responsibilities to countries with proven capacity when certain benchmarks are met, and a donor harmonization effort focused initially on the six proposed pilot countries. Given the nature of Bank safeguard policies, the proposed pilot would need the endorsement of the Executive Directors.

The proposed meeting to establish common principles for ESSA harmonization, and the workshop in late 2001 to review the experiences of the Bank and other donors with EA, could be made more concrete by involving Borrowers from pilot countries and using their policies as the basis for review.

The results of this pilot might be a useful point of discussion in Johannesburg and the Rio +10 meetings in the autumn of 2002.

Conclusions and Recommendations

Among them are problems of alignment, both within the suite of the Bank's own policies, between the Bank policies and those of its clients, and between the policies of different donors. (See Box 3). Several of the most important issues are as follows, as is evident from Table 3, there is inconsistency within the Bank's own policy framework. EA covers a range of impacts, but guidance on how they should be handled is included in other policies (natural habitats), in handbooks (pollution guidelines), in unofficial materials (guidance on consultation procedures). All environmental impacts are covered but only some social ones. Moreover the Bank's EA guidelines, while heavy on procedures do not necessarily cover all of the areas covered by other donors, they are notably weak in worker health and safety, treatment of child labor and the like.

In this context, a program of external certification of a country's environmental management system, including its procedures for environmental impact assessment and implementation of environmental laws, can be a powerful signal to attract foreign investors. The Bank's proposed program to begin to delegate responsibility for compliance with the Bank's safeguard policies can be a positive first step in this direction.

Annex 1 – Summary of Recommendations and Responsibility for Follow –Up

<i>Recommended Follow-Up</i>	<i>Responsibility</i>	<i>Comments/Actions Needed</i>
I. Making the Case		
Draft Statement of Principles and Due Diligence	SMART?/Bank wide team	Decide whether this is to be embedded in a sustainable development statement
WDR - Sustainability	Zmarak/Wheeler	Identify incremental resources for DEC (?)
Business Case	De Nevers	Already underway
II. Improving Policies		
Put environmental and social impact assessment under ESA umbrella		
Create capacity for reviewing SALs /SECALs in QACU	Georgieva	Whether in regions or QACU, this requires Bank resources
Develop minimum standards in context of donor harmonization	Davis/Fitzgerald	
Launch major harmonization effort with discussion at Summit	Colin Bruce Olav Kjørven ? Art Fitzgerald ? Gloria/others ?	Approach Norwegians for financial support
III. Building Safeguard systems		
Develop Country Assessment Protocol	Lovei/Pagiola	Should be adequate to cover environment and social safeguards
Develop standards and procedures for delegation in context of pilot program	SMART/Davis	Will need Board discussion and approval
Launch six country pilot Prepare paper for Board	SMART/Davis	Draft paper by September

Annex 2 - Building Systems for Safeguard Implementation

Instrument	Capacity			Comments
	None/ Limited	Existing	Proven	
AAA (In addition to other issues:)	Discusses safeguard capacity building	Discusses ways to strengthen capacity	Discusses certification and donor alignment	
LILs/CDD	Permitted with negative list *	Develop Countrywide Approach	<u>Certify</u> – Ex-post review only	Could be certified first
Investment Lending				
A	S**Exceptional Basis Only	S1 -Standard with Bank oversight	S1/S2 Standard with Bank oversight	Move toward Certification
B	S1 - Limit – requirements too demanding	S2 - Standard Procedures	<u>S2/S3 -Certify</u> Mix upfront and ex-post	
C	S3 - Permitted	S3 - Ex-post review	<u>S3 Certify</u> Ex-Post Review	
Programmatic Lending/SALs				
S1/S2	Limit	Develop capacity to assess E & S impacts	<u>S1 – Bank involved</u> <u>S2- Certify</u> Ex-post	
S3	Permitted	Permitted	<u>Certify</u>	

* Negative List specifies activities with environmental or social consequences which would not be financed.

** S1 – Significant Bank Inputs required
 S2 – Standard inputs and capacity building
 S3 – Few if any impacts – mainly ex-post review

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Safeguards: Next Steps

INTRODUCTION

The Context

1. There is good news in the safeguards story. As the ESSD Update on safeguards indicates, there has been considerable improvement in the Bank's safeguards system over the past year. In particular, measures to clarify policies, enhance review systems, and strengthen regional accountability, have brought more coherence and consistency to the safeguard system applied by the Bank. In addition, recent client consultations on the Cost of Doing Business report demonstrate growing acceptance of the principles underlying safeguard policies and increasing recognition that the specific provisions of the policies can promote equity and speed the acceptance of development operations.
2. Yet, in spite of this forward motion, problems also remain. Borrowers are frustrated by the complexity of Bank policies and their internal inconsistencies, as well as by differences between donor requirements. They find the process of compliance costly, both financially and in terms of delays caused by Bank review. They also question why policies cannot be more aligned with their own legal frameworks and more consistent with the comprehensive development framework, which envisions partnerships with Borrowers and builds capacity over time.
3. Policy advocates who have encouraged high standards and looked to the Bank to pursue them, are concerned that the Bank does not do enough to ensure that its policies are followed, particularly during implementation. And recent fora such as the World Dams commission report and the Forestry Policy debate have made well-argued cases for further raising the bar.
4. With declining resources, both operational and technical staff feel caught in the middle, willing to promote attention to safeguards, but finding this possible only at the expense of other development objectives. Technical staff are also increasingly concerned that with the accelerated pace of preparation some reviews come too late to be helpful, and they recognize that the increased use of new lending instruments will require new approaches and possibly redeployment of resources if the Bank's safeguards are to have maximum effect.
5. One thing on which all stakeholders agree, is that in the present safeguards system there is too much attention to upfront preparation, too little to implementation and results.

Purpose of This Report

6. In a paper sent by Bank management to the Board of Executive Directors in June 2000,¹ the Bank acknowledged a tension between two trends: “... *toward clearer articulation and better implementation of project-based safeguard policies on the one hand, and toward greater focus on country programs and capacity building on the other....*” and it suggested that “*there would be considerable benefits to looking at these trends together with a view to promoting synthesis and synergies.*” A number of issues were proposed for discussion. These included: (a) how to increase the development impact of safeguard policies; (b) how to manage the linkages between the Bank’s environmental and social safeguards; and (c) whether and how to define minimum standards.

7. This report provides a roadmap for ways in which these issues, and others, might be addressed. Written at the request of OPS and the ESSD Quality Assurance and Compliance Unit (QACU), it sets out a framework for advancing our work on safeguards over the next several years. Basically the report recommends actions on two fronts. First, continuing the internal effort to put our own house in order, by making the case for safeguards more convincing, and making our policies more accessible and implementable, and our processes more consistent and effective. Most of this is already underway, but not all. Second, moving more systematically to a systems building approach, aligned with other elements of our development work, which would build Borrower capacity to take social and environmental impacts into account in their own development programs and provide incentives for doing so. To be most effective this effort would need to be aligned with other donor initiatives to harmonize policies and build borrower capacity.

8. This report is intended to complement the end-year update on measures to enhance safeguard review and compliance, and to provide direction for the future work on safeguards. Specifically, subsequent sections of this report recommend that the Bank give increased attention to:

- (a) *Making the Case* – by reaffirming safeguard objectives and linking them more clearly to the mission of the Bank, and by improving the analytical underpinnings and business case for attention to safeguards.
- (b) *Harmonizing Policies and Practices* – by aligning safeguard policies and making their principles more widely accepted through a harmonization effort including both donors and clients;
- (c) *Building Safeguard Systems in Client Countries* - by supporting ongoing capacity building initiatives and creating incentives and rewards for good performance, and by exploring new ways to delegate responsibility and accountability increasingly to Borrowers with proven capacity.

¹ See Country Focus and Safeguard Policies: Institutional Issues, June 12, 2000.

9. The following note describes each of these points, in turn, and it presents a timetable and work program for moving forward. It sets out actions to be taken by the Bank over the next year - in anticipation of the Rio +10 Summit in Johannesburg, South Africa; and over the next five years, when a pilot program for systems building would be put in place.

10. In the current context, some stakeholders will be suspicious that this an initiative to "water down" attention to safeguard policies, and for this reason, as we go forward we should make a special effort to make our work and our motives transparent. We should reaffirm our commitment to the safeguards system while exploring ways to increase the development impact of safeguards by mainstreaming them in Borrower programs. We must also find ways to deal openly with contentious and difficult issues.

I. MAKING THE CASE

11. Somehow, in the minutia and scrutiny of safeguards policies, an important principle has been lost. That is, that safeguard policies -- which are meant to avoid or minimize adverse impacts on the environment and to ensure that poor people, in particular, are not made worse off by development -- are an important element of the Bank's program to reduce poverty and promote sustainable development. That many people have a stake in these policies is evident from the attention they attract (in relation to procurement, for example) and this in turn is a testament to the increasing importance that the public attaches to equity and sustainability.

12. Yet in many Borrowing countries, and even within the Bank, there is considerable confusion about what these policies entail and skepticism about whether their benefits are worth their costs. Obviously, in the end, safeguard policies will be justified by Borrower adoption in the own programs and their results on the ground, but the environment for safeguards could be significantly improved by restating in plain language what safeguard objectives and procedures entail, and by strengthening the analytical underpinnings of and business case for safeguard policies. Not only would this make safeguards more accessible and potentially more credible, it is also a precondition to further actions that might otherwise be seen as efforts to weaken the safeguard structure.

Clarifying Values, Objectives and Procedures

13. Many businesses and public sector institutions, including the Bank, have adopted mission statements explaining what they do and why they do it, statements which explain how components of their program are related to overall institutional objectives.

14. To move the safeguards agenda forward, to clarify essential elements without cumbersome policy changes, and to dispel doubts about our intentions, it

would be helpful to adopt a statement of principles setting out core values and objectives. Such a position statement would likely include the following elements (with new items in italics).

- A value statement linking safeguards to the mission of the Bank
- A statement of our intention to deal with both the environmental *and social* impacts of the operations we support
- Reaffirmation of our commitment to:
 - Participatory processes and disclosure of information
 - The principles and procedures set out in existing safeguard policies
- A brief statement of the implications for the way we work.

15. One possible approach is suggested in Box 1. This draft statement is indicative only and a final draft would need to be further elaborated. This statement could be a subordinate part of an overall mission statement on sustainable development or a freestanding product. Ideally it would be agreed and adopted by the Rio +10 Summit in Johannesburg in the fall of 2002.

Box 1. Draft Statement of Principles

The World Bank is committed to poverty reduction and sustainable development, and it recognizes that its objectives cannot be achieved without due consideration to the social and environmental impacts of the operations it supports.

For this reason, the Bank:

- Supports projects with positive social and environmental impacts;
- Limits its participation in projects with significant or irreversible environmental impacts or significant adverse social impacts, especially upon the poor;
- And where such impacts are unavoidable, supports Borrower efforts to minimize and mitigate them to the extent feasible.

(We recognize that these objectives are easier to achieve in projects which have broad public benefits and limited environmental and social costs, and that this is more difficult in some types of reform and adjustment operations with economy and society-wide impacts, where we need new tools both for analysis and mitigation).

To ensure that adverse impacts are identified, evaluated and mitigated in its lending operations, the Bank requires that Borrowers:

- (a) Disclose relevant information and consult with directly affected peoples and other stakeholder groups about the potential impacts of Bank assisted operations and take account of their views in project design and implementation;
- (b) Observe the requirements of specific safeguard policies (e.g. EA, dams, pesticides, conversion of natural habitats, forest management, resettlement, indigenous peoples and cultural property) when there are impacts in these areas.

It also supports its clients, in ways that they request, to develop their capacity to meet these objectives.

To facilitate the work of the Borrower, the Bank reaffirms its commitment to provide clear, consistent and rapid advice on safeguard issues and to help Borrowers identify the financial and technical support they require for addressing safeguard concerns.

16. While developing this position statement, it would also be useful to clarify due diligence, making clear what the Borrower's responsibilities are, and what the Bank does to support its clients. This would also be an opportunity to formally endorse procedures already largely agreed, but not incorporated into specific policies; and to stress the importance of upstream involvement and the role of managers in ensuring this.

17. Key elements of a statement on due diligence might therefore include:

- A brief clarification of the role of Bank and Borrower
- Increased emphasis the importance of upstream dialogue and the role of country and sector directors
- Formal recognition of procedures not in specific policies, for example, *upstream environmental and social reconnaissance*

- Formal acknowledgement of a *safeguards panel* intended to speed review
- Expectations about judgment and accountability.

A provisional statement of due diligence is included in Box 2. A Bank-wide team would prepare a working draft.

Box 2. Draft Statement of Bank Due Diligence

Preparation and implementation of projects are the responsibility of the Borrower. But the Bank supports the Borrower and ensures the effective implementation of its safeguards policies in the following ways.

In its country dialogue, the country director informs the Borrower about safeguard objectives and procedures, and discusses implications for project support and for country capacity building. *Relevant information is included in the CAS.*

In its sectoral dialogue, Bank staff ensure that agencies preparing projects for Bank support are aware of safeguard principles and requirements, and that they have the means to comply with them. Such judgments may be informed *by sectoral assessments carried out by the Borrower.*

Early in the project cycle, the task manager provides relevant information on safeguards to the project preparation team and they ensure that the borrower has the capacity to incorporate safeguards concerns into project preparation where relevant.

Where there may be significant adverse impacts in a specific operation, the Bank undertakes an early on-the-ground reconnaissance to determine the extent of the impacts and measures the Borrower should take to address them.

The task manager is responsible for fully disclosing safeguard issues in project documents and working with the Borrower to ensure they are disclosed within the country in a timely manner.

During appraisal the task team ensures that the provisions of key safeguard policies have been met and that the Borrower has adequate capacity to meet its commitments. At the decision meeting pertinent safeguard issues are disclosed and discussed.

Regional management is responsible for putting systems in place to ensure compliance with Bank standards and processes and for providing adequate resources to prepare, appraise and supervise safeguard requirements.

Regional management reviews, endorses, and is accountable for the judgment of technical and task teams and where questions arise it refers them to the *safeguards panel*.

Exceptions to Bank policies can be made only with the consent of the Managing Directors or the Board of Executive Directors.

18. Of the new measures noted above, most are agreed and in place, but several are new and require further elaboration and justification. The proposal for integrated environmental and social assessment will be discussed in detail in the next section. Sectoral assessments would be beneficial where a pipeline of support is anticipated or a Borrower intends to focus on capacity building. The recommendations for upstream technical reconnaissance, along the lines of procedures now in place in the Asian Development Bank, would go a long way to addressing technical concerns about late interventions, to resolving important issues early in the project cycle, and to signaling our intent to improve current practice. Incremental funding for such reconnaissance would need to be

identified and might be allocated from QACU for important projects in order to establish Bank-wide priorities. The safeguards panel is already functioning, but is not widely known. Whether these elements, among others, are included in the statement of due diligence would be determined as the draft moves forward.

Improving the Analytical and Business Case

19. In spite of the attention given to safeguards, the analytical underpinnings safeguards are weak and the business case has yet to be made by the Bank. Under the circumstances there is an urgent need to make the case for safeguards in order to persuade a skeptical audience of their importance and value. The Bank has several upcoming opportunities to do this: in the 2002 WDR on sustainability, which provides an opportunity to strengthen analytical basis for the approach, and through an ongoing exercise to make the business case for safeguards. The status of these initiatives is elaborated briefly below – and alignment between them is important.

WDR 2002

20. The WDR 2002 on sustainable development will be a particularly important document for defining the way forward. It will be the first major Bank position paper on this issue since the 1992 WDR prepared for the Rio Summit, and its release will coincide with the Rio +10 assembly on sustainable development in Johannesburg, South Africa.

21. As it is currently evolving, the focus of the document will be on the perceived antagonism between growth and sustainable development. The document will argue that these concepts should be merged, with a number of important implications. First, that sustainability is not a steady state or stewardship concept, but one that depends on social and technological transformations. Second, that technology, preferences and institutions are not exogenous but endogenous, and that failures from the perspective of sustainability are because we do not have the right incentives and institutions – particularly for collective action.

22. The WDR team recognizes that safeguards have played an important role in balancing market forces and are, in this sense, an example of rules (institutions) contributing to equity and sustainability. The desire would be to better understand whether safeguards have contributed to sustainable development, whether there are other and/or more effective mechanisms to achieve the same objectives, and what the role of safeguards should be in the future. Wherever this argument comes out, it can have an important impact on safeguards discussions.

23. In order to facilitate a more in depth look at safeguards, we are exploring options to obtain incremental resources to be used by DEC for this purpose.

Decisions would need to be made quickly about human and financial resources since this work will be completed over the next six months.

Making the Business Case

24. There is also a business case for safeguards, but it has yet to be concisely made. For Bank clients, safeguards can improve the quality of the environment and the equity of development initiatives. A credible set of environmental laws, regulations and enforcement system can also be a powerful incentive for attracting both domestic and foreign investment. In many cases, foreign investors look at a country's environmental management system as an indicator of the overall rule of law, fair competition and a level playing field. A sound environmental management system can make a positive contribution to the overall investment climate.

25. For the Bank, the business case is equally important. Safeguards contribute to fundamental institutional goals of equity and sustainability, and help to avoid reputational risk. Further incentives are tied to a new process of public reporting and verification that are designed to position the Bank as a "triple bottom line" organization, that is, one that pays attention to social and environmental performance as well as financial returns,

26. Here the business case is strong. Increasingly, investors and consumers are evaluating companies' environmental and social performance along with traditional financial measures. A host of rating systems provides rankings and public evaluations of company performance in these areas. These rating systems typically assess an institutions "footprint", or direct impact on the environment, as well as its strategy for environmental and social management, the transparency of the system, and accountability to external stakeholders as evidenced by independent external verification.

27. In anticipation of this triple bottom line exercise applied to the Bank, it would be useful to develop the business case for safeguards more systematically, to pursue improvements in the existing safeguard systems, and introduce a number of new measures – some of which will be discussed in the next sections of this report. This exercise is being lead by Michele de Nevers and documentation should be available by the Summit in Johannesburg.

II. IMPROVING POLICIES AND PRACTICES

28. This section of the paper notes a number of policy related issues including some which are generic (see Box 3) and others which were raised specifically in the *Country Focus* paper. It acknowledges that change will be difficult, given strong interests on the part of many stakeholders, but recommends specific steps which could be taken by the Bank to move forward in the context of a donor harmonization effort focused the principles underpinning Environmental and Social Impact Assessment.

Box 3. Selected Issues in Safeguard Policies

Alignment between Bank Policies. Bank safeguards policies differ in content and structure. EA covers all environmental impacts, but only selected social impacts. The EA policy sets out a process aimed at mitigating adverse impacts, but contains little concrete guidance on standards and requirements for how this is done. This information is included in other policies (pest management and cultural property) and in good practice documents (e.g. pollution abatement or the management of hazardous wastes), although in some areas there is no formal guidance at all (consultation procedures). While some policies specify thresholds, but most do not; and some generate mitigation plans, but not all. Although there is an ongoing effort to standardize consultation and disclosure requirements, minor differences between policies are confusing to staff and borrowers.

Alignment with Borrower Policies. Borrowers have problems with a number of the specific provisions of safeguard policies. For example, many borrowers object to the idea of looking at "all feasible alternatives" in projects with an "A" classification, since the complex process of selecting and preparing projects is often finished by the time the project is submitted to the Bank. Borrowers may also have difficulty reconciling the standards for compensation in Bank projects with standards in their own programs, arguing that higher levels are not affordable and that the Bank should take more account of country circumstances. And the emphasis on process, informed by disclosure and consultation, is often seen as reflecting an American faith in the merits of public participation that may not be shared by all developing countries, nor by all developed ones.

Alignment Between Donor Policies. Donors also have different approaches reflecting different histories and legal frameworks. For example, investigation of alternatives and models for public participation vary from agency to agency, and in some areas, notably in social areas such as worker health and safety, gender and child labor some institutions have policies that are more comprehensive than those of the Bank. (To be expanded by Art?)

Key Issues in Safeguard Policies

29. The paper "*Country Focus and Safeguard Policies: Institutional Issues*", which was sent to the Executive Directors in June 2000, describes the history of the Bank's safeguard policies and notes a number of outstanding issues which are a result of the historical legacy of policies in place when safeguard policies were defined. Among the specific issues identified in the paper were those related to: (a) social coverage and the linkage between environmental assessment and social assessment; and (b) minimum acceptable standards. Since this report was written increased attention has also been given to the question of adapting safeguard policies to new lending instruments. This section addresses each of these issues in turn.

30. **Social Coverage.** Of the range of social issues that might be covered by an EA, only resettlement and indigenous people (the subjects of existing policies) are mentioned in a footnote in the EA policy, and they often do not figure in project classification. Other adverse impacts on land and incomes are not explicitly mentioned in the policy, and they are seldom covered in practice unless they also raise specific environmental concerns. Moreover, in areas such as worker health and safety, and child labor, some multi-lateral institutions have

more explicit assessment requirements as part of their EIA policies than the Bank.

31. Since internationally recognized EIAs already incorporate many social concerns, particularly those related to land acquisition and resettlement, and worker health and safety, this report recommends that the Bank move toward an integrated impact assessment process to identify direct adverse environmental and social impacts induced by investment projects, and that such a process involve both environmental and social expertise as required. It also recommends that any future efforts to harmonize donor requirements cover both environmental and social impacts under a common umbrella. We have provisionally called this an Environmental and Social Safeguards Assessment (ESSA) to distinguish it from other forms of impact assessment already underway in the Bank. We also recognize, that it will be difficult to expand coverage, unless there are opportunities for prioritization (see Box 4).

Box 4. Coverage and Selectivity

In development work, there is an emerging understanding that while analysis should be comprehensive, attention to issues must be selective, focusing on those areas with the greatest potential for action and taking into account the Borrower's capacity to absorb and internalize reforms.

If applied to the safeguards context, early safeguard reconnaissance would review all potentially important adverse impacts on people and the environment (this would be comprehensive) and from this, decisions would be taken on how to follow up, taking account of the significance of the impact, the feasibility of mitigation, and the capacity of the borrower to follow up (this would be selective, within clearly defined limits). Where impacts are very significant, but capacity to address them is very weak, the project would not go forward.

The problem is that this takes judgment and stakeholders differ strongly in the weight they give to different elements, in their judgment about the adequacy of mitigation proposals, and in some cases whether a project should proceed. Environmental assessment anticipates this problem by setting out a process to gather information and to get the views of all stakeholders on impacts and priorities. It does not and cannot determine what the exact decisions will be, although guidance is available on good practice and, in some cases, is reinforced by specific safeguard policies (impacts on natural habitats and resettlement, for example).

Recently, however, this system has been breaking down as policies and processes have become increasingly legalistic and prescriptive and the idea of tradeoffs and selectivity have been discouraged. At the same time conflicts are increasing between donors, borrowers and policy advocates who are playing by different rules of the game – some with absolute standards which should always be imposed at the highest feasible level, others with more relative ones. If we are to move forward this problem must be explicitly and transparently addressed.

At a minimum, as we move forward, we must narrow the application of safeguard policies (to projects with direct impacts, for example) if we broaden coverage, or we must leave room for judgment where both the number of issues and the diversity of instruments is expanded.

32. At this time, the Bank is also developing a policy on social analysis which belongs to a suite of policies on economic, institutional and financial analysis and which will help mainstream attention to the human and social dimensions of Bank work. The primary objective of social analysis as defined in the draft policy is: "to

improve development effectiveness by helping borrower countries design and implement strategies for enhancing social inclusion, security and empowerment of their citizens". This policy is expected to have an important place in poverty alleviation efforts. As ESSAs would deal only with a narrow subset of social concerns – those focused on direct adverse impacts - it would complement and, in some cases, contribute to wider efforts at social analysis.

Minimum Standards

33. The paper on *Country Focus* and the *Cost of Doing Business* report both mention the possibility of minimum standards for safeguard policies. The presumption is that we should be able to distinguish between essential elements (or minimum standards), which should always be observed under all circumstances (i.e., you cannot procure class A –hazardous - pesticides, ever), and those that may be applied with discretion (preparation of a pest management plan). In theory, such standards could and should be built into individual safeguard policies.

34. Some safeguard policies already embody the concept of thresholds. The EA policy, for example, classifies impacts (A, B, C) and requires more work where impacts are more severe. It also recognizes that different approaches are needed for projects that have direct, geographically specific impacts and those that go through financial intermediaries (FIs). (This is somewhat paradoxical since many line agencies have more capacity than FIs but is the only practical approach). Some other policies also recognize "significance" as a trigger, although acknowledging that it is tricky to define. But not all policies set thresholds, often with good reason, and it would be difficult in the current climate for the Bank to reduce standards that it has already set.

35. For this reason, rather than look at "minimum standards" for Bank policies, it might be possible to move more quickly and effectively, and with more positive results, in the context of a donor harmonization effort to define the essential elements of good practice in areas covered by an integrated safeguard assessment process. The purpose of such an exercise would be to define core features to be covered by an ESSA and to identify the essential elements of each feature to which all donors could agree. It would also explicitly recognize areas where some donors have additional, presumably higher requirements. A very preliminary, and oversimplified indication of what this might look like is shown for resettlement (see Box 5, below)

36. This approach would have the potential benefit of providing a floor that all donors and borrowers could be encouraged to reach in their own programs. Of course, it might also cause donors, including the Bank to look at outliers, and debate them. But it does not go without saying that they would or should change their requirements unless the justification is clear and broadly accepted. In resettlement, for example, it would be difficult for the Bank to change provisions intended to protect poor people in light of its poverty mandate. In any case, the

ability and opportunity to weigh and compare are essential to the sound evolution of any comprehensive safeguard system.

Box 5. Essential Elements of a Land Acquisition and Resettlement Policy

Principle:

- All people should be fairly compensated and poor people should not be further impoverished by loss of land and/or assets taken for development purposes.

Essential Policy Elements (for all donors and borrowers).

- Compensation for land and other assets should be based on replacement value.
- In addition to compensation, resettlement assistance should be provided to poor people where necessary to ensure income restoration.
- Directly affected groups should be consulted on decisions that affect them.

Specific World Bank Requirements:

- Applies to people regardless of legal status
- Applies to people affected by the designation of parks and protected areas.
- Bank policy also has specific definitions and processes

New Instruments

37. When safeguard policies were developed, projects typically involved large-scale construction (dams, transport systems), had direct and localized impacts, and had long gestation periods which allowed mitigation plans to be fully prepared. In such projects national agencies were responsible for preparation and implementation, and the Bank was often involved from the outset in preparation, allowing a consensus on needed preparation activities. Technical support could be imported where capacity was lacking (See Box 6). In the past decade the portfolio has significantly changed. The Bank has very few large infrastructure projects (these are mainly in Asia), and programmatic lending and community-based initiatives have increased, both of which require new ways of thinking about safeguards.

38. Of the two, the management of safeguards in community driven development (CDD) projects is easier to address. Most of these projects have only limited adverse impacts, but since these can be important in the aggregate, appropriate mechanisms are needed to manage them. Given concerns about dispersed and weak capacity at the local level, the first choice is to keep CDD projects "clean" to the extent possible; that is, to reduce the likelihood of adverse impacts through a negative list of sub-projects which could be harmful and will not be supported (conversion of natural habitats, procurements of pesticides and the like). This approach has already been tried successfully in the Indonesia: Sub-District Development Program. Second, where essential components of a program have specific environmental impacts (drilling bore holes for water supply, for example) and technical support will be needed to implement such

components, arrangements should be made to ensure that agency and private sector providers have clear guidelines and are able to take environmental and social concerns into account in their work. This could be checked through ex-post audits. While it is desirable to educate villagers and local officials about environmental and social concerns, and this can be done in part through the above provisions, which would be known to communities, we should not overstate expectations for fully internalizing environmental concerns in CDD projects which involve tens of thousands of villages and thousands of officials.

39. Issues in programmatic and adjustment lending are more difficult to address. Programmatic lending may involve financing for a series of projects (APLs for example), Programmatic Structural Adjustment Loans and Credits (PSALs/PSACs), or new approaches to low-income countries, for example Poverty Reduction Support Credits (PRSCs). In general, such loans are usually prepared quickly on the basis of previous analytical work and they are disbursed in tranches when specific requirements have been met.

40. (This subsection requires further discussion). In adapting safeguards to specific Bank lending instruments, it is clear that projects that have direct and geographically specific adverse impacts (in environment and selected social areas) require mitigation measures. It is also broadly agreed that where project have indirect or economy-wide impacts, which are not amenable to direct mitigation, the Bank will need to do more to develop the technical expertise to understand potential impacts, advise task managers, and develop typologies and approaches. To this end, the Environment Department has recommended that each region commit the services of a senior economist with a good knowledge of environmental issues to review all adjustment loans and make recommendations for action. In light of resource requirements, however, it might be more feasible to establish environmental expertise initially in QACU (the Quality Assurance and Compliance Unit).² This would require management approval and has resource implications.

41. There are also many projects which support programmatic lending which fall between the two extremes. These include APLs, SIMs, SECALs and SILs, which strengthen institutions (e.g. in the transport sector) and where, as a result, direct impacts on the environment and the poor may increase as programs expand. Sectoral environmental assessments (SEAs) can help move analysis upstream, and about 20 sectoral environmental assessments have been done, in part, to guide programmatic lending. But SEAs may not be feasible except in the largest and best-established sectors. In practice, since the level of detail in safeguard policies is not compatible with programmatic lending that focuses on

² Social impacts have been less well considered and may need to be handled differently. Recently a joint implementation committee (JIC), consisting of IMF and Bank staff, has been reviewing the social impacts of PRSCs and PSALs. This effort covers positive and negative impacts and issues related to equity and distribution as well as adverse impacts. Since this work brings together staff from several families (e.g. SD, SP and PREM), and since such expertise is extremely limited in the Bank, it should probably not be replicated in QACU at this time.

broad policy issues, safeguard issues are often ignored. It is possible, however, that if safeguard principles could be agreed, along the lines set out in the previous section (cf. Box 5) that it would be possible to introduce such principles (without the procedural specifics) into the policy dialogue to support programmatic lending and this option should be explored if and when such principles are established.

Box 6. Different Bank Instruments Require Different Approaches

Type of Instrument	Characteristics	Recommendations
Projects <i>(esp. Infrastructure)</i> (This is proto type for safeguard policies)	National benefits/Localized costs/Long gestation periods Impacts are: Predictable Often large in scale Geographically specific Mediation technically feasible Capacity exists	Can be improved by: Clarifying thresholds and minimum standards Putting more emphasis on Borrower capacity
SALs, SECALs, PRSCs	Economy-wide benefits and costs/Short gestation Impacts may not be predictable Mediation measures may be unaffordable or not technically known	Should be addressed in country dialogue /sector EAs Will require, upfront specialized input (in QACU or regions) Needs rigorous ex-post Analysis & learning
Community driven development (CDD)	Many small scale impacts Limited local capacity Follow-up is difficult	Negative List Guidance to private sector Ex-post review
Emergency Relief	Exceptions permitted in natural disasters and conflict	Exceptional situations could be better defined.

Harmonization and Alignment of Policies

42. Harmonization of policy requirements between donors, and alignment of donor and country requirements can be important forces for both understanding and underwriting compliance with safeguard policies. As the Harmonization

paper sent to the Development Committee³ notes: *“aid recipients cite differences in donor operational policies and procedures as the single most important impediment to the effectiveness of external development assistance.”* For this reason, there have been increasing calls for donors to harmonize the requirements as one way of reducing the transaction costs of development assistance. Three priority areas were identified for work on harmonization: procurement, financial management and environmental assessment.

43. In April 2001, the Development Committee endorsed this recommendation encouraging “all development partners to rely increasingly on the borrower government’s own planning and budgetary processes, helping strengthen these systems and processes where needed, and to work with developing countries to develop common good-practice approaches for procurement, financial management and environmental assessments.”

44. Over the past few years, there has been a considerable amount of work done on alignment of EA policies, particularly between the Multilateral Development Banks. Among the MDBs, EA policies are now relatively consistent, with some outstanding differences related to the treatment of alternatives, consultation and disclosure requirements, and the coverage of social issues. Less work has been done on other safeguards policies, with the exception of a donor coordination effort on resettlement carried out in Asia between the Bank and ADB. Building on this base, an effort could now be made to distill the key elements of an Environmental and Social Safeguard Assessment Process that is common to the larger agencies and the most advanced clients.

³ Harmonization of Operational Policies, Procedures and Practices: Experience to Date. A report to the Development Committee, April 13, 2001).

Box 7. Principles of Good Practice for Environmental and Social Assessment

Purpose: To define essential elements of EA and document specific donor requirements

Essential Elements (Minimum for all borrowers and donors)

Coverage:

Significant Adverse Environmental Impacts on:

- Natural Ecosystems (Biodiversity, Forests, Water Resources)
- Human Health and Eco-system Functions (Large Dams, Pollution, Toxic and Hazardous Waste)
- Global Commons (Climate Change, International Waters)

Significant Adverse Social Impacts on:

- Income and Welfare (Resettlement, other)
- Indigenous People and Vulnerable Groups
- Traditions and Cultural Property
- Working Conditions (Occupational risk, child and forced labor)

Processes

- Screening and classification
- Analytical work and reporting requirements (inc mitigation plans)
- Consultation and Disclosure
- Implementation Monitoring

Specific Borrower Requirements (to be defined)

Presentation of framework in Johannesburg (October 2002).

45. Areas of coverage should be harmonized to the extent feasible and an effort should be made to identify and provide examples of good practice for key elements of the policy (See Box 7). As complete harmony on coverage cannot be expected, and where Donors have specific requirements, not shared by others, this could be noted in guidance to Borrowers. Process features should also be harmonized where feasible with reference to guidance on good practice and a checklist of particular Borrower requirements. This could be available electronically. In the case of both content and process, essential elements should be identified along the lines previously set out in Box 5.

46. In order to do this, and quickly get a document which can serve as the basis for a discussion of key issues and alternative approaches, the following steps are recommended. A general TOR should be drafted for discussion at the interim session of the MFI environment working group proposed for late July. If the concept is agreed, a shortlist should be prepared of the most eminent firms working in the area. At the MFI meetings held in conjunction with the annual meetings, the TOR would be agreed and funding identified. Following the

meeting proposals would be solicited from firms, and issues would be discussed with the consultants present at a workshop already planned for December.

47. To support this process, focus groups of eminent persons should be formed, including groups for donors, borrowers, and NGOs/other policy advocates, who would be invited to review the draft and make suggestions for improvement. A presentation in Johannesburg could focus on alternative approaches. A final report would be prepared including recommendations for an integrated document on ESA, a record of issues and how they were resolved, and recommendations for how to proceed.

Box 8. Next Steps

A time bound action plan to advance work on an integrated environmental and social assessment document should be tied to the donor harmonization effort already underway with possible outputs by the Rio +10 summit. In summary, the following steps would be needed.

- Make proposal to interim meeting of MFI representatives (late July)
- Prepare TOR for consulting firm to undertake work (July – October)
- Discuss with Development Committee (Annual Meetings October 2001)
- Workshop (November/December 2001)
- Preparation of draft document and consultant report (January – May 2002)
- Reference group comments (July 2002)
- Final report, including draft and reference group comments plus recommendations (September 2002)
- Presentation of main findings in Johannesburg (October 2002).

III. BUILDING SAFEGUARD SYSTEMS IN CLIENT COUNTRIES

48. There is general agreement that safeguard policies would be most effective if mainstreamed in client countries and applied to country programs. To do this would require a new level of cooperation and collaboration between donors, participating borrower governments, and policy advocates. Donors would need to harmonize their policies and procedures, and develop benchmarks for measuring performance and for delegating quality control to agencies with proven capacity. Clients should be part of this process, bringing to bear a developing country perspective. As coverage and standards are agreed, clients would need to align their systems with international standards and continue to build their capacity to do quality work in their own programs. And over time, the emphasis would need to move from front-loaded regulation and review, to an assessment of borrower capacity and delegation of accountability to borrowers, with an ex-post audit of results.

49. Not all developing countries have the incentives or the capacity to mainstream safeguard policies, but some do; and this section recommends a

pilot mainstreaming effort involving one or two of the more advanced countries per region. Elements of a mainstreaming approach would involve: (a) assistance to pilot countries to analyze their policies, institutional arrangements and procedures; (b) ongoing support for capacity building and policy change as required; and (c) clear incentives and rewards for proven performance including delegation of responsibility and accountability. The nature of delegation would have to be clearly defined and might be gradual, for example, initially covering projects below a certain threshold of scale and complexity.

50. The purpose of this pilot would be: to increase the development impact of safeguard policies by mainstreaming in Borrower programs, to create incentives and provide recognition for quality work, and to allow donors including the Bank to reduce inputs where performance is good. This would allow donors to concentrate more effectively in problem areas and new instruments. For this to be feasible, all parties will need to be persuaded that the gains outweigh the costs.

51. This section briefly describes the main elements of a systems building approach: country assessment, capacity building, and delegation. It also describes how this pilot might fit with ongoing donor efforts to harmonize policies. There are pros and cons to mainstreaming from the point of view of donors, Borrowers and policy advocates and issues will have to be carefully considered as we move forward.

Country Assessments

52. The Bank already has models for delegating responsibility in areas where it has important fiduciary responsibilities. For example, procurement rules, like environmental and social safeguards, assume that the Bank must both exercise its fiduciary responsibilities while building borrower capacity to manage and monitor its own processes more effectively. But unlike E & S safeguards, procurement procedures envision increased delegation of procurement decisions to Borrowers as alignment with international standards and capacity increase.

53. To assess the Borrower's capacity to manage procurement, the Bank has recently instituted Country Procurement Assessment Reports (CPARs) intended to assist Borrower member countries to "analyze their procurement policies, organizations and procedures and modify their systems in order to increase their capacity to manage and monitor procurement, reduce the scope for corruption, and be consistent with internationally accepted principles and practices." CPARS provide a basis for decision-making on the level of intensity and approach to supervision in Bank operations. They also help determine thresholds for country oversight.

Box 9. Country Environmental Assessment – Borrower Capacity

Country environment assessments would cover major environmental issues and Borrower capacity to deal with them. Assessments of capacity would look at the following type of indicators.

- **Regulatory framework.** Are environmental standards and regulations realistic, attainable, and appropriate for the country's development priorities and conditions? Are they capable of addressing key environmental risks and concerns? Do environmental regulators have the authority and power to adopt and enforce reasonable environmental standards for large and medium-size enterprises, especially those in the public sector?
- **Capacity of environment agencies.** For environmental agencies and other institutions involved in environmental permitting, assessment, monitoring and enforcement, what is the level of resources and staff capacity? How competent and skilled is their staff? How independent are they? To whom do staff report? Who appoints and fires management? How transparent is the permitting and enforcement mechanism?
- **Public participation.** What is the extent and nature of public participation in decision-making? Is information about environmental conditions and decisions available to the public? What are the mechanisms for receiving and responding to complaints, reviewing environmental assessments, and ensuring public input into decisions? Are there mechanisms for resolving disputes and conflicts?
- **Coverage and exceptions.** Who prepares environmental assessments (EAs)? What types of projects and programs are covered? Are there exceptions, for example, are defense industries and large infrastructure projects exempt from environmental assessment? Who determines exemptions? Are there regulations that cover activities that affect the global commons?
- **Quality of Environmental Analysis.** Is EA documentation adequate? Who monitors the adequacy of EAs? If responsibility for EAs is shared between national and subnational government agencies, what is the capacity at the various levels? Does the country have the capacity to prepare EAs to internationally acceptable standards?
- **Past record.** What is the country's (or the state's) record in dealing with difficult environmental issues (e.g., in resource extraction and in the power, chemical, and other highly polluting industries)? Are fines and penalties imposed and enforced? What is its record in complying with environmental conditions in projects financed by international financial institutions?
- **Capacity for corrective action.** Does the Borrower have the capacity to monitor and introduce corrective action? Is reporting reliable and accurate? Is there a documented follow-up process? Who is responsible for follow-up, and who checks what happens? Would monitoring reports be sufficient for Borrower audits? (This would be the basis for delegation of accountability).

Drawn From Country Environmental Analysis: A Concept Note for Discussion. Pagiola and Lovei, June 2001.

54. The Bank's Environment Strategy Paper⁴ has recently proposed Country Environmental Assessments to look at both major environmental issues and country capacity to deal with them. This reflects a trend within the Bank to focus increasingly on Borrower capacity rather than technical issues. Possible areas to be covered in assessing capacity are shown in Box 9. Such CEAs could serve a

⁴ Making Sustainable Commitments: An Environment Strategy for the World Bank May 2, 2001.

similar purpose to CPARs, that is, take stock of Borrower policies, organizations and practice, and identify a program of action to improve Borrower practices, in order to bring policies and practice into line with international standards. They could also help determine thresholds for country oversight and benchmarks for success. One question to be resolved is whether these assessments would cover capacity for dealing with both environmental and social impacts of the sort that might be covered by an integrated ESSA.

55. Some evaluations of country environmental assessment capacity have already been done (see Box 10). In the future, they could cover more than one policy area (under an integrated ESA framework) depending on the country and/or sector involved. To date such assessments have focused mainly on the legal and institutional frameworks, and quality and coverage during preparation, but if CESAs were to lead to decisions about delegation they would need to focus far more on the borrowers track record and ability to monitor implementation, redress problems, and report accurately on the status of performance.

Ongoing Capacity Building

56. The Bank has done considerable work in the area of capacity building, particularly (but not only) in the area of EA, and this provides a basis for moving forward. While different regions have taken different approaches to capacity building, but all have increasingly done this in collaboration with local counterparts and other donors.

57. For example, in the Africa region, following a high level meeting of Environment Ministers in Nairobi, the region developed a comprehensive strategy for EA capacity development in sub-Saharan Africa, based on the preferences expressed in the Ministerial meeting. From this initiative a new Africa-based program has emerged. One element of this is a program called Capacity Development and Linkages for Environmental Impact Assessment in Africa (CLEIAA). Based in Ghana's environmental protection agency, this group will serve as a help-desk to strengthen networking, cooperation, and collaboration in EA capacity building in African countries. In addition a new center of excellence has been established, the Southern African Institute for Environmental Impact Assessment (SAEIA), which will provide professional training in EA.

58. In the Middle East and North Africa Region, after completion of a major environmental strategy paper in early 1995, the region made institutional capacity building and public participation major objectives of its program. Together with England's University of Manchester and the International Center for Environmental Technologies in Tunis (CITET), a number of workshops have been held and the capacity of local consultants to carry out high quality EA s has been strengthened. CITET, under a program sponsored by the Mediterranean Technical Assistance Program (METAP) has also carried out a number of country assessments of EA policy and practice (see Box 10), and it is now

developing a library of EA legislation, procedures, guidelines, technical and academic reports for use by government officials and technical consultants; and it is developing a network of technical specialists throughout the region. Additional efforts focused on selected countries are underway in other regions.

Box 10. EA Assessments in MNA

EA assessments have already been undertaken in several regions/countries. For example, the Bank's ECA and MNA regions have supported a major effort to take stock of Borrower EA systems and legal frameworks. To date EA assessments have been carried out by a team from the University of Manchester and the Center for Environmental Technologies in Tunis (CITET), using a relatively standard methodology. Reports are now available for 3 countries in ECA and 5 countries in MNA. Each report describes the legal and administrative framework for EIA and the operational and institutional basis for implementation. It also compares country requirements for EIA with those of the EU and Bank (the major multilateral donors in the area), and makes recommendations for changes to align policy requirements. Discrepancies between borrowers, and between the Bank and the EU, are in areas such as treatment of alternatives, consultation and disclosure, and policy coverage

59. Given the emphasis in all reviews of capacity building on the importance of Borrower ownership, much of the work to date has involved training and awareness raising among government officials and NGOs, often in collaboration with WBI, but a number of efforts go beyond this.

60. A review of Environmental Capacity Building in 1999,⁵ identified 28 environmental capacity building projects originating between FY90-FY97 with 20 more in the pipeline. The total cost of projects under implementation was \$1.5B of which \$800m had been provided by the Bank. Projects covered a wide variety of activities including restructuring institutions; developing environmental policies; creating or strengthening environmental information systems; reviewing and/or developing of laws and regulations; decentralization, education and research and public awareness programs. (See Box 11).

61. The report noted recent and encouraging trends in capacity building including evidence that projects tend to be smaller and less complex, they place greater emphasis on support for stakeholder participation, and are more willing to attempt innovative approaches and pilots and to build on lessons learned. Most of the environmental institutional development project received "satisfactory" ratings during the Bank's annual review of projects. However, ID projects faced a number of constraints including limitations on client ownership outside environment agencies. Bank task managers also suggest that institution building requires more time, more country knowledge, and better incentives than are often available in the normal project context.

5 Environment Capacity Building: A Review of the World Bank Portfolio, Margulis and Vetlester, May 1999.

Box 11. Key Objectives of Environmental Institutional Development Projects¹

The 28 projects analyzed were undertaken in Africa (10), Asia (7), Europe and the Middle East (3) and Latin America (8), and they cover a wide array of ID issues. The most frequently cited project components are listed below, in the order of frequency with which they appear.

Institutional restructuring and strengthening. (#) These types of projects might involve creating a new institution to oversee environmental issues, creating a new agency within an existing institution or simply enhancing technical capacity within existing institutions. Human resource development plays an important role in such projects.

Development of environmental policies. (#) Countries with new environment agencies must often begin from scratch to create the policy framework within which the agency will work. These projects provide technical and other assistance to countries for this process.

Creation or strengthening of environmental information systems. These projects are usually aimed at building capacity for gathering information on the local environment and monitoring change.

Development or review of laws and regulations. In countries lacking environmental laws and regulations, support is provided to create them; in countries where such laws are weak or outdated, support is aimed at strengthening them to standards required by international agreements and including environmental impact assessments in the legal framework.

Decentralization and development of local capacity. In countries undergoing decentralization, support is provided for that process and to raise the capacity of local authorities to participate in and monitor environmental actions.

Education and Research. These projects seek to produce teaching material and environmental curricula, establish university environment programs, and support research into priorities and possible strategies in a country.

Public awareness. Twelve projects designed public awareness programs to encourage broader participation and understanding of environmental issues and build capacity and consensus for environmental action among NGOs and local communities.

Environment Capacity Building: A Review of the World Bank Portfolio Margulis and Vettester, May 1999.

62. Although most efforts to date have focused on EA, there have been some exceptions. For example, the World Bank and the Asian Development Bank have collaborated on a number of capacity building initiatives focusing on resettlement in countries in South and East Asia, which have almost 80 percent of the resettlement in the Bank's portfolio. Sectoral guidelines have also been useful in mainstreaming attention to resettlement. (Other examples?)

Delegation of Oversight

63. Delegation of Bank oversight is likely to be controversial, particularly in safeguard areas, but it will be essential not only to create incentives and rewards for performance, but to allow the Bank to prioritize among projects and give increased attention to emerging issues – such as impacts of new lending instruments. The following section asks key questions about when and how such delegation could occur.

When Can Delegation Be Considered?

64. As noted in the previous section, procurement assessments serve not only to bring Borrower practices into line with international standards, but they also help determine thresholds for different types of oversight and levels of scrutiny required by the Bank. To use this model for environmental and social safeguards will require some changes in what we monitor.

65. One shortfall in the current safeguard system is that EA classification is based primarily on the nature of environmental impacts rather than the ability of the Borrower to manage them. In other words, although it might be more important to closely oversee a "B" project in a country with little or no EA capacity, than to oversee an "A" project in a country with demonstrated capacity to handle the relevant impacts, the current classification system does not provide for such judgment. This in turn has been the source of several "misclassification problems" in which projects have rated B because of demonstrated Borrower capacity to deal with the impacts involved.

66. To address this particular issue, technical staff are considering the use of a safeguard classification system (S**, S1, 2, 3) which considers impacts as well as the capacity to manage them (See Box 12). This would potentially provide a better basis for determining whether projects should proceed, and what level of oversight the Bank should provide.

67. For example, at one end of the continuum, A+ projects (those with significant and irreversible impacts) should be considered in countries with weak capacity only on an exceptional basis, and then only when dedicated Bank resources will be made available to deal with issues which might otherwise be managed by the Borrower (Chad-Cameroon is such an example). Even in countries with good capacity, it is unlikely that the Bank would be willing to, or should, delegate oversight for an A + (S1) project. At other end of the review continuum, the Bank may wish to maintain existing levels of oversight in A and B projects where capacity is weak or limited, but delegate responsibilities when capacity to manage impacts has been demonstrated. This could be done initially with B projects and extended to A projects as warranted.

Box 12. Proposed Safeguards Classification

Evaluation of Borrower Capacity

Rating of Impacts	Limited Borrower Capacity S** (Critical List)	Borrower has capacity, but needs support S1	Proven capacity to manage impacts/risks S1	Comments
A + Project has impacts that are highly significant and/or very controversial				Bank should not delegate oversight in sensitive projects
A – Major environmental or social impacts	S1	S1	S1/S2	Delegation might be considered for borrowers with a proven track record.
B – Limited and/or manageable impacts (e.g. solutions are known)	S1/S2	S2	S2/S3 - certification	Early certification would occur at this level
C- No adverse E & S impacts	S3	S3	S3	No oversight required
FI - Any of above				Already delegated to financial institutions

Implications of Safeguard Rating

Covers both the nature of impacts and risks, as well as Borrower's capacity to manage them.
Covers all safeguard policies

S** Such projects are done on an exceptional basis only and with strong technical support. Dedicated Bank resources are necessary from the outset.

S1 - Significant Bank oversight of preparation and implementation required.

S2 – Standard Bank oversight and capacity building, moving toward reliance on borrower procedures through delegation and possible certification.

S3 - Impacts are either absent or excluded from coverage (through negative list) or fully manageable using borrower procedures – Limited and/or ex-post oversight.

What Would Delegation Entail?

68. As noted, delegation is already implicit in EA procedures, for example, “B” projects normally receive less scrutiny than “A” projects, because of the scale of the impacts involved; and in projects involving financial intermediaries and multiple sub-loans, most safeguard policies already delegate oversight to the financial intermediary, with Bank appraisal of the procedures and capacity of the financial intermediary – not the individual mediation measures in sub-projects.

69. As we move forward it will be critical to clarify what can be delegated by the Bank. For example, in countries which subscribe to Bank policies and have good capacity, more reliance could be placed on Borrower systems to determine the classification of projects (A, B, C) and the policy areas covered. Preparation would be left to the Borrower with only limited oversight from the Bank. Appraisal

would continue to be the fiduciary responsibility of the Bank, but the nature of ongoing supervision could also be dependent on both the extent and severity of impacts and the ability of the Borrower to manage them. In general, however, this approach should entail a shift from ex-ante review focused on planning to ex-post audits of results. This would have the benefit not only of reducing up front work, but of putting the emphasis on results on the ground, which is what all stakeholders want.

70. If the Bank and Board agree to move forward with this approach, determining exactly what can be delegated and when will take considerable work and a proposal would be developed by Bank staff and LEG once the principles have been discussed and agreed with management and the Executive Directors

When Would Certification or Accreditation Be Possible?

71. Embedded in the concept of certification or accreditation is the notion that specific countries, agencies (public or private) and/or consulting firms, could be certified to make the type of technical decisions normally made or scrutinized by the Bank or other funding agencies. Such certification would depend on a rigorous and possibly arms-length assessment of the capacity of the organizations involved. Whether this assessment would be made by Bank staff, by an existing technical group (the ISO model is mentioned, although their mandate differs somewhat), or by a new multi-stakeholder group, has yet to be discussed.

72. The future of Borrower certification will depend on the experience gained with delegation. For this reason, it would make sense to proceed with a pilot program in which responsibility and accountability are delegated to Borrowers with good capacity, and to consider certification as experience is gained and the dialogue evolves. Models could be explored as this proceeds, and work to develop such models is recommended. To do this, technical support is needed to review experience to date with certification in other fields and to make recommendations on what would be possible.

Proposed Pilot Program

73. Building on past experience, and in countries with demonstrated capacity, it is now timely to move beyond capacity building to mainstreaming responsibility and accountability in client countries. Such a program of support could include: (a) assistance to countries to analyze their policies, institutional arrangements and procedures; (b) ongoing support for capacity building and policy change as required; and (c) clear incentives and rewards for proven performance including possible delegation of clearance responsibilities (along the lines of current procurement procedures) or eventual certification of countries or line agencies. This effort would be linked to a cross regional effort to harmonize donor and country requirements, initially for EA/ESSA.

74. This initiative would have advantages to both borrowing countries and donors including the Bank. First, for those countries adopting international standards and good practice for their own programs, environmental (and possibly) social impacts would be more effectively addressed and adjustments to specific donor requirements would be simplified. Second, for donor agencies, such a pilot could stimulate harmonization of standards and procedures between agencies and with country requirements, using real country cases as examples, and it could, in due course, permit delegation of specific responsibilities (for example screening and clearance of certain types of projects) to countries involved.

75. We should not underestimate the issues involved in mainstreaming. In some areas such as Africa, the most competent government staff has moved to the private sector and, as in most regions, enforcement is weak. In virtually all countries, including OECD countries, planning is more advanced than implementation, and there are always vested interests. And while broad policy principles are generally agreed, there are significant differences in details and Borrowers may be unwilling to apply higher or different standards to national programs. But the benefit of a pilot initiative would be to flesh out areas of differences and to make them transparent and open to discussion, while at the same time providing incentives to upgrade systems overall.

76. Since only a limited number of countries would have both the interest in or capacity to mainstream internationally recognized safeguard principles, a pilot is proposed which would involve at least one of the more advanced countries in each region. While the focus would be on countries, the pilot initiative would aim to learn from all countries and should have mechanisms to do so.

77. A survey of regional staff has suggested the possibilities of work in the Environmental Protection Agency in Ghana and with CLEIAA, which sits within that agency. In Tunisia, work would be continued with the Environmental Agency and CITET. ECA has suggested work with Poland and the South Asia region has proposed two states in India. East Asia and Latin America have not yet nominated candidate countries. The idea of a pilot has yet to be cleared with the countries involved and these suggestions are offered at this stage to give a sense of what might be possible and the range of opportunities involved (See Box 13 - to be expanded).

78. Key elements of the pilot, in addition to ongoing institutional strengthening, would be country safeguard assessments (focusing on one or more of the safeguard policies), preparation of a formal proposal to delegate or decentralize specific responsibilities to countries with proven capacity when certain benchmarks are met, and a donor harmonization effort focused initially on the six proposed pilot countries. Given the nature of Bank safeguard policies, the proposed pilot would need the endorsement of the Executive Directors.

79. The proposed meeting to establish common principles for ESSA harmonization, and the workshop in late 2001 to review the experiences of the Bank and other donors with EA, could be made more concrete by involving Borrowers from pilot countries and using their policies as the basis for review.

80. The results of this pilot might be a useful point of discussion in Johannesburg and the Rio +10 meetings in the autumn of 2002.

Box 13. Mainstreaming ESSA, A Proposed Pilot Project

In general regional staff have proposed mainstreaming efforts in countries with demonstrated capacity and good enforcement, and countries in which there has been a well-established and long standing relationship with environmental agencies, often including capacity building initiatives. These proposals are provisional and subject to discussion with the countries involved.

Africa – Building on capacity building initiatives carried out to date the Africa region has proposed to work with the Ghana Environmental Protection Agency and CITAI to determine how mainstreaming could proceed in an African context.

East Asia – China (?) Possibly focusing on one sector such as Transport and more than one policy (e.g. EA, resettlement)

ECA – Poland has one of the most advanced EIA systems in the region, and it has had borrowed previously for TA in environment and capacity building for EA. It has an incentive for harmonization given its interest in EU accession. A pilot might focus on one or more sectors in the country.

LCR – To be determined

MNA – Tunisia. Tunisia has a strong EA system administered by an agency within the Ministry of the Environment and Regional Development. Through CITET the Ministry has also carried out a number of country assessments in MNA and ECA and provided courses in capacity building.

South Asia – Regional staff have proposed work with one or two Indian states where policy reform, country dialogue and capacity building are already underway - this would likely include Karnataka and/or Andhra Pradesh. Initial attention would be given to sectors generating the bulk of B projects.

CONCLUSIONS AND RECOMMENDATIONS (TO BE ADDED)

ANNEX 1.
SUMMARY OF RECOMMENDATIONS AND RESPONSIBILITY FOR FOLLOW –UP

<i>Recommended Follow-Up</i>	<i>Responsibility</i>	<i>Comments/Actions Needed</i>
I. Making the Case		
Draft Statement of Principles and Due Diligence	SMART?/ Bankwide team	Decide whether to embed in sustainable development statement (Lovei?)
WDR - Sustainability	Zmarak/Wheeler	Identify incremental resources for DEC (?)
Business Case	De Nevers	Already underway
II. Improving Policies		
Put environmental and social impact assessment under ESSA umbrella	Davis/Lintner/ others	Meet to agree in July
Create capacity for reviewing SALs /SECALs in QACU	Georgieva	Whether in regions or QACU, this requires Bank resources
Develop minimum standards in context of donor harmonization	Davis/Fitzgerald	
Launch major harmonization effort with discussion at Summit	Colin Bruce Olav Kjørven ? Art Fitzgerald ? Gloria/others ?	Approach Norwegians for financial support
III. Building Safeguard systems		
Develop Country Assessment Protocol	Lovei/Pagiola	Should be adequate to cover environment and social safeguards
Develop standards and procedures for delegation in context of pilot program	SMART/Davis	Will need Board discussion and approval
Engage Consultant on certification	Davis	Norwegian resources?
Launch six country pilot Prepare paper for Board	SMART/Davis	Draft paper by September

ANNEX 2.
BUILDING SYSTEMS FOR SAFEGUARD IMPLEMENTATION

<i>Instrument</i>	<i>Capacity</i>			<i>Comments</i>
	<i>None/ Limited</i>	<i>Existing</i>	<i>Proven</i>	
AAA (In addition to other issues:)	Discusses safeguard capacity building	Discusses ways to strengthen capacity	Discusses policy alignment and delegation	
LILs/CDD	Permitted with negative list *	Develop Countrywide Approach	Delegate – Ex-post review only	Could be certified first
Investment Lending				
A	S**Exceptional Basis Only	S1 –Standard with Bank oversight	S1/S2 Standard with Bank oversight	Move toward delegation and certification
B	S1 - Limit – requirements too demanding	S2 - Standard Procedures	S2/S3 -Delegate Mix upfront and ex-post	
C	S3 – Ex-post review	S3 - Ex-post review	S3 - Delegate	
Programmatic Lending/SALs				
S1/S2	Limit	Develop capacity to assess E & S impacts	S1 – Bank involved S2- Ex-post Review	
S3	NA	NA	NA	

* Negative List specifies activities with environmental or social consequences that would not be financed.

** S1 – Significant Bank Inputs required
S2 – Standard inputs and capacity building
S3 – Few if any impacts – mainly ex-post review

In adapting safeguards to specific Bank lending instruments, it is clear that projects which have direct and geographically-specific adverse impacts (in environment and selected social areas) require mitigation measures. It is also broadly agreed that where projects have indirect or economy-wide impacts, which are not amenable to direct mitigation, a learning approach an approach based on analysis and monitoring of resources at risk is required to determine how to proceed (see below). But there are also many projects in the middle and the distinction is often blurred. For example in APLs and SILs which strengthen institutions (in transport sector) direct impacts on the environment and the poor may increase as programs expand. Since the level of detail in safeguard policies is not a good fit with programmatic loans addressing broad policy issues, they are often ignored. It is possible, however, that if safeguard principles could be agreed, along the lines set out in the previous section (cf. Box 5) that it would be possible to introduce such principles (without the procedural specifics) into the policy dialogue and this should be pursued.

Where impacts are indirect ~~and sector or or~~ economy-wide, the Bank will need to do more to develop ~~the technical expertise~~ analytical products and indicators to understand potential impacts on critical resources, prioritize and learn from experience what can be done, implementing mitigating actions where needed as part of regular country programming.² (FN) To this end, the Environment Department has ~~Strategy~~ recommended that each region commit the services of a senior economist with a good knowledge of environmental issues to review all adjustment loans and make recommendations for action, including the initiation of further analytical work (this would constitute a portion of a wider work program on environmental factors in strategic instruments such as the CAS and PRSP). ~~In light of resource requirements, it might be more feasible~~ A second-best solution is to establish environmental economics expertise initially in QACU (the Quality Assurance and Compliance Unit). This recommendation would require management approval and has resource implications.



Gloria Davis

Subject: Safeguard Vision - Agenda for Monday Meeting at 10:00

06/14/2001 06:29 PM
82750 ENV

Apologies for my previous message, we are meeting Monday at 10:00 with Kristalina., Jeannine to confirm the room.

As noted previously, I would like to circulate the first draft of the "vision" paper on June 20. Under the circumstances, my agenda for the meeting is as follows:

To provide you with a quick overview of storyline - speak now or.....

To highlight possible issues

To get early agreement on

Circulation of paper

Donor Harmonization Effort - whether and how to proceed (this is immanent).

Hope you can join us.

To: Kristalina I. Georgieva
Stephen F. Lintner
Maninder S. Gill
Colin Bruce
Michele E. De Nevers
cc: Jeannine Djaky



Calendar Entry

☒ Appointment ☐ Invitation ☐ Event ☐ Reminder ☐ Anniversary

Brief description:

JDW: HIGH-LEVEL ROUNDTABLE PANEL ON "PERSPECTIVES FOR CONSERVING BIODIVERSITY IN THE 21ST CENTURY -- (ENVIRONMENT MONTH)

Date:

06/13/2001

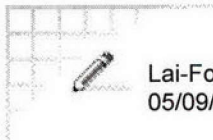
Time:

11:00 AM - 02:00 PM

☐ Pencil in

☐ Not for public viewing

Detailed description:



Lai-Foong Goh
05/09/2001 02:28 PM

Extn: 80388

EXC

To: Kristalina I. Georgieva cc: Jeannine Djaky, Gonzalo Castro, Ian Johnson, Kristyn E. Ebro, Vinodhini David, Thomas E. I
Subject: <CONFIRMATION NOTICE>

MR. WOLFENSOHN'S PARTICIPATION

EVENT: HIGH-LEVEL ROUNDTABLE PANEL ON "PERSPECTIVES FOR CONSERVING BIODIVERSITY IN THE 21ST CENTURY"

SCHEDULED AND CONFIRMED FOR: WEDNESDAY, JUNE 13

TIMING: FROM 11:00 A.M. TO 12:00 NOON

VENUE: PRESTON AUDITORIUM

**** CONFIRMATION NOTICE ****

This note confirms Mr. Wolfensohn's participation at the **HIGH-LEVEL ROUNDTABLE PANEL ON "PERSPECTIVES FOR CONSERVING BIODIVERSITY IN THE 21ST CENTURY"** on the following date/time:

Date: Wednesday, June 13

Time: From 11:00 a.m to 12:00 noon

Venue: Preston Auditorium

Kindly note that Ms. Minneh Kane will accompany Mr. Wolfensohn to this event, kindly arrange for appropriate seating.

Mr. Castro, please submit the briefing note (and talking points, if any) for Mr. Wolfensohn's participation at this event to the President's office (MC-12-740 / 1 original and 3 copies) **by 5:30 p.m. on Friday, June 8.** As well, closer to date, please provide me via email with the final (confirmed) list of external and WBG staff who will be participating at this roundtable so that I may update Mr. Wolfensohn's schedule to reflect this information.

Should you have any further questions regarding Mr. Wolfensohn's participation at this event or the related briefing material, please feel free to contact Ms. Kane at ext. 81759.

Many thanks,
Lai Foong



Gonzalo Castro
05/09/2001 10:45 AM

Extn: 31107

ENV

To: Thomas E. Lovejoy, Anita Gordon, Nola Chow, Kristyn E. Ebro, Samir M. Suleymanov, Kerstin Canby, Anthony J. Whitte
Subject: Task Force to Prepare for June 13th High-Level Biodiversity Event
MEETING THURSDAY MAY 10th, 11AM at Tom Lovejoy's office

Dear colleagues:

Tom has kindly agreed to Chair our small task force to handle the preparation for the June 13th high-level biodiversity event. We will meet tomorrow at 11AM at Tom's office to get organized. Some of the issues I believe we need to tackle include:

- Format and content, especially if we only have 1 hour of JDW's time
- Diversity, and the desirability of enhancing gender and Part 1 - Part 2 balance
- Briefing to JDW
- Invitations, personalized, from whom, to whom? (we need to fill-up the Preston with 300 people)
- Food (there will be a buffet afterwards)
- Security issues
- Handling of VIPs
- Press events (do we also announce McArthur grant to CEPF?)

Below you will find the latest summary of what we have so far.

Thank you!

Gonzalo

Date and Time: June 13th, 11:00 AM to 2:00 PM

Objective: To review current trends of biodiversity loss worldwide, and to understand the implications of these trends from various perspectives (scientific, business, non-profit, poverty and development, etc.). Given the high-profile and potential press coverage of the event, it could become an important and influential milestone for conservation.

Location: Preston Auditorium, The World Bank

11:00 - 12:30 - Round-table on "Perspectives for Conserving Biodiversity in the 21st Century"

A. Introduction by Moderator

B. Opening Remarks by Dr. Thomas Lovejoy, Chief Biodiversity Advisor to the World Bank and recipient of the 2001 Tyler Prize on "Perspectives on Conserving Biodiversity in the 21st Century: What are the Trends?" (20 minutes)

C. Panelists Responses to Trends from Various Perspectives (depending on the panelists)

James Wolfensohn, President, The World Bank
Peter Seligman, Chairman of the Board, Conservation International
E.O. Wilson, Harvard University (tbc)
Sir John Brown, Chairman of the Board, BP (tbc)
Orin Smith, CEO, Starbucks (tbc)

12:30 - 2:00 PM - Buffet lunch opened to all participants

We expect about 300 people, mostly from the Washington international development and environmental community.



Gonzalo Castro
05/09/2001 10:24 AM

Extn: 31107

ENV

To: Lai-Foong Goh cc: Ian Johnson, Minneh M. Kane, Allison A. Tsatsakis, Vinodhini David, Kristalina I. Georgieva, Thomas
Subject: Re: MR. WOLFENSOHN'S PARTICIPATION
EVENT: HIGH-LEVEL ROUNDTABLE PANEL ON "PERSPECTIVES FOR CONSERVING BIODIVERSITY
IN THE 21ST CENTURY"
HOLDING FOR: WEDNESDAY, JUNE 13 AT 11:00 A.M.
VENUE: THE WORLD BANK, EXACT ROOM (TBA)



Dear Lai Foong:

Thank you for the confirmation. In response to your questions:

- * The name of event indicated above is indeed correct - Yes, it is the correct one
- * The confirmation notice - who should it be addressed to - to Ms. Kristalina Georgieva
- * Names of WB staff who should be copied on the confirmation notice - Johnson, Ebro (ESDVP), Lovejoy (LCSES), Whitten, MacKinnon, Castro, Platais, Gordon, Chow, Canby (ENV)
- * Name of person who will be responsible for preparing the briefing note (& talking points, if any) for Mr. Wolfensohn's participation at this event
(due date: 5:30 p.m., Friday, June 8) - Gonzalo Castro

It would be desirable to get a 15 minute briefing with Mr. Wolfensohn, ideally the week prior to the event. I will get back to you with the appropriate names of people that should participate in the briefing.

Finally, and since the event is a round-table followed by a buffet lunch, we would really like to explore whether or not we can have 1:30 hours of Mr. Wolfensohn's time (until 12:30), so that the panel can be more interactive.

Thank you for your help,

Gonzalo

Lai-Foong Goh



Lai-Foong Goh
05/08/2001 05:22 PM

Extn: 80388

EXC

To: Gonzalo Castro cc: Ian Johnson, Minneh M. Kane, Allison A. Tsatsakis, Vinodhini David
Subject: MR. WOLFENSOHN'S PARTICIPATION
EVENT: HIGH-LEVEL ROUNDTABLE PANEL ON "PERSPECTIVES FOR CONSERVING BIODIVERSITY
IN THE 21ST CENTURY"

HOLDING FOR: WEDNESDAY, JUNE 13 AT 11:00 A.M.
VENUE: THE WORLD BANK, EXACT ROOM (TBA)

Dear Mr. Castro,

Further to the attached and my v.m. message of today, please note we have Mr. Wolfensohn scheduled to participate at the **High-Level Roundtable Panel on "Perspectives for Conserving Biodiversity in the 21st Century"** on the following date/time:

Date: Wednesday, June 13
Time: From 11:00 a.m. to 12:00 noon
Venue: To be confirmed by Mr. Castro

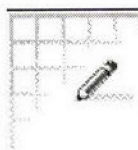
In the meantime, kindly advise on the following details so that we may issue the formal confirmation notice for Mr. Wolfensohn's participation at this event:

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- * The confirmation notice - who should it be addressed to: (?)
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- * Name of person who will be responsible for preparing the briefing note
(& talking points, if any) for Mr. Wolfensohn's participation at this event
(due date: 5:30 p.m., Friday, June 8)

As well, kindly advise if there is a need for a 15-20 mins. prebriefing to be scheduled with Mr. Wolfensohn in preparation for his participation at this event. If not we can do it 15 minutes prior to the event on June 13 at 10:45 a.m. If you prefer the former, please provide me with the names of the WB staff who should be invited to attend and then I'll proceed with lining up a date/time and issuing the meeting announcement.

I look forward to hearing from you. Should you have further questions or comments (apart from scheduling queries) regarding Mr. Wolfensohn's participation at this event, please feel free to contact Minneh Kane at ext. 81759.

Many thanks,
Lai Foong



Gonzalo Castro
05/03/2001 05:15 PM

Extn: 31107 ENV

To: Minneh M. Kane cc: Samir M. Suleymanov, Gunars Platais, Kristalina I. Georgieva, Anthony J. Whitten, Kerstin Canby,
Subject: Re: June calendar of Mr. Wolfensohn for Environment Events 

Dear Minneh:

Thank you very much for this information. We have also received a very positive response from CI, and they will be happy to help us move this forward. The suggested panel is now taking shape, as per the e-mail below.

We would like to suggest that Mr. Wolfensohn sends a note to Mr. Seligman, thanking him for his offer to help in enlisting the panel. This will help Mr. Seligman's chances of confirming those hardest to get (i.e., Harrison Ford). We will draft something.

We hope that it may be possible to get 1:30 hours of Mr. Wolfensohn's time if at all possible (11:00 AM to 12:30), so that the panel can be more lively and more questions can be entertained. Please let us know if this is possible.

No matter what, we would like to firm-up the slot we now have on Mr. Wolfensohn's calendar: June 13th, from 11 to noon.

Thanks for all your help,

Gonzalo



Jorgen Thomsen <J.THOMSEN@CONSERVATION.ORG> on 05/03/2001
09:46:47 AM

To: "Gcastro@worldbank.org" cc: 'Donnell Ocker', "Kcanby@worldbank.org", "Kgeorgieva@worldbank.org", "Agordon@worldbank.org"
Subject: RE: URGENT: Mr. Wolfensohn can be available on June 13th for the panel

Gonzalo,

Pete would like to do this and is excited about the opportunity. Harrison is filming but Pete will contact him to ask if he might be able to moderate the event. As regards the panel, what we propose is the following composition:

Jim Wolfensohn - confirmed
Tom Lovejoy - confirmed
Pete Seligmann - confirmed
Sir John Brown, CEO BP
Oren Smith, CEO Starbucks
E.O. Wilson, Harvard

We will contact the last three on the list and let you know. They may not all be able to make it a day early but are currently confirmed for our Board meeting.

Jorgen



Minneh M. Kane

05/01/2001 05:00 PM



Extn: 81759 EXC

To: Minneh M. Kane cc: Gonzalo Castro, Samir M. Suleymanov, Gunars Platais, Kristalina I. Georgieva, Anthony J. Whitter
Subject: Re: June calendar of Mr. Wolfensohn for Environment Events

On the Bio Diversity Panel, JDW could participate in this on June 13 from 11am to Noon. Because June is so crowded already, we will not be able to free up any more time for him to do this. I hope this will be sufficient for your purposes - please confirm.

On the community service day: we have had several requests for JDW's time in the context of community service events. One idea is we wondered if ESSD could get together with others in the Bank who are also planning community service events and see if there is a way for JDW to participate in an event organized jointly by the various players. Two that we know of now are the 2000 EDP Cohort (Laura Kullenberg) and the DC Outreach Group. We would be grateful if you could consider this and let us have your thoughts.

Regards,
Minneh



Lai-Foong Goh
05/08/2001 05:22 PM

Extn: 80388

EXC

To: Gonzalo Castro cc: Ian Johnson, Minneh M. Kane, Allison A. Tsatsakis, Vinodhini David

Subject: MR. WOLFENSOHN'S PARTICIPATION

EVENT: HIGH-LEVEL ROUNDTABLE PANEL ON "PERSPECTIVES FOR CONSERVING BIODIVERSITY IN THE 21ST CENTURY"

HOLDING FOR: WEDNESDAY, JUNE 13 AT 11:00 A.M.

VENUE: THE WORLD BANK, EXACT ROOM (TBA)

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I look forward to hearing from you. Should you have further questions or comments (apart from scheduling queries) regarding Mr. Wolfensohn's participation at this event, please feel free to contact Minneh Kane at ext. 81759.

Many thanks,
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Gonzalo Castro
05/03/2001 05:15 PM

Extn: 31107

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Jorgen



Minneh M. Kane

05/01/2001 05:00 PM



Extn: 81759

EXC

To: Minneh M. Kane cc: Gonzalo Castro, Samir M. Suleymanov, Gunars Platais, Kristalina I. Georgieva, Anthony J. Whitter
Subject: Re: June calendar of Mr. Wolfensohn for Environment Events

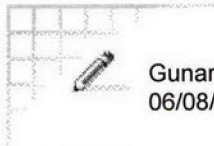
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the DC Outreach Group. We would be grateful if you could consider this and let us have your thoughts.

Regards,
Minneh

Chairperson: Ian Johnson/Person/World Bank



Gunars Platais
06/08/2001 05:01 PM

Extn: 32627 ENV
Subject: Briefing on June 13 Biodiversity event for JDW

Please find attached the briefing that was sent to Mr. Wolfensohn's office this afternoon.

Issues still pending: Bios of the speakers and EOWs talking points. CI is on this and will send as soon as they have these in hands.

Kristalina, Tom, Kathy and myself will give JDW a 15 minute briefing on Monday at noon.

Good weekends all around!!

Cheers,

Gunars



JDW Briefing 13 June 2001.doc

To: Kristalina I. Georgieva
Ian Johnson
cc: Kathy Mackinnon
Anthony J. Whitten
Anita Gordon
Thomas E. Lovejoy
Kerstin Canby
Vinodhini David
Gonzalo Castro
Sharon D. Esumei

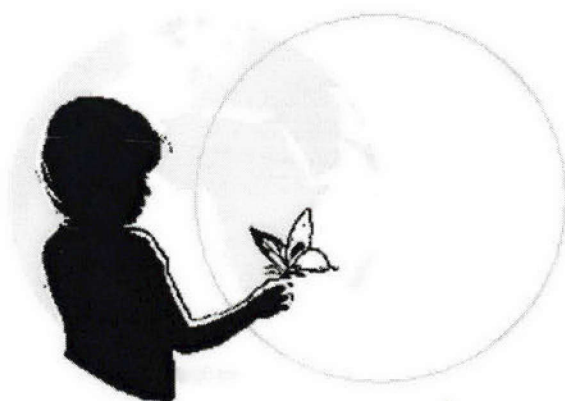
***Perspectives on Conserving Biodiversity
in the 21st Century***

A High level panel

June 13, 2001

“Environment Week in June”

World Bank



Biodiversity
The World Bank

Perspectives on Conserving Biodiversity in the 21st Century

High-Level Panel on Biodiversity

June 13, 2001: 11:00 to 12:30

Preston Auditorium

Context - Environment Week in June

Environment Week is the Bank's traditional environment gathering. This year it offers two distinct types of events. The first are the professional presentations, training and seminars. While the second are keynote speeches and other display events open to the public. These have been structured so as to promote a lively debate and provide a platform for collaboration amongst these different participants aiming to find ways in which environment programs can be a major factor in addressing the needs of the poor.

This year the environment week was spread through the whole month of June, in order to offer participants more flexibility in choosing events that fit their calendars. Some of the highlights of the month are to:

- join the rest of the planet in celebrating Environment Day and launch discussions on the implementation of the new Environment Strategy (June 5th) while promoting a rich interdisciplinary discussion on the environment and how it impacts work in different sectors and regions through a variety of training sessions, debates and open meeting spaces which are inspirational, thought-provoking and also fun to go to;
- showcase the regions and the regional environment strategies and programs (June 7th and 21st);
- highlight the links between biodiversity and livelihoods (June 6th) and discuss the implications of biodiversity loss from scientific, business, non-profit, and poverty and development perspectives (June 13);
- demonstrate why climate change is and will continue to be a critical factor in the Bank's work over the coming years (June 14th);
- initiate the first in a series of high level workshops on corporate sustainability (June 20th);
- feature the positive role of working with others -- UN partners, governments, NGOs and other multilateral organizations -- play in our work on sustainable development (June 11-14th); and
- provide an opportunity for the Bank family to do a public service to our communities (June 21st).

Ultimately, it is the intention of the Environment Family to instill in our colleagues the same conviction that makes us see why environment is at the heart of what our institution is all about.

Based on reflections of past performance and the OED environment review and extensive analytical input a framework is provided by the new World Bank Environment Strategy for concerted action towards implementing this vision.

The high level panel, *Perspectives on Conserving Biodiversity in the 21st Century*, which you will lead, is one of the key events of “Environment Week in June”. It will focus on current trends of biodiversity loss worldwide, and will look at the implications of these trends from various perspectives—scientific, business, non-profit, and poverty and development.

Purpose

As part of the activities of Environment Month at the Bank, you will chair a “High-Level Panel” on Biodiversity. The purposes of the Panel are:

- to highlight the importance of biodiversity to the Bank’s mission of poverty alleviation, and
- to send a strong message to the Washington environmental and development community that the Bank’s commitments in this area remain strong.

Expected attendees (300) include senior staff from governmental, private, and non-governmental environment and development agencies based in the Washington area as well as Bank staff.

Agenda and Talking Points

1. Opening by **Mr. Wolfensohn:**

- A. Welcome the audience to the Bank
- B. Welcome and introduction of panel members:
 - Orin Smith, CEO, Starbucks Coffee Company
 - E.O. Wilson, Harvard University (renowned author and scientist)
 - Thomas Lovejoy, Chief Biodiversity Advisor, the World Bank, and 2001 recipient of the Tyler Environmental Prize
 - Peter Seligmann, Chairman of the Board and CEO, Conservation International
- C. Invites Mr. Peter Seligmann to moderate the panel.

2. Peter Seligmann:

- A. Summarizes key biodiversity challenges (5 minutes)
 - No need to re-cap the threats to biodiversity. We would not be here if we were not alarmed at the state of our natural world.
 - The question is: how can we get the job done?
 - How can we influence lasting change in so many places?
 - Consider: one-fifth of all humans who ever lived were born in the 20th Century. Even more are expected in this century. Our impact on Earth is still peaking. Can we deny people the hope of leading a better life? How can we lighten our footprint? How can we set a different course for this century and beyond?
 - We have made so much progress, but at a price. We have molded the world to our needs, many times forgetting its gifts to us. And it is true for too many people – we're more isolated from Nature than ever before. As part of the Earth's web of life, can we re-connect to the subtlety and complexity that brought us forward?
 - How do we work in league with bettering people's lives, expanding businesses and economies, feeding and housing billions more people, and raising the standards of living for people around the world?
- B. Asks a question to each panelist. The first question is to Mr. Wolfensohn.

Mr. Wolfensohn: How is Mr. Wolfensohn ensuring that biodiversity remains firmly established within the Bank?

Outline of answer:

- Biodiversity is the basic building block of ecosystems and the services they provide. These are fundamental to the livelihoods of the poor, especially those in the rural setting. We are committed to finding ways in which these linkages are strengthened through conservation efforts and integrating biodiversity into the decision making process at all scales local, national and/or regional.
- Today, the Bank is the largest international funder of biodiversity, having mobilized \$2.6 billion of funding for 226 projects in the last 10 years. The Bank implements biodiversity projects through IBRD, IDA, GEF, and the Brasil Rain-Forest Trust Fund;
- The Bank has substantially increased its capacity in the biodiversity area and now has a community of practice of 250 staff bankwide;
- The Bank's portfolio is moving beyond parks and protected areas towards increased support for sustainable use of biological resources by poor people, thus increasing ownership;
- There is a greater emphasis on market forces for green products ('ecomarkets') thus increasing sustainability;
- Increased mainstreaming of biodiversity into productive sectors (agriculture, forestry, water resource management);
- Greater involvement of indigenous people;
- Despite representing only 25% of the dollar value, the GEF remains a key player because of its strong role in awareness and mainstreaming;
- A new key partnership is the Critical Ecosystems Partnership Fund with Conservation International, allowing the Bank to finance smaller projects at the key biological hotspots in the planet, and to reach community groups and smaller NGOs.

E.O. Wilson: The challenge of conservation when so little about ecology and biodiversity is known.

E.O. Wilson will provide perspectives on losing ecosystems and ecological services.

Orin Smith: Are profits and conservation compatible?

You are the CEO of a global company selling one of the world's largest commodities: coffee, which has worked with CI for over 3 years now. Why does a coffee company care about conservation? What lessons can others in the private sector learn from your experience?

Suggested Response:

-- Links between long term supply of coffee and farmer livelihood, conservation of Hotspots.

-- Overview of Starbucks-CI partnership

-- Given that this is a World Bank audience, it would be nice to include the following

- Partnership with CI has helped Starbucks explore issues facing the market, such as access to credit by coffee farmers. Through a tripartite biodiversity partnership between CI, GEF (Global Environment Facility) and the International Finance Corporation's small and medium enterprise Program, the CEF has invested almost \$ 1 million in biodiversity businesses in the hotspots.
- As a result of a loan from the Conservation Enterprise Fund, coffee farmers in Chiapas, Mexico now have 3-years of low-interest credit to finance the export of shade-grown coffee sold in Starbucks—available in stores now – Shade Grown Mexico(TM).
- The IFC and GEF's involvement in the establishment of the Conservation Enterprise Fund has been a key component in bringing shade-grown coffee to Starbucks's stores. It has also enabled coffee farmers in Chiapas to afford to harvest their coffee and preserve the ecosystem which harbors Mexico's rich biodiversity.
- As a result of the success of this partnership, CI and the IFC are currently discussing ways to expand this partnership in the future on a larger scale.

-- Of course, we're not the only ones working on these challenges. The Bank is also working with coffee farmers in Chiapas, too, as well other places such as El Salvador. (Bank is involved in credit, organizational capacity building, standards setting in Chiapas.)

-- Shade Grown Mexico Coffee

- Now in its third year, Starbucks has purchased its largest supply to date of Shade Grown Mexico coffee in hopes that it will now be available year round in our retail outlets.
- Shade Grown Mexico is providing real benefits for small farmers in Chiapas, Mexico: 65 percent increase in the price paid for shade grown coffee over local prices; 50 percent growth in the cooperative's international coffee sales over last year; \$600,000 in non-Starbucks harvest loans have been made to the cooperatives over the past three years; a 220% percent increase in acres of fields currently under the management of farmers participating in the project since 1998. Additionally, Starbucks provided a guarantee for \$150,000 to assist farmers in obtaining financing for this years harvest.

- Starbucks CI partnership as an innovative solution to a problem. Meets interests of both organizations, provides business benefits, helps local people and helps protect an important area.
- CI terms this win-win-win “net benefit” – and has just announced the creation of the Center for Environmental Leadership in Business to engage the private sector to create solutions to environmental problems. The Center was formed through a five year, \$25 million grant from Ford Motor Company.

Thomas Lovejoy: What are the new challenges in the 21st century?
Thomas Lovejoy will elaborate on climate change and biodiversity, as well as new challenges including species extinction and invasive species.

- C. Asks a follow-up question to each panelist in reverse order depending on answers and emerging points.
- D. Invites questions to audience if there is a need.

3. Closing Remarks by **Mr. Wolfensohn**

Talking Points:

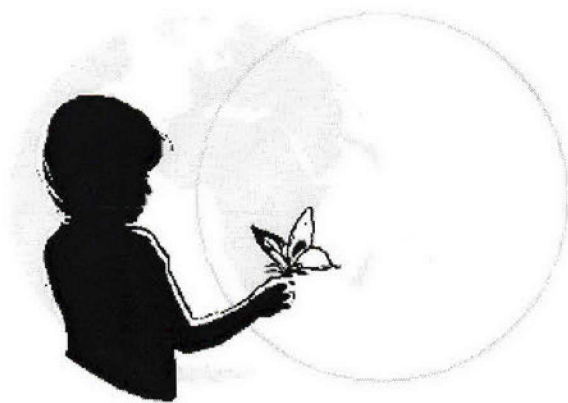
- The Bank will remain a major player in the biodiversity area because it is central to our mission.
- Achieving the WBG's mission of eradicating poverty for lasting results depends on our ability to maintain a planet that can provide the environmental services and functions upon which life and economic development can be sustained. We cannot combat the symptoms of poverty, we must address its causes.
- Reducing poverty in the short and medium term must be accompanied by enhancing natural and social capital so that sustainability is achieved, thus avoiding increased poverty and social exclusion in the long term.
- The upcoming environment strategy recognizes these functions, and proposes further mainstreaming of biodiversity through enhanced operational linkages with poverty alleviation objectives.
- Specific initiatives include: support for high priority regional programs with strong client support such as the Mesoamerican Biodiversity Corridor, further operational work on expanding payment for ecological services,

strengthened involvement of indigenous people, and strengthened partnerships.

4. Closing at 12:30

5. Buffet lunch opened to all participants until 2 PM.

***SOME POSSIBLE
QUESTIONS and ANSWERS***



Biodiversity
The World Bank

SOME POSSIBLE QUESTIONS and ANSWERS

- How will conservation of biodiversity advance the Bank's mission of alleviating poverty?

Our health and well-being is directly linked to the state of our natural world. We are a part of nature, and our world's biodiversity gives us the clean water and air, food and the spiritual sustenance that enriches our lives. Biodiversity is in a critical state, and the Fund's impact today will reduce poverty tomorrow.

- What is the Bank doing to conserve Biodiversity?

As the largest single international funding source for biodiversity projects, the World Bank is committed to a strong leadership role. It has done so through its role as an implementing agency of the Global Environment Facility (GEF), its sectoral partnerships with leading conservation NGOs, and its recent efforts to mainstream biodiversity concerns into its lending portfolio. The CEPF will strengthen the Bank's position by offering a streamlined funding mechanism to support biodiversity objectives in several of the world's critical ecosystems.

- Why has the Bank partnered with Conservation International?

Conservation International is an internationally recognized leader in biodiversity conservation. CI has a strong history of promoting local partners in the field as well as in managing complex multi-million dollar programs. It has been a leader in defining conservation priorities through its "Hotspots and Wilderness Areas" analysis. CI also innovated the Rapid Assessment Program, a biological assessment tool that can gather information on an area in a fraction of the time previously required.

- How will poor people be affected by the loss of biodiversity?

Biodiversity conservation is for the future of all people – without it, we endanger our health, our security, our natural endowment, and the beauty and splendor of life on Earth.

More people will be impoverished in the future if we do not act urgently in the face of mounting loss of biodiversity.

National resources are already over-stressed. Essential for survival of life on the planet to radically reduce environmental degradation in the face of exploding population and accompanying escalation of our use of resources.

- What is the link between the CEPF and the GEF?

The CEPF is designed to complement the Bank's regular GEF activities rather than duplicate or overlap with them. Several factors distinguish the CEPF from the regular GEF activities. First, The CEPF is geographically and thematically more concentrated in its objectives. Second, the CEPF's structure will enable it to deliver modest sums of money with increased agility, as many smaller-scale projects are time-sensitive, and quick response funding mechanisms are needed to respond to ecological emergencies.

- How can the CEPF help the Bank to mainstream biodiversity conservation?

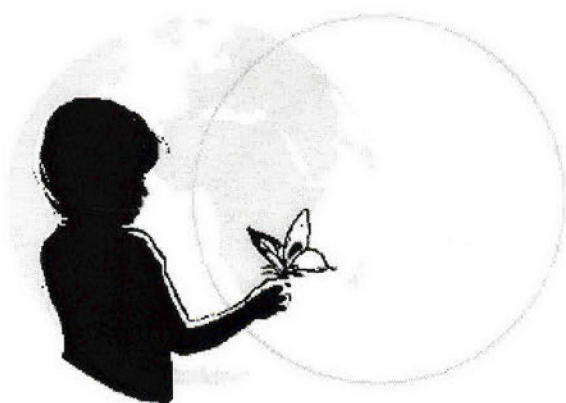
First, the CEPF will allow fuller engagement of local community groups, civil society and NGOs. To date, it has proven difficult for the Bank, under its regular lending to governments, to ensure that the capacity of local NGOs and community groups is adequately utilized for the design and implementation of low-cost biodiversity interventions. The CEPF will help ensure that the Bank's traditional assistance and public sector partnerships are strengthened by collaboration with local biodiversity actors.

Second, CEPF activities and the information management service provided by BCIS can provide detailed environmental and social information necessary for impact assessments of large-scale projects in biologically critical regions. This information will assist the Bank in formulating sector strategies in areas such as forestry, water resource management, fisheries and infrastructure development.

- How will the Bank's contribution to the CEPF leverage additional funds?

The Bank is expected to provide one quarter of the funding of the CEPF's grant making capability. But each Bank dollar will leverage six additional dollars for conservation because each grant will require a match. In addition, several foundations and private sector companies have expressed an interest in funding certain elements of the initiative, thus potentially reducing the Bank's share of the total funding.

ANNEX 1
SELECTED BIODIVERSITY DISPLAYS



Biodiversity
The World Bank

Gunars Platais

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June 8, 2001 4:34 PM



MACARTHUR
The John D. and Catherine T. MacArthur Foundation

Embargoed for June 13, 2001

Contact: Lisa Bowen, Conservation International (202) 912-1204
Ray Boyer, The MacArthur Foundation (312) 726-8000
Kristyn Ebro, The World Bank (202) 458-2736
Hutton Archer, GEF (202) 458-7117

The John D. and Catherine T. MacArthur Foundation Grants \$25 million to Safeguard Biodiversity in Key Regions of the World

- ***Grant Brings Fund To Protect Biodiversity Hotspots to \$100 million***

Washington, D.C., June 13, 2001—With a grant of \$25 million, The John D. and Catherine T. MacArthur Foundation has joined the Critical Ecosystem Partnership Fund, a major effort to preserve the most critically endangered and biologically richest areas on Earth.

In addition to MacArthur, the members of the Fund are Conservation International, the Global Environment Facility, and the World Bank. The new grant brings the assets of the Fund to \$100 million toward a goal of at least \$150 million. The Critical Ecosystem Partnership Fund (CEPF) focuses on biodiversity hotspots, the highly threatened regions of the Earth where an estimated 60 percent of all terrestrial species diversity are found within only 1.4 percent of the planet's land surface.

"For more than a decade, the MacArthur Foundation has embraced the hotspots strategy to save the planet's most endangered species and habitats," said Peter A. Seligmann, Chairman and Chief Executive Officer of Conservation International. "With this grant the Foundation continues that work as a leading partner in protecting the world's most threatened areas, and we are grateful to the MacArthur Foundation for participating in such a vital mission."

The grant in support of conserving biodiversity was made to Conservation International, as the managing partner of the Partnership Fund.

-more-

Said Jonathan F. Fanton, President of the MacArthur Foundation: "The world's most critical ecosystems have been identified; scientific research has documented the species population; and international and local groups have pioneered methods to protect critical areas while encouraging sustainable uses. Now the challenge is to bring preservation efforts to a scale sufficient to get the job done—to protect forever areas in the developing world that contain the world's biological heritage. This partnership among multilateral agencies like the World Bank, national governments and local groups, and leading international organizations like Conservation International offers great hope."

"The CEPF represents an innovative partnership that conserves unique ecosystems while at the same time improving local livelihoods," said World Bank President James D. Wolfensohn. "We are delighted that the MacArthur Foundation has joined us in support of these goals."

Each of the member organizations has committed \$25 million to the CEPF, which provides financial support, technical expertise, field knowledge, and information to mostly nonprofit organizations working to conserve biodiversity in developing countries. Each donor is committed to combining proven strengths, leverage with other groups, and expertise to the Fund in a way that complements existing programs.

"The CEPF will be a powerful tool for governments, international institutions, and community groups to protect our natural heritage and promote truly sustainable development," said Mohamed T. El-Ashry, Chief Executive Officer of the Global Environment Facility.

"Each organization recognizes that the challenge to conserve the last remaining pristine areas on Earth is better addressed by forging innovative and strategic partnerships than by going it alone," said Seligmann.

Since the Fund was launched in August 2000, the CEPF Donor Council has approved the spending of more than \$11 million in grant resources, divided among priority areas in West Africa, Madagascar, and the Vilcabamba-Amboró corridor straddling Peru and Bolivia.

Grants will be approved on an ongoing basis, with the objective of investing \$150 million in biodiversity conservation over the next five years.

"This is work that must be done now," said Fanton. "If there is not a concentrated effort to preserve these remarkable regions of the world, the species living there will be gone forever."

The Critical Ecosystem Partnership Fund is seeking at least two additional partners who will make a contribution of \$25 million each to ensure that the Fund reaches its goal.

The John D. and Catherine T. MacArthur Foundation is a private, independent grantmaking institution dedicated to helping groups and individuals foster lasting improvement in the human condition. The Foundation seeks the development of healthy individuals and effective communities; peace within and among nations; responsible choices about human reproduction; and a global ecosystem capable of supporting healthy human societies. The Foundation pursues this mission by supporting research, policy analysis, dissemination, education and training, and practice. Located in Chicago, IL, The MacArthur Foundation makes grants totaling more than \$170 million annually. (www.macfound.org)

Founded in 1987, CI conserves Earth's living heritage by working in alliances to protect the world's highest priority areas for biodiversity. The organization has identified 25 biodiversity hotspots that are the focus of its international efforts. These hotspots are biologically rich areas that are under extreme threat. Together, they contain more than 60 percent of terrestrial biodiversity on just 1.4 percent of Earth's land surface. Currently, CI works in more than 30 countries on four continents. (www.conservation.org)

The Global Environment Facility (GEF) provides grants and concessional funding to developing countries and economies in transition for efforts to protect the global environment. As the financial mechanism of the Convention on Biological Diversity, GEF is the principal international funder of biodiversity conservation, with a portfolio of more than 400 biodiversity projects totaling \$5.4 billion in over 140 countries. (www.gefweb.org)

The World Bank's mission is to help developing countries fight poverty and raise living standards in a sustainable way. In carrying out this mission, the Bank has become a major financier of biodiversity conservation. Over the last decade, it has developed a portfolio of conservation projects and programs worth some \$2 billion. (www.worldbank.org/biodiversity)

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Robin Murphy

From: Lisa Bowen
Sent: Tuesday, June 12, 2001 4:43 PM
To: Peter Seligmann
Cc: Robin Murphy; Donnell Ocker; Jorgen Thomsen
Subject: WB Panel and MacArthur Grant Announcement

Importance: High

Peter -- In your introductory comments tomorrow at the WB panel, you will need to make a very brief announcement of the MacArthur grant to the CEPF. We want to take advantage of the fact that there will be news media present. The WB media people initially did not want this announcement to be made during the panel, because they don't want the discussion to become one about the CEPF. I assured them it would not, and that you would limit your comments to just a couple of sentences. I've attached the press release we're handing out at the event. Your comments could be something along the lines of:

1/ As we begin a discussion about biodiversity conservation in the new millennium, I'm thrilled to announce that the John D. and Catherine T. MacArthur Foundation has contributed \$25 million to the Critical Ecosystem Partnership Fund. For more than a decade, the MacArthur Foundation has embraced the hotspots strategy to save the planet's most endangered species and habitats. With this grant the Foundation joins an innovative partnership which includes the World Bank, the Global Environment Facility and Conservation International in a \$150 million initiative to combat biodiversity loss in some of the hardest hit regions of the world. We are grateful to the MacArthur Foundation for participating in such a vital mission."

Thanks,
Lisa

PROTEST AGAINST STARBUCKS AND WORLD BANK

– Talking Points –

WHAT: A press conference outside of Starbucks by consumer and environmental groups criticizing the World Bank and Starbucks for "greenwashing." The groups are calling on Starbucks and the World Bank to make a genuine commitment to Fair Trade, sustainably produced shade grown coffee, and a living wage for the world's millions of impoverished coffee farmers and plantation workers.

After the press conference picketers will move to the World Bank where World Bank President James D. Wolfensohn and Starbucks CEO Orin Smith will be speaking on a panel, "Perspectives on Conserving Biodiversity in the 21st Century".

WHEN: Wednesday, June 13, 2001 at 10:00 AM

PROTESTOR'S REASONING: "The World Bank is the financial institution that bears major responsibility for depressing world coffee prices and driving thousands of small coffee farmers off their land. Despite touting themselves as a company with a strong commitment to social and environmental responsibility, Orin Smith admitted in an interview with NPR last month that Fair Trade coffee comprises less than 1/10th of 1 percent of the coffee Starbucks buys."

WHO: Global Exchange, Friends of the Earth, and Organic Consumers Association.

WHERE: Starbucks: 1730 Pennsylvania NW (Between 17th and 18th) in Washington, DC. and the World Bank.

TALKING POINTS:

1. **The World Bank is not a primary funder of coffee plantations.**
2. **We support our client countries in ecologically sound projects, including some shade-grown coffee projects.**
3. **We have a project geared to tackling commodity price risk management for small farmers.**

BACKGROUND TO COFFEE PRODUCTION:

- 117 mln 60kg bags (approx. 7 million metric tons) produced per year
- Consumption: 107 mln 60 kg bags (approximately approx. 6 million metric tons)
- The three largest coffee producing countries are Brazil, Columbia, and Vietnam.
- Shade grown and fair-traded coffee represents a small percentage since the cost to produce this is much higher.

BASICS OF THE COFFEE MARKET:

Coffee is one of the most traded products in the world. The dominant producer, at approximately 30 percent, is Brazil. The price is volatile, due to weather fluctuations and consequent lagged supply responses. In 1994, the Brazil coffee harvest was hit by a severe frost, resulting in a low harvest and a world price spike. The increased price attracted other producers to increase or engage in coffee production. However, it takes at least 3-4 years for new plants to produce, by which time the Brazil coffee production had recovered, producing an overall supply increase and reduced prices. Brazil is one of the lowest cost producers of coffee, so it's difficult for other producers to compete.

Coffee production cannot be turned off like oil, so even if the producers stop intensive production, the plants will still yield coffee – hence the oversupply and the current downward trend in coffee. In conclusion, the major issue with coffee is price volatility. The Bank has a major project in partnership with many donors and other organizations on commodity price risk management – coffee is an integral component of that program.

WORLD BANK SUPPORT FOR COFFEE:

- limited direct lending support for coffee production,
- 3 small-scale pilot programs/projects specifically dealing with shade-grown coffee – Mexico & El Salvador
- Commodity Risk Program: 3 of 4 case studies dealing with coffee

Evidence of our commitment to sustainable production systems is found in our involvement in shade-grown coffee, which while limited, is positive:

Mexico

- In Mexico **GEF is involved in TWO ways** with shade coffee, the IFC Conservation Enterprise Fund and the GEF Medium Sized Grant. The projects are complementary **as they work with the same coffee producer organizations**, but quite separate with respect to their objectives and activities.
- **First**, through IFC and the Conservation Enterprise Fund which also involves CI. The Fund basically provided the financial means for pre-financing the harvests and CI helped one producer organization to overcome the long retail chain by brokering a deal directly with Starbucks.
- Coffee farmers in Chiapas, Mexico now have 3-years of low-interest credit to finance the export of shade-grown coffee— sold in Starbucks as Shade Grown Mexico(TM).
- This has enabled coffee farmers in Chiapas to harvest their coffee and preserve the ecosystem which harbors Mexico's rich biodiversity.
- As a result of the success of this partnership, Conservation International and the IFC are currently discussing ways to expand this partnership in the future on a larger scale.
- Shade Grown coffee in Mexico is providing benefits for small farmers in Chiapas, Mexico: 65 percent increase in the price paid for shade grown coffee over local prices; 50 percent growth in the cooperative's international coffee sales over last year; \$600,000 in non-Starbucks harvest loans have been made to the cooperatives over the past three years; a 220% percent increase in acres of fields currently under the management of farmers participating in the project since 1998. Additionally, Starbucks provided a guarantee for \$150,000 to assist farmers in obtaining financing for this years harvest.
- **Second**, a separate GEF Medium Sized Grant "Habitat Enhancement in Productive Landscapes of the EL Triunfo Biosphere Reserve". This project covers the work in the field with the producer organizations and the communities in order to make the production of this high quality coffee sustainable. Sustainable in ecological terms as well as economic terms for the producers. The results of this project will assure that the farmers are able to produce and commercialize shade grown coffee that is certified and to continue to be able to commercialize shade coffee with companies like Starbucks and others. The project complements the financial support of the IFC Fund by building the capacity for sustainable coffee production by strengthening the producer organizations and develop their capacity to produce and commercialize shade grown coffee that builds on the principles of organic and fair trade certification.

El Salvador

Name: Promotion of Biodiversity Conservation within Coffee Landscapes

Description: All aspects of this project result in positive biodiversity impacts. This GEF-MSP aims to boost the production of organically-grown shade coffee so as to provide habitat for biodiversity (especially birds) that depends upon El Salvador's vastly reduced forest cover. It supports: (1) studies on

shade coffee's impacts on biodiversity, (2) extension services, (3) education, (4) development of bird-friendly coffee certification criteria; (5) a marketing campaign for bird-friendly coffee; and (6) monitoring and measures to enhance habitat quality and quantity

Costs attributable to Biodiversity: 100% of project costs are attributed to biodiversity.

Uganda

Kibale Forest Wild Coffee – This project results in benefits to biodiversity and local communities. This GEF medium-size project establishes 1) an ecologically sustainable management system for buffer zones of Kibale National Park based on a management plan; 2) an incentive system for conservation of biodiversity within a zone of small farms; and 3) creation of a financial mechanism for sustaining park costs and investing in economic and social improvements in surrounding areas.

Vietnam

The Bank has not given any direct support for coffee in Vietnam the 1990s, nor are we doing it now. Coffee production has increased in Vietnam due to the change in government policies in the 1990s.

CONSERVATION PRINCIPLES FOR COFFEE PRODUCTION

Consumer's Choice Council initiated the "Conservation Principles for Coffee Production" – the World Bank played an advisory role in their coordination. We take the Principles seriously. Our approach to agriculture in general, including coffee production, seeks to work with our clients to pursue the most environmentally sustainable and cost-effective approach to farming systems. We will produce an EA Sourcebook update on agriculture services and technology programs.

KEEPING OUR OWN HOUSE IN ORDER

For over 3 years, World Bank cafeterias have been serving Fair Trade coffee.

SDV: OP 4.10



Calendar Entry

☒ Appointment ☐ Invitation ☐ Event ☐ Reminder ☐ Anniversary

Brief description:

Indigenous Peoples' Policy

Date:

12/01/2000

Time:

04:00 PM - 05:00 PM

☐ Pencil in

☐ Not for public viewing

Detailed description:



Gloria Davis

11/30/2000 06:02 PM

Extn: 82750

ENVDR

To: Ian Johnson, Steen Lau Jorgensen, Stephen F. Lintner, Shelton H. Davis, Salman M. A. Salman, Maninder S. Gill, Colin Bruce
Subject: URGENT - OP/BP 4.10 - Latest Version for Friday Meeting

12/1: Forwarded to EB and Printed for folder. Vino

We have updated OP/BP 4.10 in preparation for our meeting on Friday at 4:00 with Ian Johnson. Please find the latest version attached.

There are outstanding issues related to the language on land tenure (see new para 15) and substantive issues related to the treatment of parks and protected areas (para 17) and resettlement (para 18). We will summarize these issues in a matrix to be distributed tomorrow.



OP 4.10 Nov 30.do

consultation with Regions

Mitos to send out invitation



Gloria Davis
11/30/2000 06:02 PM

Extn: 82750 ENVDR
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OP 4.10 Nov 30.doc BP 4.10 Nov 30.doc

To: Ian Johnson
Steen Lau Jorgensen
Stephen F. Lintner
Shelton H. Davis
Salman M. A. Salman
Maninder S. Gill
Colin Bruce
cc: Navin K. Rai
Concepcion Esperanza Del Castillo

INDIGENOUS PEOPLES

Overview

1. The broad objectives of this policy are to ensure that the development process fosters full respect for the dignity, human rights and cultures of indigenous peoples, and to ensure that they have a voice in development operations which affect them.
2. This policy contributes to the Bank's mission of poverty reduction and sustainable development. The Bank recognizes that indigenous peoples are commonly among the poorest segments of society and in many countries they have not fully benefited from development. It also recognizes that the identities, cultures, lands and resources of indigenous people are uniquely intertwined and especially vulnerable to induced change. Because of this, issues related to indigenous peoples and development are complex and require special measures to ensure that they are not disadvantaged and that they are included in and benefit from development operations as appropriate.
3. This policy is divided into two sections. The first describes the safeguard provisions of this policy. It sets out the process for identifying indigenous peoples, the policy requirements to be followed when they are affected by Bank-assisted projects, and the specific measures required when a Bank-assisted project affects the lands or resources of an indigenous group. The second section describes measures that Borrowers are encouraged to adopt in the context of their development planning and poverty reduction strategies to promote indigenous peoples development.

I. SAFEGUARD PROVISIONS

Identification of Indigenous Peoples

4. The terms "indigenous peoples," "indigenous ethnic minorities," "tribal groups," and "scheduled tribes" describe social groups with a social and cultural identity that is distinct from the dominant groups in society and that makes them vulnerable to being disadvantaged in the development process. Many have a social and economic status that limits their capacity to assert their interests in and rights to land and other productive resources, or that restricts their ability to participate in and benefit from development.
5. Rather than seek a single universal definition for the term "indigenous peoples," for purposes of this policy, indigenous peoples are identified by the presence of the following characteristics in varying degrees:
 - (a) close attachment to ancestral territories¹ and the natural resources in them;
 - (b) presence of customary social, economic, and political institutions;
 - (c) economic systems primarily oriented to subsistence production;
 - (d) often, use of a language, different from the predominant language; and

¹ The term "indigenous peoples" does not necessarily imply that such groups were present in an area before the majority population, although in many regions this is the case.

- (e) self-identification and identification by others as members of a distinct cultural group.

Indigenous groups and communities differ in their degree of acculturation and integration into the dominant society.

6. This policy applies when a group of indigenous peoples in a particular geographical area has a combination of the characteristics in paragraph 5. The requirements of the policy do not normally apply to groups who have left their communities of origin and joined the wage economy and who, in so doing, no longer maintain their traditional ways of life.²

Policy Requirements

7. Where indigenous peoples may be affected by a Bank-assisted operation, the Bank requires:

- a) Screening to determine whether there are indigenous peoples to whom the policy applies;
- b) Meaningful consultation with affected indigenous groups;
- c) Mechanisms incorporated into project design and implementation to:
 - foster the informed participation of affected indigenous groups;
 - avoid, minimize or mitigate adverse impacts upon them;
 - ensure that benefits intended for them are culturally appropriate; and
- c) Documentation of the above process.

8. *Screening:* Where Borrower legislation affords special status to groups with the characteristics in paragraph 5, or where there has already been a review in which the Bank and Borrower have agreed on the general identification of indigenous groups, this provides the starting point for determining whether the policy applies in a particular project context. Additional screening may be needed, including consultation with potentially affected groups. Technical judgement by qualified social scientists is essential in determining the groups to which the policy applies and should be undertaken on a site specific basis.

9. *Consultation and Participation.* To ensure meaningful consultation with affected indigenous groups, the Borrower provides relevant information to the affected groups in a timely and culturally appropriate manner. To facilitate such consultation, the Borrower normally:

- (a) establishes an appropriate framework for dialogue, including adequate gender and generational representation;
- (b) involves local representative indigenous organizations in discussion, as appropriate; and
- (c) organizes meetings where the views of indigenous peoples can be aired.

he expects  The Borrower and the Bank consider the nature and results of the consultation process when deciding whether and how to proceed with the project. 

² Because indigenous groups may be very small, and their size may affect their vulnerability, there is no numerical threshold for application of this policy, but the magnitude of effort and the nature of interventions will vary depending on the significance of impacts and numbers of people affected.

10. *Project Design.* Projects which may have adverse impacts and projects in which indigenous people are among the proposed beneficiaries both require informed participation³ and the development of measures to be incorporated into project design. However, processing requirements differ.

(a) In projects where adverse impacts are anticipated, the Borrower undertakes a social assessment in order to determine the nature and extent of impacts and the measures required to avoid, minimize or mitigate such impacts. Based on this assessment, the Borrower prepares an Indigenous Peoples Plan (IPP) in consultation with the affected indigenous groups. The content and level of detail of the IPP vary according to the specific characteristics of the project and the nature of impacts to be addressed.⁴ (see BP 4.10, para 7).

(b) In social sector projects such as education or health, or in community driven development or other poverty reduction projects where indigenous peoples are among the intended beneficiaries, special measures are required to ensure that the project takes into account their specific languages, cultures, religious beliefs and ways of life. Such measures are identified in consultation with indigenous peoples and are incorporated directly into the project.

11. *Documentation.* In order to ensure that the process and rationale for project interventions are clear and transparent, when ever indigenous people are affected by a Bank-assisted project, information on identification, consultation, and measures to be incorporated into the project is summarized in an Annex to the PAD.

12. *Special Cases.* In the case of sector investment loans, financial intermediary loans, and other Bank-assisted projects with multiple sub-projects that affect indigenous peoples covered by the policy, the Bank requires a strategy to ensure that safeguard provisions are met. The project implementing agency screens each sub-project to ensure consistency with the policy.

Lands and Resources

13. The economies, identities and forms of social organization of indigenous peoples are closely tied to land, water and other natural resources. Therefore, particular attention is given in Bank-assisted projects, to the individual and collective rights of indigenous peoples to use and develop the lands that they occupy, to have access to natural resources vital to their subsistence, to the sustainability of their cultures, and to their future development.

14. Where Bank-assisted projects may affect the land, water and other natural resources of indigenous groups, attention is given to:

³ Where they have their own representative organization, such organizations may be the channels for communicating local preferences, but where views are contested, the objective is to ensure that directly affected groups can make their voices heard.

⁴ IPPs may be prepared and combined with resettlement plans or community action plans or similar instruments as long as the above information is covered. To promote synergy and equity, provisions for different indigenous groups may be included in the same document and tailored to significant differences. The title of the plan may vary according to country circumstances and preferences. Because the needs and priorities of indigenous peoples may change over the life of the project, the proposed measures should include mechanisms for periodic review and adjustment.

- (a) the cultural, religious and sacred values⁵ that indigenous people attribute to their lands and resources;
- (b) their individual and communal or collective rights to use and develop the lands they occupy and to be protected against encroachment;
- (c) their customary claims, access and use of the natural resources vital to their cultures and ways of life; and
- (d) their natural resources management practices and their long-term sustainability.

This is done to avoid or minimize adverse impacts on affected indigenous groups.

15. Where rights to lands or resources are contested, Borrowers are encouraged to give consideration to establishing legal recognition of the customary or traditional land tenure systems of indigenous peoples, or granting long-term renewable rights of custodianship and use. This should be done before other steps are taken which are dependent on recognized land titles. 16. Commercial Use of Lands and Resources. When Bank-assisted projects involve the commercial exploitation of natural resources (including forests, mineral, and hydrocarbon resources) on lands owned, or customarily used by indigenous peoples, Bank policy requires that indigenous peoples:

- (a) are informed about their rights under domestic and customary law;
- (b) are informed about the potential impacts on their livelihoods, environments and use of natural resources;
- (c) are consulted at an early stage on the development of such projects, and involved in decisions which affect them; and
- (d) derive benefits from the project.

As in all projects, adverse impacts upon indigenous peoples are avoided or minimized, and benefits should be culturally compatible and tailored to their needs and preferences.

17. Parks and Protected Areas. In many countries, the lands set aside for legally designated parks and protected areas may overlap with lands and natural resources customarily owned or used by indigenous peoples. The Bank recognizes both the significance of these customary rights and the need for long-term sustainable management of critical ecosystems. For these reasons, where Bank-assisted projects plan to introduce new arrangements in legally designated parks and protected areas to ensure that natural resources are not depleted, indigenous peoples with customary rights of use are involved as full partners in the decision making process and preference is given to collaborative arrangements that enable them to continue to use such resources in a sustainable manner and to maintain their ways of life.

18. Resettlement. Bank experience has shown that the resettlement of indigenous people is complex and may have significant impacts not only on their incomes, but also on their identities and cultural survival. For these reasons, the Bank expects the Borrower to make all efforts to avoid the physical relocation of indigenous peoples or restriction of access to lands and resources. In exceptional cases where resettlement or restriction of access are proposed, the Bank must be satisfied that all viable alternatives have been explored and the preferences of indigenous people have been fully considered. Where indigenous people are dependent on and displaced from land based livelihoods, they are provided with an option of replacement land or other resources of equivalent productive potential. Non-land-based

⁵ See also the Bank policy on the *Safeguarding Cultural Property in Bank-assisted Projects* (OP 4.11).

options may be made available for those who want to diversify into other economic pursuits. (See *Involuntary Resettlement OP/ BP 4.12*).

19. *Cultural Resources.* When a Bank-assisted project envisions the commercial use of cultural resources, including the knowledge of indigenous people, Bank policy requires that they agree to and derive benefits from the use of such resources.

II. INDIGENOUS PEOPLES AND DEVELOPMENT

20. In addition to these safeguard measures, the Bank encourages its Borrowers to explore a broad spectrum of initiatives to incorporate indigenous people more fully into development programs, based on their informed participation and taking into account their cultures and ways of life. Where indigenous peoples are present, the Bank encourages Borrowers to incorporate their views and needs into poverty reduction strategies.

21. To support their poverty reduction agendas, Borrowers may also wish to consider freestanding projects, project components and other initiatives which are developed in consultation with indigenous people, and aimed at supporting their own development priorities. Community driven development programs and locally managed social funds, for example, may be well adapted to the needs of indigenous peoples, especially when designed by government and indigenous organizations working together.

22. In many sectors, small adjustments in Borrower programs can also afford indigenous peoples the opportunity to be more fully included in development benefits. Examples of such adjustments are the reform of sector policy frameworks; building the capacity of indigenous groups for more effective representation; and identifying their special development needs and priorities through systematic consultation.

23. At the Borrower's request, and where consistent with the Country Assistance Strategy, the Bank may consider technical assistance to:

- (a) assess Borrower policies, strategies, and legal frameworks relating to indigenous peoples and make recommendations to strengthen them;
- (b) prepare profiles of indigenous peoples and communities to understand indigenous peoples' institutions, cultures, religious beliefs, production systems and resource utilization patterns;
- (c) strengthen the capacity of indigenous people's organizations and communities to prepare, implement, and monitor and evaluate development programs; and
- (d) strengthen the capacity of agencies responsible for providing development services to indigenous peoples.

24. The knowledge and cultures of indigenous peoples are related to their identities and development aspirations, and are resources vital to sustainable development. For these reasons, the Bank encourages Borrowers to build upon and enhance indigenous peoples' knowledge and cultures, including protection of their intellectual property rights.

25. Finally, the Bank encourages partnerships among the private sector, governments, and indigenous peoples to promote indigenous peoples' development. These partnerships may include investments in indigenous peoples initiatives and enterprises to expand their participation in private sector activities.

Indigenous Peoples

Introduction

1. The following procedures¹ are used by Bank Task Teams (TT) to ensure that the objectives and requirements of the Bank's Policy on *Indigenous Peoples* (OP 4.10) are met in Bank-assisted projects. In cases where application is unclear or where questions arise about how the policy is interpreted, questions may be referred to the Bank's Safeguards Policy Committee.

Project Identification

2. When early screening indicates that there may be indigenous people in the project area to whom the policy applies, the TT brings the provisions of OP/BP 4.10 to the attention of the Borrower and discusses application of the policy. The work of the TT is facilitated, and costs of project preparation may be reduced, where the Bank and the Borrower have agreed in advance on the groups to be covered by this policy (see OP 4.10 para 8).

3. The Project Concept Document (PCD) and the Project Information Document (PID) indicate whether indigenous peoples may be affected, and, if so, what steps will be taken to comply with policy requirements. The appropriate unit responsible for social safeguards reviews and comments on the PCD.

Project Preparation

4. If the project is likely to affect indigenous peoples, the Borrower initiates consultation on the nature and scope of potential impacts upon them early in the project cycle. This consultation may take place prior to, or as part of, a social assessment (below). The record of the consultation process forms a part of the project files. The Borrower and the Bank take into account the results of these consultations when deciding whether to proceed with project processing.

5. Where a project may entail adverse impacts, a Social Assessment (SA) is required. Social assessments are the responsibility of the Borrower. The Bank reviews the Terms of Reference for the SA and advises on its content and coverage. The SA identifies key stakeholders, provides a framework for consultation, and gathers social, economic and cultural information, including information on customary rights and claims of indigenous groups, in order to assess the potential impacts of the proposed project on the indigenous peoples. The Borrower forwards the draft SA to the Bank for review and comment.²

6. Where the results of the social assessment indicate that a project may have adverse impacts upon a particular indigenous group, the Borrower prepares a draft IPP in consultation with the affected indigenous group. The content and level of detail in the IPP vary according to the nature of the project and expected impacts. In projects where indigenous peoples are among the intended beneficiaries, special measures to take their needs and cultures into account are incorporated into project design.

¹ This Bank Procedures (BP) statement refers to the Bank's policy on *Indigenous Peoples* (OP 4.10).

7. The IPP or a summary in English, is submitted to the Bank as a condition of project appraisal. The appropriate regional unit and LEG review the draft document to determine whether it provides an adequate basis for project appraisal. Once approval for appraisal has been granted, the Task Team Leader (TTL) sends the draft IPP, or an English summary covering key findings, to the Bank's InfoShop and the Borrower shares it with indigenous groups.

Appraisal

8. The appraisal mission includes appropriate expertise to assess:
- a) the adequacy of consultation and participation;
 - b) the feasibility and sustainability of specific measures to mitigate any adverse impacts on indigenous peoples or to benefit them;
 - c) the adequacy of the enabling legal and policy framework for implementation. IPP or other measures related to indigenous peoples;
 - d) the capacity and commitment of the institutions, including indigenous peoples organizations,
 - e) the Borrower's plan for financing and
 - f) arrangements for monitoring and evaluation..

This information contributes to an assessment of feasibility and risks and is summarized in an Annex to the PAD.

9. Key provisions of the IPP and those measures necessary for implementation are discussed and agreed during negotiations and reflected in the PIP. The legal agreement includes, as necessary, covenants reflecting key elements of the IPP or other measures needed for effective implementation. When the Borrower and the Bank agree to the final IPP, the Borrower makes the document available at a place accessible to and in a form and language understandable to the affected indigenous groups. The Bank makes available an English summary covering the key elements of the IPP at the InfoShop.

Implementation and Supervision

10. Recognizing the importance of close and frequent supervision, the Regional Vice President, in coordination with the relevant Country Director, ensures that the sources are available for the effective supervision of projects affecting indigenous peoples.

11. Throughout project implementation, the TT ensures that the requisite technical expertise is included in Bank supervision missions. Site visits are used to assess whether indigenous peoples are participating in and benefiting from project activities, to monitor the effectiveness of development and mitigation measures

² Social assessments may use a broad spectrum of methods such as focus group discussions, participatory appraisal methodologies, beneficiary assessments and the like. The choice of method must be suited to the people and issues to be discussed

(see Bank policy on *Project Supervision OP 13.05*-, *Project Monitoring and Evaluation OP 10.70*), and to ascertain whether legal covenants are being fulfilled. The TT reviews applicable monitoring reports and reviews the extent to which monitoring information is incorporated in project implementation.

12. Upon completion of the project, the Implementation Completion Report (*ICR OP 13.55*) evaluates:

- a) the impact of the project on the affected indigenous peoples;
- b) the achievement of the objectives of the IPP; and
- c) lessons for future operations.

If the objectives of the IPP have not been realized, the ICR may propose a future course of action, including, as appropriate, continued supervision by the Bank.

Country Assistance Strategy

13. In countries with a series of operations affecting indigenous peoples, the ongoing country and sector dialogue with the government includes issues pertaining to the country's policy, institutional and legal framework for indigenous people and these are reflected in country economic and sector work and the Country Assistance Strategy (CAS).

Issues Meeting on Draft Indigenous Peoples Policy

AGENDA –

1. Structure – is it acceptable?

2. Content and coverage – do we agree on the following?

- ✓ Who is covered?
- ✓ When the policy applies?
- ✓ What is required?

✓ 3. Lands and Resources

How should we resolve outstanding substantive issues?

4. Processing

December 4 - technical discussions (NRM/SDV)

December 11 - to RVPs

How to handle Lou/Sari comments? →

Attachments

Issues for discussion

Matrix on Coverage and Requirements

Note on Lands and Resources

Issues for discussion with Ian Johnson

1: Do as have → - amends
2: dev opportunity - new

This is a quick summary of where we stand in relation to earlier versions. Key questions are in italics.

1. Structure. We have separated the safeguard provisions (section I) from the broader guidance to Borrowers on measures which they may consider to incorporate indigenous peoples fully into their development planning (section II).

Is this structure acceptable? Can we agree within ESSD that both sections are critical elements of the policy?

2. Coverage and Requirements : The following positions are reflected in the draft. See also the matrix attached.

(a) Who is Covered? The policy applies whenever a Bank-assisted project affects a group of indigenous peoples with the characteristics set out in para 5. People who have moved from their communities of origin and joined the wage economy and in so doing have changed their ways of life, are not covered. This would normally exclude people in cities. The working group did not feel comfortable limiting coverage to traditional people vulnerable to change.

(b) What is covered? The provisions of the policy apply to (i) projects which may have adverse impacts and (ii) projects intended to benefit indigenous people. In both cases, meaningful consultation is required, but further processing requirements differ.

(c) What is required? Where projects may have adverse impacts, a social assessment is required and an Indigenous Peoples Plan is prepared. In projects intended to benefit indigenous people (among others) measures are incorporated directly into the project to take account of the languages, cultures and the ways of life of indigenous peoples.

(d) Project Documentation. In both of the above cases, key measures and the rationale for actions taken are summarized in an Annex to the PAD. This should meet LEG's concern that information related to compliance be accessible and transparent.

In each case, the suggested approach represents a compromise between "ideal" positions (see Matrix), and in each of the above cases this requires some additional work when compared to current practice. The working group feels that this is an appropriate balance but this could be perceived as "policy creep" by task managers.

✓ *Are the proposed provisions acceptable to ESSD management?*

3. Issues Related to Land and Resources. There are three interrelated issues on land tenure, parks and protected areas, and resettlement (see note).

(a) Land Tenure. The OD contains a strong statement on land tenure and this is an issue of intense concern to indigenous peoples themselves. The OP has included some of the old language (para. 15) but not all. We have also debated about whether this should be a safeguard provision (in the case of a particular project) or a proactive

provision which borrowers are encouraged to adopt as part of their development programs.

(b). Parks and Protected Areas. In light of the recent IUCN and WCD reports, the WG has strengthened provisions relating to parks and protected areas indicating that indigenous peoples must be full partners in decision making. They are not comfortable with the notion that "preference should be given to collaborative arrangements that enable them to continue to use such resources..." arguing that collaborative arrangements should be required.

(c.) Resettlement. The resettlement policy indicates that physical relocation from parks and protected areas should be avoided but it recognizes the need for restriction of access to critical ecosystems. The WG emphasizes that all efforts should be made to avoid restriction of access to lands and resources and this should be considered only in exceptional cases. Where access is restricted, the Bank must be satisfied that all viable alternatives have been explored and preferences of indigenous peoples have been fully considered.

Some changes related to (b) and (c) go beyond what the NRM team is likely to accept, for example, they are likely to resist the statement that restriction of access is permissible only in exceptional circumstances. In fact they argue that there should only be a cross reference to the resettlement policy with no special reference to indigenous groups. The WG feels strongly that these two issues are of such fundamental importance to the survival of some indigenous groups that the stronger wording is required. .

How should this issue be resolved? Is Ian willing to chair a meeting with the NRM team? Can we keep this confined to NRM issues?

4. Further Processing

We will modify the document in light of today's discussion as required. We then recommend that the document be sent to key stakeholders (the WG, SD Board, LEG, and the NRM team) next week with requests for agreement to proceed with internal consultation by Friday, December 8. We would send the draft to the RVPs on about the 11th and ask for comments by the 21st. We would hope to have comments incorporated in early January.

Issues:

1. *Given substantive differences, how should we resolve issues related to parks and protected areas and resettlement with the NRM team?*
2. *How should we handle the extensive comments of Lou Scura and Sari Soderstrom? These go well beyond NRM issues.*
3. *When would we take this to the OPC? CODE?*

who is covered &
who doesn't who

POLICY ON INDIGENOUS PEOPLES POLICY - DIFFERENT VIEWS (COVERAGE AND REQUIRMENTS)

Alternative Language	Who	When	What
Broadest Version	All people legally or self-defined with specific traits in varying degrees	All Bank-assisted Operations Where IPs are present	<u>Social Assessment, Informed Participation, Special Measures, IPPs (up-front)</u>
Draft OP ✓	As above, except those who have moved from communities and changed ways of life	All: Where there may be harm ✓	As Above
		All: Where they benefit	No IPP; Measures to benefit them in project
Narrowest Version	Included: Traditional people vulnerable to change	Only when indigenous peoples are adversely affected	Same as top if (1) and (2) apply
	Excluded: Those who have left communities and joined wage economy	Situations where indigenous peoples are affected like other groups	No extra procedures if (1) and (2) apply

Lands and Resources

OD Language

15c. *Land Tenure*. When local legislation needs strengthening, the Bank should offer to advise and assist the borrower in establishing legal recognition of the customary or traditional land tenure systems of indigenous peoples. Where the traditional lands of indigenous peoples have been brought by law into the domain of the state and where it is inappropriate to convert traditional rights into those of legal ownership, alternative arrangements should be implemented to grant long-term, renewable rights of custodianship and use to indigenous peoples. These steps should be taken before the initiation of other planning steps that may be contingent on recognized land titles.

Proposed OP language to be included in safeguards section:

15. Where rights to lands or resources are contested, Borrowers are encouraged to give consideration to establishing legal recognition of the customary or traditional land tenure systems of indigenous peoples, or granting long-term renewable rights of custodianship and use. This should be done before other steps are taken which are dependent on recognized land titles.

Parks and protected areas/Resettlement

17. *Parks and Protected Areas*. In many countries, the lands set aside for legally designated parks and protected areas may overlap with lands and natural resources customarily owned or used by indigenous peoples. The Bank recognizes both the significance of these customary rights and the need for long-term sustainable management of critical ecosystems. For these reasons, where Bank-assisted projects plan to introduce new arrangements in legally designated parks and protected areas to ensure that natural resources are not depleted, indigenous peoples with customary rights of use are involved as full partners in the decision making process and preference is given to collaborative arrangements that enable them to continue to use such resources in a sustainable manner and to maintain their ways of life.

18. *Resettlement*. Bank experience has shown that the resettlement of indigenous people is complex and may have significant impacts not only on their incomes, but also on their identities and cultural survival. For these reasons, the Bank expects the Borrower to make all efforts to avoid the physical relocation of indigenous peoples or restriction of access to lands and resources. In exceptional cases where resettlement or restriction of access are proposed, the Bank must be satisfied that all viable alternatives have been explored and the preferences of indigenous people have been fully considered. Where indigenous people are dependent on and displaced from land based livelihoods, they are provided with an option of replacement land or other resources of equivalent productive potential. Non-land-based options may be made available for those who want to diversify into other economic pursuits. (See *Involuntary Resettlement OP/ BP 4.12*).



Calendar Entry

☒ Appointment ☐ Invitation ☐ Event ☐ Reminder ☐ Anniversary

Brief description:

Urumqi--Steve x32508

Date:

10/17/2000

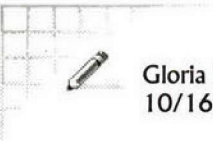
Time:

11:30 AM - 12:00 PM

☐ Pencil in

☐ Not for public viewing

Detailed description:



Gloria Davis
10/16/2000 04:00 PM

Extn: 82750

ENVDR

To: Ian Johnson, Stephen F. Lintner

Subject: Our meeting at 11:30 Tuesday

May I suggest that we discuss three issues related to indigenous peoples?

1. Are the three of us in agreement about proposed changes to the OP? This affects drafting and Urumqi.
2. In the interests of accelerating processing, Is Ian willing to chair a meeting of sector managers to discuss the draft OP? Can he do this before November 7?
3. Who is the point person on all this, and what should we do about Navin? He is gone again - is it time to ask Meiko if he can be transferred?



Kristalina I. Georgieva
03/28/2001 02:55 PM

Extn: 30397

ENV

Subject: PRSCs: issues for consideration

Ian:

In light of the discussion yesterday on our position on PRSCs, I would like to flag a couple of important points:

- PRSCs have been on QACU's radar screen for some time now. We have discussed the policy application in a project-specific context and as a generic policy issue. On environment, we have come to the conclusion that we have to first identify the nature of the project and then apply the relevant policy (OP 4.01 for PRSCs with sectoral components and OD 8.60 for marco adjustment). On social, we are struggling with two issues: application of social policies for SECALs (we believe that proper interpretation of OP 4.01 expands over social issues) and addressing social impacts as a matter of good project design, rather than as a safeguard issue.
- On environment, the approach above has been followed in practice and we have already set up precedents in this direction. Please note that we fight two battles -- proper definition on which policy applies, and ensuring good practice is followed under 8.60. Right now we have a heated debate with LAC on a case where we think good practice is not followed.
- Our own work on environmental implications of policy lending, managed by Kirk Hamilton, brought the conclusion that (i) all policy lending (SALs and SECALs) has to be treated the same way from an environmental point of view; (ii) this requires a policy change; and (iii) the integration should be under the revised OD 8.60, rather than through a revision of OP 4.01 (due to the heavily investment focus of OP 4.01).
- We are, as a matter of urgency, working on the issue of addressing environmental implications of policy lending, with a particular focus on PRSCs. This work is on two levels: (i) in the anchor, led by Steve, Jean Roger and Kirk (we have just completed a draft guidance on strategic environment assessment and have produced a background paper for adjustment retrospective) and (ii) in Africa, where we have formed a working group led by Charlotte Bingham. This groups aim is threefold: to screen PRSCs in the Africa pipeline and accumulate knowledge about the types of issues faced etc., to advise Africa teams on the necessity to comply with our policies, and to produce good practice and guidance to staff.

I think QACU and the regional colleagues are on the right track. The issue with the PRSCs has to be resolved through a definition of this new policy instrument and policy requirements that fit it. We plan to have our position by the end of this FY. Defining policy requirements and guidance to implement them is not an easy task, but I am confident we will succeed in the next months. This is the direction we work toward, and in this context I see the interim guidelines not as an end but as a space provided to us to come to a clear policy stand.

Kristalina Georgieva
Director
Environment Department
Ph: 202-473-0397
Fx: 202-477-0565

ESD path - steer

(1) delay guidelines / or PRSC guidelines

(2) after guidelines :- when output

~~at~~ (2)

- 8.60.

- compare on all physical levels, under a single controller.

(a) of outboard GAZ
SECRES

require best work

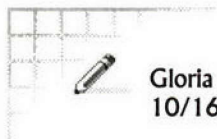
- right direction is mandatory.

(b) 0.01.



o goal policy

o



Gloria Davis
10/16/2000 11:48 AM

Extn: 82750 ENVDR
Subject: URGENT - OD 4.20

Ian

Steve forwarded LEG's note. Im not sure what to make of it, since it does not address the central issue we are debating.

The question as it is now framed is not whether the people in question are indigenous people (they are) or whether the policy requires an IPDP (it does, if the policy is triggered), the question is whether the provisions of OD 4.20 are triggered if the project involves indigenous people who have moved into urban areas, and in so doing have significantly changed their modes of livelihood and ways of life.

Following extensive review and discussion, we have concluded that the policy should not be applied in such cases and, as you know, we are clarifying this in the OP. Not only is "subsistence agriculture" one of the criteria mentioned under the OD "in varying degrees" but the OD discusses situations which are rural and traditional throughout. Furthermore, the policy has never been applied to indigenous groups who have moved into an urban area to our knowledge.

Therefore, if we agree to produce an IPDP in this particular case, it would put the issue of compliance with the OD in the Bank's entire portfolio in question.

Dan Gibson has forwarded a note to you with which I agree. I have also drafted language to clarify this in the OP which I have sent to key members of the working group.

Could we discuss at your earliest convenience?

To: Ian Johnson
cc: Stephen F. Lintner

(1)

THE WORLD BANK GROUP

ROUTING SLIP		DATE: October 26, 2000	
NAME			ROOM. NO.
Shengman Zhang, Managing Director			MC12-103
☐	URGENT	☐	PER YOUR REQUEST
☐	FOR COMMENT	☐	PER OUR CONVERSATION
☒	FOR ACTION	☐	NOTE AND FILE
☐	FOR APPROVAL/CLEARANCE	☒	FOR INFORMATION
☐	FOR SIGNATURE	☐	PREPARE REPLY
☐	NOTE AND CIRCULATE	☐	NOTE AND RETURN
☐		☐	
RE: Metrocheck			
REMARKS: Shengman, As promised, please find attached an email from Robert Goodland and background information on "Greening the Bank: Metropool Transit Program." I would like to discuss this with you at our next meeting on Nov. 8 th at 2:30 p.m. Regards, Ian			
FROM Ian Johnson, Vice President, ESDVP		ROOM NO. MC4-123	EXTENSION 31053

Robert Goodland

10/24/2000 08:51 AM

Extn: 33203

ENVDR

Subject: Re: Metrochek 

Ian,

Great news on progress with Metrochek. Thank you. Per yr request, here are the latest estimates i have:

1. Under current IRS rules and US Federal Legislation , employers can reimburse employees up to \$65/month for Metrocheck and still remain tax exempt.
2. At the \$65/mo level, it would cost the Bank Group \$780K/yr for each 1000 participating employees. Prorating a further \$78K/ each additional 100 employees.
3. If the Bank Group wants to get into the handling of the cash, vouchers, Metrochecks, tickets etc we would need a revolving start-up fund of \$125K (once off), and \$10K/yr for admin. ATM's can be programmed to dispense Metrocheck cards against WBG-mandated criteria.
4. In the last Staff Association commuter survey of 10% of WBG staff, about 55% use the metro regularly; 50% of car commuters said they would switch if the WBG joined Metrochek; 37% of staff commute by car or pools.
5. 9/96: Pres. Wolfensohn informed all staff that the WBG will join Metrocheck.
6. 10/00: Pres. Clinton's Executive Order mandates all Federal employers to get their employees on Metrocheck. (Most have been on it for some years).
7. The WBG's "Environmental Audit" (Amory Lovins, Pres. Rocky Mt Institute) identified mass transit membership of Metrochek to be the WBG's topmost "Greening" priority.
8. SA's Greening Ctee have made it our top priority for this year. Im copying this to Richard Becker, GSD's Greening focal point as he has more details than i do.
9. Let me know if you need amplification, or if you want a presentation by the Washington Metropolitan Area Transit Authority.

Best,
Robert

To: Ian Johnson
cc: Jeff M. Anhang/Hq/lfc@lfc
Richard S. Becker
Kristalina I. Georgieva

OFFICE MEMORANDUM

DATE: September 18, 1997

TO: Mr. Maurice Strong, EXC

THROUGH: Mr. Ismail Serageldin, ESDVP

FROM: Joan -Brown, ESDVP

EXTENSION: 32310

SUBJECT: **Greening The Bank: Metropool Transit Program
Decision Memo**

Issue: In September 1996, the President informed staff that the Bank Group will become a member of the Metropool/Metrochek program. A decision needs to be made on the level of participation, as well as approval of the required funding.

Background: The program, sponsored by the Washington Metropolitan Area Transit Authority, aims to encourage the use of public transportation. It is of interest to the Bank Group as it supports institutional "Greening" initiatives and benefits the local community. The Bank will form a partnership with the local community to reduce the amount of air pollution, fuel consumption, and traffic congestion. Currently, the Bank Group is the largest DC employer not participating in such a program.

Level of Participation and Related Costs: A recent survey of Bank Group staff indicated strong support for the program, with further potential for a shift to public transportation. At present, federal legislation permits a grant of up to \$65 per month per employee in tax-free public transportation. Aside from the recurring costs, there would be one-time, start-up and some annual administrative expenses (about \$125K and \$25K, respectively).

At the maximum permitted level, the costs involved are estimated at \$780K per annum for 1,000 participating staff. The low end option would be to simply offer the farecards for sale at Bank Group premises at full cost, in which case only the one-time start-up and some ongoing administrative costs would be involved. A detailed report on the program, along with the summary results of the staff survey are attached for referral.

OPTIONS

No Participation: No expense. Bank open to criticism of being environmentally unfriendly.

September 18, 1997

Minimum Participation: Minor expense (\$125K start-up, plus \$25K per annum running costs). Farecards resold at full cost. No real substantial contribution to "greening" effort.

Medium Participation: Substantial expense (e.g. \$1m per annum). Fixed amount distributed equitably. Discount on individual farecards varies depending on number of participants. Cap on exposure but administratively very complex. Substantial contribution to "greening effort".

Maximum Participation: Potentially very expensive (\$2-3m per annum). Fully discounted farecards for all public transport commuters. No cap on exposure. Bank at the leading edge of community efforts to support local "greening".

DECISION REQUIRED

- Authority for ESD to coordinate Bank Group participation in the Metropool Transit Program.
- Selection of a level of participation.
- Commitment of funding to implement the Program.

cc: Mr. S. Sandstrom, MDCMD

MetroPool/Metrochek - Transit Benefit Study

Summary

1. The **MetroPool/Metrochek** system, sponsored by the Washington Metropolitan Area Transit Authority (WMATA), is a transit program that encourages the use of public transportation. It is of potential interest to the Bank as it supports institutional "greening" initiatives and benefits the local community. Participation in **MetroPool/Metrochek** by the Bank will make it a shareholder in the public transportation infrastructure of the greater Washington, D.C. region in a very positive and visible manner.
2. WMATA would sell Metrochek farecard/vouchers to the Bank. The Bank then gives them to employees (or sells them at a discount) who currently use (or would switch to) any form of public transportation for their commute to work. A recent survey of World Bank staff showed a considerable level of support for the concept. Bank management will need to weigh the costs and benefits of participating in the program.

MetroPool/Metrochek

3. Federal legislation, passed in 1986 and revised in 1992, allows employers to offer employees significant tax-free benefits for using public transportation to commute to work. As of January 1, 1996, most businesses can grant employees up to \$65 per month (or \$780/annum), for in public transportation benefits.
4. WMATA administers the **MetroPool** program by making farecards available to employees at participating workplaces. It does this through the use of exchangeable vouchers known as **Metrocheks**. Employees can exchange **Metrocheks** for farecards at various local transportation systems.

Positive Aspects of MetroPool/Metrochek

For the Community

5. By promoting the use of public transportation, the Bank will help the local community by reducing the amount of air pollution, fuel consumption, traffic congestion and car accidents. Currently over 1,200 private and public sector employers provide **Metrochek** to over 60,000 employees. Those employers are "shareholders" in the future of the region, actively involved in one of the most vital aspects of the region's economy: the impact that a major employer has on the region from a political, economic and environmental standpoint.

For the User

6. The **MetroPool** program offers these advantages to participants:

- It enables employees to choose from over 50 types of bus, rail, train and vanpool services to commute to work. **Metrochek** is used by the employee either as a farecard to ride Metrorail, or exchanged for other types of fares and passes for any type of public transportation.
- It commits employees who currently use public transportation for commuting to stay with it. It also encourages employees who currently drive to work to switch to public transportation.
- When the Bank provides **Metrochek** to staff as a "straight" benefit, or partially subsidized benefit, it is not considered income by the IRS for staff who are U.S. tax payers.
- "No-cash" provision. **Metrochek** cards can be used as a farecard or voucher only. The employee cannot cash them in or get any change back (when being exchanged).

Cost Implications

7. If the Bank were to proceed, there are administrative and financial issues. The handling and selling of the complex variety of farecards requires skills in handling cash. This time-consuming and somewhat burdensome task, unpopular in an atmosphere of shrinking resources, would be best handled by the Credit Union presuming it has the personnel and capability to manage the procedures involved in the selling of farecards.

8. Special automated teller machines (ATMs), located in common areas of designated buildings, could keep labor to a minimum and provide a simple means for distributing **Metrocheks**. The cost implications of this approach are as follows:

Item	Costs	
	One time	Annual
Diebold 1064i Cash Dispenser	\$ 17,800	
ATM Software	\$ 3,630	
Diebold Installation	\$ 975	
EDS Installation	\$ 500	
Modem Purchase	\$ 1,260	
Phone Line Installation	\$ 500	
Freight	\$ 250	
Diebold Maintenance Contract		\$ 1,502
Communications (\$150/month)		\$ 1,800
Modem Maintenance (\$74/month)		\$ 888
ATM Monitoring-EDS (\$75/month)		\$ 900
Transactions costs		\$0.03 per transaction
TOTAL (per machine)	\$ 24,915	\$ 5,090
		plus \$0.03 per transaction

9. If the Bank decides to introduce a **Metrochek** transit benefit, additional funding will be necessary to support this program. If it is provided as a straight benefit of \$65 monthly to 1,000 employees, it would cost the Bank \$780K per year. A further increase of \$78K would be required for each additional 100 employees availing the transit benefit. However, if the Bank were to sell cards at a discount such as selling the employees \$60 worth of cards for \$30, it would cost the Bank, for 1,000 employees, \$360K per year. Also, each additional 100 employees availing themselves of the transit benefit, would require an increase of \$36K. Moreover, a revolving start-up fund of about \$125K would be necessary to make the initial purchase of farecard stock, and \$10K per annum for administrative expenses.

Staff Opinion

10. In order to ascertain staff reaction to the possible implementation of **MetroPool** at the Bank, a commuter survey was performed. This survey, conducted during a 16-day period, elicited 1,305 responses, reflecting the opinions of over ten percent of all Bank employees at Headquarters (being estimated as 11,000 for the purpose of this report).

11. Among the total of survey respondents -

- 55% use Metrorail to come to work.
- 37% drive alone or in a carpool.
- 50% (approx.) of those who travel by car indicated they could be convinced to use public transportation if the financial incentive amounted to \$60.
- 79% indicated that they would buy farecards from a dispenser conveniently located on Bank premises.

Subsequent Steps

12. The World Bank Greening Task Force invited a Transit Authority representative to advise the group on possible approaches. On the basis of available data, it unanimously recommended that the **MetroPool/Metrochek** option be pursued.

13. It was agreed that a single page decision paper be submitted to Bank management for their consideration.



Calendar Entry

☒ Appointment ☐ Invitation ☐ Event ☐ Reminder ☐ Anniversary

Brief description:

Shengman Zhang--Metro Pool

Date:

11/16/2000

Time:

11:30 AM - 12:00 PM

☐ Pencil in

☐ Not for public viewing

Detailed description:



Ian Johnson

11/07/2000 02:10 PM

Extn: 31053

ESDVP

To: Vinodhini David

Subject: Re: Metro=pool

can you set something up with shengman -- robert, myself and Kristalina (if available) should attend.

ian

----- Forwarded by Ian Johnson/Person/World Bank on 11/07/2000 02:09 PM -----

Robert Goodland

11/07/2000 10:34 AM

Extn: 33203

ENVDR

To: Ian Johnson cc: Kristalina I. Georgieva

Subject: Re: Metro=pool

Ian,

Any date proposed yet for Shengman to be briefed about Metrochek? I hear (indirectly) that IFC may take the lead if we dont act?

Best,
Robert

Ian Johnson



Ian Johnson

10/20/2000 06:46 PM

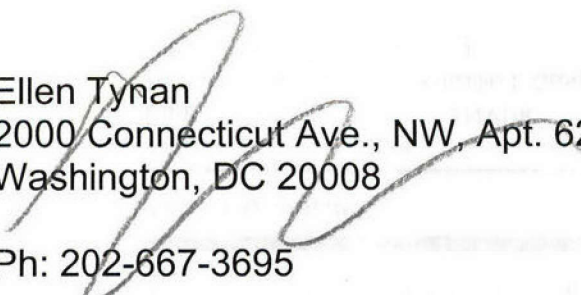
Extn: 31053

ESDVP

To: Robert Goodland cc: Kristalina I. Georgieva

Subject: Metro=pool

I spoke to Shengman. We need to breif him and put forward a proposal (can we cost it?)
Lets talk : ian



Ellen Tynan
2000 Connecticut Ave., NW, Apt. 620
Washington, DC 20008

Ph: 202-667-3695



Record Removal Notice

File Title Shared Unit Files - Policy Development Records - ESSD - Environment General - Correspondence File		Barcode No. 1832157		
Document Date 12/03/2000	Document Type Memorandum			
Correspondents / Participants From: Kristalina Gerogieva To: Ian Johnson				
Subject / Title ESSD co-director				
Exception(s) Personal Information				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. <table border="1"><tr><td>Withdrawn by A.May</td><td>Date May 30, 2025</td></tr></table>	Withdrawn by A.May	Date May 30, 2025
Withdrawn by A.May	Date May 30, 2025			



Calendar Entry

☐ Appointment ☒ Invitation ☐ Event ☐ Reminder ☐ Anniversary

Brief description:

Rio +10

Date:

03/29/2001

Time:

12:00 PM - 12:30 PM

☐ Pencil in

☐ Not for public viewing

Detailed description:

From: Judith E. Moore on 03/27/2001 11:40 AM

Extn: 89301 ENV

To: Vinodhini David cc: Arcadie Capcelea, Kristalina I. Georgieva

Subject: Meeting on Rio + 10

Dear Vino--

Last night, Kristalina and I spoke briefly with Ian about Rio+10, and he agreed I should meet with him to discuss his views on Rio+10 priorities. Arcadie Capcelea, who is taking the lead on formulating the ESSD participation in Rio+10, will join us, as well, if he is able to.

The meeting can be brief--15 minutes--but it should take place before next Wednesday (when the note incorporating his views should be drafted and there will be a larger meeting on the subject.) The best times are anytime Thursday 3/29, Friday 3/30, or Monday 4/2 (allowing one day to incorporate his comments into the note).

Many thanks,

Judith

Invitations have been sent to: Arcadie Capcelea/Person/World Bank@WorldBank, Kristalina I. Georgieva/Person/World Bank@WorldBank, Judith E. Moore/Person/World Bank@WorldBank, Kristyn E. Ebro/Person/World Bank@WorldBank, Yoko Eguchi/Person/World Bank@WorldBank

Chairperson: Ian Johnson/Person/World Bank

Sent by: Vinodhini David/Person/World Bank

Display invitee responses...

World Bank Preparation for Earth Summit 2002 (Rio+10)
Draft Work Program and ENV Budget for FY2002

	Activity	Time Frame	Executant	Budget (ENV-BB)	Budget (TF)
1	Report: A Review of the WB response to Agenda 21 (for presentation at CSD 10)	6/2001 – 2/2002	ENV and SD Sector Boards	\$ 80,000 ¹	\$ 50,000 ²
2	Joint WB/UNDP Roundtable on the NSSDs and PRSPs	10/2001-11/2001	ENV UNDP	35,000 ³	50,000
3	Publications for Rio+10 ▪ Innovations and Best Practice in Agenda 21 Implementation ▪ Maintreaming Env. Into NSSDs and PRSPs ▪ Measuring Sustainable Development (incl. The linkages between poverty and environment) ▪ WB Environment Strategy: Review and Follow-up	4/2001-5/2002	ENV SDV The Regions	-0- ⁴	-0-
4	Regional Activities, esp. participation in regional roundtables on Agenda 21 implementation/Rio+10 preparatory meetings	3/2001-12/2001	The Regions	120,000 ⁵	30,000
5	Global Activities: participation in preparatory sessions, thematic roundtables, UN high-level event on Financing for Development	5/2001-6/2002	ENV	40,000	10,000
6	Joint activities with Partner Institutions ▪ WDR 2002 ▪ WRR 2002 ▪ Joint conferences w/ WBCSD, WTO, UNEP, WCD....	3/2001-5/2002	WDR WRI ENV Other Sector Boards and Partners	25,000 ⁶	20,000 ⁷
7	WBI Activities ▪ WBI seminars on Agenda 21 topics ▪ HQ and regional staff training on Agenda 21 themes ▪ Joint WBI/So. Africa Parliament workshop on Agenda 21 Implementation	6/2001-6/2002	WBIEN	-0-	-0-
	Estimated Total			\$300,000	\$160,000

¹ Synergies with other products will exist, such as the Environment Strategy and institutional reporting/portfolio analysis requirements.

² Assumption of input from external experts.

³ Joint funding with UNDP anticipated.

⁴ These publications will be funded through the Task Teams and Publications Budget

⁵ Support from ENV to the Regions (\$20,000 BB ea. + \$5,000 TF ea to support regional participants)

⁶ Majority of funding from other sources (WDR, DGF, BB, etc.).

⁷ Some funds provided to support client participation in events.

UN Preparations for 2002 World Summit

Dates	Venue	Goals	Bank Rep.	Where
<u>GLOBAL</u>				
2001				
4/30 – 5/2	CSD 10: 1 st Preparatory Committee (PrepCom)	▪ Organize work for future prep sessions ▪ Decisions on the involvement of major groups	A. Capcelea ENV/ESSD rep	NY
2002				
1/28-2/8	CSD10 – 2 nd PrepCom	First Draft of the Review		NY
3/18-29	CSD10—3 rd PrepCom	Review Doc. Finalized; CSD future work program determined		NY
5/6-17	CSD10—4 th Prep Com	Strategic Vision and policy guidance by Env. Ministers; Contributions from Other Major Groups	A. Capcelea Env. Dir. (ESSDVP) Other key staff	Indonesia
Summer	Rio+10: World Summit on Sustainable Development	Final Documents Adopted Signing of key protocols Announcement of inter-regional and stakeholder commitments	Bank Pres. ESSD Mngt. Capcelea Other key staff	Jo'burg, So. Africa
<u>2001 REGIONAL AND SUB-REGIONAL Preparatory Meetings and Roundtables</u>				
	AFT			
4/-	West Africa			TBD
5/-	South Africa			TBD
5/-	Central Africa			TBD
6/-	East Africa			TBD
Sept/Oct	EAP			TBD
	ECA			
9/24-25	ECE Reg. meeting for Rio+10--Special Session , Eur. Econ. Com. .		ECA Staff Capcelea	Geneva (Palais des Nations)
	LAC			
October	Reg. PrepCom following Forum of Env. Ministers ECLAC and UNEP/ROLAC			Brazil
	MNA			
6/-	No. Afr + Arab nations			
12/22-24	CAMRE/Econ. Council/ MOPs			Cairo
	SAR TBD			

DRAFT CONCEPT NOTE

WORLD BANK AND THE WORLD SUMMIT
ON SUSTAINABLE DEVELOPMENT
Johannesburg, (June) 2002

Washington D.C., April 2001

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II. The road from Rio

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- B. Implementing Agenda 21: - main achievements and problems.
 - 1. Major achievements and gaps in the Agenda 21 implementation.
 - 2. The key problems for Sustainable Development in the 21st Century.
 - 3. International Development Targets.

III. The World Summit on Sustainable Development, Johannesburg 2002

- A. The World Summit Goals and Objectives
- B. General Framework for the Preparations for the Summit: the CSD role.
- C. Main preparatory activities
 - 1. National preparations.
 - 2. Sub-regional and Regional preparations
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- D. What is expected of the World Bank

IV. The World Bank and the 2002 World Summit

- A. Strategic goals and objectives of World Bank participation in the Summit
- B. The expected Conference Agenda and key challenges for the World Bank
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 - 7. Civil Society and Public Participation.
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V. World Bank Preparations for the World Summit

- A. Main WB inputs to the Johannesburg Summit
- B. Internal co-ordination of preparations.

C. Necessary Resources for the preparations

VI. Annexes

- A. Major WB activities and outputs to the Rio+10 Summit
- B. Work Program for WB preparations to Rio+10 Summit.



Calendar Entry

☒ Appointment ☐ Invitation ☐ Event ☐ Reminder ☐ Anniversary

Brief description:

Rio +10
Kristalina

Date:

03/20/2001

Time:

03:00 PM - 04:00 PM

☐ Pencil in

☐ Not for public viewing

Detailed description:



Jeannine Djaky
03/14/2001 10:34 AM

Extn: 35097

ENV

To: Vinodhini David cc: Diane Flex

Subject: Re: Lunch next week to discuss Rio + 10

Vino,

Would you please block March 20th, 3-4 PM. Most people, except Mr. Nick Stern who will be traveling from March 15 to April 10, are available on that day. Kristalina would like you to please check with Mr. Ian Johnson if the meeting could take place without Mr. Stern. Let me know please.

Regards,

Jeannine

Vinodhini David



Vinodhini David

03/12/2001 09:32 AM

Extn: 33737

ESDVP

To: Jeannine Djaky cc: Kristalina I. Georgieva

Subject: Re: Lunch next week to discuss Rio + 10

Jeannine,

I have tentatively blocked off March 19th 10-11 a.m and March 20th 3-4 p.m. Please confirm.

Vino

Jeannine Djaky



Jeannine Djaky
03/07/2001 05:35 PM

Extn: 35097

ENV

To: Vinodhini David

Subject: Re: Lunch next week to discuss Rio + 10

Vino,

Any news on the attached?

Jeannine

----- Forwarded by Jeannine Djaky/Person/World Bank on 03/07/2001 05:35 PM -----



Jeannine Djaky
03/06/2001 10:23 AM

Extn: 35097 ENV

To: Vinodhini David

Subject: Re: Lunch next week to discuss Rio + 10

Vino,

Mr. Ian Johnson asked Kristalina to organize this lunch as soon as possible. As he is not available next week, would you please check with him whether a meeting or breakfast will do? If not, can the lunch be scheduled towards the end of March (March 27 or 28)?

Many thanks,

Jeannine

Vinodhini David



Vinodhini David

03/05/2001 05:19 PM

Extn: 33737 ESDVP

To: Jeannine Djaky

Subject: Re: Lunch next week to discuss Rio + 10

Jeannine,

Unfortunately, Ian does not have any openings next week, he is traveling towards the end of next week.
Vino

Jeannine Djaky



Jeannine Djaky
03/05/2001 04:50 PM

Extn: 35097 ENV

To: Vinodhini David

Subject: Lunch next week to discuss Rio + 10

Vino,

Kristalina just informed me that Mr. Ian Johnson would like to host a lunch next week to discuss Rio + 10.

Would you please give me dates next week when he can make? I will check on invitees availability afterwards. Could you also check if he would prefer served lunch (dining room) or box lunches?

Kristalina will draft an invitation to be sent out from Ian Johnson's email once we have a date.

Many thanks,

Jeannine

Chairperson:

Ian Johnson/Person/World Bank



Anita Gordon
03/08/2001 07:02 PM

Extn: 31799 ENV
Subject: updated table

Caryl/Kristyn,

Please find attached the Canada Environment Consult program for Friday March 23. The afternoon session actually goes from 1400-1600. The flight back to Washington is at 1730. A few things to note:

- 1.) 0730: The Newsmakers Breakfast ... Ian will be asked to speak for 5 minutes or so. Kristyn will you be doing some talking points for him?
- 2.) 0900: CIDA consultation... Ian will be asked to speak for 5-10 minutes. Kristyn?
- 3.) 1200: Lunch hosted by Len Good president of CIDA. A small group. CIDA had sent the following in an email:
"Philip Baker, Director of the Environment Division in Policy Branch said Ian Johnson wants to talk with CIDA about the GEF, mainstreaming environment, and synergies amongst the MEAs. Philip recommended this be the subject of the lunch meeting with Len Good."
- 4.) 1400: Private Sector on Sustainability Indicators: Caryl you asked if there was time for Ian to meet with someone from CIDA on the CGIAR. If he wants to do that, my suggestion would be that he spend about 45 minutes or so at the private sector session (He should be there because the first speaker is David McGuinty from the National Roundtable on the Env and Economy who Cdn ED Terrie O'leary specifically asked for Ian to meet), and then excuse himself and meet with the person on CGIAR. He would have to head for the airport around 1600, probably 1615 at the latest.

Please let me know if you need any other information.

best...

a.

3-00

----- Forwarded by Anita Gordon/Person/World Bank on 03/08/2001 04:59 PM -----



SARAH_QUALMAN@acdi-cida.gc.ca on 03/08/2001 04:32:55 PM

To: GRETCHEN_DEBOER, CLAUDE_LEMIEUX, agordon
Subject: updated table

Hello!

Here's the latest version of the our tentative arrangements incorporating the changes mentioned in Gretchen's e-mail summing up her discussion with Anita. If you see further changes needing to be made, just drop me a line.

Cheers,

Tentative Arrangements for the March 23, 2001
**World Bank Environmental Strategy Consultation
of CIDA & Other Government Departments**

Time	Event/Host	Agenda (Big A)	Invitation List	agenda	Logistics
7:30 - 9:00	Press Club NewsMaker Breakfast: "The World Bank Consults Canada on the Bank's Environment Strategy"		Moderator: Charles Bassett, Sr. VP (CIDA) Speakers/Panel: Ian Johnson, VP ESSD (WB) Kristalina Georgieva, Dir. Env (WB) Guests: - Parliamentarians on environment committees or working on development issues. - Civil society representatives - NRTEE - Policy Branch reps Specifically the guests would include: Roy Caulpepper of the NSInstitute, George Greene of Stratos, Jacques Guérin - Chair of ISSD, NRTEE and Johanne Gelinaf - Commissioner for Sustainable Development. Gretchen de Boer - YEN		- Claude for logistics - WB for cost: +/- CAN400\$
9:30 - 12:00	Consultation of CIDA & Other Government Departments/ CIDA	Influence implementation of the Bank's Environmental Strategy, on issues such as: - Integrating Sustainable Development into the Poverty Reduction Strategy Papers - Rio+10 (WSSD) - Mainstreaming - MEA's - GEF replenishment & access	Moderator: CIDA: Len Good, President Charles Bassett, Sr. VP Jean-Marc Métivier, VP Multilateral Directors & D.G.s : ... World Bank: Kristalina Georgieva, Dir. Env. Ian Johnson, VP ESSD Kirk Hamilton, Tm Leader, Pol. & Econ., Env. Dept. Judith Morrow Christiana Hasley DFAIT: Jim Wright, ADM Dick Ballhorn, D.G. Int'l Env'tl Affairs Doug Waddell EC: Christine Guay, A/D.G. Int'l Rel. Paul Fauteux, D.G. Climate Ch. Bur. NRCan: Yvan Hardy, ADM - CFS Health Canada: Glennis Lewis, Coord. Biosafety Prot. Finance: Jonathan Fried, Sr ADM Industry Canada: (Tom Wallace will suggest name) PCO: François Guimont, Asst Secr. to Cabinet Minister's Office Craig Ryan, Sr. Policy Advisor (silent partner) IDRC: Maureen O'Neil, President ISD: David Rungalls FCM: ? Observers (if room permits): Gretchen de Boer, Claude Lemieux, Anita Gordon,	Opening remarks (Len Good) - on CIDA - on CIDA's relationship/history with WB - introducing K.Georgieva Presentation on WB Env. Strategy (K. Georgieva) Discussion on Implementation of WB Env. Strategy	- G retchen & Sarah for overall logistics & details - YEN for cost - rm 870 40 people around table + observers - coffee & donuts - water - LCD display - Laptop computer - Overhead projector - Flip chart

2001-02-26

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12:00 - 13:30	President's Lunch/ Len Good	• GEF • Synergies on MEAs • Mainstreaming Environment • Horizontal connexions (how to achieve greater coherence between gov. departments in terms of our environment and development agendas)	CIDA: • Len Good, President • Charles Bassett, Senior VP • Jean-Marc Métivier, VP - MPB • Craig Ryan, Sr. Policy Advisor, Minister's Office (silent partner) • Jim Melanson World Bank: • Ian Johnson, VP ESSD • Kristalina Georgieva, Dir. Env. Other Gov. Departments: • Norine Smith, ADM (EC) • Jonathan Fried, Sr ADM (Finance) • Dick Ballhorn (DFAIT) • François Guimont, Asst Secr. to Cabinet (Privy Council Office) • Maureen O'Neil, President - IDRC	n.a. ?	• Sarah for Logistics • MPB for cost • Jim Melanson for debriefing • Rest. Les Muses reserved for 12 people
12:00 - 13:30	Partnering Working Lunch/Tom Wallace	Partnering/Improving communication between CIDA and the World Bank Institute ??	World Bank: • Kirk Hamilton, Team Leader, Policy and Economics, Environment Dept. • Judith Morrow • Christiana Hasley CIDA: • Tom Wallace, DG Pol. Analysis & Dev. • Philip Baker, Dir. Env. (Policy Branch) • Directors & D.G's from CIDA • Environment Specialists	Short Presentation (Kirk Hamilton) leading to a discussion on • Sustainability Indicators & ??	• Sarah for logistics • Claude for guest list • YEN for cost • rm 870 • catered lunch for 20-30 people reserved.

14:00 - 17:00	Meeting with Private Sectors/ Stratos	n.a.	Ian Johnson & Kristalina Georgieva George Greene, Stratos David McGuinty, NRTEE Len Good ? or alternate 8-10 privat sector reps.	n.a.	Anita for logistics

Tentative Arrangements for the **March 23, 2001**
World Bank Environmental Strategy Consultation
of CIDA & Other Government Departments

Time	Event/Host	Agenda (Big A)	Invitation List	agenda	Logistics
7:30 - 9:00	Press Club NewsMaker Breakfast: The World Bank Consults Canada on its Environment Strategy		Moderator: Charles Bassett, Sr. VP (CIDA) Speakers/Panel: Ian Johnson, VP ESSD (WB) Kristalina Georgieva, Dir. Env (WB) Guests: - Parliamentarians on environment committees or working on development issues. - Civil society representatives - NRTEE - Policy Branch representatives		- Claude for logistics - YEN for guests (20-25 people) - WB for cost: CAN400\$
9:30 - 12:00	Consultation of CIDA & Other Government Departments/ CIDA	Influence implementation of the Bank's Environmental Strategy, on issues such as: - Integrating Sustainable Development into the Poverty Reduction Strategy Papers - Rio+10 (WSSD) - MEAs - GEF replenishment & access	Moderator: Roger Ehrhardt, DG IFI CIDA: Len Good, President Charles Bassett, Sr. VP Jean-Marc Métivier, VP Multilateral Directors & D.G.s : ... World Bank: Kristalina Georgieva, Dir. Env. Ian Johnson, VP ESSD Michele de Nevers, Dir. Env. Unit (WBI) Ian Wright (CIDA rep. to WB) DFAIT: Jim Wright, ADM Dick Ballhorn, D.G. Int'l Env't Affairs Doug Waddell EC: Christine Guay, A/D.G. Int'l Rel. Paul Fauteux, D.G. Climate Ch. Bur. NRCan: Yvan Hardy, ADM - CFS Health Canada: Glennis Lewis, Coord. Biosafety Prot. Finance: Jonathan Fried, Sr ADM Industry Canada: (Check with Tom Wallace) ? PCO: François Guimont, Asst Secr. to Cabinet Minister's Office: Craig Ryan, Sr. Policy Advisor (silent partner) IDRC: Maureen O'Neil, President IISD: David Runnalls, Provincial reps: (Check with EC/ Fed-Prov relations)? FCM: ? Observers (if room permits): Gretchen de Boer, Claude Lemieux, Anita Gordon, Sarah Qualman, Env. Specialists?	Opening remarks (Len Good) - on CIDA - on CIDA's relationship/history with WB - introducing K. Georgieva Presentation on WB Env. Strategy (K. Georgieva) Discussion on Implementation of WB Env. Strategy	- GdB & Sarah for overall logistics & details - YEN for cost 870 40 people around table + observers - coffee & donoughs - water - LCD display - Laptop computer - Overhead projector - Flip chart

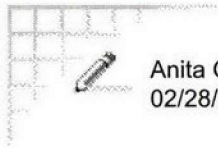
leaving DC
pm 3/22

dep. Ottawa 3/23
530 pm

Priorities to
meet CG stuff?

12:00 - 13:30	President's Lunch/ <i>Len Good</i>	• GEF • Synergies on MEAs • Mainstreaming Environment • Horizontal connexions (how to achieve greater coherence between gov. departments in terms of our environment and development agendas)	CIDA: • <i>Len Good, President</i> • <i>Charles Bassett, Senior VP</i> • <i>Jean-Marc Métivier, VP - MB</i> • <i>Craig Ryan, Sr. Policy Advisor, Minister's Office (silent partner)</i> • <i>Jim Melanson</i> World Bank: • <i>Ian Johnson, VP ESSD</i> • Kristalina Georgieva, Dir. Env. Other Gov. Departments: • Norine Smith, ADM (EC) • Jonathan Fried, Sr ADM (Finance) • Dick Ballhorn (DFAIT) • François Guimont, Asst Secr. to Cabinet (Privy Council Office) • Maureen O'Neil, President - IDRC	n.a. ?	• Sarah for Logistics • MB for cost • Jim Melanson for debriefing • Restaurant Les Muses • 12 people
12:00 - 13:30	Partnering Working Lunch/ <i>Ian Wright-Tom Wallace</i>	Partnering/Improving communication between CIDA and the World Bank Institute	World Bank: • Michele de Nevers, Dir. Env. Unit (WBI) • other bank rep (technical level person) CIDA: • Tom Wallace, DG Pol. Analysis & Dev. • Ian Wright, CIDA rep at Bank • Philip Baker, Dir. Env. (Policy Branch) • Directors & D.G's from CIDA • persons from HRCS Branch • EnviroNet	Short Presentation (Michele de Nevers) leading to a discussion on • Training of CIDA's environmental focal points in environmental economics • Partnering for training parliamentarians on a regional basis	• Sarah for logistics • Claude for guest list • YEN for cost • rm 870 • catered lunch for 20-30 people
14:00 - 14:45	<i>Side Meeting/ Not CIDA</i>	n.a.	<i>David McGuinty, President (NRTEE)</i> <i>Ian Johnson & Kristalina Georgieva</i>	n.a.	• Anita for logistics

15:00 - 17:00	Private Sector Round Table/ <i>Not CIDA</i>	n.a.	8-10 private sector representatives	n.a.	• Anita for logistics
Idea on Hold	Wine & Cheese/ <i>CIDA</i>	Linking Knowledge Networks	K. Georgieva, M. de Nevers, EnviroNet, P. Baker, GdB, C. Lemieux.	Intro by Michele de Nevers on Linking Knowledge Networks + Qs & As.	• Pres. Board Room • YEN for cost



Anita Gordon
02/28/2001 04:57 PM

Extn: 31799 ENVDR
Subject: FW: Meeting in Ottawa with World Bank - corporate sustainability indicators

Kristyn,

FYI

----- Forwarded by Anita Gordon/Person/World Bank on 02/28/2001 04:56 PM -----



Stephanie Meyer <smeyer@stratos-sts.com> on 02/28/2001 10:47:39 AM

To: "ccahill@nrtee-trnee.ca" cc: "agordon@worldbank.org"
Subject: FW: Meeting in Ottawa with World Bank - corporate sustainability indicators

Good morning Carolyn,

Further to our phone discussion, I'm forwarding you a copy of the email that George sent to Anita Gordon at the World Bank. The one important piece that is missing is that the email was written based on their discussion and understanding that the WB staff would be meeting with several people at NRTEE first, who would then continue to participate in the broader session (presumably yourself, David and Stuart).

Speaking with Anita Gordon late yesterday, she has indicated that, due to a lunch commitment with Len Goode that runs until 1:30, and a flight schedule that will require them to head to the airport shortly after 4 pm, they will really only have a 2 hour window (2-4). So Anita has suggested we coordinate one meeting that afternoon with everybody, and begin the discussion by having NRTEE describe its work in the area of env'l and SD indicators.

Could you please give a critical look at the proposed list of invitees and provide your suggestions. Since it is a short meeting, we're trying to keep the list of participants to 12 or fewer. As well, we recognize people won't travel to Ottawa from any distance to attend, so we should focus on those based in the Montreal - Toronto corridor. The Bank had also indicated they would really appreciate if several private sector representatives could attend to provide them with a company perspective.

I look forward to hearing your thoughts and suggestions. As well, once you speak with your corporate secretary, just let me know how you'd like to handle it from a contracting perspective. I'm in the office all day today - away in Toronto tomorrow - then back in the office on Friday. If possible, I'd like to make the arrangements and send out the invitations via email on Friday.

Thanks Carolyn,

Stephanie

Stephanie Meyer

Stratos Inc.

strategies to sustainability
Suite 1404 - 1 Nicholas St.
Ottawa Canada K1N 7B7
tel: 613 241-1001 ext. 28
fax: 613 241-4758
smeyer@stratos-sts.com
www.stratos-sts.com

-----Original Message-----

From: George Greene
Sent: February 23, 2001 9:13 AM
To: agordon@worldbank.org
Cc: Stephanie Meyer; Julie Pezzack; Alan. Willis (E-mail); mbosse@stratos-sts.com
Subject: RE: Meeting in Ottawa with World Bank - corporate sustainability indicators

Dear Anita:

Following on our phone discussion regarding the desire of Ian and Kristalina, let me propose the following for a meeting to be held at Stratos Inc. from 3 - 5 pm on March 23rd.

We would plan to invite the following to participate:

Alan Willis, Canadian Institute of Chartered Accountants and on the Steering Committee of the Global Reporting Initiative, and author of the National Round Table on the Environment and the Economy (NRTEE) eco-efficiency and sustainability indicator project report

two industry members of the NRTEE eco-efficiency task force (Alcan and one other sector)

Robert Telewiak, VP Environment, Falconbridge

Gilles Rheame, Vice President Policy, Conference Board of Canada

Gordon Peeling, President, Mining Association of Canada which has just launched a new initiative, Toward Sustainable Mining

Lucy Veillard, Environment Advisor, Forest Products Association of Canada

Brian Wastle, Vice President Responsible Care, Canadian Chemical Producers Association

Matthew Kiernan, Managing Director, Innovest which is an investment analysis firm involved in assessing the relationship between corporate sustainability and financial performance

myself and Stephanie Meyer who are leading the 1st Benchmark Survey of Canadian Corporate Sustainability Reporting

(I attach a short note on this survey of 35 - 50 Canadian corporations in various sectors).

We would propose the following invitation note to them. Please let me know if this is what you have in

mind.

Dear...

We would like to invite you to an informal meeting with:

Mr. Ian Johnston, Vice President Environmentally and Socially Sustainable Development, the World Bank

Mrs. Kristalina Georgieva, Director Environment, the World Bank

to discuss corporate sustainability indicators. The meeting will be held at:

1 Nicholas Street, Suite 1404, Ottawa

3:00 - 5:00 p.m., March 23rd 2001.

The World Bank is in the process of finalizing a new Environment Strategy for release later this year. (ANITA - I WOULD LIKE TO INSERT 1 OR 2 SENTENCES ON THE MAIN THRUSTS OF THE CURRENT DRAFT OF THE STRATEGY - IS THE LATEST DRAFT AVAILABLE THAT I CAN QUICKLY SCAN? I WILL NEED IT ANYWAY FOR DESIGN OF THE JUNE WORKSHOP)

As part of its work to prepare the Strategy, the Bank is holding both formal and informal consultations with a range of interests, to gain inputs to priority areas for its work and more importantly to lay a basis for developing partnerships for its implementation. The purpose of this meeting will be to inform the Bank's representatives about Canadian corporate thinking and practice in preparation and use of indicators of sustainability, including those related to eco-efficiency and broader environmental, social/ethical and economic factors.

We welcome your participation and would appreciate confirmation of your availability by e-mail....

ANITA - Can you tell me how many people will be attending from the Bank? We will be able to make the necessary arrangements for the meeting including providing a meeting room if the number of participants does not exceed 12. Given that they are available for only 2 hours, we should keep the gathering fairly small.

We can also liaise with David McGuinty's office to ensure the timing of the meeting works vis a vis the plan for you to meet him earlier in the afternoon..

I will be away next week, and would appreciate that you communicate with Stephanie Meyer, one of the other principals of Stratos.

I trust that this meets your, Ian's and Kristalina's expectations.

all the best,

George

[<<1-page summary email.doc>>]



- 1-page summary email.doc

To: Kristyn E. Ebro



National Round Table
on the Environment
and the Economy

Table ronde nationale
sur l'environnement
et l'économie

N
**FAX
TÉLÉCOPIE**

Suite/bureau 200, 344 Slater, Ottawa, Ontario K1R 7Y3 Canada
E-Mail/Courriel : admin@nrtee-trnee.ca • Web : <http://www.nrtee-trnee.ca>
Tel./Tél. : (613) 992-7189 • Fax/Téléc : (613) 992-7385

To/À :

Mr. Ian Johnson
Vice President
World Bank

Direct Tel./Tél. Direct :
Fax : / Télc. : (202) 522-7122
E-mail/Courriel :

From/De :

Tania Tremblay

Direct Tel./Tél. direct : 613-992-7189
Fax : / Télc. : (613) 992-7385
E-mail/Courriel : tremblayt@nrtee-trnee.ca

Date : 2001 02 23

SS
Page 1 of 6

*You will be in Ottawa
on 23rd March (Friday).*



National Round Table on the
Environment and the Economy

Table ronde nationale sur
l'environnement et l'économie

February 22, 2001

Mr. Ian Johnson
Vice President
World Bank
1818 H Street, NW
Washington, DC 20433
USA

Dear Mr. Johnson:

On behalf of the National Round Table on the Environment and the Economy (NRTEE), I wish to extend to you an invitation to participate in an upcoming Conference on Sustainable Development Indicators (SDI) to be held in Ottawa on March 27, 2001.

There has been a long-standing need for more accessible, relevant, timely and well accepted environmental and sustainable development indicators to aid in decision making in Canada – especially indicators that examine the linkages between social, economic and environmental factors. To meet this need, the Canadian government has tasked the NRTEE to develop, in collaboration with Statistics Canada and Environment Canada, a set of national sustainable development indicators.

The NRTEE has launched a three-year program to develop an initial set of sustainable development indicators for Canada. We will endeavour to build on existing sustainable development indicator research, support further research that contributes to the SDI objectives, and engage a broad range of experts, stakeholders and the broader public throughout this initiative.

As part of the launch of this initiative, the NRTEE is hosting a one-day national conference to share knowledge and experience gained in SDI projects already underway or completed in Canada and throughout the world. The conference agenda focuses on providing opportunities for discussion between and among speakers and participants, stressing sharing of experiences through discussion and workshop-oriented activities. In the concluding session, the National Round Table will present for comment the conceptual framework that will determine what indicators it will develop and test. The conference will be attended by approximately 200 developers and users of sustainable development indicators as well as decision makers from the public, private and non-government communities, both domestically and internationally.

A preliminary conference agenda is attached for your information, along with a registration form. We look forward to receiving your completed form by March 2, 2001. Finally, for your convenience, a block of rooms has been reserved at the Westin Hotel in Ottawa, and if you will need one you should make a reservation by February 23, after which time the rooms will be released. The phone number of the hotel is (613) 560-7000.

We hope that you will participate in this exciting and important event. If you have any questions, please do not hesitate to contact Mr. Gene Nyberg, Corporate Secretary & Director of Operations, by phone at (613) 995-7581 or by e-mail at nybergg@nrtee-trnee.ca anytime.

Sincerely,

David J. McGuinty
Executive Director and CEO

Really hope you and your team
can make it. This is the first
Canadian conference of this kind -
expecting 400-600 people.



National Round Table on the Environment and the Economy

Who We Are

The National Round Table on the Environment and the Economy (NRTEE) is an independent advisory body that provides decision makers, opinion leaders and the Canadian public with advice and recommendations for promoting sustainable development.

Our members are distinguished Canadians appointed by the Prime Minister of Canada. They represent a broad range of regions and sectors, including business, labour, academia, environmental organizations and First Nations.

What We Do

The NRTEE, legislated by Parliament in 1994, explains and promotes sustainable development. Working with stakeholders across Canada, the NRTEE identifies key issues with both environmental and economic implications, examines these implications and suggests how to balance economic prosperity with environmental preservation.

Our activities are organized into programs; each is overseen by a task force of NRTEE members and representatives from business, government and non-profit organizations.

The responsible task force commissions research, conducts national consultations, reports on agreements and disagreements, and recommends how to promote sustainability. The NRTEE reviews these reports and recommendations before approving them for public release. The NRTEE members meet quarterly to review progress, establish future priorities and start new programs.

How We Work

The NRTEE takes an impartial, inclusive approach. All points of view are expressed freely and debated openly. Stakeholders define the overlap between environmental and economic issues and recommend changes.

Progressing in sensitive areas is a challenge for stakeholders. The NRTEE has adopted a round table format that helps overcome entrenched differences by:

- analysing environmental and economic facts and trends;
- asking key stakeholders for their input;
- assimilating research and consultation to clarify the debate;
- pinpointing the consequences of action and inaction, and making recommendations.

Current Program Topics

- Environment and Sustainable Development Indicators Initiative
- Eco-efficiency
- Economic Instruments
 - Ecological Fiscal Reform
 - Green Budget Reform
- Sustainable Development Issues for the New Millennium
- Health, Environment and the Economy
- Aboriginal Communities and Non-renewable Resource Development

Publications

The NRTEE offers a wide range of publications on sustainable development issues. A list of publications and order form are available on request.

For more information or for a free subscription to *Review*, the NRTEE quarterly newsletter, visit our Website at: <http://www.nrtee-trnee.ca>.

MEMBERS

Chair

Dr. Stuart Smith
Chairman
ENSYN Technologies Inc.
Etobicoke, Ontario

Vice-Chair

Lise Lachapelle
President & CEO
Forest Products Association of Canada
Montreal, Quebec

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Elizabeth May
Executive Director
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MI Drilling Fluid
Paradise, Newfoundland

Jean Bélanger

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Lise Brousseau

La Prairie, Quebec

Patrick Carson

Nobleton, Ontario

Douglas B. Deacon

Owner, Thriftside Café and
Adventures
Charlottetown
Prince Edward Island

Terry Duguid

Chairman
Manitoba Clean Environment
Commission
Winnipeg, Manitoba

Sam Hamad, P.Eng.

Vice-President, Industry
Rache Ltd., Consulting Group
Sainte-Foy, Quebec

Michael Harcourt

Senior Associate
Sustainable Development
Research Institute
University of British Columbia
Vancouver, British Columbia

Raymond E. Ivany

President
Nova Scotia Community
College
Halifax, Nova Scotia

William H. Johnstone
Moose Jaw, Saskatchewan

Cindy Kenney-Gilday
Yellowknife

Northwest Territories

Emercy P. LeBlanc

President
Alcan Primary Metal Group
Executive Vice-President
Alcan Aluminium Limited
Montreal, Quebec

Patricia McCann-Miller

Managing Director
Environment and Regulatory
Affairs

PanCanadian Petroleum

Limited
Calgary, Alberta

Ken Ogilvie

Executive Director
Pollution Probe Foundation
Toronto, Ontario

Joseph O'Neill

Hamwell, New Brunswick

Florence Robart

Pointe-du-Chêne
New Brunswick

Angus Ross

Scarborough, Ontario

Irene So

Vice-President &
Associate Portfolio Manager
RBC Dominion Securities
Toronto, Ontario

John Wlebe

President & CEO
GLOBE Foundation of
Canada
and President & CEO
Asia Pacific Foundation of
Canada

Vancouver, British Columbia

Judy G. Williams

Partner
MacKinnon Fujiwara Brewer
Stewartson

Vancouver, British Columbia

Executive Director & CEO
David J. McGuinty

February 2001

National Round Table
on the Environment
and the Economy

Canada Building, 344 Slater Street, Suite 200
Ottawa, Ontario, Canada K1R 7Y3



Table ronde nationale
sur l'environnement
et l'économie

Édifice Canada, 344, rue Slater, bureau 200
Ottawa (Ontario) Canada K1R 7Y3



National Conference on Sustainable Development Indicators

March 27, 2001

Westin Hotel, Ottawa, Canada

PRELIMINARY AGENDA

There has been a long-standing need for more accessible, relevant, timely and well-accepted environmental and sustainable development indicators to aid in decision making in Canada - especially indicators that examine the linkages between economic, environmental and social factors.

The National Round Table on the Environment and the Economy (NRTEE), in collaboration with Statistics Canada and Environment Canada, has undertaken a three-year project to develop a set of Canadian sustainable development indicators. These indicators will assist in integrating environmental and social considerations into economic decision making by governments, business, and civil society as well as track overall progress towards sustainability.

The purpose of the national conference is to provide a forum for sharing of knowledge and experience gained in sustainable development and related indicator projects in Canada and throughout the world.

8:30- 9:00 Welcome and Opening Remarks

Stuart Smith, Chair, National Round Table on the Environment and the Economy (NRTEE) and **David McGuinty**, Executive Director and Chief Executive Officer, NRTEE

• **John Custance**, Chief Statistician, Environmental Protection, Department of Environment, Transport and the Regions in the United Kingdom, will highlight his country's experience with UK Headline Indicators (TBC*);

9:00-10:00 Rationale for New Indicators

This presentation will set the indicators stage, focusing on the perceived rationale for the introduction of sustainable development indicators in various countries around the world. Keynote speaker to be confirmed.

Chair: Ivan Fellegi, Chief Statistician, Statistics Canada

• **Selim Jahan**, Deputy Director of the Human Development Report Office at the United Nations Development Programme (UNDP), will discuss the Human Development Index; and

• **Kirk Hamilton**, Senior Environmental Economist, Environment Department, World Bank, will examine the World Bank's Genuine Savings indicators.

10:00-10:30 Break

Chair: Wayne Wouters, Deputy Minister, Fisheries and Oceans Canada

10:30-12:00 Indicators at Work Around the World

Three international panelists will profile key indicators in use outside of Canada, highlighting a range of indicator models as well as how the choice of indicator type influences who will use them and for what purpose. Panelists in this session include:

12:00-1:30 Lunch

1:30-3:00 Indicators at Work: the Canadian Scene

Canadian experience, expertise and approaches to indicators will be profiled in three concurrent workshops.

cont.

National Round Table
on the Environment
and the Economy

Canada Building, 344 Slater Street, Suite 200
Ottawa, Ontario, Canada K1R 7Y3



Table ronde nationale
sur l'environnement
et l'économie

Edifice Canada, 344, rue Slater, bureau 200
Ottawa (Ontario) Canada K1R 7Y3



Workshop I: Economic Well-being and Canadian Policy Research Network (CPRN) Quality of Life Indicators

Sandra Zagon, Project Manager from the Canadian Policy Research Network (CPRN), and **Barbara Legowski**, Consultant, will highlight CPRN's quality of life indicators; and **Andrew Sharpe**, Executive Director and **Lars Osberg**, Board Member of the Centre for the Study of Living Standards, will describe the index of economic well-being framework.

Chair: Joe Jordan, Member of Parliament and Parliamentary Secretary to the Prime Minister

Discussants:

- **Nolan Charles**, Board Member of the Musqueam Indian Band Council and the Fraser Basin Council
- **Peter Drake**, Deputy Chief Economist, Toronto Dominion Bank
- **Michael Cushing**, Executive Director, Ontario Social Development Council

Workshop II: Genuine Progress Indicators (GPI)

Mark Anielski, Green Economics Program Director, Pembina Institute will describe the Alberta Genuine Progress Indicator; and **Ronald Colman**, Director, GPI Atlantic, will describe the Nova Scotia Genuine Progress Index. Both speakers will present the framework, development and some initial results of these two projects.

Chair: Mr. David Watters, Assistant Deputy Minister, Department of Finance (TBC)

Discussants:

- **Doug May**, Professor, Memorial University, Newfoundland
- **Linda Crompton**, President and Chief Executive Officer, Citizens Bank of Canada (TBC)
- **Annette Trimbee**, Executive Director, Policy Secretariat, Alberta Environment
- **Michael Phair**, Councillor, City of Edmonton and Chair, Federation of Canadian Municipalities' Quality of Life Indicators project

Workshop III: Statistics Canada Natural Resource Accounts: a Systems View

Robert Smith, Assistant Director, Resources and Environment Accounts, Statistics Canada, will talk about Statistics Canada's Natural Resource Accounts including their key strengths and weaknesses and what they tell us about sustainability in Canada.

Chair: Honourable Iona Campagnolo, Chair, Fraser Basin Council

Discussants:

- **Frank Dixon**, Managing Director, Research and Development, Innovest
- **Linda Nowlan**, Executive Director, West Coast Environmental Law Association
- **Daniel Rubenstein**, Principal, Office of the Sustainable Development Team, Office of the Auditor General

3:00-3:30

Break

3:30-5:30

From Testing to Mainstream Adoption: The National Round Table on the Environment and the Economy's Proposed Approach to Indicators

Peter Pearce, Co-chair of the NRTEE Environment and Sustainable Development Indicators Steering Committee, will introduce the NRTEE's proposed approach to indicators. Discussion will then focus on the value of sustainable development indicators to different groups in Canadian society. Featured panel members include:

- **Liseanne Forand**, Assistant Deputy Minister of Policy, Fisheries and Oceans Canada, will discuss the value of indicators to the federal government;
- **Judith Maxwell**, President, Canadian Policy Research Network, will focus on the value of indicators to Canadian citizens; and
- **David Kerr**, President, Noranda, and Vice-Chair of the World Business Council on Sustainable Development (TBC), will highlight the value of indicators to Canadian business.

Chair: Alan Nymark, Deputy Minister, Environment Canada

5:45-6:00

A Look to the Future

Stuart Smith, Chair, National Round Table on the Environment and the Economy

6:00

Conference Adjournment

* TBC = To be confirmed.



National Round Table
on the Environment
and the Economy



Table ronde nationale
sur l'environnement
et l'économie

PARTICIPANT REGISTRATION FORM

National Conference on Sustainable Development Indicators

March 27, 2001

Westin Hotel, Ottawa, Canada

- ☐ I will attend the SDI National Conference.
☐ I am unable to attend the SDI National Conference.

Please provide the following information:

Name: _____

Title: _____

Organization: _____

Address: _____

City: _____ Province: _____ Postal Code: _____

Phone Number: _____

Fax Number: _____

E-mail: _____

Thank you.

Please submit by **MARCH 2, 2001** to:

Hélène Sutton, NRTEE

Fax: (613) 992-7385 , or

E-mail: suttonh@nrtee-trnee.ca

Montreal { Andala Sedan Dio Lars
Uma Clarini Montreal Protocol

 Jeannine Djaky
11/20/2000 09:57 AM

Extn: 35097 ENVDR
Subject: Re:Global Workshop 

Vino,

The workshop will take place in Washington, DC. They are checking availabilities before finalizing the logistics. Kristalina, Messrs. Liebenthal, Ingram, etc... will be involved.

Regards,

Jeannine

Vinodhini David



Vinodhini David 11/20/2000 07:48 AM

Extn: 33737 ESDVP
To: Jeannine Djaky cc: M. Caryl Jones-Swahn
Subject: Re:Global Workshop 

Jeannine,

I need more information about this workshop, like where will it be held, etc.

Thanks,

Vino
Jeannine Djaky

 Jeannine Djaky
11/17/2000 12:41 PM

Extn: 35097 ENVDR
To: Vinodhini David cc: Judith E. Moore
Subject: Re:Global Workshop

Vino,

Would you please let us know if Mr. Ian Johnson will be available on March 19-20, 2001 for the Global Workshop (please see Andres Liebenthal's email below).

Regards,

Jeannine

----- Forwarded by Jeannine Djaky/Person/World Bank on 11/17/2000 12:40 PM -----

 Andres Liebenthal
11/17/2000 11:05 AM

Extn: 82507

OEDST

To: Judith E. Moore cc: Kristalina I. Georgieva, Magda Lovei

Subject: Re:Global Workshop 

Judith:

I am copying this to Kristalina and Magda so they can also contribute their comments.

My apologies for not having gotten back to you before you left on the workshop in general and George's proposal in particular, but I understand we will be able to communicate by e-mail, in lieu of the conference call we had in mind.

I wanted to check on two points:

1. is the March 19-20 date OK with Kristalina and Ian? If not, I please let me know what dates you would prefer, and I can check again with OED management.
2. George's proposal looks fine to me, except for the selection process for the participants (on p. 5), where I would rather not have such a transparent process. If we invite suggestions from outside, and open it up for testing and negotiation, it could raise a lot of expectations from the nimbler and more technologically adept Northern NGOs (especially Bank critics), that would have to be disappointed, with resulting heat. I would rather we select the participants by ourselves. At least I would ask that OED be allowed to select who we want from the OED consultations.

What do you think? Andres

Judith E. Moore 11/16/2000 07:20 PM

Judith E. Moore 11/16/2000 07:20 PM

Extn: 89301

ENVDR

To: Andres Liebenthal

Subject: no mexico list

Andres--

I have looked high and low and not found the list. My apologies. I'm sure that just when you don't need it anymore, I'll find it.

Jeannine said that she and your office have agreed on March 19-20 for the global consultation. I've passed that date to George G.

--Judith

Andres Liebenthal

Coordinator

Environment and Water

Operations Evaluation Department

ph. 202/458-2507

fax 202/522-3123

e-mail address: aliebenthal@worldbank.org

To: Vinodhini David
cc: M. Caryl Jones-Swahn

Exploring the potential support for an ICIA

see Ruler
stick (w/).

Background and rationale

1987; WCED (Brundtland Commission) recommended:

Interested governments should create an independent assessment body to help developing countries, upon request, evaluate the environmental impact and sustainability of planned development projects.

1987 - 1990: investigation in implementing this recommendation.

It was felt that governments and international organisations would develop sufficient capacity to provide these services.

→ "No need for an ICIA"

New developments indicate to rethink and revitalise the recommendation:

- WB: IAGs for Nam Theun project in Laos, Tchad - Cameroon pipeline project
- WB: Inspection Panel
- establishment of SAIEA in Southern African region with the help of WB
- Commission for EIA in the Netherlands reviews EA reports about activities in developing countries for Minister of Development Co-operation

Renewed exploration of potential support

Netherlands Commission for EIA collects views.

Initial response from some key persons is encouraging to continue consultation.

free serial:
[shd v w c]

Assumed tasks of ICIA

The ICIA would, on request or with consent of governments, prepare non-binding advice on the sufficiency of information provided by (S)EAs or by environmental audits if:

- (S)EA systems are unable to perform scoping and reviewing of such reports
 - controversial (S)EAs require independent second opinion
- and further in case of:
- transboundary (S)EAs
 - pre-feasibility studies by private enterprises prior to formal start of decision making
 - mediation and dispute resolution (after gaining sufficient experience and credibility in stature)?

The ICIA will *not* prepare EIA reports nor environmental audit reports. That is the task of the developer / proponent and their consultants.

Training will take place as a derived service → "on the job training" with the ICIA's panels of experts.

① confidential? info

Operation

The ICIA:

- is independent
- has global outreach
- must respect sovereignty of pertinent governments
- is a non-profit membership organisation open to governments, multilateral organisations, private companies, NGOs
- has a small secretariat
- starts with few projects, gradually building up with growing experience

legal authority.
membership driven.

Only members can call upon the services of the ICIA.

social, economic, environmental

mediation

ICIA can only respond to requests for advice with consent of the government that is competent in the pertinent decision making process.

Advice is prepared by small panels of experts on behalf of ICIA.

No duplication of or overlap with related services by IAGs, WB Inspection Panel, SAIEA in the Southern African Region, etc.

Role of foundation supporting ICIA

The membership of ICIA is vested in a foundation that looks after the finances of the ICIA. Members pay their contributions to the foundation that enable the ICIA to operate its advisory services.

The foundation has a board representing the membership. - independence?

The foundation frees the ICIA from charging fees for individual advisory reports, thereby guaranteeing the independence of the advice.

free advice.

Role of secretariat

The secretariat:

- runs the day to day operation
- manages the working groups of experts
- guards consistency of the advisory reports.

Questions

- Is the concept of ICIA viable?
- Does it deserve support both in principle and financially?
- Will use be made of its services when established?

Exploring the potential support for establishing an "International Commission for Impact Assessment (ICIA)".

Introduction

This note is formulated by the Netherlands Commission for Environmental Impact Assessments and is to i) inform you about a proposal to establish an international independent advisory bodyⁱ that on request assists governments and private parties on Impact Assessment for intended major development initiatives and ii) to explore the support this proposal would generate amongst potentially interested parties.

Why an independent international advisory body?

As a consequence of the globalisation of the economy and of the global spread of information, an increase is experienced in the number of international debates on the environmental and social acceptability of major development initiativesⁱⁱ. This is especially so for initiatives that may impact on natural heritage or human rights and initiatives that have impacts that transcend national borders. To an increasing extent there is an international call for social and environmental accountability of individual governments, private investors, banks and agencies that fund development initiatives and of insurance companies. This same call is also addressed to global economic and monetary institutions that, by means of drafting Structural Adjustment Programmes for individual countries, play a decisive role in the globalisation of the economyⁱⁱⁱ.

As a rule, the international debate is cumbersome, frustrating and time consuming and leads to huge societal and financial costs. Seldom the debate leads to a result with which the various stakeholders in the debate feel comfortable. International debate and controversy on intended projects, programmes and policies threatens the reputation of governments, funding agencies and banks and the reputation and commercial interests of private parties. Global juridical pathways to protect parties against unjustified allegations and to pinpoint liabilities are at the very start of their development^{iv}.

Private companies, banks, NGOs, scientists and to a limited extent also governments have started to recognise the need for independent expert advice on the social and environmental consequences and risks of intended development activities, programmes and policies. Some initiatives to provide for independent advice have been put in place or are being developed^v. None of these have a global scope and, at the same time, address Impact Assessment. There is a need for an independent international body that can provide advice on Impact Assessment on a global scale and there seems to be good reasons to believe^{vi} that the idea of establishing an independent International Commission for Impact Assessment would yield the support of a broad range of stakeholders if the authority of such a Commission (and the limitations to that authority) would be cautiously designed and allowed to develop.

A concept for an ICIA

Before embarking on broad dissemination of the idea to establish an ICIA, consultation^{vii} has shown that careful thinking on and detailed description of form and functions of a proposed ICIA is required to allay suspicion about its functioning and resistance against its operation. It made clear that there is a need to slightly modify^{viii} the concept that was originally formulated by the Brundtland commission. The consultations have led to the following assumptions for the set-up:

1) No overlap

So far, as to our knowledge, there is no specific body that provides the world wide services the proposed ICIA would provide and no other initiative is known that plans to establish such a body.

As to make use of existing experience in preparing independent advice, an ICIA in its phase of establishment might want to use the expertise of existing institutions.

2) Serve but avoid being (mis)used

An ICIA would serve the general interest world wide. An ICIA would not lend itself to be used to serve the interests of specific groups of stakeholders.

Independence would be the 'raison d'être' of an ICIA. Leaving opportunity to use an ICIA to serve group interests would immediately kill the initiative.

- a) An ICIA would have to be a membership organisation open to country governments, multilateral bodies, including funding agencies, enterprises and their organisations, NGOs and funds that favour environmental care and social justice. Only members of an ICIA would be allowed to make use of its services.

An ICIA would accept to respect the principle of sovereignty of countries and the principle that the government represents the country. In cases where a government decides on project, programme or policy-approval for which Impact Assessments are made under national law, advice of an ICIA could only be asked by the government itself or with the written consent of the government(s) involved (and only if that government would be member of such an ICIA). This limitation prevents that governments are confronted against their will with opinions of an ICIA in cases under their authority. It also provides governments that do not want to use the services of an ICIA with the means to resist pressures to do so.

- b) An ICIA would provide a judgement on the completeness and the quality of the information in the Impact Assessments that are prepared to support decision-making. It would refrain from giving a judgement on the social and environmental acceptability of the intended project, programme or policy.

Determining the acceptability is the responsibility of the decision-makers. This limitation would safeguard an ICIA from becoming a party in the political debate.

- c) An ICIA would respond to:

- i) requests for advice on (scoping^x for and review of) Impact Assessment reports in cases national legal procedures apply. In these cases the advice of an ICIA would be published.

This would be the major field of activity of an ICIA.

- ii) requests for advice on (scoping for and review of) impact assessment in the earliest stages of conception of proposals before the start-up of (national) legal procedures. In these cases its advice would be confidential and could not be published or disseminated otherwise.

Private companies and banks have expressed the need of having an independent judgement of the quality and completeness of the information on the social and environmental impacts of their intended investment plans before they engage in formal procedures. The inability to publish the judgement of an ICIA would limit its use to pre-project internal decision making.

- iii) other requests could be considered provided that they would be in line with the intentions and mandate of an ICIA and would not put at risk the fulfilling of its primary functions.

3) A least cost - maximum flexibility concept

There is general resistance against the creation of new large scale administrative structures. An ICIA structure would be kept as 'lean' and low cost as possible. Therefore:

- a) An ICIA would have a secretariat headed by a director. The functioning of the secretariat would be overseen by a board elected by and representing the membership.

In principle an ICIA secretariat could start its activities with a staff of some four persons. It would grow at a rate commensurate with the use the members would like to make of it.

- b) An ICIA would address the requests for advice with working groups of experts. The secretariat would, on a project by project basis, engage the required expertise from all over the world.

In this way all expertise on a world-wide basis can be made available in a highly cost-effective way. There would be no experts on the permanent payroll. Their payment would be based on a prefixed professional fee, disbursed only for time spent to formulate the advice. Payments would, of course, include travel expenses and daily subsistence allowance.

4) Guarantees for Independence

- a) Non-profit

An ICIA would be operated on a non-profit basis.

- b) Self-funding

It would be self-funding fed by recurrent contributions from its membership and grants and legacies. Contributions, grants and legacies would constitute a fund that has as single objective to finance ICIA's functioning. Grants and legacies can be made anonymously or publicly.

- c) No link between money and work

The fund would be managed by a separate foundation with the same membership as the ICIA (e.g. an ICIA fund foundation) with a board put in place by this membership. This foundation would shield the proposed ICIA secretariat from contacts with contributors.

This approach will free the proposed ICIA secretariat, the work organisation of ICIA, from having to bother about funding. It will facilitate complete focusing of the secretariat on the advisory work. Moreover, this approach would shield the secretariat from interference of individual contributors in the advisory work.

d) **Independence of experts**

The secretariat would check and guarantee the independence of the experts that would be engaged for the advisory work.

e) **Autonomy of working groups**

The working groups would have the entire responsibility for the contents of the advice of the proposed ICIA. The secretariat would safeguard consistency and look after the coherence with previous advisory work. The secretariat, if necessary, would shield the working group members from individual contacts with stakeholders.

Starting to build the ICIA

The Netherlands Commission for Environmental Impact Assessment has taken the lead in exploring the need and support for an ICIA. It has taken this initiative as the same principles of independence combined with expertise apply to this Commission in the Netherlands. It will only temporarily act as catalyst in the exploration process. It will withdraw when it is clear that there is sufficient support for the proposal and when a provisional body has been established that can take over the tasks of preparing the launching of the ICIA. It will also withdraw as soon as it would appear that there is insufficient support.

The preparation of launching the ICIA is worked out in a strategy and consists of exploring the potential support for the ICIA and gathering comments on its form, establishing a coalition of potential supporters, drawing conclusions on the feasibility of the ICIA and its form. The proposed coalition then establishes a provisional body that prepares the launching of ICIA. The targeted moment for launching the ICIA is June 2002, during the annual meeting of the International Association for Impact Assessment that will take place in The Hague in the Netherlands.

- i The establishment of an "International Commission for Impact Assessment (ICIA)" was first recommended by the World Commission on Environment and Development ("The Brundtland Commission") in its report entitled: "Our Common Future" in 1987. On page 222 this report recommends: *Interested governments should create an independent assessment body to help developing countries, upon request, evaluate the environmental impact and sustainability of planned development projects.*
- ii Examples: The Pak Mun Dam project in Thailand, The Three Gorges Dam; China, Sadar Sarovar project, India; Arun III Hydroelectric project, Nepal; Shell and Ogoni-land, Nigeria; decommissioning of the Brent Spar oil platform, UK; the Chad-Cameroon Oil Pipe line project, Chad/Cameroon; the China Western Poverty Reduction project, China; Natural gas exploration in Kirthar National Park, Pakistan and in the Sunderbans National Park, Bangladesh; Intended road construction in the Banc d'Arguin in Mauritania; Bujagali Falls Dam Project, Uganda.
- iii Turmoil has been accompanying the WTO Seattle meeting in 1999, the IMF and World Bank meetings in Washington, spring 2000, the IMF and World Bank meeting in September 2000 in Prague and the EU conference in December 2000 in Nice. Initiatives are imminent to increase democratic control on these institutions.
The OECD is now asking export credit assuring companies in its member countries to screen the export credits they assure on social and environmental sustainability.
- iv See: Liability for Environmental damage and the World Bank's Chad-Cameroon Oil and Pipeline project, IUCN 2000, ISBN/ISSN 9075909055.
Probably one of the first cases: on September 14th, 2000 a US court decided to address a case against Shell filed by members of the Ogoni tribe from Southern Nigeria (Rtrs, AFP).
- v Examples:
 1. the World Bank is in the process of starting to recognise the importance of independent review. It has fielded an ad hoc team of independent advisors covering environmental, social and economic aspects to advise the Bank on compliance with its own social and environmental policy for a proposed Bank funded large and controversial dam project in Laos. Recently, the Bank decided to establish a similar independent International Advisory Group to oversee a controversial oil pipe line project in Chad and Cameroon.
 2. In 1993, in response to calls to establish possibilities for appeal by private citizens who believe that they (or their interests) have been or could be harmed by Bank funded projects, the World Bank has established an (independent) Inspection Panel.
 3. In the region of southern Africa (including the countries that belong to the Southern Africa Council for Development or SADC), an initiative has been launched to provide a regional capacity for quality review of environmental assessments to support informed decision-making. To this end, a Southern Africa Institute for Environmental Assessment (SAIEA) is being established to provide independent advice to governments on request.
 4. In the Netherlands the directorate general of Development Co-operation of the Ministry of Foreign Affairs has recognised the need for independent advice on EA for certain project initiatives that are proposed for funding either bilaterally or multilaterally through an international financial institution such as the World Bank. In 1993 the Netherlands Ministry of Foreign Affairs entered into an agreement with the independent Dutch Commission for Environmental Impact Assessment to provide, upon request, services in both ex ante and ex post evaluation of projects.
- vi The need for independent review is, in a most practical sense, illustrated by the fact that increasingly (commensurate with the establishment of its name on a world wide scale) the independent Netherlands Commission for Impact Assessment is requested by governments, enterprises and NGOs, to review Impact Assessments for development initiatives in which the Netherlands has no stakes whatsoever.
Private business and industry have shown to be willing to have the impacts of their projects and initiatives reviewed, sometimes even if the decision-makers in government do not require it. These companies (as developers) want to ascertain and show that their impact assessment reports stand up to (international) scrutiny and accepted best practice, and that their consultants have done a good job. They use the results of independent review of their impact assessment reports to shield themselves from possibly unjustified criticism of activists and arbitrariness of decision-makers.
Non-governmental Organisations (NGOs) are sincerely interested in independent review of impact assessment reports as the results of such reviews have provided certainty about the validity of their arguments and promoted achievement of their goals in cases their arguments proved right.
Governments have asked for independent review in cases that the national EIA system was not yet effective or incapable to address the (often complicated) issues.
In general it is observed that all parties are specifically interested in independent review as independent review may settle otherwise lengthy disputes and streamlines decision making. The Netherlands Commission is honoured to respond to requests for independent advice, but sees the illogicality of the practice that entities from all over the globe turn to a Dutch legal body to provide independent advice on EIA for their development initiatives.
- vii Informal consultation has taken place with some Dutch ministers, multinational companies, NGOs, World Bank officials, Impact Assessment experts from many countries and planning ministries and – commissions in several developing countries.
- viii Multinational companies would favour an ICIA that provides its services in all countries of the world; limitation of its service to the developing countries only would not be acceptable to developing countries. Moreover, multinationals would appreciate provision of advisory services on Impact Assessment for their investment plans before they engage in formal EIA procedures.
- ix Scoping is the formulation of guidelines for the Impact Assessment.



Gloria Davis
10/16/2000 03:22 PM

Extn: 82750 ENVDR
Subject: Proposed wording of IPOP

I have suggested the following revisions to key members of the working group.

5. "Rather than seek a universal definition for the term indigenous peoples, for purposes of this policy, indigenous peoples are identified in particular geographical areas by the presence of the following characteristics in varying degrees:

- a) long association with, and close attachment to, ancestral territories and natural resources....
- b) presence of customary social, economic, and political institutions; ~~which are different from those of the dominant groups in society;~~
- c) often, use of a language different from the predominant language; and
- d) self-identification and identification by others as members of a distinct cultural group.

6. "Specifically, the policy is triggered where Bank-assisted projects have an impact upon a particular group of indigenous people ~~or on their lands and resources or their ways of life~~ who have traditional livelihoods and ways of life, and who may therefore be vulnerable if there is disruption to, or the destruction of, the distinctive social, cultural or economic institutions on which they depend. The policy does not apply in situations where indigenous peoples have moved into urban areas or have migrated for wage labor and in so doing have significantly changed their modes of production and ways of life. In many cases, country knowledge and technical judgement are required in determining whether the provisions of the policy apply. Because indigenous groups may be very small and their small size may increase their vulnerability, there is no numerical threshold for application of the policy, but the magnitude of effort and nature of interventions will vary depending on the significant of impacts and numbers affected.

Interested in your views. This requires some adjustment in a couple of other parts of the policy as well.

Ian, as I mentioned I would like to discuss the possibility that you could convene a steering committee to quickly get on top of this with the sectors.

To: Ian Johnson
cc: Stephen F. Lintner

Shengman

BW

Ken, IC, IB, BW, AM

Bob W. wants you to meet with Shengman before Ken met the Dutch on Tues.



Kenneth J. Newcombe
10/26/2000 03:23 PM

Extn: 36010

ENVCF

Subject: Discussions with the Dutch on Possible Netherlands Clean Development Fund

10/31: Forwarded to CAS. Vino

Kristalina:

I am providing in point form the salient points of exchange on the NCDF and its related capacity building and vulnerability and adaptation facility proposals with Ministry of Environment (Minvrom). First let me assure you that the first item of discussion was to clarify the position of the Bank on the status of the proposal, as outlined in the letter I transmitted from you. This was understood and appreciated.

1. Minister Pronk had reviewed and indicated his general support for the proposal, including the V&A and capacity building activity. His staff are keen to proceed to an agreement with the Bank on the NCDF;
2. Government agrees not to associate the World Bank in any way with any announcement Mr. Pronk might wish to make on provision of CDM financing at or around CoP6;
3. *if we can agree internally* and with the Dutch on a final proposal, the decision will not be made until after CoP6. Minvrom wish to have a signed agreement by Feb 1, 2001, if one can be obtained.
4. the proposed level of funding of (\$115 million over two years) was acceptable and can be used in our submission to MDs/Partnership Advisory Council, however there is interest in having the Bank propose additional projects for additional funding if the option exists in the CY01/02 period;
5. Ministry of Finance has reviewed the Bank's proposal. One result is a request to assign a significant share of excess net income to purchase of additional ERs i.e. *not to allocate XS net income entirely to V&A and capacity building*;
6. we have been requested to re-run our financial models around applying about a third and about a half of net income to additional ER purchases and to provide a full cost estimate of ERs anticipated, not just the cost of ERs earned from resources applied to projects for emissions purchases;
7. the difficulty of placing net income in projects when these are small annual amounts (max of \$4 million/yr, say) over many years, when the project investment phase (CY01/02) is passed, was recognized. We will examine for how long we can commit to reinvest net income in ER purchases;
8. we have agreed to redo the numbers, internally review and re-submit a draft proposal to the Government by COB Nov 3rd, containing two scenarios of how we would (assuming we can) propose to accomodate Govt concerns while meeting our broader sustainable development objectives (V&A, capacity building). There are solutions, but they pose issues of logistics and business planning we need to review;
9. senior government representatives will visit Washington in the week of Nov 6th to review and hopefully agree what they could support (final scenarios for uses of net income), along with some minor modifications discussed;
10. only after this agreement could ENV/ESSD put a proposal to Shengman for review with the Partnership Advisory Council, hence formal submission of any agreed Bank management proposal to Government would be about mid-December;
11. Minvrom understands that there would be some NGO opposition to the proposal and offered to assist in discussing the merits of the collaboration with the Bank on the Fund with such NGOs (and implicitly other stakeholders);
12. government wishes to emphasise in the project selection criteria, consistency with poverty alleviation objectives and national sustainable development plans;
13. Minvrom. would like to have fuel-switching in the modern fuel sector as eligible activities for its funding,

100% →

$\frac{2}{3}$ or $\frac{3}{4}$ to a vulnerability fund.

yes? →

- along with renewables and efficiency;
14. there is concern that selling 5% of ERs on the secondary market may result in perverse outcomes in the face of scarcity and hence their is reluctance to agree. We agreed to review this issue.
 15. Minvrom did not seek to discuss IFC role or proposal indication that they would have discussions with IFC in Washington.

There were quite a number of minor points relating to the NL context and wording of the proposal.

Can we please meet Thursday next to discuss these matters, and the options we see for achieving a convergence of Dutch and Bank strategic interests through this collaboration?

Ken

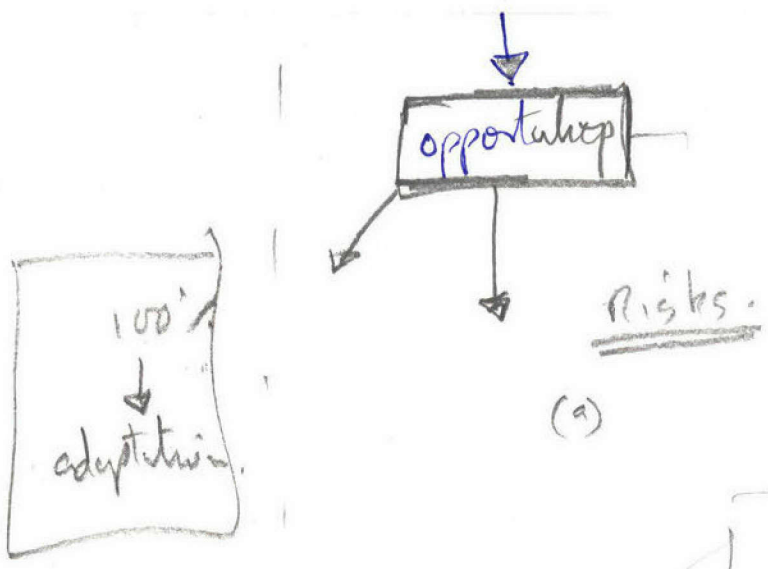
To access the Prototype Carbon Fund's website please click = > <http://www.PrototypeCarbonFund.org>

To: Kristalina I. Georgieva
cc: Ian Johnson
Robert T. Watson
Ajay Mathur

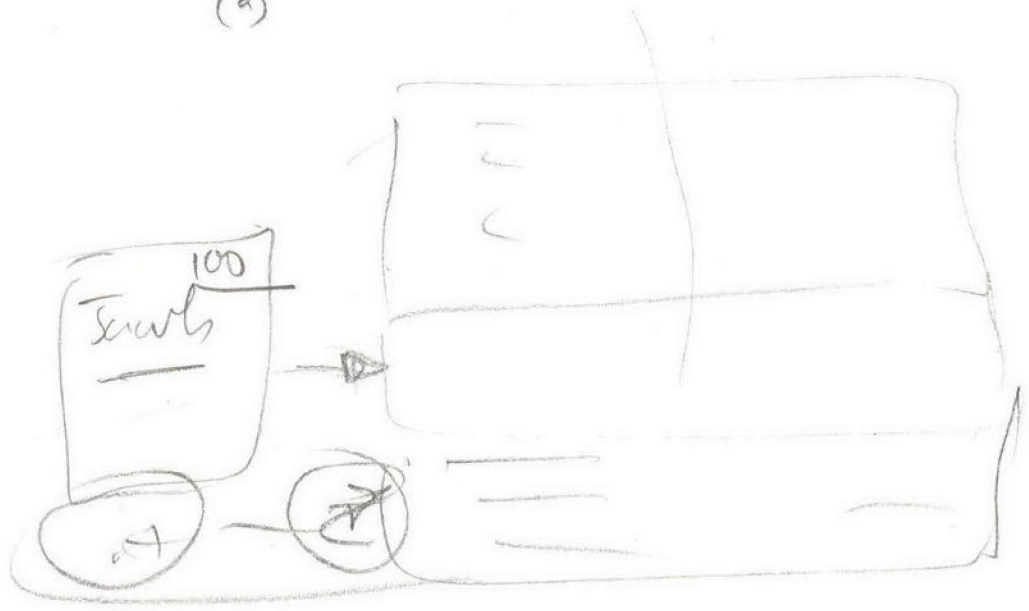
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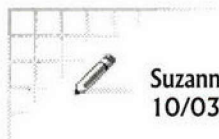
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b



fisher node





Suzanne M. Barnes
10/03/2000 03:42 PM

Extn: 88353
Subject: Note to JDW

ENVDR

Ian: In the event you would like to attach the summary from the briefing note for JDW to communication with Anil and Minouche, it is attached. I pulled out the oil and gas initiative in the first version and the full briefing note is the second attachment. Thanks for your help. Suzanne



Oil and Gas Stewardship Council.c



Briefing Note from Suzanne.d

To: Ian Johnson

Briefing Note

Meeting of September 1, 2000

There are two Initiatives which have been gaining momentum over the last few months, which I would like to discuss with you to seek your support. Although each requires a long term vision, they address important issues facing the international development community and with strong WBG leadership could yield highly desirable results. I am convinced that your concrete and visible support will be required for either to succeed. Below is a brief overview of each initiative.

II. Oil and Gas Stewardship Council

As you are aware, the WBG has been collaborating with the oil and gas industry and NGO's over recent years to address the complex environment, social and other long term development issues that are associated with oil and gas investment in WBG client countries. The opportunity now exists to take this collaboration to a new level and work with the oil and gas industry and NGO's to develop a long term vision and strategy to more effectively address these issues.

Objective. It is recognized that in this new era of international development and cooperation the private sector is increasingly a driver of the global economy. It is further understood that the private sector must take on enhanced responsibilities in this new role. Although the WBG's financing remains important, it is declining as a proportion of total resources and investment flows. To have an impact of national, regional and global significance on environmental and social issues in this context, the WBG must increasingly leverage and influence private capital and private market players to adopt ESSD principles and objectives.

How to help shape the roles, relationships, and responsibilities of the private sector and the various stakeholders (government's, civil society and international organizations) is recognized to be an increasing priority for the international community. From the ESSD Network, this is recognized to be a critical prong of our future work. In the current budget environment, however, this focus has not yet received the attention it deserves.

Outside Interest. BP Amoco recently voiced its desire to work with the Bank to help establish a forum to define the principles of environmentally and socially sustainable development for the oil and gas industry [e.g. an Oil and Gas Stewardship Council.] The idea is to design a process that will lead to consensus (between industry, Government, and NGO's) on national/regional baseline practices and norms which could then be independently certified on a project basis. This could lead to more attractive financial and insurance packages for investors, and a more stable investment framework, while enhancing environment and social practices and helping to define principles of long term sustainable development for the industry.

I have also discussed this idea with Alan Detheridge (Senior Advisor from Shell.) He assured me that Shell would be on board [and predicted Chevron would be too] if such a

process were initiated by the Bank. He suggested that, while he felt the Bank was the most credible convenor of such an initiative, it was also important to coordinate with the UN Global Compact, and UNDP as well as WEF at Davos (WBCSD.)

CEO Oil and Gas Forum. The idea is for you to convene a CEO level meeting in about six months with the oil and gas industry, interested NGO's, and client government representatives. It would be structured to reach an agreement on the principles and process, as well as responsibilities and resource requirements (financial and human), of each of the parties over a period of 18-24 months. To prepare for such a meeting, we would need to solicit the interest and support from industry members and NGO's, and develop an internal WBG team to work with nominated sherpas from the other parties to prepare for this meeting and establish a framework for the process.

Next Steps. Ken Newcombe and I have been discussing this idea over the last year. It is proposed that we could work in the coming weeks to develop a specific proposal for review with BP Amoco on how to move forward (drawing on the lessons learned from the CEO Forestry Forum and other efforts addressing global public policy and global public goods). Once agreed, we could then proceed to define a set of stakeholders who would elaborate the process leading to the proposed CEO Forum. This, of course, would require deft political and strategic management internal as well as external to the Bank.

In the near term, internal resources to support WBG leadership in such an initiative would be required. For the medium term, I believe external resources could be mobilized (from industry, donor governments, foundations etc...) as this project taps into the interests and priorities of a wide number of members of the international community.

Briefing Note

Meeting of September 1, 2000

There are two Initiatives which have been gaining momentum over the last few months, which I would like to discuss with you to seek your support. Although each requires a long term vision, they address important issues facing the international development community and with strong WBG leadership could yield highly desirable results. I am convinced that your concrete and visible support will be required for either to succeed. Below is a brief overview of each initiative.

I. Women's Leadership In The International Organizations:

Objective. The idea is to develop a targeted initiative [to augment and in some cases realign current efforts] to help promote the advancement and success of women in senior positions of power and decision-making in the international organizations. Special attention is envisioned for women from developing countries and non-native English speakers. Although progress has been made, the Bank and other international organizations still lag far behind the more advanced public and private sector institutions in promoting the success of women in executive positions. There are resources available and lessons to be learned in order to address this issue.¹

Approach. It is proposed to have the professional women themselves, who have direct experience, take the lead in brainstorming such a strategy. Early thinking is to seek the involvement of an umbrella of international organizations (such as the WBG, IMF, IDB, UNDP, UN Secretariat, WHO, FAO, OECD) to pool resources and support this effort. This would both strengthen the network of women across these organizations and allow common characteristics and systemic issues to be more efficiently identified and addressed. The initiative could be expected to have three prongs: (i) diagnostic and research; (ii) executive training and development; and (iii) outreach.

It is proposed to convene a 'brainstorming/retreat' in early 2001, inviting up to 10 professional women from each of the various international organizations, together with relevant experts, to discuss ideas for such an initiative. A 3-5 year strategy would then follow, which could be put to the organizations and their Boards for endorsement. External partnerships and alliances would be important. Faculty and individuals at the Kennedy School have expressed early interest in collaboration, as have others. As I understand David Gergen mentioned to you in Aspen, the Kennedy School and its new Center for Public Leadership which he is co-directing, have voiced strong interest in supporting this effort and have proposed that such a brainstorming/retreat be held at Harvard. The Council of Women World Leaders (CWWL) has also voiced enthusiastic support and has offered to help spearhead the effort.²

¹ For example, *Advancing Women in Business – The Catalyst Guide. Best Practices from the Corporate Leaders.* 1998

² The Council is comprised of current and former female heads of state and government and also includes many prominent Advisory Board Members including Susanna Agnelli, Oscar Arias Sanchez, Don Johnston, Kiichi Miyazawa, Joe Nye, Helmut Schmidt, Judy Woodruff, among others. The Council was

Consultations and Issues. Consultations have been held with a number of senior women in the WBG and the Staff Association. All voiced extremely strong support and interest provided that such an initiative is well designed and managed and adequately resourced. A key to success is seen to be visible political support by leading women managers, yourself, and others, to ensure that involvement with the idea as well as subsequent training and development, is seen as positive and sought after rather than stigmatized.

Questions were raised as to where such an initiative should be located in the institution and in particular the role of the Bank's gender advisor and HR. Senior staff in the gender advisor's office strongly recommended that such an initiative should have an institutional seat. This would allow it to complement and draw on the common efforts of the HR and gender advisory offices, but also promote a broader systems analysis and institutional effort. It has widely been proposed that consideration be given to locating this initiative in your office with oversight from a few of your Managing Directors. An internal WBG task force with wider membership could then be established to support this effort.

Next Steps. I have been encouraged to meet with other international organizations to seek broader involvement and support. Before taking that step, I believe it is important to seek your support and seed funding to complete the preparations to allow for a well designed and facilitated retreat early in 2001. Seed funding could be requested from each of the participating organizations. If taken seriously, this could place the WBG in the forefront on the issue of women's leadership in international affairs and global politics.

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How to help shape the roles, relationships, and responsibilities of the private sector and the various stakeholders (government's, civil society and international organizations) is recognized to be an increasing priority for the international community. From the ESSD

established at the Kennedy School at Harvard, (is also part of Harvard's Women's Leadership Board, which I am a member), but is an independent organization. Kim Campbell (Canada) is current Chair.

Network, this is recognized to be a critical prong of our future work. In the current budget environment, however, this focus has not yet received the attention it deserves.

Outside Interest. BP Amoco recently voiced its desire to work with the Bank to help establish a forum to define the principles of environmentally and socially sustainable development for the oil and gas industry [e.g. an Oil and Gas Stewardship Council.] The idea is to design a process that will lead to consensus (between industry, Government, and NGO's) on national/regional baseline practices and norms which could then be independently certified on a project basis. This could lead to more attractive financial and insurance packages for investors, and a more stable investment framework, while enhancing environment and social practices and helping to define principles of long term sustainable development for the industry.

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Calendar Entry

☒ Appointment ☐ Invitation ☐ Event ☐ Reminder ☐ Anniversary

Brief description:

Dutch Delegation
Kristalina x30397

Date:

03/30/2001

Time:

10:00 AM - 11:00 AM

☐ Pencil in

☐ Not for public viewing

Detailed description:



Jeannine Djaky
03/28/2001 03:06 PM

Extn: 35097

ENV

To: Vinodhini David

Subject: Exploring the possibility to establish an "International Commission for Impact Assessment"

Per your request.

See attached the schedule of this delegation



Visit of Messrs J Scholten and N Ketting.

----- Forwarded by Jeannine Djaky/Person/World Bank on 03/28/2001 03:08 PM -----

Jscholten@eia.nl on 12/21/2000 05:18:42 AM



To: kgeorgieva cc: Nketting

Subject: Exploring the possibility to establish an "International Commission for Impact Assessment"

Dear Ms Georgieva,

On September 14, 2000 when you were visiting the Netherlands, the Commission for Environmental Impact Assessment had the privilege to have you on board a party ship that sailed on the river Rhine to the town of Gorinchem to celebrate the occasion of the start of the 1000th EIA procedure in the Netherlands.

On board the ship Niek Ketting, chairman of the Commission for EIA and I had the opportunity to talk to you about exploring the possibility to establish an "International Commission for Impact Assessment". The principle of establishing such a body is based on a recommendation that was made in 1987 by the "World Commission on Environment and Development" that was chaired by Ms. Brundtland with Mr. J. MacNeill as secretary general. You expressed an interest in further developing this concept and a willingness to discuss at the World Bank the matter and potential support to the concept with Niek Ketting and me in the near future. Since that encouraging discussion with you in September, we had further talks on the subject with various knowledgeable persons here in the Netherlands both in government and in international business circles that confirmed the viability of the concept.

The comments we received, enabled us to update the discussion note we prepared earlier this year. Herewith, I attach this discussion note for your information and with the request to further discuss the subject with you and other key persons of the World Bank in Washington D.C. in the beginning of next year. Can you kindly indicate which period would suit you? We hope to hear from you soon.

Niek Ketting and I take the opportunity to wish you a merry Christmas and a good start in the New Year!

Jules Scholten
director
Commission for EIA
P.O.Box 2345
3500 GH Utrecht
The Netherlands
tel. +31.30.2347602
fax +31.30.2331295

<<Exploring after review (versie 4).doc>>



- Exploring after review (versie 4).doc

Chairperson: Ian Johnson/Person/World Bank

Visit of Messrs. Jules Scholten, Niek Ketting and Reinoud Post to the World Bank
 Subject: Establishment of the International Commission for Impact Assessment
 March 28-30, 2001

Meetings with	Date	Time	Location	Remarks
Jim MacNeil, Chairperson, Inspection Panel	Thursday, March 29	10:00 AM	MC 10-533	
▪ Kristalina Georgieva, Director, Environment Department ▪ Steen Jorgensen, Director, Social Development Department ▪ Jean Roger Mercier, Lead Specialist, Environment Department	Thursday, March 29	11:00 AM	MC 5-117	
▪ Kristalina Georgieva, Director, Environment Department ▪ Steen Jorgensen, Director, Social Development Department ▪ Jean Roger Mercier, Lead Specialist, Environment Department ▪ World Bank Regional EIA Coordinators (Walter Vergara, Charlotte Bingham, Panneer Selvam, Allan Rotman and Robert Goodland)	Thursday, March 29	11:45 AM	MC 5-401	
Michael Keen, Division Chief, Tax Coordination Division Fiscal Affairs Department, International Monetary Fund	Thursday, March 29	03:00 PM	4-303 D in IMF	
Gavin Murray, Director, Technical and Environmental Department, International Finance Cooperation	Friday, March 30	9:00 AM	F 9K-160	
Michael Keen, Division Chief, Tax Coordination Division Fiscal Affairs Department, International Monetary Fund	Friday, March 29	10:30 AM	4-303 D in IMF	
Koen Davidse, Advisor to the Executive Director for the Netherlands	Friday, March 30	11:45 AM	MC 13-433	
Lunch hosted by Kristalina Georgieva Also joining: Mr. Koen Davidse, Advisor to the Executive Director for the Netherlands	Friday, March 30	12:30 PM	MC Dining Room	

Jeannine Djaky

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March 28, 2001 10:42 AM

Exploring the potential support for establishing an “International Commission for Impact Assessment” (ICIA).

Introduction

This note is formulated by the Netherlands Commission for Environmental Impact Assessments and is to i) inform you about a proposal to establish an international independent advisory bodyⁱ that on request assists governments and private parties on Impact Assessment for intended major development initiatives and ii) to explore the support this proposal would generate amongst potentially interested parties.

Why an independent international advisory body?

As a consequence of the globalisation of the economy and of the global spread of information, an increase is experienced in the number of international debates on the environmental and social acceptability of major development initiativesⁱⁱ. This is especially so for initiatives that may impact on natural heritage or human rights and initiatives that have impacts that transcend national borders. To an increasing extent there is an international call for social and environmental accountability of individual governments, private investors, banks and agencies that fund development initiatives and of insurance companies. This same call is also addressed to global economic and monetary institutions that, by means of drafting Structural Adjustment Programmes for individual countries, play a decisive role in the globalisation of the economyⁱⁱⁱ.

As a rule, the international debate is cumbersome, frustrating and time consuming and leads to huge societal and financial costs. Seldom the debate leads to a result with which the various stakeholders in the debate feel comfortable. International debate and controversy on intended projects, programmes and policies threatens the reputation of governments, funding agencies and banks and the reputation and commercial interests of private parties. Global juridical pathways to protect parties against unjustified allegations and to pinpoint liabilities are at the very start of their development^{iv}.

Private companies, banks, NGOs, scientists and to a limited extent also governments have started to recognise the need for independent expert advice on the social and environmental consequences and risks of intended development activities, programmes and policies. Some initiatives to provide for independent advice have been put in place or are being developed^v. None of these have a global scope and, at the same time, address Impact Assessment. There is a need for an independent international body that can provide advice on Impact Assessment on a global scale and there seems to be good reasons to believe^{vi} that the idea of establishing an independent International Commission for Impact Assessment would yield the support of a broad range of stakeholders if the authority of such a Commission (and the limitations to that authority) would be cautiously designed and allowed to develop.

A concept for an ICIA

Before embarking on broad dissemination of the idea to establish an ICIA, consultation^{vii} has shown that careful thinking on and detailed description of form and functions of a proposed ICIA is required to allay suspicion about its functioning and resistance against its operation. It made clear that there is a need to slightly modify^{viii} the concept that was originally formulated by the Brundtland commission. The consultations have led to the following assumptions for the set-up:

1) No overlap

So far, as to our knowledge, there is no specific body that provides the world wide services the proposed ICIA would provide and no other initiative is known that plans to establish such a body.

As to make use of existing experience in preparing independent advice, an ICIA in its phase of establishment might want to use the expertise of existing institutions.

2) Serve but avoid being (mis)used

An ICIA would serve the general interest world wide. An ICIA would not lend itself to be used to serve the interests of specific groups of stakeholders.

Independence would be the ‘raison d’être’ of an ICIA. Leaving opportunity to use an ICIA to serve group interests would immediately kill the initiative.

- a) An ICIA would have to be a membership organisation open to country governments, multilateral bodies, including funding agencies, enterprises and their organisations, NGOs and funds that favour environmental care and social justice. Only members of an ICIA would be allowed to make use of its services.

An ICIA would accept to respect the principle of sovereignty of countries and the principle that the government represents the country. In cases where a government decides on project, programme or policy approval for which Impact Assessments are made under national law, advice of an ICIA could only be asked by the government itself or with the written consent of the government(s) involved (and only if that government would be member of such an ICIA). This limitation prevents that governments are confronted against their will with opinions of an ICIA in cases under their authority. It also provides governments that do not want to use the services of an ICIA with the means to resist pressures to do so.

- b) An ICIA would provide a judgement on the completeness and the quality of the information in the Impact Assessments that are prepared to support decision-making. It would refrain from giving a judgement on the social and environmental acceptability of the intended project, programme or policy.

Determining the acceptability is the responsibility of the decision-makers. This limitation would safeguard an ICIA from becoming a party in the political debate.

- c) An ICIA would respond to:

- i) requests for advice on (scoping^{ix} for and review of) Impact Assessment reports in cases national legal procedures apply. In these cases the advice of an ICIA would be published.

This would be the major field of activity of an ICIA.

- ii) requests for advice on (scoping for and review of) impact assessment in the earliest stages of conception of proposals before the start-up of (national) legal procedures. In these cases its advice would be confidential and could not be published or disseminated otherwise.

Private companies and banks have expressed the need of having an independent judgement of the quality and completeness of the information on the social and environmental impacts of their intended investment plans before they engage in formal procedures. The inability to publish the judgement of an ICIA would limit its use to pre-project internal decision making.

- iii) other requests could be considered provided that they would be in line with the intentions and mandate of an ICIA and would not put at risk the fulfilling of its primary functions.

3) A least cost - maximum flexibility concept

There is general resistance against the creation of new large scale administrative structures. An ICIA structure would be kept as 'lean' and low cost as possible. Therefore:

- a) An ICIA would have a secretariat headed by a director. The functioning of the secretariat would be overseen by a board elected by and representing the membership.

In principle an ICIA secretariat could start its activities with a staff of some four persons. It would grow at a rate commensurate with the use the members would like to make of it.

- b) An ICIA would address the requests for advice with working groups of experts. The secretariat would, on a project by project basis, engage the required expertise from all over the world.

In this way all expertise on a world-wide basis can be made available in a highly cost-effective way. There would be no experts on the permanent payroll. Their payment would be based on a prefixed professional fee, disbursed only for time spent to formulate the advice. Payments would, of course, include travel expenses and daily subsistence allowance.

4) Guarantees for Independence

- a) Non-profit

An ICIA would be operated on a non-profit basis.

- b) Self-funding

It would be self-funding fed by recurrent contributions from its membership and grants and legacies. Contributions, grants and legacies would constitute a fund that has as single objective to finance ICIA's functioning. Grants and legacies can be made anonymously or publicly.

- c) No link between money and work

The fund would be managed by a separate foundation with the same membership as the ICIA (e.g. an ICIA fund foundation) with a board put in place by this membership. This foundation would shield the proposed ICIA secretariat from contacts with contributors.

This approach will free the proposed ICIA secretariat, the work organisation of ICIA, from having to bother about funding. It will facilitate complete focusing of the secretariat on the advisory work. Moreover, this approach would shield the secretariat from interference of individual contributors in the advisory work.

d) Independence of experts

The secretariat would check and guarantee the independence of the experts that would be engaged for the advisory work.

e) Autonomy of working groups

The working groups would have the entire responsibility for the contents of the advice of the proposed ICIA. The secretariat would safeguard consistency and look after the coherence with previous advisory work. The secretariat, if necessary, would shield the working group members from individual contacts with stakeholders.

Starting to build the ICIA

The Netherlands Commission for Environmental Impact Assessment has taken the lead in exploring the need and support for an ICIA. It will only temporarily act as catalyst in the exploration process. It will withdraw when it is clear that there is sufficient support for the proposal and when a provisional body has been established that can take over the tasks of preparing the launching of the ICIA. It will also withdraw as soon as it would appear that there is insufficient support.

The preparation of launching the ICIA is worked out in a strategy and consists of exploring the potential support for the ICIA and gathering comments on its form, establishing a coalition of potential supporters, drawing conclusions on the feasibility of the ICIA and its form. The proposed coalition then establishes a provisional body that prepares the launching of ICIA. The targeted moment for launching the ICIA is June 2002.

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- i The establishment of an "International Commission for Impact Assessment (ICIA)" was first recommended by the World Commission on Environment and Development ("The Brundtland Commission") in its report entitled: "Our Common Future" in 1987. On page 222 this report recommends: *Interested governments should create an independent assessment body to help developing countries, upon request, evaluate the environmental impact and sustainability of planned development projects.*
- ii Examples: The Pak Mun Dam project in Thailand, The Three Gorges Dam; China, Sadar Sarovar project, India; Arun III Hydroelectric project, Nepal; Shell and Ogoni-land, Nigeria; decommissioning of the Brent Spar oil platform, UK; the Chad-Cameroon Oil Pipe line project, Chad/Cameroon; the China Western Poverty Reduction project, China; Natural gas exploration in Kirthar National Park, Pakistan and in the Sunderbans National Park, Bangladesh; Intended road construction in the Banc d'Arguin in Mauritania; Bujagali Falls Dam Project, Uganda.
- iii Turmoil has been accompanying the WTO Seattle meeting in 1999, the IMF and World Bank meetings in Washington, spring 2000, the IMF and World Bank meeting in September 2000 in Prague and the EU conference in December 2000 in Nice. Initiatives are imminent to increase democratic control on these institutions. The OECD is now asking export credit assuring companies in its member countries to screen the export credits they assure on social and environmental sustainability.
- iv See: Liability for Environmental damage and the World Bank's Chad-Cameroon Oil and Pipeline project, IUCN 2000, ISBN/ISSN 9075909055. Probably one of the first cases: on September 14th, 2000 a US court decided to address a case against Shell filed by members of the Ogoni tribe from Southern Nigeria (Rtrs, AFP).
- v Examples:
1. the World Bank is in the process of starting to recognise the importance of independent review. It has fielded an ad hoc team of independent advisors covering environmental, social and economic aspects to advise the Bank on compliance with its own social and environmental policy for a proposed Bank funded large and controversial dam project in Laos. Recently, the Bank decided to establish a similar independent International Advisory Group to oversee a controversial oil pipe line project in Chad and Cameroon.
 2. In 1993, in response to calls to establish possibilities for appeal by private citizens who believe that they (or their interests) have been or could be harmed by Bank funded projects, the World Bank has established an (independent) Inspection Panel.
 3. In the region of southern Africa (including the countries that belong to the Southern Africa Council for Development or SADC), an initiative has been launched to provide a regional capacity for quality review of environmental assessments to support informed decision-making. To this end, a Southern Africa Institute for Environmental Assessment (SAIEA) is being established to provide independent advice to governments on request.
 4. In the Netherlands the directorate general of Development Co-operation of the Ministry of Foreign Affairs has recognised the need for independent advice on EA for certain project initiatives that are proposed for funding either bilaterally or multilaterally through an international financial institution such as the World Bank. In 1993 the Netherlands Ministry of Foreign Affairs entered into an agreement with the independent Dutch Commission for Environmental Impact Assessment to provide, upon request, services in both ex ante and ex post evaluation of projects.
- vi The need for independent review is, in a most practical sense, illustrated by the fact that increasingly (commensurate with the establishment of its name on a world wide scale) the independent Netherlands Commission for Impact Assessment is requested by governments, enterprises and NGOs, to review Impact Assessments for development initiatives in which the Netherlands has no stakes whatsoever. Private business and industry have shown to be willing to have the impacts of their projects and initiatives reviewed, sometimes even if the decision-makers in government do not require it. These companies (as developers) want to ascertain and show that their impact assessment reports stand up to (international) scrutiny and accepted best practice, and that their consultants have done a good job. They use the results of independent review of their impact assessment reports to shield themselves from possibly unjustified criticism of activists and arbitrariness of decision-makers. Non-governmental Organisations (NGOs) are sincerely interested in independent review of impact assessment reports as the results of such reviews have provided certainty about the validity of their arguments and promoted achievement of their goals in cases their arguments proved right. Governments have asked for independent review in cases that the national EIA system was not yet effective or incapable to address the (often complicated) issues. In general it is observed that all parties are specifically interested in independent review as independent review may settle otherwise lengthy disputes and streamlines decision making. The Netherlands Commission is honoured to respond to requests for independent advice, but sees the illogicality of the practice that entities from all over the globe turn to a Dutch legal body to provide independent advice on EIA for their development initiatives.
- vii Informal consultation has taken place with some Dutch ministers, multinational companies, NGOs, World Bank officials, Impact Assessment experts from many countries and planning ministries and – commissions in several developing countries.
- viii Multinational companies would favour an ICIA that provides its services in all countries of the world, limitation of its service to the developing countries only would not be acceptable to developing countries. Moreover, multinationals would appreciate provision of advisory services on Impact Assessment for their investment plans before they engage in formal EIA procedures.
- ix Scoping is the formulation of guidelines for the Impact Assessment.

Kristalina I. Georgieva
08/26/2000 07:07 PM

Extn: 30397
Subject: ENV updates

ENVDR

Ian:

Welcome back. Below is a summary of key environmental updates, which we can discuss in more details during our Monday meeting.

1. **CEPF launch, August 22.** The launch went very well -- JDW attended through the day and made an excellent introduction to the objectives of the CEPF and how it fits in the Bank's mission (both during the press conference and at dinner). We are in communication with the GEF and CI to sort out implementation arrangements. Nick and Gonzalo deserve big thanks, as well as Bob Watson, David Freestone, Steve Lintner and Rohit from the GEF team. **Next, key issue is budget** -- the CEPF does not have any budgetary allocation, and we have to urgently discuss how we are going to fund it.

2. Safeguards -- new problem projects

A. Lower Kihansi Hydropower in Tanzania. A new and unique species of toad (the Kihansi Spray Toad) has been found in the Kihansi Gorge just downstream of a hydroelectric dam which is financed in part with a \$137.5 million IDA credit approved by the Board in 1993 (co-financiers provided the balance of the \$275 million project). Since the dam started operating in December 1999, the water flow through the gorge has declined precipitately as water has been diverted to drive the plant's turbines. This has had a negative impact on the toad population whose survival depends on the humid habitat created by spray from the wild water in the gorge. In response to concerns raised by Friends of the Earth, the World Bank has carried out an Environmental Review, completed on August 17, 2000. The Review confirms risks for the Kihansi spray toad, as well as the whole Kihansi Gorge ecosystem, which falls within the Arc Mountain "hotspot" that stretches across Kenya and Tanzania.

A Bank report confirming we have a serious problem came out just before the launch of the CEPF, thus we immediately briefed JDW. We also have been intensively in touch with the Africa region, to agree on an action plan and initiate first steps. We anticipate more attention to the issue in the next weeks, and important negotiations with the Tanzanian authorities to move fast on the recommended actions. In parallel, Friends of the Earth are briefed on the outcomes of the Review.

B. Russia Forest Guarantee. You have been copied on correspondence on this project. It is now sent to board for September 12 meeting, and an informal briefing will take place on Tuesday, August 29. While ESSD remains cautious, there are some good signs that the Russians are following up on agreements, including announcing the new name of the Ministry (Natural Resources and Environmental Protection) and establishing an independent env. assessment function.

I will provide you with more detailed briefings for both projects on Monday -- please note that the Kihansi spray toad may be in the news in the next days.

3. **PRSPs and environment -- successful follow up with PREM.** A meeting was held on August 17 to discuss the state of play and next steps on this topic, attended by Daniel Morrow and Sharon White (both of PRMPR), Jan Bojo (AFTE1), Gordon Hughes (consultant) and Kirk Hamilton (ENVDR). The following summarizes the action points:

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- PREM management should be briefed on the proposed WB Environment Strategy. This will help to build corporate ownership for the Strategy and reinforce the importance of the environment in PRSPs in key countries.
- PRMPR is preparing a draft of the Joint Staff Assessment guidelines, which will guide Bank and IMF staff in assessing PRSPs for the respective Boards. This will be sent to ENV for comments and suggestions.
- PRMPR is organizing internal workshops on specific topics relevant to PRSP preparation, involving Country Directors and other CD staff. A slot will be found for presentation of the environment Sourcebook chapter and related materials in October (subject to availability of key individuals). Also, PRMPR has established a network of 'lead advisors' on PRSPs in the regions. ENV should address this group at an appropriate time and venue.
- ENV will approach WBI concerning the next PRSP training workshop in ECA at end-October. A slice of plenary time will be requested.
- ENV will appoint Jan Bojo, Lead Environmental Economist AFTE1, to lead a work program on PRSPs from Nov. 1. The Environment Sector Board will establish an Advisory Committee on PRSPs and Environment which will help to guide the work program. Specific activities under this work program will include: (i) establishing a joint subregional training program on environmental aspects of PRSP preparation with WBI and DFID in Africa and elsewhere; (ii) identifying PRSP countries where poverty and NRM issues are likely to be strongly linked, and targeting these countries for initial attention; (iii) working upstream with countries in the PRSP pipeline to assist them to prepare environment/NRM inputs. (iv) working with regional Environment Units to build PRSP activities into the travel schedules / work programs of environmental staff; and (v) consulting with DFID and other bilaterals concerning their role and contribution to PRSP preparation, with specific regard to the environment. The team will review all final PRSPs and report on the integration of environmental concerns.

I am very encouraged by this agreement and hope it will yield good results also in terms of building bridges with PREM in general terms. I hope you will be present at the Env. Strategy briefing.

4. Progress on defining the new "modus operandi" of the compliance team. Following the approval of the compliance work program we initiated co-location of staff, and more interactions with our social and rural colleagues on how best to run the program. Bank-wide arrangements are still a moving target (how much centralization vs. decentralization), but there seems to be an emerging consensus, which Steve and Anand summed up in a table for the Board note on compliance. An excellent informal CODE subcommittee meeting took place this week -- there is clearly a desire at the Board to move beyond the CWP controversies toward a more practical approach to compliance. An ESSD boards meeting is proposed by our social colleagues -- an excellent idea, to bring everyone up to speed. We hope you will be able to chair.

5. Recruitments for the compliance team. We have finalized interviews for the Lead EA specialist and are ready to recommend decision. I will brief you on the outcome tomorrow. Progress was also made on social positions, as well as on the help desk position.

6. Environmental strategy consultations. Early September will be a very busy time -- we are launching consultations in Part 1 and Part 2 countries. Inputs will be useful in preparation for Prague.

7. "Environment matters" - is almost ready. I hope you will have a chance to quickly review before we send to press. A copy will be delivered to you on Monday morning.

8. Annual meetings briefs. We have submitted 2 briefs on environment -- one for posting and also a confidential one. In addition, we are working on a list of sensitive projects (to be completed by Sept. 10).

Steve
Charlotte
RS!

Ham B →

You may want to have a meeting with JDW on environment, in light of the high attention it receives from NGOs and press.

Kristalina Georgieva
Director
Environment Department
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To: Ian Johnson
cc: Essd Management Team
Env Management Team

⇒ Kngslana



RMLees@aol.com on 03/10/2000 06:26:05 AM

Lane

Subject: Environmental Industries in China [Virus checked]

Deaar Ian,

I attach documents on the above topic and look forward to your response.

With warm regards,

Martin Lees



- JOHNSO ~ 1.ZIP

To: Ian Johnson

IC : Should someone go from the
Res. Munner (Susan Shen?). Martin
is well regarded in China and this could
be an important meeting.

Can you handle the follow-up
with Martin.

Lane.

The Programme on Economic Planning and Environmental Protection in China

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9th March 2000

International Meeting on Government and Business Strategies for the Development of Environmental Industries in China

Dear Ian,

I have heard from Mr. Newcombe that you are interested in the forest conservation activities which we have developed with SDPC, SEPA, IUCN and WWF. I will be leaving for China on 24th March and would be glad to speak with you before I meet Vice Chairman Liu Jiang and Minister Xie Zhenhua. I am writing now to inform you about the above meeting in the hope that you may designate a participant from the World Bank. You will see that, under Item 3 of the Draft Agenda, there would be an opportunity to present the Bank's views on the policies and measures necessary to create a sound market and standards for environmental industries. I am writing also to Kristalina Georgieva who attended our meetings last July.

I very much regret the short notice of this invitation. A number of matters had to be clarified on the Chinese side and the commitment of the necessary funds was delayed. We have made significant progress on the substance of the Programme and achieved visible results, but funding has been a major problem. I sincerely hope that a World Bank expert may be able to attend as the topic is of very practical importance and timely in relation to the formulation of China's Tenth Five Year Plan.

The meeting has been made possible by the financial support of the European Commission and the Government of Norway. It will be held in Beijing from Monday 15^h to Wednesday 17th May 2000. We are requesting the participants to arrive on Sunday 14th as we are planning an informal welcome reception in the evening. I enclose the Draft Agenda from which you will see that the formal programme will conclude at lunch time on Wednesday 17th May. If you should designate a participant, he/she will receive a formal invitation from the Chinese government in due course.

Practical improvement of environmental and energy performance cannot be achieved – whatever policies or legislation are approved – in the absence of the necessary environmental products and services. These must be available to enterprises and public authorities throughout China on a substantial scale, of a suitable technological level, of good quality, at competitive prices and with the necessary technical support. In short, China must develop sound, market oriented environmental industries in order to reduce the environmental impact of rapid economic growth and a growing population and to improve efficiency in the use of energy and resources.

Mr. Ian Johnson,
Vice President,
The World Bank,
Washington.

For these reasons, the Chinese Government has introduced into the Tenth Five Year Plan – for the first time – the sector of environmental industries as an explicit focus. They now intend to develop a sound strategy, using many different instruments to encourage the evolution of demand-led environmental industries on a substantial scale so as to meet the needs of their rapidly growing economy. They recognise that much of the technology, expertise, management and marketing skills needed to develop a sound industry are available at the international level and, to a very large extent, in the hands of private enterprises. This is therefore an area where international co-operation is vital and in the mutual interest of all parties concerned.

The Chinese authorities have therefore decided to convene the above meeting with four main objectives:

1. To obtain the practical experience and insights of other countries, of the international business community and of the relevant international institutions to help them in drawing up a strategy to encourage the emergence of sound, market-led environmental industries in China.
2. To consider the policies, legislative measures, financial mechanisms and institutional modalities required for a sound market and standards on which environmental industries can be based.
3. To accelerate foreign investment and the introduction of environmental technologies into China, and to promote co-operation in research, training and technology transfer and to initiate discussions on practical projects.
4. To make specific suggestions to the Chinese Government on the elements of a strategy to stimulate the growth of environmental industries and to identify follow-up activities.

In this context, a broad definition of environmental industries is used, not restricted to “end of pipe” clean-up technologies but including those which eliminate pollution and improve energy and resource efficiency at source.

The Agenda has been developed to ensure an extensive exchange of information and ideas in both directions. The international participants will certainly learn a great deal about China’s situation and intentions in this vital area of mutual interest. Also, the meeting is viewed as the first step in a continuing programme of practical co-operation.

We hope that the result of this exchange between Chinese experts, officials and enterprise leaders and senior international business executives, experts and officials will help to ensure that China’s strategy for the development of environmental industries will be such as to encourage international investment, and the transfer of the necessary technology and know how. There are clearly commercial possibilities in this sector of evident mutual interest.

As you know, the meeting is part of a wider programme focused on the integration of economic planning and environmental protection. This programme has been undertaken by an inter-ministerial Project Group under the leadership of the State Development Planning Commission with the full participation of the State Environment Protection Administration which is taking the lead on this topic. The Programme benefits from the endorsement and assistance of the China Council for International Cooperation on Environment and Development.

Because of the central importance of the business community in this sector, the World Business Council for Sustainable Development has played a key role in the preparations of the meeting and the development of the Agenda. A number of senior executives from international corporations will attend. In order to ensure a useful dialogue, we are planning a relatively small meeting with around 25 international and thirty Chinese participants.

I will be visiting Beijing from 24th March to finalise the arrangements. We will then send out a Preliminary Programme and a Note on the Practical Arrangements for the Meeting, for visas, travel and accommodation and other relevant information. We will also circulate short issue papers and background information as these become available. We would be very grateful to receive any documents concerning the Bank's views and policies with respect to these issues which could contribute to the discussions at the meeting.

For your interest, I also enclose a brief note on the activities and opportunities arising from the Programme.

I will be glad to provide you with any additional information you may require and look forward to hearing from you.

Yours sincerely,

R. Martin Lees

R. Martin Lees
International Co-chairman.

(by Email)

*Core Issues of Mutual Interest for Strengthened Cooperation
Between the International Community and China.*

A number of important opportunities for strengthened cooperation with China towards sustainable development have been identified in the international **Programme on Economic Planning and Environmental Cooperation In China**, (PEPEP) led by the State Development Planning Commission with the full participation of SEPA.

1. Energy and climate change

There are immense opportunities to improve China's energy efficiency and the overall performance and environmental impacts of its energy system. Projections of climate-change emissions demonstrate that effective action on these sensitive issues is in the vital interest of China, of Asia and of the world community as a whole.

Two main issues have been specifically identified by the Chinese in July 1999 at the conference on **Energy Finance and Technology for Sustainable Development in China** as the focus for substantial international cooperation:

- **The development of a coherent, longer term strategy for the sustainable development of the energy sector, properly linked to macro-economic, investment and reform policies, and to social, demographic, financial, technological and environmental considerations etc.**
- **Strengthening the capacity of China, at different levels in the State, to develop and implement integrated policies in which economic, energy, environmental, financial, technological and social policies are properly combined. This implies extensive training, institution building and the development of data bases, indicators and research capacities etc.**

Cooperation and exchange of experience on these two issues – drawing up a sustainable energy strategy and building up China's capacity to formulate and implement integrated policies – could make a major contribution to reducing the environmental consequences of the rapid growth of the Chinese economy.

- **The Chinese have also indicated that they would be open to the idea of a continuing international dialogue on such energy-related issues as they move towards a market oriented economy. This could help to ensure the most constructive attitude and effective participation of China in international negotiations related to climate change, energy sector investment etc.**
- **China has also expressed an interest in international advice and cooperation to prepare to take advantage of new financial mechanisms, such as the clean development mechanism. Considerable efforts will be needed in training, data and indicator development, standard setting and analysis to lay a sound basis on which CDM projects can be implemented.**

2. *Cooperation in the development of environmental industries in China.*

China will require environmentally beneficial technologies, processes, products and services on a vast scale if the environmental and energy efficiency of the Chinese economy is to be substantially improved in practice. The World Bank has wide experience and capability to assist. There is substantial interest in the business community in co-operating with China in the sector of environmental industries to mutual benefit.

Cooperation in this sector – which has for the first time been identified as a growth sector in the Tenth Five Year Plan – would cover a wide range of activities on a substantial scale. The prospect of China's membership of the WTO opens up further important possibilities for cooperation and exchange of experience.

- **There will be a need for training of managers, officials and experts on a substantial scale.**
- **There will be important opportunities for investment, technological and research cooperation, product development and marketing related to environmental goods and services.**
- **The Chinese have suggested cooperation in a number of specific areas, such as: the design of financial and legal instruments and incentives, the exchange of experience on financing mechanisms, the establishment of standards and the role of advertising and marketing to stimulate the development of a market for environmental products.**

In this key area of mutual interest, international co-operation will play an important role in the transfer of the varied policy experience of other countries to China, in promoting practical projects of cooperation in investment, research and training and in developing links between public policy and the business community. A conference on this topic will be held in Beijing from 15th to 17th May 2000.

3. *The integration of economic and environmental policy making and the adaptation of administrative structures to achieve sustainable development in the framework of a market economy.*

The research and consultation undertaken through the international programme on economic planning and environmental protection have identified a number of important issues where international experience is of immediate relevance to China. A number of these were identified in the Review Meeting in July 1999, for example:

- **the use of financial and other incentives and targets to guide the economy towards sustainable development.**
- **the restructuring of the energy sector to encourage the effective role of market forces in resource allocation, demand and supply. (similar issues have been identified in relation to forest and water management.)**
- **the development of a simple but useful system of indicators to provide sound monitoring of progress towards sustainable development.**

- the establishment of a Policy Office – or other institutional innovations within the Chinese government – to encourage the proper co-ordination of economic and environmental policies.
- the establishment of business councils and associations to improve cooperation between the emerging enterprise sector and government.
- the design and implantation of financial mechanisms to channel resources effectively into energy and environmental investments.
- the development of coherent macro-policies to orient the Chinese economy towards less energy intensive and environmentally damaging activities as was achieved in several European countries and Japan.

Cooperation at a high policy level between China and other countries on such strategic policy issues would bring enormous benefits to both sides through improved mutual confidence and understanding at relatively little cost. It would greatly improve the prospects for the sustained development of China. It is surprising but true that the Chinese leadership has actively sought international advice and cooperation on such delicate issues. The China Council demonstrates the openness of the leadership to international dialogue and their willingness to take action in consequence.

4. *The conservation of forests and biodiversity.*

At the recent meeting of the China Council with Premier Zhu Rongji, the Premier emphasised at length the fundamental importance of forests to China. The serious flooding in recent years has underlined the urgency of taking effective action to renew and conserve forests. But China's policies and institutional framework for forest management are in disarray. Also, the continuing growth of China's economy will put increasing stress on China's forests and also on forests throughout the world as China's demand for timber increases: this is already emerging as a major issue.

In spite of increased efforts, China's rich biodiversity is under threat, as is that of China's neighbours due to Chinese demand. Species are disappearing and this represents an irreversible loss to humanity as a whole.

Many international institutions are deeply concerned and are seeking ways to engage the Chinese authorities in the development of sound long-term programs to increase forest cover, to preserve biodiversity, to create alternative livelihoods compatible with the conservation of forests, and to contain the growing demand for forest products. The Council could strengthen and expand its role in assisting China with policy development, institutional reform, investment and technology transfer to ensure the sustainable exploitation of forests and the preservation of biodiversity.

Through the Working Group of the China Council on Biodiversity, a number of specific and operational projects have been defined, while the Programme has opened up a number of major strategic issues at the level of national and regional policy. Within the framework of the Programme, consultations are now in progress with the World Bank and ADB, with the participation of WWF, IUCN and WBCSD, to move ahead on the important issue of strategy for the conservation and long-term development of China's forest resources.

**Programme on Economic Planning and
Environmental Protection in China**

SEI/00/1.5
7th March 2000

***International Meeting on
Government and Business Strategies
for the Development of
Environmental Industries in China***

- Beijing, 15-17 May 2000 -

- Draft Agenda -

Monday, 15th May

OPENING CEREMONY

(9.00 – 10.00)

Statements:

1. Representative of the State Development Planning Commission
2. Representative of the State Environment Protection Administration
3. Björn Stigson, President, World Business Council for Sustainable Development
4. Representative of the European Commission
5. Representative of the Government of Norway
6. Martin Lees, International Co-Chairman, Programme on Economic Planning and Environmental Protection

(10.00 – 10.15)

Break

**ITEM 1: STRATEGY FOR THE ESTABLISHMENT OF ENVIRONMENTAL
INDUSTRIES IN THE 21ST CENTURY**

(Presentations by Chinese experts and discussion)

(10.15 – 11.15)

1. Trends in the development of China's environmental industries: guiding principles, policies and mechanisms for their development in the Tenth Five-Year Plan.
2. Promotion of China's environmental technology service industry.
3. The impact of China's accession to WTO on its environmental industries and related measures.

ITEM 2: THE EXPERIENCE AND ROLE OF ENTERPRISES IN THE DEVELOPMENT OF ENVIRONMENTAL INDUSTRIES

(Presentations by enterprise leaders and discussion)

(1115 – 1215)

1. The successful marketing and dissemination of environmental goods and services. (International presentation)
2. Reform and innovation: options for the development of environmental enterprises, technologies and facilities. (Chinese presentation)
3. Measures to create sound and competitive environmental industries. (International presentation)
4. A new Model: Case study of a Chinese enterprise to develop environmental services. (Chinese presentation)
5. The role of small and medium enterprises (International presentation)

(1215 – 1330)

Lunch

(1330 – 1430)

Item 2 continued: GENERAL DISCUSSION

ITEM 3: RELEVANT INTERNATIONAL ACTIVITIES AND EXPERIENCE RELATED TO ENVIRONMENTAL INDUSTRIES

(14.30 – 15.30)

(Presentations by international experts from organisations such as ADB, CCICED, EC, GEF, UNDP, UNEP, UNIDO and the World Bank etc)

(15.30 – 16.00)

Coffee Break

ITEM 4: INVESTMENT AND FINANCE MECHANISMS FOR ENVIRONMENTAL INDUSTRIES

(Presentations by experts and discussion)

(16.00 – 18.00)

1. The establishment of financial mechanisms for environmental industries within the context of a market economy. (Chinese presentation)
2. International experience of various financing mechanisms for environmental industry investment, including the Clean Development Mechanism. (International)
3. Mobilising domestic financial resources and Chinese government investment to support the development of environmental industries and the links to financial sector reform. (Chinese presentation)
4. The potential of public/private partnerships. (International)
5. Introduction to the “Environmental Industries Pioneering Investment Fund.” (Chinese presentation.)

Tuesday 16th May.

ITEM 5: CREATING A SOUND MARKET AND STANDARDS FOR ENVIRONMENTAL INDUSTRIES

(9.00 – 10.15) (a) **Policies and measures introduced in (4) other countries.**
(*International presentations and discussion*)

(10.15 – 10.30) **Break**

(10.30 – 11.30) (b) **Measures to establish a sound market.**
(*Presentations by experts and discussion*)

- (i) Management tools and policies for China's environmental industry market. (Chinese presentation)
- (ii) Environmental standards, certification and data-base. (International)
- (iii) China's experience in environmental management and environmental certification. (Chinese presentation)
- (iv) Disseminating innovation and best practice. (International presentation)

ITEM 6: OPPORTUNITIES AND CONDITIONS FOR SUCCESSFUL INTERNATIONAL COOPERATION

(*Presentation of Case Studies and Discussion*)

(11.30 – 12.15)

- 1. The introduction of environmental technologies into China and the role of international co-operation. (Chinese presentation)
- 2. Accelerating foreign investment and technological co-operation: successful arrangements for foreign investment and for co-operation in research, training and technology transfer. (International presentation)

(12.15 – 13.30) **Lunch**

(13.30 – 15.30) **Item 6 continued: GENERAL DISCUSSION**

- 3. Case study: Investment and technological co-operation: a Chinese enterprise's experience. (Chinese presentation)
- 4. Case study: International investment and technological co-operation: the experience of a foreign enterprise in China. (International)
- 5. Establishing and enforcing a sound legal framework for investment and for the protection of intellectual property for environmental industries by China's patent system. (Chinese presentation)
- 6. Setting up mechanisms for government-business co-operation, including a China Business Council for Sustainable Development.
- 7. Management education, marketing and training: Case Study: the NORLET Experience: (Nordic-Russian Leadership Executive Training)

(15.30 – 16.00) **Break**

(16.00- 18.00)

Small Group Discussions.

(Topics such as: Energy, Transportation, Water and Waste Management, Eco-efficient Products and Services, Forestry. To be determined)

Wednesday, 17th May

(09.00 – 10.00)

Reports on Small Group Discussions

(10.00 – 10.15)

Break

ITEM 7: SUGGESTIONS TO THE CHINESE GOVERNMENT: ELEMENTS OF A STRATEGY TO STIMULATE THE GROWTH OF ENVIRONMENTAL INDUSTRIES

(10.15 – 11.15)

1. Measures to create sustained, effective demand for environmental goods and services: recognising real costs, enforcing legislation and promoting public education and awareness.
2. Measures to enhance the flows of international capital, technology and know how.
3. Mechanisms to enhance government/business co-operation.
4. Policy orientation to underpin the development of environmental industries: science and technology, capacity building and education and training policies.

ITEM 8: FOLLOW-UP ACTIVITIES TO PROMOTE CHINA'S ENVIRONMENTAL INDUSTRIES

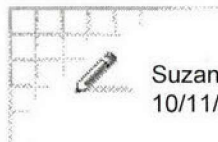
(11.15 – 12.00)

Topics for further analysis and research

1. Specific suggestions for the 10th Five Year Plan and for the Long-term Targets for 2015 for Environmental Industries.
2. Research on policies and mechanisms to promote the market-based development of China's environmental industries.
3. Research on investment mechanisms for environmental industries best suited to the market economy system.
4. Survey and analysis of China's market for environmental products and services.
5. Joint research on the topic: "The Implications of China's accession to WTO for the Development of Environmental Industries."

ITEM 9: CLOSING REMARKS

(12.00 – 12.30)



Suzanne M. Barnes
10/11/2000 10:36 AM

Extn: 88353 ENVDR
Subject: Re: following up to our brief discussion prior to the Annual meetings

----- Forwarded by Suzanne M. Barnes/Person/World Bank on 10/11/2000 10:36 AM -----



Jo Ritzen
10/09/2000 02:11 PM

Extn: 32721 DECVF
To: Suzanne M. Barnes
Subject: Re: following up to our brief discussion prior to the Annual meetings 

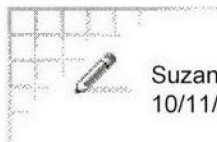
Dear Suzanne,

This is excellent. Please also share this with Anupam Khanna (chief economist at Shell) and with Nemat Shafik (who as VP heads the group on corporate responsibility).

Best regards, Jo

Jo Ritzen
Vice President Development Policy
Phone: (202) 473-2721
Fax: (202) 522-1158
JRitzen@worldbank.org

To: Nemat Talaat Shafik
Anupam Khanna



Suzanne M. Barnes
10/11/2000 10:36 AM

Extn: 88353 ENVDR
Subject: following up to our brief discussion prior to the Annual meetings

Minouche and Anupam: Following Jo's suggestion as well as our own, I wanted to forward this to you to keep you informed. [I understand Minouche that Ian forwarded you a copy of the attached briefing note to JDW prior to the Annual meetings.]

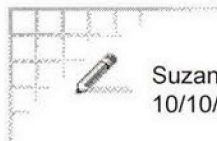
We had what I thought was a good meeting last Friday chaired by Rashad Kaldany (Director Global Oil and Gas Products group.) to discuss ways to move forward in response to the Friends of the Earth proposal from the Annual Meetings. We also briefly tabled this initiative. In short, we agreed it important to proceed in tandem (as well as with the global mining initiative) under a coordinated strategy. In this regard, I have offered to work with Clive Armstrong, Yusupha Crookes and others in the oil and gas group on a proposal to move forward.

For you to be aware, I have also forwarded the following communication to Rahsad, Clive, Yusupha, Andreas R, Meg Taylor, Mark Constantine, Shawn Miller, Gloria Davis and Kathryn McPhail. Please let me know if there are others you think wise to keep informed at this stage. I thought it might be effective to bring Michael Klein into the discussion. I had the opportunity to briefly discuss these ideas with Ira Millstein and we thought it could be effective to also coordinate and build off the corporate governance work.

Of course, any feedback or ideas you might have would be most welcomed.

Regards, Suzanne

----- Forwarded by Suzanne M. Barnes/Person/World Bank on 10/11/2000 10:02 AM -----



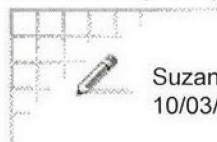
Suzanne M. Barnes
10/10/2000 09:31 AM

Extn: 88353 ENVDR
To: Ian Johnson, Kristalina I. Georgieva, Kenneth J. Newcombe
Subject: following up to our brief discussion prior to the Annual meetings

Ian et al: I thought I should keep you in the loop on this. I'll also forward Jo's response. I would look forward to a meeting to discuss next steps.

Welcome back. Suzanne

----- Forwarded by Suzanne M. Barnes/Person/World Bank on 10/10/2000 09:29 AM -----



Suzanne M. Barnes
10/03/2000 05:41 PM

Extn: 88353 ENVDR
To: Jo Ritzen
Subject: following up to our brief discussion prior to the Annual meetings

Dear Jo: I wanted to follow up our brief discussion outside Mamphela's office prior to the Annual Meetings. Attached is a brief on establishing an oil and gas stewardship council to address environment and social issues which I prepared for a discussion with JDW. During the meeting, Jim agreed to fund the BB start up costs from his contingency fund and thus we're now further fleshing out the proposal.

Current thinking is to focus around six areas (i) corruption/governance (including intra-country governance - local/state-provincial-national) and transparent and equitable revenue rent distribution; (ii) human rights and security (iii) environmental "No Go Zones" (under international conventions); (iv) indigenous peoples, traditional culture and resettlement issues (v) local social investment issues (increasing participation and community driven development); and (vi) ecological degradation and enhancing environmental monitoring, enforcement and protection.

This has been influenced a bit by the Friends of the Earth proposal at the Annual Meetings, but I believe this can also effectively address their concerns.

Of course, I would welcome your insights and views should you have time available for a response or a brief meeting.

Kind regards, Suzanne



Oil and Gas Stewardship Council.do

To: Nemat Talaat Shafik
Anupam Khanna
cc: Ian Johnson
Kenneth J. Newcombe
Kristalina I. Georgieva

Briefing Note

Meeting of September 1, 2000

There are two Initiatives which have been gaining momentum over the last few months, which I would like to discuss with you to seek your support. Although each requires a long term vision, they address important issues facing the international development community and with strong WBG leadership could yield highly desirable results. I am convinced that your concrete and visible support will be required for either to succeed. Below is a brief overview of each initiative.

II. Oil and Gas Stewardship Council

As you are aware, the WBG has been collaborating with the oil and gas industry and NGO's over recent years to address the complex environment, social and other long term development issues that are associated with oil and gas investment in WBG client countries. The opportunity now exists to take this collaboration to a new level and work with the oil and gas industry and NGO's to develop a long term vision and strategy to more effectively address these issues.

Objective. It is recognized that in this new era of international development and cooperation the private sector is increasingly a driver of the global economy. It is further understood that the private sector must take on enhanced responsibilities in this new role. Although the WBG's financing remains important, it is declining as a proportion of total resources and investment flows. To have an impact of national, regional and global significance on environmental and social issues in this context, the WBG must increasingly leverage and influence private capital and private market players to adopt ESSD principles and objectives.

How to help shape the roles, relationships, and responsibilities of the private sector and the various stakeholders (government's, civil society and international organizations) is recognized to be an increasing priority for the international community. From the ESSD Network, this is recognized to be a critical prong of our future work. In the current budget environment, however, this focus has not yet received the attention it deserves.

Outside Interest. BP Amoco recently voiced its desire to work with the Bank to help establish a forum to define the principles of environmentally and socially sustainable development for the oil and gas industry [e.g. an Oil and Gas Stewardship Council.] The idea is to design a process that will lead to consensus (between industry, Government, and NGO's) on national/regional baseline practices and norms which could then be independently certified on a project basis. This could lead to more attractive financial and insurance packages for investors, and a more stable investment framework, while enhancing environment and social practices and helping to define principles of long term sustainable development for the industry.

I have also discussed this idea with Alan Detheridge (Senior Advisor from Shell.) He assured me that Shell would be on board [and predicted Chevron would be too] if such a

process were initiated by the Bank. He suggested that, while he felt the Bank was the most credible convenor of such an initiative, it was also important to coordinate with the UN Global Compact, and UNDP as well as WEF at Davos (WBCSD.)

CEO Oil and Gas Forum. The idea is for you to convene a CEO level meeting in about six months with the oil and gas industry, interested NGO's, and client government representatives. It would be structured to reach an agreement on the principles and process, as well as responsibilities and resource requirements (financial and human), of each of the parties over a period of 18-24 months. To prepare for such a meeting, we would need to solicit the interest and support from industry members and NGO's, and develop an internal WBG team to work with nominated sherpas from the other parties to prepare for this meeting and establish a framework for the process.

Next Steps. Ken Newcombe and I have been discussing this idea over the last year. It is proposed that we could work in the coming weeks to develop a specific proposal for review with BP Amoco on how to move forward (drawing on the lessons learned from the CEO Forestry Forum and other efforts addressing global public policy and global public goods). Once agreed, we could then proceed to define a set of stakeholders who would elaborate the process leading to the proposed CEO Forum. This, of course, would require deft political and strategic management internal as well as external to the Bank.

In the near term, internal resources to support WBG leadership in such an initiative would be required. For the medium term, I believe external resources could be mobilized (from industry, donor governments, foundations etc...) as this project taps into the interests and priorities of a wide number of members of the international community.

DECLASSIFIED

JUN 12 2025

WEB ARCHIVES

CONFIDENTIAL & URGENT 10/12/00

Re: Oil and Gas Stewardship Council
Draft Note and Minutes intended for circulation tomorrow by Oil and Gas Group
Ian:

We need your leadership. I have just received a 'Draft Note to Management' and minutes of last Friday's meetings from the oil and gas group regarding JDW's suggestion from Prague to establish an oil and gas commission (attached.) These were drafted by Clive Armstrong in the oil and gas group. He has asked for my comments by tomorrow morning, when they are intended to be circulated. They do not represent either our understanding from the meeting or an effective path forward from our perspective. The broader issue is being influenced by bureaucratic politics more than substantive. Therefore, I don't think providing substantive comments would be an effective approach.

Without going into details, this would have the effect of stopping in its tracks the idea of establishing a practical initiative (along the lines in my briefing note to JDW.) PSD/IFC clearly don't have the capacity, understanding or experience to lead this work. Their proposal would be tied up for the foreseeable future in study and consultation. In my view, this continues more of the same bureaucratic behavior that we have experienced over the last several years between ESSD and PSD/IFC. We are at a crossroad. Can we prevent history from repeating itself?

There is a opportunity to move forward with an initiative which not only could help to make progress in addressing the complex and difficult environment and social issues facing oil and gas development in WBG Client countries in a concrete and practical way (leading to independent certification for example.) Such an initiative could also serve to contribute to shaping current development policy and thinking and in particular garnering the capacity and strengthening the role and responsibility of the private sector and NGO's in regard to ESSD governance and public policy agendas.

Despite the widespread and enthusiastic support we have received for our ideas from JDW and various parts of the Bank (Jo Ritzen et al) as well as from industry, the current developments with the oil and gas group would not naturally lead to support for our initiative. It doesn't matter what expertise, ideas and support we have if we don't have the authority and mandate to move them forward. I am convinced our ideas cannot effectively move forward without your own strong and visible support.

Next Steps:

We propose you call a meeting with Peter Woicke to reach an agreement on a path forward. The subject draft note and minutes would serve to preempt such a discussion and outcome. With your support, I will request that Clive Armstrong hold off on issuing this subject note and minutes until after such a meeting and discussion takes place with Peter Woicke. I will prepare a note and speaking points for you (under the guidance of Ken and Kristilina) for such a meeting. Although it will not be easy, we have a real opportunity to move forward to reach highly desirable results.

DECLASSIFIED

JUN 12 2025

CONFIDENTIAL & URGENT

WBG ARCHIVES

10/12/00

Re: Oil and Gas Stewardship Council
Draft Note to Management and Minutes of last Friday's Meeting
Oil and gas Group

Ian:

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then
say so

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Despite the widespread and enthusiastic support we have received for our ideas from JDW and various parts of the Bank (Jo Ritzen et al) as well as externally, the current developments with the oil and gas group would not foster these ideas to be achieved. It doesn't matter what expertise, ideas and support we have if we don't have the authority and mandate to move them forward. I am convinced our ideas cannot effectively move forward without your strong and visible support.

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DECLASSIFIED

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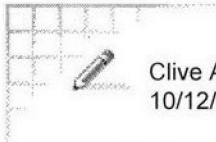
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Clive Armstrong@IFC
10/12/2000 10:12 AM

Subject: Oil, Gas and Mining Review

Suzanne,

Reference last Friday's meeting. I attach below the draft minutes of the meeting and a proposed draft note to Senior Management.

I intend to send these out to all those at the meeting tomorrow morning but would value any comments that had before I do so.

Regards



Draft Note to Management.doRecord Note Oct 6.doc

To: Suzanne M. Barnes

Draft Note to Management

Peter Woike
Ian Johnson
Nemat Shafik
Assaad Jabre

An "Oil and Gas Commission"

Following Mr. Wolfensohn's suggestion in Prague that a forum be established to review the contribution of oil, gas and mining development to sustainable development, a meeting was held by interested groups in the WBG to discuss how best to proceed.

There was a strong consensus at this meeting that, given the nature of the industries concerned and the issues to be addressed, an approach identical to the Dams Commission would not work well for the oil, gas and mining sectors. It was agreed that a team led by COC should develop, with interested stakeholders (including member countries), an alternative approach to a review of the role of oil, gas and mining in sustainable development.

Such a review would be intended to foster a broader consensus and process of communication about how oil, gas and mining can contribute to sustainable development generally. An additional outcome should be greater clarity and consensus on the role of the WBG in these sectors.

While the details of the approach remain to be developed with stakeholders/potential partners, to be effective it would need to :

- (a) Involve extensive consultation and involvement with key stakeholders, be broad ranging in terms of its coverage and be seen as having credibility and independence.
- (b) Encompass all extractive industries (oil, gas and mining) given the key common issues they share.
- (c) Make effective use of related initiatives (many with WBG involvement) that are already underway that cover some of the potential ground of the proposed review, such as, for example, best practices in environmental and social issues. As well as generating valuable results and involving significant processes of consultation themselves, such initiatives already represent considerable commitment of resources by some key stakeholders.
- (d) Be structured to allow wide consultation while still making progress in an environment where there are a wide variety of stakeholders and divergences of views on key issues

In order to obtain a sufficiently broad degree of involvement, serious commitment and credibility it will be necessary to develop more concrete proposals through a process of

consultation. and engagement with key stakeholders (companies, governments, civil society).

At the end of this process of consultation (of 4 to 6 months) the objective would be to have: an agreed set of objectives of the review; a clear process for moving forward; a broad degree of support and commitment (in time and resources) from a sufficiently wide range of stakeholders; and a formal launch of the review.

WBG resources needed for this initial intensive process of consultation and to take the review up for formal launch are \$300k. WBG resources eventually needed for the review itself will depend on its format and the resources committed by other stakeholders. As an example of the scale of overall resources that could be involved, the Mining and Minerals Sustainable Development initiative (mining industry led and financed under the umbrella of the BCSD), which is narrower in scope than the proposed review has budget of \$3m over three years (excluding sponsoring companies own costs).

Draft for circulation to Friday Meeting Attendees/Invitees

Record Note

A meeting was held on Friday 6th October (attendance see below) to consider how the WBG could best respond to calls for a review of its activities in the oil, gas and mining sectors, and in particular, to the suggestion made by JDW of a "Commission for Oil, Gas and Mining" along the lines of the Dams Commission.

Following a discussion of the issues, it was agreed that:

- (i) A review would be intended to foster a broader consensus and process of communication about how oil, gas and mining can contribute to sustainable development generally. An additional outcome should be greater clarity and consensus on the role of the WBG in these sectors.
- (ii) An approach very similar to the Dams Commission was not likely to be effective in the case of the oil, gas and mining sectors given the nature of the industries and the issues they faced. It was understood that this was the view of many outside of the WBG.
- (iii) To be successful any review would need to be (a) wide ranging in its coverage and (b) involve extensive consultation with all key stakeholders (including shareholder governments and civil society).
- (iv) Given many common issues, the review needed to encompass both the oil and gas, and the mining sectors. In this context, it was generally felt that the Mining and Minerals Sustainable Development project (MMSD) being undertaken under the auspices of the Business Council for Sustainable Development, was an important and useful development but which by itself may not meet the objectives of breadth and consensus.
- (v) The meeting considered the nascent proposal for an "Oil and Gas Stewardship Council" which had been developed by Suzanne Barnes and Ken Newcombe. Given developments and the need for a broader review, it was agreed that this proposal would not be developed at this time.
- (vi) Ongoing and proposed initiatives in the sectors which involved the WBG (such as the MMSD) would need to be coordinated within the overall framework of the proposed review to avoid overlapping and duplicating proposals to stakeholders and to ensure that the benefits of ongoing work were captured effectively by the proposed review.
- (vii) It was agreed that a small team led by Oil, Gas and Chemicals GPG should put together an initial information note to Senior Management, along with a request for "seed financing" to develop a proposal in conjunction with key stakeholders.

- (viii) There was a strong view that pending the completion of any review there could not be a moratorium on WBG activities in the sector.

A draft note to Management is attached for comments. It is proposed that a revised version be sent to Senior Management this week.

Attendees :

Oil, Gas and Chemicals GPG:

Rashad Kaldany(COCDR), Yusupha Crookes COCPO), Clive Armstrong (COCDR), Masami Kojima (COCPO), Shilpa Patel (COCD2)

Compliance Advisor/Ombudsman IFC/MIGA :

Meg Taylor (CCAVP)

WB Environment :

David Hanrahan (ENVDR), Suzanne Barnes (ENVDR), Ajay Mathur (ENVDR), Ken Newcombe (ENVCF), Katherine McPhail (ENVDR and representing Mining GPG (CMNDR))

IFC Central Technical and Environment:

Andreas Raczynski(CETDR), Eric Brusberg (CTESR)

IFC Corporate Relations :

(CEXCR): Shawn Miller

DEC :

Shantayanan Devarajan (DECRG)



THE WORLD BANK GROUP

NGO Meeting with Mr. Wolfensohn

Prague, Czech Republic, September 22, 2000

PROCEEDINGS

MR. ABDEL-LATIF: So I think we should call the meeting to order. My name is Jalal [ph.] Abdel-Latif. I am from Ethiopia with the Interasca [ph.] Group. I am affiliated with the NGO Working Group Global Committee. I am the convener for the African region.

I would like to welcome all of you. Today we have a number of NGOs from a range of sectors. We are about 20 journalists. And I would like to thank all of you for attending this high quality public event.

All of you know and I don't need to introduce Mr. Wolfensohn. I am very pleased to have him here. This is a public event. The format will consist of questions and answers and we will allow about two to three minutes per question. We will try to cluster the themes and country issues, and would like to have Mr. Wolfensohn be frank, open and candid about his answers.

One reminder, if any of you have cell phones, please turn them off. Before I go further, I would like to welcome Mr. Wolfensohn.

MR. WOLFENSOHN: Well, thank you very much, Jalal. And let me say first of all welcome to all of you. I am extremely happy to have the chance to have a dialogue. I am looking forward to getting your questions so that I can get a sense of what is on your minds.

I think probably the best format for me would be to hear from you and then try and respond to the questions, as Jalal said, either in groupings or on thematic subjects. So, if we could hear from you, I think that probably would be the most positive way to start, and I will try and be open in my responses.

If I don't know some details, I hope that I have some colleagues here who may be able to provide some of the detailed answers to you, but I think I have got a pretty good overall impression of what we are doing, and we will try and be as open as we can today. And if there are issues that I cannot deal with specifically today, then I will make sure that you get detailed answers during the coming days.

So, thank you very much for being here. I am delighted that it is such a broad-based group and that there is so much interest in what we are doing, and that we are able to sit down and to discuss it. So, Jalal, I will be very happy to answer any questions and I will take copious notes so that I can do it.

MR. ABDEL-LATIF: Thank you.

Just to remind you, we have Russian, French and Spanish interpretation.

To begin with, I would like to recognize Tomas [ph.]. He will have some remarks to make.

QUESTION: Good morning. My name is Tomas Zaritski [ph.]. I work for East European Bankwich [ph.]. You may be aware that over the last two years a really big group of NGOs from all around the world met to discuss the Bank activities and the Bank projects. And they asked me to make a statement on their behalf.

MR. WOLFENSOHN: Please.

QUESTION: We considered not coming to this meeting because so many NGOs were not accredited or unable to get a visa to get to the Czech Republic. We believe that is demonstrating that the Bank was either unwilling, unable or both to hear the voices of those NGOs and the people they represent.

Noting that there are so many of us who are not able to speak and that are not healthier, we would like to invite you to come outside of the restricted area and talk to these people who are not here.

Thank you.

MR. ABDEL-LATIF: I will open for questions now.

QUESTION: I am [inaudible], Mexico.

Mr. Wolfensohn, yesterday in a press conference you talked about the need to give people a voice in development. Of course, that means giving people an opportunity to actively participate in the identification, design and implementation of Bank projects and lending. People, however, cannot participate without information and the proposed change into the information policy does not fully support participation in development decisions.

When certain additional material related to project evaluation will be made available, the poor people will need the following documents in order to fully use their voice -- the release of aid memoirs or drafts of project preparation documents will help people to better participate in project preparation. The release of the President's reports for adjustment lending will allow people to understand the participation in structural adjustment loans. The release of status reports for projects or tranche release memoranda for adjustment lending will allow people to monitor the implementation of loan agreements and project objectives.

Similarly, the release of country assistance strategies will help hundreds of millions of people who are currently denied the right to access the Bank's basic blueprint for the country. None of these documents are being proposed for release under the draft review paper despite the fact that these documents are all owned by the Bank and hence it is the responsibility of the Bank to decide on their availability.

Mr. Wolfensohn, would you commit to release the previously mentioned documents and fulfill the call of the IDA Deputies by ensuring that project affected people can meaningfully participate in Bank operations? This is my question.

And I also want to deliver this letter that comes from a group of grassroots leaders in Mexico that are involved in a project that is called World Development (?)?

MR. WOLFENSOHN: Certainly. Do you want me to date it also?

QUESTION: Thank you.

MR. ABDEL-LATIF: Okay. This is the issue about documentation, access to information. Is there any related question on access, on reports, on participation in preparation of the documentation. I would like to just cluster similar issues if anybody has them.

MR. ABDEL-LATIF: Mr. Wolfensohn.

MR. WOLFENSOHN: Let me first of all talk about visas and coming to the meetings. I didn't issue the visas. I did not issue the visas. I was anxious from the very beginning to have a dialogue, not a confrontation outside the building. If you don't believe me, just think if you were in my position, it makes much more sense to talk than not to talk. And we have 350 NGOs now registered to come into these meetings which is twice the number from last year.

I have told my people right from the beginning that either I or they are prepared to have as rich a dialogue as we possibly can. We thought that what we had done here was to create a basis for that dialogue. If you think we should go further, then I suggest we can talk to my colleagues to try and see how we can try and work out further discussions. Certainly, I am prepared to ensure that we try and have as full discussions as we can, but I want to have them in an environment where there are discussions and where we can get down to some serious business.

If those conditions are satisfied, which is what we are doing this morning, then, as you can see, I am prepared to be there. So, I suggest that if there are people who are excluded, then let's take it up with my colleagues. I have got lots of people here who are ready to sit down and talk. And so far as I am concerned, the positive aspect of the demonstrations is that it gives a basis to get out what are the problems and to have a discussion.

I would like just to comment on the fact that somehow there is the feeling that there is a lack of willingness to engage NGOs or civil society. And I simply want to say to you that the record is somewhat different so far as the Bank is concerned. Five years ago we had two people in the institution who were interfacing with civil society -- two people. We

now have over 80 that are out in the field and are meeting with civil society on a constant basis.

In countries we are on the ground and operating within the framework of whatever budgets we have got. Our objective is to reach out. My first speech was about inclusion. I have had a public and very real approach to what I believe to be true, which is that there is no way that we can deal with the issue of poverty unless all of us come together to try and deal with it. I have tried in the Bank to have myself and my colleagues recognize that there is a legitimate view on the part of civil society, even if it frequently comes through on a basis of personal abuse, but that you do need to think through and listen to what people are saying.

My hope is that with the respect that I think we are giving to the views of civil society that for a moment it may be possible to have the reverse happen. When I came to the Bank, there was a very clear view in the Fifty Years is Enough literature, which I read with great care, because it preceded my taking on my job. I got a very clear image of what civil society thought about the Bank, and I might tell you I got quite a clear view of what many people in the Bank thought about civil society.

And there were two boxes. Civil society thought the Bank was evil incarnate and people in the Bank thought that civil society was there to cause them to lose their jobs or to close the building down. And that wasn't far from the truth in those days. And if you read the literature, in fact, that is what Fifty Years is Enough campaign was designed to do. It said quite explicitly the Bank has done no good; close it down.

So, my hope when I came in was to try and see if we could recognize what I believe to be the case, that the voice of civil society is a necessary element in development, but I equally feel that the Bank can be very helpful to civil society. And, in fact, it is not for me in many countries to be able to ordain that the governments of the countries engage in a dialogue with civil society. I am not elected as the Prime Minister or President of many of the countries. And in many of the countries they regard civil society as the opposition, not part of the ruling clique.

So, what I have had to do is to try with the comprehensive framework, with consultative processes to try and engage civil society. And since I started at the Bank, on every visit to countries I have met with civil society, often with some frowns on the part of my hosts. But I have tried to reach out. So, the notion that we are not trying to engage civil society is something that I would like you to reconsider because all the evidence is that we are trying.

Now we may not be doing it as effectively as you want. But it is a hell of a lot different than it was five years ago. There is a dialogue taking place. And I would continue to expect that you will say to me it is not enough; now let's have more disclosure, let's come up with more information so that we can be more actively involved in the debate.

Now about 85 percent of our CASs are now made public. We have said that so far as the Bank is concerned, we would make all of them public. The Bank has no problem in making the country assistance strategies public. And, in fact, we are trying to reach out and have discussions on the creation of country assistance strategies. In some cases, they are

effective; in some cases, some members of civil society say this is Hollywood, there is no real substantial discussion. And it varies, frankly, by the country, by the people that I have in the field and by the NGOs. Sometimes they get on and there can be discussions. Sometimes -- [microphone off].

But what I believe is happening is that the general level of discussion is becoming much greater than it was, and I think the process of cultural change, that is having us deal with NGOs, is becoming more real.

As to the question of transparency and disclosure, you have got to understand that I report to a Board of Directors. The Board of Directors is not homogeneous. Some of the members of the Board of Directors feel warmly to civil society. Others of them feel a lot less warmly. They regard the function of putting projects together as being a government function. So, what we are doing is trying to bring the Board along with an ever-increasing amount of disclosure. What I don't want to have happen from a point of view of the inside workings of the Bank is that, if there are memoranda that are going from people, one to the other, that are speculative while people are trying to work out something, that they have to watch every word that they are writing so that before they reach their conclusions there cannot be a dialogue any more than you probably would in your own organizations want to have your personal traffic regulated and made public.

So, I have to say to you that I have one concern which is to make sure my processes work all right. But once we have reached a conclusion, I have no objection whatsoever to put that speculative conclusion up for discussion. I have no problem with that. But what I do have to say to you is that we are currently looking at the policy of disclosure. We are having very deep debates with the Board. I believe that we are going to come out in January or February -- is that the time for the new disclosure policy? Does anybody know? It is early next year in any event that we will be coming out with a new discussion policy.

And you will see that there are regular improvements that we are making. Whether we will go as far as you want in the next round, I cannot promise you. But I can promise you that we will have a big step forward in the next round and I will continue to try and have full disclosure.

So, give us a chance to try and work the Board and everybody to a sense of making full disclosure, but accept from me that so far as I am concerned, the quality of discussion and the outreach to try and engage civil society in all its forms is something that I am deeply committed to. But there is a need for cultural change on both sides. There is a need for cultural change in the Bank to trust NGOs and to talk to them. But there is an equal need for some members of civil society to give us a chance and not come and say that because it is the Bank, it must be evil. There is a need for some balance.

I would hope that if we are going to move together that you could recognize that the moral high ground isn't always with NGOs, that some of colleagues feel that we are actually doing a good job too and that we are trying to help the issues of poverty.

And so, I would ask for a period in which there can be some calm and some opportunity to try and build a bridge. It is very difficult to build a bridge if only one side is trying to build it. And so, I would simply ask that as we try and build it, show a bit of tolerance of the

debt relief.

Can you hear me, Mr. Wolfensohn? Channel 4 is English. So, I will sum up. Juan Carlos Nunez, Jubilee 2000 Bolivia.

On the topic of corruption and access to information as well, I would also like to refer to that first topic that you discussed earlier, as a result of a whole process of consultation with civil society in Bolivia and in developing a participatory plan to combat poverty and at the end of this long participatory process we feel that there is not comprehensive information as to how this plan is being drawn up after these consultations with the civil society. We still do not have information that allows us to participate fully in the design of a plan, using indicators, et cetera.

Our major question is: What is the baseline information that the government uses in developing this plan? And I think there are different versions and different aims. When we talk about fighting poverty, we are referring to reforming the economic structures of the country. We believe that is necessary. We don't think that fighting poverty is a case-to-case fight. And that is not only in Bolivia.

The Bolivian society has had to question the structure of the nation. The Bolivian Government has only been focusing on how to solve poverty problems, and there are two totally different issues. I wanted to ask you: What is the Bank's position on these two topics?

The other topic which I want to refer to is corruption. For us the best weapon in order to combat corruption is social checks and balances. The Bolivian social society has come up with a concrete proposal, how to establish a social control mechanism which should be inherent to the plan to fight poverty. This is how we can actively participate in controlling and monitoring the investment of resources.

My question is: What is the extent of the political will of international organizations to go along with the civil society? Are they going to continue dealing directly with governments in which one of the most critical element that stands in the way of these plans is corruption? Or will true spaces for participation of civil society have to be created, including access to resources and in this case on monitoring and control mechanisms that would be guaranteed a form of financing so that they can perform this role?

Thank you.

MR. WOLFENSOHN: Let me deal head-on with the question of corruption and then let me come back to this additional issue which is the issue of consultation and political will, which I think pervades both a lot of the discussions and a lot of the misunderstandings that exist between the Bank and civil society.

Let me say first-off that until three years ago, the word "corruption" was never mentioned at the World Bank. As some of you may know, the true story that when I got to the Bank, General Counsel called me in to give me my briefing on what I could do and what I could not do as President of the Bank. And he said the one thing you cannot do is to talk about the "c" world. And I said what is the "c" word? He said the "c" word is corruption. And

under the charter of the Bank you are not allowed to talk about politics and corruption is politics. Therefore, don't talk about the "c" word. You can talk about anything else. You can talk about social justice, you can talk about poverty, but for God's sakes don't talk about the "c" word because you will get fired. Your shareholders won't like it.

And that is not an allegorical story. That is, in fact, a true story. I took this for about two years until I recognized that there was no way to deal with the issue of equity and poverty and development without tackling the question of corruption. So, I came out in my Annual Meeting speech, I said corruption is a cancer and it is not political but it is social and it is economic and, therefore, I am allowed to talk about it. And if you politicians think that it is political, that is your problem. I think it is social and economic. Therefore, I can talk about it.

Well, six months later the Development Committee had as the central item on the agenda corruption. And every Minister spoke about corruption. It didn't matter what country they came from, even some I might say that people might think are corruption, they all made speeches about the evil of corruption. And the debate really started.

As some minor point, I would like to point out to you that the whole debate on corruption at the official level started about three years ago, and since then they may have been working in about 89 countries, 600 projects. And they are all designed with one thing in mind. It is that we cannot come in with a big stick and stop corruption. That is very clear. The only way that corruption can be stopped in my opinion is to have transparency, to have public oversight, to have a debate going inside the countries. It is inside the countries that you get the power to combat corruption. It is a political force inside. My coming to a rich dictator and saying don't be corrupt doesn't cut a hell of a lot of ice. What cuts a lot of ice is that if the people rise up and throw him out, or if there are changes generated internally.

So that everything that we are doing is designed essentially to bring transparency to local process so that we can get a local debate going on corruption. That is I think moving pretty damn well. It is not by any means complete. And here, I would make just one point which is that you cannot expect to change these things overnight. Corruption, for example, in Russia has been around since the time of the czars. And it is not very easy even for President Putin to come in and say tomorrow everybody is going to go clean. It is not the way the world works, but what can be done is to set up frameworks in which you could have clarity.

Now so far as the Bank is concerned, we have set up a really tight and large unit to look inside the Bank to see if there is any corruption in a way that there has really never been before and to look at projects. And we have already put 48 companies on a black list. That is 48 more than we had five years ago. And those investigations are proceeding and will continue to proceed and they will in the case of Lesotho.

The Lesotho issue is still before the courts, as you know. There is no decision in the Lesotho case. But if World Bank funds have been misappropriated, then we will undoubtedly black list the companies that have misappropriated World Bank funds.

What we have to do is to get a judicial decision on the issue. We cannot anticipate it, but

we can follow it and I can assure you that we will be doing that and that there has been no fractional move away from the policy that, if there has been corruption in a World Bank project, that we will blacklist the company that is concerned. So, I can give you a direct and straight answer on what will happen but we have to await the results of the judicial process which is ongoing.

And by the way, we have been cooperating and supporting the judicial process. So the notion that we're staying on the sidelines is, I don't think, fair. See what happens when the process emerges, and if there are things that we haven't done that we should do, get a visa to come to the States or send me an email, and I'll be glad to address it.

Now, on the question of Bolivia, what you say to me is, while not surprising, sad, because the first Comprehensive Framework that we really worked on has been with Bolivia, and the Vice President of your country has himself taken the lead in terms of the consultative process. I have met with him probably half a dozen times in terms of his outreach to Bolivian NGOs, and I have an office there--y director, who was in Washington, has gone to live in Bolivia so they can work and be part of the process--and the reports which I have been getting, which seem to differ from what you are telling me, are that the extent of consultation is really considerable in your country. I know that meetings have taken place. I know that on the face of it, both your Government and our people are telling me that the consultation process has developed very strongly, and in fact we are using the Bolivian example as a very good example of how the Comprehensive Development Framework is working.

So what I suggest you do if it is not is to write to me directly or see our local representative and go along and discuss how it can be improved. Certainly the Vice President, who I guess is one of the more popular people in your country, is of the opinion that he has reached out and embraced civil society. Six months ago, he made that public statement in Washington, and in fact within two days' time, there was a meeting on the Comprehensive Framework, and a Bolivian public official will be reporting on this. So if there is a disjunction between what they are saying and what my people think and what you feel, I think the best thing to do is to let us know where it is falling apart, and we'll be glad to address it.

The other point which you made, which was the point about poverty or the political structure, is something on which there is great difficulty for the Bank that I hope you'll all understand. We are owned by the governments. The people I report to and who own the institution are in fact the finance ministers. That's why I come to these meetings. We have a legal responsibility to work through governments. The government people say, many of them: Look, we are the elected representatives. We are a democracy. We are elected. It is not for you, the Bank, to come in and select people around the country to tell you what we Bolivians want. It is for you to deal with us because we are elected.

And that is rational. What we are trying to do in as oblique way as we can is to convince the governments that you cannot impose development on communities or groups of people, that what you need to do is to consult so that they could own the process and that we don't design something in Washington or La Paz, but that it includes the people.

We could do that on projects, and I can say as I said yesterday that I think the problem of

Latin America is the problem of inequity and social justice, which I happen to believe, but I can't intrude on the political process in Bolivia. That's for you to do. It is not for me to do.

I can be there to be helpful in terms of projects, but I'd get my head handed to me if in every country I go in and try to decide what the politics should be in that country.

So I think you should understand that there are limits to what we can do. We are an agency that gives support; we are not an agency that governs every country that we operate in. And I am afraid that's up to the Bolivians. You have to sort that out and get in power the government that you want.

What I have to do is to deal with the governments in as best way I can and to reach out to those sectors of the society that can be helpful.

So I think you put your finger on a very important issue, but it is a limit in terms of what the Bank is able to do, and very often, people blame us for the politics of a country when in fact they should be blaming themselves. It is not me who has the vote in Bolivia. It is you and your colleagues. And I can try to be helpful, but if you have the wrong government, then it is you who should be doing something about it, not me.

MR. ABDEL-LATIF: For saving time and to give people a chance, I will take a series of questions now.

Yes, please.

QUESTION: Mr. Wolfensohn, I am Ricardo Navarra, and I am the Chairman of Friends of the Earth International. We are a federation of national environmental groups in 68 countries around the world, more than one million people in membership.

We would like to bring your attention to the problems associated with the extractive industries, namely, oil, gas, and mining investments. These projects are generally associated with serious environmental and social problems, including increasing biodiversity and forest losses, endangered indigenous populations, exacerbating the problems of global climate change, human rights abuses, and impoverishing rather than enriching communities.

One only needs to look at the situation of oil and mineral extraction in Nigeria, Angola, Indonesia, or Colombia, for example, to see these problems.

Furthermore, there is no real evidence that investment in fossil fuels and mining substantially enhances GDP for most developing countries. In fact, some economists, including Jeffrey Sachs, have pointed out that countries with abundant natural resources tend to grow less rapidly than those countries without natural resources.

For this reason, there is growing concern about the World Bank Group's investments in these projects which between 1995 and 1999 amounted to nearly US\$6 billion. This US\$6 billion could be used for investments in renewable energy and other projects that more directly benefit the poor.

In April, 200 NGOs from 55 countries issued a call to the World Bank to phase out the financing of these projects. Today, Friends of the Earth International calls on you to commit to an immediate ban of these investments in ecologically important areas and areas of high conservation value and to develop a plan to phase out of financing new exploration of oil, gas, and mining projects in the next five years.

Of course, there is room for exceptions such as supporting gas as a replacement fuel for coal and nuclear, or small-scale community-based mining, or financing mine closures. But by phasing out financing for these harmful projects, the World Bank would be making real progress toward poverty alleviation and environmental protection.

Will you support this cause, Mr. Wolfensohn; and I would like to give you the position papers we have on these cases, if you would allow me.

Thank you, sir.

MR. WOLFENSOHN: Thank you.

If you could introduce yourself so I'll know where you are from.

QUESTION: My name is Kais Gopal [ph.], and I am coming from India.

Mr. President, I fully endorse that you are making efforts to reduce corruption. You said "If there is a problem, please write to me." Let me tell you with all my humility that that is what my own leaders, who are corrupt, would also say. They would say, "Write to me." That is not the way in which it can be handled. Every project director is also telling us.

The point I'm saying is that grievance handling within the Bank cannot be addressed as part of its own hierarchy. It has to rest elsewhere. Otherwise, you are asking me to talk to my own project leader, to talk to my own country director, who himself could be a part of anything.

I think this is a matter--you don't even have an ombudsman. You have gone through an independent panel when it comes to major issues of ecology, but on corruption, if you don't have it outside your system but within your system, and within a hierarchical system, I don't think it will work in the Bank--and sending emails to you, sir, is as bad as sending it to my own corrupt leaders. So I think there is a need for you to look at that.

Otherwise, consultations with civil society on matters of corruption would have no teeth, would have no meaning, no commitment, no genuinity [ph.] on the side of the Bank. Otherwise, we get thrown between the Bank blaming the government and the government blaming the Bank.

So I don't think your answer is clearly solving the problem; it is only saying look at it at the political level. I think it is possible at the systemic level also. You have to put some fear into the system to be able to be accountable.

Having said that, the second question I have very quickly, sir: Reforms in macroeconomic

policies and delivery institutions is also seen as the basis for development and poverty reduction by the Bank, and knowledge is, as you say, and supervision are seen as the key instruments in enabling this. But if you see the content and commitment of the reform package and its effective implementation, while those dealing with the opening of markets and enabling framework for private sector is happening very, very clearly--I come from Andhra Pradesh, sir, and I have seen your power sector reforms, the commitment and the thought that has gone into implementing it--but when it comes to the forestry sector or poverty alleviation sector, that commitment in the Bank staff itself is totally lacking.

So why does this duality exist between those which have to do with development and have a certain way of doing things within the Bank and in regard to reforms; but when it comes to those dealing with social processes, enabling processes for the poor to gain income access, a very soft option is being taken.

Thank you.

MR. ABDEL-LATIF: Let me take a third question.

QUESTION: Mr. President, my name is Adil Vyselov [ph.], and I represent 172 NGOs of the Kyrgyz Republic united in the Coalition for Democracy and Civil Society.

I would like to make a point supporting my colleague from Bolivia, which is also a CDF pilot country. Kyrgyzstan is one of the 13 pilot countries.

While you answered our concerns that it is your own country, and you should deal with your own government and build civil society, we would like to call on your leadership, that you encourage governments to be more inclusive. We think that the World Bank does have a great role in making this world more democratic and inclusive, because in Kyrgyzstan, the government excluded opposition political parties from the process and thereby undermined long-term sustainability; it failed to build national consensus, and we think it failed. And now, back in my home countries and NGOs from around the world, they are worried that the very good idea of CDF, which we whole-heartedly support and welcome, could become another good idea which will be abused and justify the old, wrong ways of doing things.

So we have a very specific question here. Can you, Mr. President, develop criteria so that the World Bank does not recognize and applaud CDF processes which are not inclusive and democratic?

Thank you.

MR. WOLFENSOHN: Thank you very much.

They are very, very good questions, all of them. Let me start with a point of clarification. Writing to me may not be as bad as writing to some other people, because I do have an independent group that deals with corruption. It is not in the line. They report directly to me. They have secure offices. They operate outside the line.

We have a hotline that you can call where you can give information and call on us for

exploration of any aspect of corruption that you want. It is run by an outside firm that is totally secure. We did a study of how best to do this. I think we've got a state-of-the-art system now, and I have a team of people who work on this who have nothing to do with anybody who is on the line. In fact, some people in the Bank would say that I have the sort of force that I am trying to get rid of in some countries in terms of its independence and its ability to review anything. So let me put your mind at rest--you have a totally independent group, and if you wrote to me, I would not be going back to the line manager, I would be going to that team, and it runs separately and independently. If it were as you described, it wouldn't work, but it is not as you described, and it does work. So that is the first thing.

Let me come back to the issue of the Friends of the Earth and then go through the questions. The issue of oil, gas, and mining is a very difficult one for me and for us. We have on the one hand the ecological and the issues of indigenous people. We have all the things that I am as aware of as you, of the horror stories of some of the projects. But we have at the same time in some countries the issue that these projects may be the only thing that they have in terms of generating income.

Let me take the specific case of Chad-Cameroon in which your organization was particularly active, because for me, it reflects most if not all of the issues that you address. Here is the case of a country that has nothing in terms of income-producing potentiality except an oil field which was found 35 years ago, and where it is the second-poorest country in the world, and where the Government was keen to try to see this oil extracted, and where we were confronted with do you want to be part of something that will develop a \$2 billion cash flow, with Transparency International saying the Government is corrupt in Chad and in Cameroon, and if you generate the money, it's going to get lost, and what about the indigenous people who will be affected, and what about the environment that will be affected.

We did what I think was--and time will tell--a pretty remarkable job in terms of trying to address those issues. We did 48 studies on the environment, and we came up with a route which, at least in my opinion and in the opinion of, I think, many environmentalists, is the soundest route that you could have. We have arranged with both the Chadian and Cameroonian Governments that the money will go into a transparent trust fund; that representatives of the Government, the opposition, civil society, and the Supreme Court will be on the distributing body that deals with it. We have arranged for the relocation and for the reinforcement of the societies of the indigenous people.

Now, there is a difference of view, I think, between Friends of the Earth and the Government and many of the people of Chad and many of the people of Cameroon on whether we went far enough, and they are saying this is going to be another Nigeria, it is going to be another something else, they are a bunch of criminals, and the thing is not going to work.

I am in the difficult position that I know that if I'm there, and they take this out, I can do everything possible to protect the environment, the indigenous people, transparency, and the use of the funding. I know that if I am not there, there is an alternative way that they can develop that project in which there will be no supervision. That is the dilemma I am in. And to be honest with you, having really followed the case of Chad-Cameroon extensively--in fact, if I had not wanted to, surely your organization and others would have

brought it to my attention, which you did--I actually believe the Chad-Cameroon pipeline is a very sound thing to be done, and it is breaking new ground on how you deal with extractive industry.

What I am prepared to do is to do with you in a way that I think we should explore what I have done on dams. On dams, we have had an international and balanced Commission on Dams to take a look--and they will be reporting in a few months' time--on whether we've got it wrong or whether we've got it right on dams, and what it is we should do and what it is we shouldn't do. I would be perfectly happy to sit down with you and with your colleagues to try to see if there is some mechanism that we can stand back and take a look at the actualities of this extractive industry, the pros, the cons, the pluses, the minuses, and see if together we can come up with something that will either lead to an exclusion or to an inclusion on certain terms of what we are doing.

If you are prepared to sit down and discuss it, I am very happy to do that. I'll set up a team, and we'll try to decide how it can be done in the most effective way. I can talk to my colleagues in the NGO liaison group. I am prepared today to commit to you that we'll take a look with you at what the arguments are and to take a thorough look at what are the pluses and minuses. You can even get Jeffrey Sachs to come and give his views on the subject if you'd like, so that is the major concession I'll give you in relation to it, and that's because I've been drinking.

But I'm glad to do it. So why don't we take it that we should sit down when this meeting is over, take a look at what I think are legitimate questions that you're asking and see if there's some way that we can focus in on that subject and reach whatever conclusions we reach? So I'd be glad to take that up with you subsequent to the meeting.

The last thing that I'd like to make on Kyrgyzstan, you came up with a question of forestry and social resources. I can quote you projects in India because I've seen them, on forestry and on social programs. In fact I've been out to many areas, including Andhra Pradesh where you have a pretty active prime minister yourself, where groups of women are coming together to protect the forest, where we're supporting them, where on social programs they're broad and deep and community involvement.

So I don't think we get it right every time. Don't think that I'm protesting that everything we do is perfect. But in India, of all the countries, the social programs that we're bringing in are very extensive. Now if there are cases where some of our people have come in on something and not taken account of it, again, talk to our people. We will not get it 100 percent right, nor I guess will any NGO, dare I say that in this company. But it is possible that there's human fallibility.

I'm very happy if you come up with these issues. There was a time when we didn't respond to NGO letters. That is not true today. We now take seriously what you tell us. So why don't you, if you've got a particular thing in mind, particularly if it's in Andhra, let us know and we'll deal with it.

On Kyrgyzstan, let me just make one point again which follows on the Bolivian point. If you go back 10 years in Kyrgyzstan, you didn't have NGOs. You didn't have any voice in the part of civil society. That you know better than I because you live there. The idea of the

CDF is to encourage the Kyrgyz government to try and have consultation, to which they're not used. Under the former Soviet system people didn't go out and get a poll of what people were thinking. Not from non-elected officials, not from anybody. So to establish a CDF pilot in Kyrgyzstan at all was something that I think was a pretty useful first step.

What I suggest we do together is now try and move forward, and what we are doing ourselves is to try and keep pushing people to say, don't just listen to your friends. If you're going to make this an effective process you have to listen to some critics as well.

But what I don't want to do is to break the process before I have the governments committed to the idea of consultation. It takes a while. And in the former Soviet Union it takes a little bit longer because there simply has not been any history, any history of consultation. The fact that you have any form of consultation in the Kyrgyz Republic already puts you in advance of a lot of other states that are now existing.

So I don't believe we've reached the end of the road with the Kyrgyz Republic or the CDF. Just let us push and push and try and engage a broader section, and over time I think you'll have perhaps a changed culture. But you're not going to change apparatiks overnight. They are used to dealing in one way and to suggest to them that because we have a process their instincts are going to change is not reality.

What we have to do is to keep moving forward in a progressive manner, and I believe in five years time you'll look back on the CDF in Kyrgyz Republic and say, that was a good start and we're a hell of a lot further ahead than we were then. And you can take it that we will continue to be trying to expand it because the process of consultation has to be broad, otherwise it's not meaningful. I think that you should proud that you have it at all and we will keep pushing with you to try and expand the range of consultation.

MR. ABDEL-LATIF: I think we are the last seven, 10 minutes. Let me take the last round of questions. Back there, back row.

QUESTION: Thank you for this opportunity. My name is Argentina Matavelle [ph.] and I work for World Vision in Mozambique. I also bring the views of a coalition of NGOs that meet around the issue of debt.

We have a few concerns. We do acknowledge the fact that the Bank has tried hard and really is doing a good job at trying to come to the people, to civil society consultations, but we feel that these consultations, at least in the case of Mozambique, are being done in a rather rushed manner. The country is a long country and issues tend to be concentrated in Maputo. Mr. Wolfensohn, you visited the country and you know very well how it is. We're not given enough time to really discuss and consult with the populations in further provinces north.

In the case of the recent discussions for the PRSPs, for example, we felt that the consultation process was very rushed. And most times what you just rightly said, you said your mandate is to speak with government; the governments will always blame the World Bank for certain issues. So we want to suggest a few, three ways in which we believe this participation of the people could be done.

One, we think that there should be monitoring mechanisms by civil society for the use of funds in poverty alleviation. We think that NGOs and other agents of civil society should participate in the evaluation of selected projects by the Bank and issuing revisions, if needed, following the recommendations of these evaluations.

Further, we want to suggest something which would be something like a vision but which is achievable, because when you started in '94 you had a vision that many people was believed was impossible but it's happening now. We would like to suggest that conditionalities be reversed. We want conditionalities by the civil society for governments to be able to borrow. So it means that for every loan the government would come to the Bank, the Bank would have to see that civil society has endorsed this loan.

World Vision will be launching a report on the PRSPs on Tuesday so further ideas will be contained therein. I will pass on to my colleague from World Vision Uganda.

MR. ABDEL-LATIF: Thank you. Please be brief.

QUESTION: I will. Thank you very much. I will try to be brief. My name is Moses Dombo [ph.] from World Vision and I work in Uganda.

I'll ask two little questions. The first question is on commitment. Dr. Wolfensohn just talked about how he was given a mandate and he was asked not to talk politics when he took responsibility. My question was, can you separate politics from development? Can you talk development without talking politics?

Secondly is on the whole issue of commitment. I'm looking at HIV-AIDS and how this monster is ravaging Africa. At the World Bank you're on record, Mr. Wolfensohn, as having said \$500 million can be found for dealing with the issue. We have been told that what's actually needed is about \$3 billion annually. Are we dilly-dallying with the very problem that is likely to destroy everything else that we have invested our resources into? Is there really a commitment to deal with the issue of HIV-AIDS on the side of the Bank?

And lastly is about the piecemeal approaches. We know what really works out there. We're dealing with only pieces of the real thing when we know what we should be dealing with as far as poverty is concerned.

I could lastly mention the issue of globalization and privatization. We're asking countries to privatize everything, and countries have sold off all the assets that they had. Countries have remained without assets that they own as nations. Can we have countries, governments which own nothing and then we ask them to pay back loans which they take?

Thank you very much.

QUESTION: [Interpreted from French.] If I may, I'd like to speak French. My name is Anne Christine Abar [ph.] from the International Federation of Human Rights based in Paris.

You've been talking a great deal about democracy, sir, and the need to have populations

perceived as owners of the policies that are being pursued. In many public statements in recent years you stressed, sir, on the need for sound governance, on the need to have an independent judiciary, on the need to ensure right to information and having transparent information.

So gradually one gets the impression that over the years the World Bank is underscoring the various elements of the rule of law. Increasingly you've said that there has to be minimal respect for human rights for some policies to be successful. And needless to say, we agree 100 percent with you and we're delighted to see this development in the Bank's policy that policies can only be successful to the extent that there's proper respect for human rights.

However, at no time in any of the public documents does the Bank refer to the International Human Rights Instrument, an essential component of a body of recognized law, not to mention the fact that all of these instruments have been ratified by your member states, your shareholders. So why is it that these international instruments are never explicitly referred to by the Bank in its official documents, and why doesn't the Bank choose to pledge commitment to these instruments? It would be one way of imposing upon yourself goals that could not be challenged by anyone.

QUESTION: [Inaudible] I would like to get back to this unfortunate case with accreditation as an example. You talk about talking with civil society and more open process. That's the theory. Then we come here and many people who applied, three, four, five months ago they are still not accredited. That's the practice.

I think all these questions, all what we heard here from the NGO side is a sign that we do acknowledge that under your presidency the Bank is talking more and more about issues which were not talked about. I would like to hear about your plan to put this theory into practice.

Thank you.

MR. ABDEL-LATIF: Thank you.

MR. WOLFENSOHN: Let me just touch on the accreditation issue. I first heard about the accreditation issue last night. I have heretofore not been aware that there was a problem with accreditation. You can blame me for not having looked at the details, and you have every right to do that. But I was told that there were 350 NGOs coming here, that the accreditation system was such that it was working. I learned yesterday that 25 NGOs had not been cleared and we put in an emergency procedure that they should be cleared for today with day passes so that the executive directors of their countries could approve it.

I can assure you that the intent was there on accreditation and I'll make sure that we expand it as much as we can. But since last night when I first heard about the accreditation issue, I have to say to you that I'm very sorry if there have been glitches. Certainly it was not a matter of policy. I've asked my people to try and fix it, and I hope that in the coming hours they'll be able to do so.

Part of it is that the EDs, the executive directors of the Bank have the responsibility of

clearing national NGOs. This gets back to the political process, if you like. Whether the hold-up is there is whether the hold-up is our inefficiency or with the Czech authorities, I simply don't know.

But I would like to comment on the fact that we do have 350 NGOs here that seem to represent a fairly broad range of views. And having heard the questions this morning, they're hardly a select group that all are in favor of the Bank. So I think if 350 of you can't cover the range of criticisms of our institution it's pretty sad. But I do agree with you that we should have had as big a group as possible, and I have asked my colleagues to try and ensure that groups that are not represented should come here.

Let me come back on the question first of the lady from Mozambique and the issue of debt. I don't want to mislead you. I don't think the Board for two minutes will accept the proposition that if they want to borrow from the Bank it has to get not a parliamentary approval but an additional approval from NGOs. That's just not reality. It's not going to happen. I could insist on it till I'm blue in the face and elected prime ministers and governments are not going to change their internal process for me. They simply are not.

What I am trying to do, in all sincerity, is to try and broaden the debate within the context of not interfering with the politics of the country. And I am going pretty damn close to the limit. I am constantly up against the question which your colleague mentioned, how do you separate politics from development. Well, it's very difficult. Because every time you talk about poverty, inclusion, community development, ownership, you're in a way impinging on the political process in the country.

What my ministers are saying upstairs is, I was elected. You're not elected. You're appointed. I'm elected in my country. What right do you have to tell me that if I want to do a project, I have to go consult with a whole lot of people who you don't understand, but they're the opposition. They're radicals. They're against us. They're trying to tear the country down.

I will always be honest with you, I can push this thing to a degree that I think can be very helpful for NGOs. But what I cannot do is to change your political process. It's not in my ability to do it.

I can go to Moslem countries and I can meet with Moslem women, as I do everywhere, to try and talk about giving voice to Moslem women. My wife and I do that. I can do it on the level of consultation. But I can't change the role of Moslem women in the society. Moslem women and men have to do that.

So when you think of the Bank, understand that we're not a world government. We can help. We can push. We can create an environment. We can help you to get greater voice. But in the end, it's you in your own countries which have to make the definitive change.

If I promised you that I could, I would be lying. That is why I think in all candor that there is a need to build a better understanding in partnership. You can knock on us for everything you like, and you do. But think about what are the limits of what it is that we can do as an institution. And that is all I ask you to do.

If I were to tell you that I would be certain that NGOs would be able to approve everything that I was dealing with with governments, I would be lying, because the governments are not going to buy it. What I can do is to set up a framework of discussion, of consultation as far as the governments will let me go. And I happen to believe that community involvement is important. And I will make one point that has not been mentioned today.

With Internet technology and the availability of information exchange, as you have already seen in the way in which manifestations can be organized with someone from their living room with an Internet connection can get information around to cause meetings like this, the possibility of enfranchising civil society and getting transparency and knowledge is as never before -- as never before.

And my objective in terms of Internet technology is not to ignore that people are starving and that they are hungry and that you have to deal with the questions of sustenance and poverty, but the biggest challenge and the biggest opportunity that you have is frankly networking and transparency using technology.

All of you may not agree with today, but I promise you in five years you will. We will be able to get to every village in five years with Internet technology. In the work that we have done with poor communities, we just had a meeting ten days ago with 35 groups representing the 60,000 we did in Voices of the Poor. Item number one on their agenda was technology, was transparency, not on my agenda but on their agenda. And I think that the thing that is going to make the difference in terms of involvement is going to be transparency and technology and come back in two years and you say you heard this lunatic talking about it today.

It is going to change the nature of that process. And I urge you that we can work on it. Having said that, let me say that on the question of HIV/AIDS, the 500 million that we talked about in Uganda -- and, by the way, we have worked in Uganda for many years on the question of HIV/AIDS -- what I said six months ago was that no HIV/AIDS project will go unfunded. I have said if the Bank runs out of money, I will try and get it elsewhere. And the first \$500 million we put up last week as part of a new program -- we have already spent \$1 billion on HIV/AIDS.

I will say again today what I said six months ago, the issue of HIV/AIDS is not a monetary issue. The issue of HIV/AIDS is not an issue just for the Bank. It is an issue for local governance and local government and commitment to come up with programs to talk about the sort of things that in many cultures people don't talk about. That is the problem that we are finding in countries. It is to get leadership to grasp the issue of HIV/AIDS. And with 23 million cases in Africa, with 10 million orphans, it is now not just a health issue, but it is an absolutely fundamental development issue. And it is not just limited to Africa.

In South Asia we have problems. In the former Soviet Union we are having problems. It is the critical issue of the day in terms of a health issue. And you can take it that I have been engaged on the HIV/AIDS question for twenty-five years. I am vigorously engaged on it today, and I put out the challenge again that if we have projects for prevention, for mother/child prevention and for programs of asserting in communities to try and stop AIDS, we will be there to finance it and, if not, we will get other people to do it.

You have a separate and highly difficult issue on the issue of treatment because there is no effective economic treatment today that costs less \$10,000 a year. We have now negotiated with the drug companies to cut it back to \$1,000 a year. That will cover maybe 200,000 people in Africa out of 23 million sufferers who could afford it.

So the issue is to try and come up with a vaccine and to try and come up with other treatments that we could have so that we could have some humane treatments for the 23 million people that now have AIDS. And that is a hell of a problem and a huge problem that we need to address. But please understand that on the question of AIDS I am committed.

And finally, on the issue of the rights of man and on the judicial system. It allows me to say something more broadly in terms of my view of development. I think too often all of us look at development in segments, whether it be in environment, or whether it be in health or in education or in income-producing projects or in microcredit. And what I have learned in five-and-a-half years is that development is first a very complex process. Secondly, it takes time. It does not happen overnight. You need consistent commitment. You need partnership between the community to try and bring it about. You need to have a real understanding that you are changing cultures. The world is an inequitable place.

You have 80 percent of the world having 20 percent of the income and in countries you have the rich and you have the poor and the people in power and the people who have no voice. That is what you are starting to change. And my opinion is that the way to start on it is to get the structures right. You have to protect people's rights. You have to have a legal system that works. You have to have honest judges. You have to have a financial system that gives openness to people and not just a few. You have to fight corruption. You have to get well-paid governance and people who will occupy themselves with government activities without being corrupt and being fair, because corruption, in fact, hurts the poor more than it hurts the rich.

I haven't yet talked about education and health and agricultural policy and urban policy and environmental policy and cultural policy. I am talking about getting the basics down. And in my opinion, there is no way to have equitable development unless you deal with the justice, legal and the structures that are in place. Unless you have that, you cannot have equitable development.

And in that context, I don't know why we don't mention human rights. I have got Mary Robinson coming here to talk about human rights. I am a great believer in human rights. I will look at our material to find out why we are not using the word "human rights" and next time you come I assure you that I will have a reference to human rights.

But everything I talk about relates to rights. Unless you have property rights, unless you have individual rights, unless you have a sense of equity, you cannot attack the question of poverty. You just cannot. So, I am linked with Mary Robinson, I tell you, and I will make sure that our literature reflects it, if it doesn't.

I know that today's meeting is just a start. I would like to make one plea to you. I have 10,000 people that I work with. They come from 150 countries. We have more than 1,000

Africans. These are not all evil people. They do not get up everyday to say how can we screw the poor, how can we ravage the environment, how can we diminish the role of women, how can we effectively install corrupt governments. It is not that sort of a group. We will screw up from time to time. I have absolutely no doubt. We will have some bad people. We will have some difficult people. We will have some people who hate you, that will never talk to NGOs. But we have a growing number of people who recognize a new culture. And that is that the Bank cannot do it alone, that we need a dialogue and that we have got to work together.

My being here is an indication that I am ready to do this. I will continue to do it; my colleagues will continue to do it. And I very much hope that at this meeting and at subsequent meetings we can continue to push along this dialogue. We will follow-up on the things that I have agreed to follow-up on, and I hope that over time we can build a sense of mutual confidence that will allow us all to do the thing that we want to do, which I guess is to make the world a better place.

Thank you very much for coming.

MR. ABDEL-LATIF: Thank you.

[Applause.]

MR. ABDEL-LATIF: Just before we close, two announcements. There will be a discussion on public policy disclosure of the Bank next Thursday. The paper is available, and there will be a discussion on the PRSP tomorrow.

And on behalf of all of us, thank you, Mr. Wolfensohn.

[Whereupon, at 10:57 a.m., the meeting was concluded.]

SEARCH

SITE MAP

SHOWCASE



Pls note Kristalina
will be available
to discuss it.

URGENT

- Lars
- Mahesh
- Biodiversity staff
- David



Kristalina I. Georgieva
09/25/2000 11:05 AM

Extn: 30397

ENVDR

Subject: Extractive Industries and Electric Power: Briefs for Mr. Wolfensohn

David:

I have faxed a proposal from FOE on phasing out IFI funding for mining. We are requested to write a detailed holding letter (that is, not a final response but more than just thank you letter). This is very urgent -- the response is needed while we are still in Prague.

Attached is a briefing note written by James Bond -- which I am sure will be very useful. We need help from out bio people, as well as from those who work on climate change; and Lars could probably help with the write-up (if he has time, I would really appreciate his involvement, since he is well familiar with these issues). Pls feel free to call if you have any questions. Best regards,

Kristalina

----- Forwarded by Kristalina I. Georgieva/Person/World Bank on 09/25/2000 04:59 PM -----



Glen Armstrong@IFC
09/25/2000 08:27 AM

To: Kristalina I. Georgieva, Ian Johnson cc: James P. Bond
Subject: Extractive Industries and Electric Power: Briefs for Mr. Wolfensohn

Kristalina

As promised , produced by James shop.

Best regards

Glen

----- Forwarded by Glen Armstrong/HQ/IFC on 09/25/2000 08:29 AM -----



James P. Bond@WORLDBANK
09/24/2000 07:41 AM

To: Caroline D. Anstey/Person/World Bank@WorldBank
cc: Peter Woicke/HQ/IFC@IFC, Nemat Talaat Shafik/Person/World Bank@WorldBank, Assaad Jabre/HQ/IFC@IFC, Catherine Guie/Person/World Bank@WorldBank, Consuelo J. Tan/HQ/IFC@IFC, Andreas M. Raczynski/HQ/IFC@IFC, Glen Armstrong/HQ/IFC@IFC, Mark A. Constantine/HQ/IFC@IFC, Shawn Miller/HQ/IFC@IFC, Rashad-R. Kaldany/HQ/IFC@IFC, Meg Taylor/HQ/IFC@IFC, Jbond@worldbank.org@WorldBank, Nigel Twose/Person/World Bank@WorldBank, Minneh M. Kane/Person/World Bank@WorldBank

Subject: Extractive Industries and Electric Power: Briefs for Mr. Wolfensohn

Caroline:

As discussed a moment ago, attached are the briefs for Mr. Wolfensohn following his reception of the two NGO statements.



Extractive Industries.do



Power Sector.doc

Regards,

James.

James Bond
Director, Mining Department
(A Joint Service of the World Bank and IFC)
JBond@worldbank.org

Kristalina Georgieva
Director
Environment Department
Ph: 202-473-0397
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To: David C. Hanrahan
cc: Lars O. Vidaeus
Jeannine Djaky
James P. Bond

NGO Platform on Oil, Gas and Mining

We fully concur with — and endorse — the Platform's statement that environmental protection and economic development go hand in hand. But it is not true to contend that the World Bank's work in the extractive industries perpetuates poverty among the poorest and perpetuates pollution.

As a development institution, the World Bank has learned that the extractive industries have a huge impact on the poor. When done right, oil and gas production and mining create a path out of poverty for the poor, not only for people directly employed on the mine but also for local communities who live nearby and for the nation as a whole, by ensuring fair distribution of the wealth (e.g. Ghana, Chile.) But when good natural resource management fails, either because of poor industry performance or because of lack of government capacity or corruption (e.g. Nigeria), the costs can be huge — and the poor bear the costs.

The role of the World Bank Group in the extractive industries (Oil, Gas, and Mining) is to help governments and industry ensure that it is done right, and that the benefits from these industries contribute to the betterment of people's lives, especially the poorest. We do this by:

- Helping governments set in place environmental and social standards and monitoring mechanisms to safeguard the environment and communities. We are doing this in Zambia and Tanzania.
- Helping governments enact fiscal systems and mining codes that ensure a fair sharing of the wealth that flows from mining and from oil and gas development. We are doing this Mali and Madagascar.
- Helping governments implement decentralization policies that ensure the benefits flow back to the people living near the mine or the oil or gas field. We are doing this in Argentina and Bolivia.
- Moving the industry to better practices, by supporting private investors with their investments at the very highest environmental and social standards. We are doing this in Mozambique and in Chad.

For example, in mining the World Bank Group lends three times as much — close to \$500 million per year — to help countries of Central Europe and the Former Soviet Union shut down dirty, dangerous, costly mines, as it does to support responsible companies worldwide with new operations. Mine closure programs in Poland, Ukraine, Russia and Romania are helping close down about 400 mines, retraining and redeploying around 1 million mine workers into new industries, supporting job creation schemes and financing environmental cleanup.

Another example: through our Comprehensive Development Framework and country assistance discussions in poor countries such as Madagascar, Mali and newly democratic Nigeria, we are helping national debate about the benefits and risks of oil and gas production and of mining, and how its benefits should be shared. This provides a

forum at which local NGOs and affected communities can participate in key decisions affecting their future.

Furthermore, every private sector investment we support sets in place the highest standards of environmental management and community development. The World Bank and IFC environmental and social guidelines are recognized as the benchmark in industry, and are increasingly applied even for projects we don't finance. An example of how the investments we support go beyond "business as usual" is the Mozal aluminium smelter in Mozambique, financed by IFC. This project set in place groundbreaking programs for HIV/AIDS prevention in the local community which do more in this area than any African government has been able to do. Another example is World Bank/IFC support for the Chad-Cameroon pipeline, which set in place innovative civil society checks and balances for revenue use in Chad.

Beyond its direct lending, the World Bank Group is working on influencing good practices in the oil and gas and the mining industries, and is supporting the Industry/NGO debate on sustainable practices in mineral resource extraction:

- Through our Business Partners for Development (BPD) program we work with the industry and NGOs on what constitutes best practice in environment and local communities in oil and gas and in mining. We will be reporting back on the findings during 2001.
- We are a major participant in the Mining, Minerals and Sustainable Development (MMSD) Initiative launched by the World Business Council on Sustainable Development (WBCSD), together with individuals from institutions like Red Sky Institute of Technology (a Native American NGO), Plan International Australia, World Resources Institute, Conservation International, European Commission, UNCTAD, etc. We belong to the Assurance Group of this initiative. This initiative provides a forum for discussion of the very important issues relating to mining, the environment and local communities. The World Bank Group is also using this occasion to help sharpen our own strategy in these industries.

MMSD is a very important forum for discussion between industry, the NGOs and the World Bank on mining. We are also planning to organize a similar forum involving all stakeholders (representatives of governments, industry, civil society, financial institutions and the World Bank Group) on oil and gas in the months to come, to help us review our role and sharpen our strategy in this key extractive industry.

In a nutshell: extraction of natural resources will continue for a long time to be an important way for emerging countries to obtain the resources to develop, but it will continue to present big risks for poor countries as well. The World Bank Group will play a role in this business as long as oil, gas and mining remain an important part of development with big impacts on the poor. When developing country governments are able to manage their industries and environments well; when industry players apply adequate social and environmental standards to their projects; and when country risk is not an obstacle that prevents good projects from attracting financing, there will no longer be any role for us in this industry.

Restructuring and Privatization of the Power Sector

We fully concur with and endorse the suggestion that privatization must be carried out in ways that ensure it is done in a participatory way and fosters transparency, good governance, and ownership of reforms. This is the approach we in the World Bank adopt with respect to energy sector reform, and it is not true to state that the World Bank Group has a "One Size Fits All" approach to privatization and competition for power sector reform. All the work the World Bank Group does in the power sector is aimed at getting cheap, clean, reliable energy to the greatest number of people possible, especially the poorest. Privatization is only a tool in this context, not an end to itself, and country circumstances differ so reform programs must be tailored to country specifics.

Concerning your worries that privatization can lead to denying access for the poor to basic energy services, and can also lead to dirty energy development, the World Bank's experience is that the worst access for the poor and the worst environmental damage occurs with badly regulated government owned monopolies. But privatization of itself will not fix these problems if it is not accompanied by unbundling the monopoly, opening up to new investors, and effective regulation by the government of the energy market. In work we carried out earlier this year, which led to the ESMAP/World Bank publication *"Energy Services for the World's Poor"*, we found that the best way to get energy to the poor is to encourage as much investment as possible by as many players as possible, within a regulated market environment that ensures environmental and social performance. As power systems in developing countries move to distributed energy arrangements that target rural populations and the poor, we are seeing innovative community-based schemes emerge, run by local entrepreneurs and cooperatives and often utilizing renewables. (Note in this context that the World Bank Group, together with GEF, is the most important source of financial support for renewables in the developing world.) We also found in our report that corruption in the energy sector is a corrosive force that is very widespread, and the poor suffer the most.

It is suggested that we apply environmental and social assessments to our structural adjustment lending. Currently, environmental and social performance is taken into account as part of the appraisal of the structural adjustment loan, particularly when these operations have the potential of having a big impact on the environment and on communities (e.g. adjustment lending in the FSU). Our current environmental and social guidelines were drawn up for investment projects and it is difficult to apply them to adjustment loans because these loans do not finance anything material like a power station or a transmission line. They finance balance of payments support.

But while we agree with the bulk of your suggestions, we take issue with your examples:

- The energy sector is bleeding Armenia dry. The problem in Armenia power sector reform is capacity to deliver and to improve financial performance for the sector. Approximately half the stock of foreign debt, and most of the non-concessional debt since independence, is energy related. The World Bank's support to the government aims to encourage transparency and ensure adequate performance. We started support to the

electricity sector in Armenia in 1995 with emergency repair and rehabilitation. Our recent strategy has been to help the government insert competent private operators between customers and generators/suppliers. In this regard, the power sector reform process is open to any company that wishes to bid under these terms; for local operators, this would mean joint-venturing with experienced companies, a common procedure in power sector privatization worldwide. We are not talking about selling the family jewels, but about divesting productive assets for cash so that the government does not have to raise taxes to pay for mounting and not very clear liabilities.

- In Andhra Pradesh, the issue is not power sector reform but power sector finances. The State Electricity Board is broke — because of no reform — and needed to increase its tariffs to stop the lights going out. The only sustainable solution is to get the system in order, make the necessary investments and pay off suppliers.
- In Indonesia, the collapse of the Rupiah exacerbated the problem of dollar-linked power purchase agreements. The World Bank Group provided no financial support to these private power projects (although MIGA did provide political risk insurance), and is currently helping the government review its options with respect to the agreements it signed with investors. It is also working with the government on how tariffs can be adjusted in the light of the collapse of the currency.

In summary, the World Bank Group is on the same wavelength with most of what you suggest. However, we would urge that you enter into a closer dialogue with our staff working in the energy sector, to ensure that you have all the information concerning what we are doing in our programs. I have asked the World Bank Group managers working on energy to make themselves available to you to continue this useful discussion.

DRAFT RESPONSE BY IAN/JDW TO NGO PLATFORM FOR PHASING OUT FINANCE FOR OIL, GAS AND MINING PROJECTS.

A large group of NGOs, through a Position Paper from FOE, have called upon the International Financing Institutions (IFIs), including the World Bank Group, to phase out financing for fossil fuel and mining projects. They have also proposed a "different development agenda" focusing particularly on distributed power in rural areas, cutting-edge micro technologies and renewables, and a major effort on reducing energy inefficiencies. In addition, FOE asks for three specific actions by IFIs: a ban on financing exploration in areas of high conservation value; a re-evaluation of all pending proposals impacting areas of high conservation value; and a concrete action plan for phasing out all financing of fossil fuels and minerals exploitation.

This letter is a first reaction to these proposals, which will require a more substantive discussion and detailed follow-up on particular issues.

We in the World Bank Group share the concerns about the negative impacts that mineral abstraction can have and support the need to make the transition to less energy and material intensive economies. At the same time, we believe that the Bank Group's involvement can help to promote this transition and therefore do not accept that the best solution to the problems is for us to give up all involvement in these economically important sectors. In this initial response, we would like to address briefly three issues: our broad approach to working with the extractive industries; the role of renewables and other alternatives to fossil fuels; and our support for high value conservation areas.

World Bank Group approach

The transition to more energy and materials efficient economies will take decades and will require changes in consumption as well as production patterns. As long as demands for mineral products continue to grow, both in developing countries and internationally, there is no doubt that exploitation and development of mineral resources will continue. If the IFIs were to pull out of these sectors, development would certainly continue with private finance. The Bank Group has grappled with the issues of whether and how to be involved in major (often controversial) resource development activities and has typically favored constructive engagement, especially where Bank involvement may help to reduce exploitation of people and the environment. The recent debate over WBG support for the Chad-Cameroon pipeline exemplifies this dilemma. However, the questions are complex, there are no simple answers and we welcome an open dialogue on how to move forward.

In working with the extractive industries, the WBG has a dual approach. On the one hand, IBRD/IDA works with governments to set in place environmental and social standards and monitoring mechanisms to safeguard the environment and communities; to enact fiscal systems and mining codes that ensure a fair sharing of the wealth that flows from mining and from oil and gas development; and to promote decentralization policies

that ensure the benefits flow back to the people living near the operations. The IFC works to move industry to better practices by requiring their private investors to work to high environmental and social standards and by working with industry groups to increase the standards in the industry.

In this context, we believe that the World Bank Group has in place policies and procedures which, when consistently applied, could reduce the adverse impacts of resource developments and also provide more reassurance to those affected. However we acknowledge that the capacity to implement is often limited – an inherent characteristic of many of the countries with whom the Bank works – and therefore the outcomes are often less than fully satisfactory. The area of supporting and building local capacity to implement policies and project agreements is one where we look to the increasing involvement of the NGO community.

We would note here that the WBG is actively working with the other IFIs, including the Export Credit Agencies, to promote the adoption of clear and effective environmental and social policies, consistent with the differing mandates of the IFIs. The WBG is also working with the UNEP Financial Sector initiative to encourage private financial institutions to develop and apply similar policies.

With the objective of working with others to find a consensus on what is acceptable and good practice in mining development, WBG is a participant in the Mining, Minerals and Sustainable Development (MMSD) Initiative. This initiative brings together representatives from the mining industry, NGOs and other interested parties in a forum for discussion of the key issues relating to mining, the environment and local communities. This is an effort to find common ground in a rapidly changing context and to define roles and responsibilities for coming to grips with the complexity.

The WBG sees approaches such as this initiative and the World Commission on Dams as important efforts to construct a new framework for dealing with the new realities of major development projects. We also see them as important mechanisms for a structured exchange of opinions, objectives and priorities and invite interested parties to become involved. At present, it is too early to know whether such attempts can produce broadly accepted, practical guidelines for development in the selected areas but these approaches have to be tried.

Energy and fossil fuels

The Bank's approach to the transition towards non-fossil fuel based energy was outlined in *"Fuel for Thought"*, which presents an environmental strategy for the energy sector. This report identified a number of key policy areas in which to engage clients and stakeholders, many of which are completely consistent with the emphasis of the NGO platform. For example, the strategy noted that the policy agenda for discussion in many countries would include "energy sector reform, efficiency improvements and provision of energy services in rural areas". Specific targets were established which were consistent with the capabilities and objectives of the Bank's clients and, although these have been

criticized as insufficiently ambitious, an interim evaluation of the implementation of the strategy indicates that progress to achieve these is on target.

All the work the World Bank Group does in the power sector is aimed at getting cheap, clean, reliable energy to the greatest number of people possible, especially the poorest. As power systems in developing countries move to distributed energy arrangements that target rural populations and the poor, we are seeing innovative community-based schemes emerge, run by local entrepreneurs and cooperatives and often utilizing renewables. Note in this context that the World Bank Group, together with GEF, is the most important source of financial support for renewables in the developing world.

A full review of the progress of the strategy is planned for next year, which will involve consultation with interested stakeholders and this will provide a good opportunity for a more detailed discussion of the pace of transition and the options available for improving progress.

Protection of areas of high conservation value

In responding to the specific requests relating to high value conservation areas, we agree with the need to protect such areas and in fact the World Bank with GEF are the largest financiers of biodiversity conservation. (Bank/GEF funding has totaled over \$1.5bn over the past decade, in conjunction with about another \$1bn. from co-financiers.) The Bank's approach is to work with client governments and stakeholders to identify key areas for conservation and to highlight possible conflicts with resource exploitation. We aim to strengthen country capacity to manage their valuable resources through the preparation of instruments such as conservation management plans, involving local stakeholders, which spell out desired uses and which identify possible conflicts and trade-offs that have to be assessed. As a result of this process, areas will likely be identified where it is agreed that mineral development should not be allowed. We believe that this is a more effective approach to achieving the common objective of protecting key areas than the ban suggested by FOE but we are ready to discuss this further.

The key to the effectiveness of this (or any similar) approach is the level of local and government commitment and the capacity to implement and enforce the agreements reached. This is one area where the Bank would invite interested NGOs to work more closely with the country partners to deepen the dialogue, identify areas for support and capacity building and to put into place mechanisms for monitoring progress against commitments. It is our belief that such strengthening of capabilities at the local or country level is the most effective way of providing protection for key conservation areas. The recently established Critical Ecosystems Partnership Fund is one mechanism which could help to support such local processes.

With regard to sector development within any country, whether or not an effective conservation plan is in place, the Bank is working to promote upstream Sector Environmental Assessments (SEA) to ensure that proper evaluation is carried out of the best options for economically justified investments in mining, oil or gas, taking into

account the environmental and social constraints and costs. The value of such SEAs is well understood by environmental groups but there are often considerable practical difficulties in implementing them in a timely and comprehensive way. Over the next year, the Bank will be examining the options for increasing the use of SEA by its clients and will invite comment and suggestions.

At the project level, proper application of the Bank's safeguard policies should ensure that all the project impacts, including those on indigenous peoples for example, are properly addressed. For mining or oil and gas development projects a full EA is normally required, at which stage alternatives are considered and public and NGO comment is invited. Where there are proposals under preparation for which better alternatives exist then these should be addressed in the EA process and we are willing to review specific cases which FOE may have identified. As we have noted before, the critical issue is the implementation of the policies but we continue to work to improve this aspect.

Involvement of the NGO community in these different stages of minerals development has been rather ad-hoc. We would like to discuss how the dialogue on mineral development issues at a country level could be strengthened, for selected cases. There may well be difficulties in establishing and carrying through a high level dialogue in a particular country, especially if the government (or parts of it) are not committed but we would be ready to explore possibilities, if this is seen as a possible way to improve the chances of practical implementation of good conservation approaches.

Moving forward

We share the sustainable development objectives of the NGOs who have supported this platform even if we have different views on the means to achieve them. There clearly are a number of areas where there are possibilities for working jointly and we are ready to discuss these further at an appropriate and convenient time.



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FRIENDS OF THE EARTH INTERNATIONAL POSITION PAPER:

PHASING OUT PUBLIC FINANCING FOR FOSSIL FUEL AND MINING PROJECTS

September 2000

I. INTRODUCTION

Friends of the Earth is calling for all International Financial Institutions¹ (IFIs), including all Multilateral Development Banks (MDBs) and Export Credit Agencies (ECAs), to rapidly phase out their financing of destructive fossil fuel and mining projects.² This phase-out should cover all phases of the fossil-fuel cycle: prospecting, exploration, test drilling and exploitation, as well as construction of related infrastructure such as pipelines and roads, except projects to rehabilitate dangerous pipelines or to capture and reduce already existing gas flares.³ Friends of the Earth also urges IFIs to phase out lending for fossil fuel power generation projects except where gas is being used to replace coal.⁴

In the mining sector, the phase-out should include IFI financing for all larger-scale projects undertaken by multinational or large national companies, and all cyanide-based gold mines of any size.⁵ There should be exceptions for mine closures, as well as for small mines that are community-based, provided they do not pose serious threats to the environment or human health, do not involve any forced resettlement, and are managed by and/or benefit the local people.⁶

We also are advocating that all bilateral agencies—typically known as ECAs—that provide loans and guarantees to corporations for such projects similarly phase out lending in these areas. According to the World Resources Institute, from 1994 to 1999 ECAs provided more than \$40 billion in loans and guarantees to upstream oil and gas development, without any basic environmental requirements or attempts to promote sustainable development.⁷

IFI-financed fossil fuel and mining projects mainly enable wealthy multinational corporations to remove resources and profits from poor countries, leaving greater poverty and environmental destruction in their wake. The evidence is equally clear that these projects neither lay a good

foundation for development nor help alleviate poverty. Academic studies have shown that there is little statistical evidence of a positive link between fossil fuel and mining investments and enhanced GDP.

At the same time, oil, mining and gas investments pollute local and regional environments and lead to deforestation of sensitive, biologically rich zones, while often undercutting efforts to protect ecologically important areas. Moreover, *they contribute to global climate change*- creating long-term dependence on fossil fuels and degrading carbon sinks. Finally, the evidence is overwhelming that fossil fuel and mining projects funded by IFIs have too often further entrenched corrupt and dictatorial governments, exacerbating human rights abuses by those governments in the process.

As a first step toward phasing out their support for all fossil fuel and mining projects during the next five years, the IFIs should each establish an immediate ban on any support for fossil fuel and mining prospecting and exploration in intact tropical forests, frontier zones, ecologically sensitive or biologically rich areas, biodiversity hotspots and indigenous peoples' lands that areas of "high conservation value."⁸ Secondly, we call on the IFIs to develop a plan for phasing out financing for these projects over the longer term.

II. OVERVIEW OF IFI LENDING FOR FOSSIL FUEL AND MINING PROJECTS

All of the IFIs devote significant shares of their annual loans, investments and guarantees to fossil fuel and mining projects. For example, IFIs allocated around \$51 billion to projects in these sectors from 1995-1999⁹. It should be noted that public IFIs significantly leverage other sources of capital adding to total project investments. Here are some illustrative figures for this period:

Institution	Estimated Fossil Fuel & Mining Totals
World Bank Group ¹⁰ Total, 1995-1999	\$ 5.95 BILLION
World Bank (IBRD and IDA) ¹¹ , 1995-1999	\$ 3,681,500,000
International Finance Corporation (IFC) ¹² , 1995-1999	\$ 1,458,300,000
Multilateral Investment Guarantee Agency (MIGA) ¹³ , 1995-1999	\$ 807,200,000
European Bank for Reconstruction & Development ¹⁴ , 1995-1999	\$ 946 MILLION ¹⁵
Asian Development Bank ¹⁶ , 1995-1999	\$ 2.025 BILLION
Inter-American Development Bank ¹⁷ , 1995-1999	\$ 1.073 BILLION
Export Credit Agency Financing of Upstream Oil and Gas Development (Not Mining) ¹⁸ 1994-1999 ¹⁹	\$ 40.5 BILLION

III. EXTRACTIVES DO NOT FOSTER SUSTAINABLE DEVELOPMENT OR ALLEVIATE POVERTY

"This is a sick society, and it is sick as a result of an illness called oil. Oil is easy to produce, it can be done by others with imported equipment, and it always sells. As a result, it has asphyxiated the rest of the economy and led the majority of Venezuelans to believe that if they are not rich, it is because someone has stolen what belongs to them." – Simon Bolivar University Political Science Professor Anibal Romero.²⁰

A. Tapping Natural Resources Doesn't Guarantee Sustainable Growth

There is no body of statistical evidence demonstrating that fossil fuel and mining investments substantially enhance GDP for most developing countries, or that these projects deliver measurable

benefits to the poor. This is starkly clear to the many thousands of poor communities around the world who have the misfortune to live next to an oil or gas field or a large mine, but it has not yet penetrated the operative thinking of the MDBs. In fact, MDBs have persisted in lending billions of dollars every year for decades to the fossil fuel and mining industries. At the same time, ECAs are void of an MDB-style poverty alleviation (or even development) mandate, and argue that no investment is unwise so long as it is "credit worthy" and results in increased country exports for industrialized countries.

Developing countries which depend on fossil fuel and mining projects fall low on the United Nations Development Programme (UNDP) Human Development Index (HDI), which incorporates life longevity, knowledge and literacy levels, and a decent standard of living.²¹ These same countries have barely made a dent in their poverty levels and fall low on the Human Poverty Index (HPI-1) on "absolutely poverty."²²

As economists Jeffrey Sachs and Andrew Warner have pointed out, "One of the surprising features of modern economic growth is that economies with abundant natural resources have tended to grow less rapidly than natural-resource-scarce economies."²³

In a paper published for the Harvard University Institute for International Development, Sachs measures countries' natural resources sector focus within the ratio of primary product exports to GDP. The Sachs paper cites statistical evidence that "the world's star performers have been the resource-poor economies of East Asia- Korea, Taiwan, Hong Kong and Singapore, while many resource-rich economies such as oil-rich countries of Mexico, Nigeria and Venezuela have gone bankrupt."²⁴ On average, countries with a high value of natural resource-based exports to GDP tend to have a lower growth rate.²⁵ Finally, the authors agree that a natural resource exploitation focus for economic development "might pose an actual disadvantage," as a country faces lost opportunity costs from failing to build up industries, communities and policies that would foster sustained economic growth.²⁶ Sachs also notes that, using World Bank figures compiled that distributes productive wealth into different categories, economists have found that "a high proportion of (natural) resource wealth is associated with slower economic growth, holding constant other relevant variables."²⁷

Studies show that the kinds of rent-seeking behavior so prevalent in natural resource-rich countries leads almost inevitably to serious inefficiencies, which lowers the overall growth trajectory for the country. Partly this is because of a virtual "feeding frenzy" in which various powerful interests—domestic and international—compete for the rights to exploit the resources, and end up inefficiently and often corruptly developing these sectors. Very often this leads to inequitable development that ignores the local communities and destroys other natural resources, including forests, agricultural land, clean air and clean water.²⁸

B. Negative Community Impacts

Spills, gas flaring and improper disposal of waste all result in toxic releases that are dangerous and even deadly to humans. These toxic wastes poison groundwater, farmland, livestock and marine resources, the very base on which the world depends. Human health is adversely affected in a variety of ways. For example, the incidence of malaria has been shown to increase in mining zones, from mosquitoes breeding in stagnant pools created as a result of surface mining.²⁹

Fossil fuel and mining operations are significant sources of ecological degradation even in wealthier nations with stronger environmental protection mechanisms. In poorer countries with weaker environmental standards, less oversight and virtually non-existent enforcement capacity, the likelihood

of oil spills, toxic emissions, and contamination is greatly increased, while governments and communities are less equipped to limit their damage. When accidents occur, either from mining and drilling or from operations, the impacts on poorer communities and poorer countries are more severe. But perhaps worst of all, the locally affected communities rarely get any of the "modern" benefits, in the form of fuel or electricity.

Nowhere is natural resource degradation and the social inequity of these investments more clear than in the Niger Delta. This region accounts for over 90 percent of Nigeria's oil production of more than two billion barrels per day, but most of the community lacks access to basic services.³⁰ Chevron's huge Escravos terminal, for example, has loaded countless millions of barrels of oil for 30 years, yet the 15,000 people living in the concession right next to it have no running water, no gas, no electricity and no medical services. It is this perverse underdevelopment that too often is associated with fossil fuel exploitation and mining in developing countries. As a result of the pollution and inequities in the region, peoples' movements such as the Movement for the Survival of the Ogoni People (MOSOP) have called for their environment to be restored and for equity when taking resources from their land and communities. In response to the threat of lowered oil production caused by some protests, Human Rights Watch notes that Mobile Police of the Nigerian Government and multinational oil companies such as Chevron have responded with oppressive violence and harassment of local communities.³¹

Pipeline explosions due to unauthorized access are also a frequent occurrence in the Niger Delta. In the past few years, there has been an endless stream of oil pipeline explosions killing at least 2,000 people.³² These explosions underline the truth behind extraction in many countries—that there are real disparities that persist when these resources are tapped.

IV. OTHER PROBLEMS ASSOCIATED WITH FOSSIL FUEL AND MINING PROJECTS

A. Precious Ecosystems and Biodiversity Are Lost

From Siberia's boreal forests to the mangroves of Central America, from the rainforests of the Amazon basin to pristine African forests, and in coastal and oceanic environments everywhere, fossil fuel and mining projects cause irreversible damage to ecosystems. Consequently, priceless biodiversity is being lost. Fossil fuel exploration and mining—along with associated new roads—threatens forests and frontier zones in critical high conservation value areas³³ and "hotspot" regions³⁴ around the world, including the Russian Far East, South America, West and Central Africa, South and Southeast Asia, as well as in various oceanic environments. IFIs are financing much of this exploration.

It is estimated that at least 22 countries have frontier forests threatened by oil and gas exploration, while at least 38 have coral reefs and 46 have mangroves threatened by oil and gas exploration.³⁵ In fact, nearly all of the world's last major frontier forest areas face an immediate to medium-term threat from oil and gas exploration, as each contains regions overlapping in part with petroleum and mineral basins.³⁶

B. The Risk of Climate Change is Increased

Fossil fuel use is the major cause of global climate change, and it is imperative that it must be phased out. This requires removing incentives and various types of subsidies that lead to continued use of fossil fuels, while moving aggressively to support non-fossil fuel alternatives. The effects of climate change already are wreaking havoc on the poorest in developing countries.³⁷

By continuing unabated investment in fossil fuel and mining projects, IFIs are actively undercutting any greenhouse gas emission reductions that may be gained by the Kyoto Protocol, as these investments lock in the fossil fuel and carbon sink destruction development model for years to come.

In June 2000, for example, the World Bank approved a \$200 million loan for the Chad-Cameroon Oil and Pipeline Project. The main corporate beneficiaries of this loan, ExxonMobil and Chevron, have been key players in the effort to discredit the science of global warming and undermine the Kyoto climate treaty. The Chad-Cameroon project alone is estimated to ultimately contribute 446.4 million metric tons of carbon dioxide to the atmosphere. IFIs presently are backing projects that will result in billions of metric tons of greenhouse gas emissions currently unaccounted for by the Kyoto Protocol or any individual country.

In light of climate change, the world can ill afford to tap all of the already-identified fossil fuel reserves. It has been estimated that the amount of fossil fuels in identified reserves, in billions of barrels of oil equivalent, is about 9077. Yet calculations based on the Intergovernmental Panel on Climate Change's³⁸ analysis for the Framework Climate Convention indicate that only around 1939 billion barrels are "safe" to burn (e.g., in order to avoid catastrophic climate change)—or about 21% of existing reserves.³⁹ Since the climate change implications of just using these identified reserves are staggering, Friends of the Earth sees no reason to explore for more fossil fuels, especially with enormous direct and indirect subsidies from IFIs.⁴⁰

C. Indigenous Peoples are Jeopardized

From the Amazon Basin to Asia, indigenous peoples' ways of life are built on age-old traditions and deep ties to and interdependence with the ecosystems where they live. Fossil fuel and mining operations have devastated the homelands of scores of indigenous peoples around the world, resulting in loss of their territories, livelihoods and cultural identities as well as grave reductions in population. Around the world there are numerous major conflicts and hundreds of smaller ones that remain unresolved regarding exploration for and/or exploitation of fossil fuels and hard minerals on indigenous lands.

Fossil fuel and mining exploitation taking place in Latin America underscores the severity of these confrontations. In Colombia, the indigenous U'WA people have threatened mass suicide due to uninvited oil exploitation by Occidental Petroleum on their sacred lands.⁴¹ In the Amazon region of Peru, one of the most pristine and biodiversity rich places on earth, ExxonMobil is seeking to explore for oil and gas in over 350,000 acres of rainforest where the Yora, Amahuaca and Mashco-Piro indigenous peoples reside (the last nomadic villages of the Peruvian Amazon whose survival depends on them obtaining their full legal territorial rights). These indigenous groups oppose exploration on their lands.⁴²

D. Human Rights are Adversely Impacted

From forced relocation to the brutal and sometimes deadly suppression of those who demand fair compensation and pollution clean-ups, exploitation of fossil fuels and minerals has all too often led to human rights violations by governments and corporations. Current examples include the struggle in Nigeria by the Ogoni people to achieve a clean-up of the pollution on their land by the oil industry and a fair share in the profits for regional development,⁴³ and the demand of the Amungme in Irian Jaya, Indonesia, calling for fair treatment and compensation from the largest gold and copper mine in the world, but there are hundreds more such cases around the world.⁴⁴ MIGA supported Indonesia's Freeport McMoRan mine for years, and when the U.S. Overseas Private Investment Corporation terminated its political risk insurance contract with Freeport in 1995 due to environmental and social contract violations, MIGA undercut this decision by continuing its support of this problematic company.⁴⁵

Many of the countries with fossil fuel and mining projects financed by MDBs and ECAs suffer from massive corruption and authoritarian regimes. Repressive countries often form alliances with

multinational corporations involved in extractive industries, which leads to terrible human rights and environmental abuses. For example, Transparency International, a non-profit corruption watchdog, has identified Cameroon as the most corrupt nation in the world, with Chad not far behind. In spite of this, the World Bank still moved ahead with the multi-million dollar oil development and pipeline project in these two countries.

E. Mining Inefficiencies Not Sustainable

Large-scale mining supported by IFIs is inherently inefficient and an unsustainable model for societies in the 21st century.⁴⁶ Of all the earth disturbed for metals extraction, only a minuscule amount is actually ore. For example, the 7,235 tons of gold ore mined in 1995 account for only 0.01% of the 72.5 million tons of materials moved and processed to extract that ore. The rest, 99.99% is waste. Similarly, with copper the 11,026 tons of copper mined account for only 1% of the 1 million tons of materials moved. The rest, 99%, was waste.⁴⁷

The case history of wasteful, large-scale mining operations is poor. For example, the MIGA-backed Lihir open pit gold mine in Papua New Guinea is one of the world's largest new mining ventures based on its annual production figures. The first phase of operations will last an expected 15 years and will dump nearly 400 million tons of waste rock and toxic tailings directly into the ocean, a practice that is generally banned around the world. The processing of 104 million tons of proved and probable ore reserves from the Lihir mine will create 341 million tons of waste rock. Most of this material will be disposed of in the ocean about 1.5 kilometers from the shoreline. Up to four barges will continually dump up to 4,600 tons of rock per hour.

The Lihir mine will also produce at least 89 million tons of cyanide-laced tailings during its lifetime all to be channeled by pipeline directly into the sea thereby irreversibly impacting some of the most sensitive coral reefs and related species in the world. The U.S. Overseas Private Investment Corporation refused to finance the mine because this offshore disposal method violates international agreements such as the London Dumping Convention and the South Pacific Convention.⁴⁸

V. THE PHASE OUT: HOW IT COULD WORK

In order to start phasing out fossil fuel and mining projects, it is necessary to have a set of priorities. In reviewing the present status of disputes worldwide between civil society and companies promoting these types of projects, it is immediately obvious that most involve areas of "high conservation value"-intact tropical and boreal forests, frontier zones, pristine areas, ecologically sensitive or biologically rich zones, biodiversity hotspots, and the homelands of indigenous peoples.

These types of areas are defined globally in a wide variety of ways. At the official level there are numerous treaties and legislation (national, regional and local). Within civil society there are a number of initiatives underway to precisely identify certain types of areas, and to raise funds as well as the necessary public awareness to protect them. Both the official treaties and legislation and the initiatives of civil society involve the drawing of maps that designate or indicate the area to be "protected" due to their high conservation importance. These maps have not yet been integrated into one "tool" but when aggregated, they form a set of tools that can be used by any IFI to determine where it will not lend for identified oil, mining and gas operations.

There are a number of NGOs engaged in mapping exercises that establish areas of high conservation value. IFIs should work with civil society to integrate such efforts and establish zones off-limits to fossil fuel and mining projects. For example:

A. Biodiversity Hotspots

Biodiversity is not evenly distributed on the planet. Some areas harbor far greater concentrations of living creatures than others do. Conservation International (CI) has identified those biologically rich areas under the greatest threat of destruction as "biodiversity hotspots".⁴⁹ It concentrates on these areas in order to have the most impact. To date, CI has identified 25 priority hotspots based on three criteria: the number of species present, the number of those species found exclusively in an ecosystem, and the degree of threat they face.

CI's overall conservation strategy is based on the hotspots as well as on protecting tropical wilderness areas and key marine ecosystems. CI's hotspots analysis is a powerful tool. If a major portion of the world's plant and animal species are found in approximately 2 percent of the planet's land surface, then a strong focus on targeted regions will help maximize results, including through positive investments and donations by the private sector, international aid agencies and IFIs.⁵⁰ The maps of these hotspots provide one concrete tool for evaluating a proposed IFI investment.⁵¹

B. Frontier Zones and Wilderness Areas

Besides CI, many international NGOs—as well as literally thousands of national, regional and local NGOs and people's organizations—recognize the importance of protecting major wilderness areas and have campaigns oriented toward achieving that goal.⁵² The primary difference between hotspots and many so-called "wilderness" areas is the degree of threat they face. Whereas less than 25% of natural vegetation remains in the hotspots (some have less than 10% of their original habitat), wilderness areas generally are claimed to have at least 75% undisturbed natural vegetation, with a human population density usually of no more than five persons per square kilometer. WWF scientists have identified more than 200 outstanding terrestrial, freshwater, and marine habitat areas that must be protected if we are to preserve the web of life for future generations.⁵³ Similarly, Birdlife International is establishing a map of important ecosystems that must not be altered for the survival of rare species.

These wilderness areas are great storehouses of biodiversity, as well as being major watershed areas and often the last places where indigenous people have any hope of maintaining traditional lifestyles. Wilderness areas are the targets of large timber companies aiming to exploit the last remaining large blocks of "primary" forest, multinational oil and gas companies, and mining companies searching for many different hard minerals.

C. Pristine Marine Areas

Although several environmental organizations have focused attention on protection of various types of marine areas, they have typically concentrated their efforts on near-shore environments, except for areas designed to protect species' habitats, such as the Southern Ocean Whale Sanctuary and various coral reef parks.

Greenpeace International has been campaigning to block oil and gas exploration and leasing in the Atlantic Frontier, an area to the West of the Shetlands and out to the Rockall Trough and Plateau, which is a large stretch of very deep, as yet largely pristine ocean.⁵⁴ This is another example of the types of areas that Friends of the Earth urges be put off limits to exploration, with a ban on any financing from IFIs and ECAs.

D. Intact Forests and Indigenous Peoples' Lands

Large blocks of ecologically-intact natural forest, or "frontier forest," are valuable because they house indigenous cultures, shelter global biodiversity, provide ecosystem services, store carbon, contribute to local and national economic growth, and provide resources to address

recreation, ecotourism, spiritual and aesthetic needs. The World Resources Institute estimates that about 39% of the remaining frontier forest is threatened by logging, mining, and other large-scale development projects.⁵⁵

Last year Rainforest Action Network (RAN) and Project Underground released a report entitled *Drilling to the Ends of the Earth: The Ecological, Social, and Climate Imperative for Ending New Petroleum Exploration*. The report assesses the threats of new petroleum exploration to the climate, fragile ecosystems and indigenous peoples. The Report shows that ongoing exploration threatens old growth frontier forests in 22 countries, coral reefs in 38 countries, and mangroves in 46 countries. In addition, indigenous peoples on every inhabitable continent, and at least eight isolated groups, face an immediate or near-term threat from oil and gas exploration. It includes six maps that for the first time overlay priority exploration areas with old growth forests, mangroves, coral reefs and indigenous populations -- showing in almost every case that these exploration sites endanger natural areas and threaten indigenous people.⁵⁶

Friends of the Earth endorses these maps as a tool for IFIs to use in effectuating the ban we are urging be adopted.⁵⁷

VI. A DIFFERENT DEVELOPMENT AGENDA

There is a huge development agenda the IFIs have yet to tackle effectively. Friends of the Earth urges the MDBs to honor their development and poverty alleviation mandates by turning away from fossil fuel and mining development, and their resources to support environmentally sustainable development. ECAs must acknowledge sustainable development as part of their mission, by taking on this agenda as well.

What would a sustainable lending portfolio that will help the world's poor escape poverty while also helping to alleviate the threat of climate change look like? Friends of the Earth argues that it would require IFIs to invest in non-fossil fuel energy supply and use that will directly benefit the estimated 2 billion people who presently lack modern energy services. Those investments should feature distributed power in rural areas, cutting-edge micro technologies and renewables. These are the areas that IFIs should be focusing on in the early years of the 21st century. There is no shortage of good alternatives to existing fossil fuel and mining projects.⁵⁸ IFIs should limit their support to those projects and policy-based loans in the energy sector that directly alleviate poverty and affirmatively promote environmentally and socially sustainable development.⁵⁹ By strategically utilizing advances in renewable energy, micro-energy and distributed power, the IFIs could bring energy to hundreds of millions of people in rural areas by the year 2020—if they reorganized effectively to do so.⁶⁰

Additionally, IFIs should be concentrating on helping developing countries to capture the hundreds of millions of dollars that are lost each year through energy inefficiency and energy losses. Investments in preventing heat loss and in co-generation processes, which simultaneously produce both hot water and electricity, could save developing countries billions of dollars in the coming decades.⁶¹ Combined with energy efficient lighting and building techniques, this would reduce energy imports and thereby save in hard currency debt repayment needs.⁶²

VII. CONCLUSION

For the reasons set out above, Friends of the Earth urges that the IFIs agree on the following steps to be taken as a matter of priority:

- An immediate ban on financing by any IFI (MDBs and ECAs) for any new fossil fuel and minerals exploration in areas of high conservation value. IFIs should immediately consult and work openly with NGOs in establishing a clear list of areas of high conservation value that are off limits to fossil fuel and mining projects.
- A detailed re-evaluation of all pending proposals for financing of exploitation impacting areas of high conservation value, to find better alternatives.
- Development of a concrete action plan during the next year that supports a complete phase-out of financing for these types of projects within five years, and that systematically identifies policies and projects to phase in lending that directly alleviates poverty through providing environmentally and socially sustainable energy services.

Accomplishing these changes will require leadership by the Management and action by the Board of Directors of each MDB, and by the controlling government institution for each ECA, often with the support of the respective legislative branch of government. It would also be useful for the IFIs to make use of existing cooperative mechanisms among themselves to generate harmonized approaches.⁶³ For instance, current negotiations on environmental guidelines within the OECD Export Credit Working Party must be refocused to include these goals and the missions and goals of ECAs must be altered at the national level.

¹ For the purposes of this paper, IFIs are broken into two groups: 1) Multilateral Development Banks- This includes the World Bank Group (IBRD, IFC, IDA, MIGA), Inter-American Development Bank, Asian Development Bank, African Development Bank, and the European Bank for Reconstruction and Development. 2) Export Credit Agencies.

² This position paper follows the release in April 2000 of an "NGO Platform" calling on the World Bank group to phase out financing oil, gas and mining projects, which was circulated by Friends of the Earth and endorsed by hundreds of NGOs around the world. A copy of the Platform is on the web at www.foe.org.

³ The pipeline upgrade should be mainly for health and safety reasons, not as an inducement for further exploration.

⁴ Only if the gas is from an existing source, and using a "baselining" approach that proves the GHG emissions efficiency of the plant is demonstrably better than the average of grid connected plants in the region or highest of any plant connected. Also, the EIA must identify why this was chosen over renewables and/or increased efficiency.

⁵ This includes all mines involving extraction with major surface or sub-surface ecosystem disruption; mining that involves submarine (riverine or ocean) tailings disposal; any mining where the nature of the ore-body is high in mercury, copper, arsenic or other toxic materials.

⁶ For example, this would allow small-scale, open-cut or underground handicraft mining for precious stones over a small area where the impact is site-specific.

⁷ Crescencia Maurer with Ruchi Bhandari, "The Climate of Export Credit Agencies," World Resources Institute Climate Notes, May 2000.

⁸ More than 200 environmental, human rights and indigenous peoples' organizations from 52 countries called for this ban at the Kyoto climate change meeting in 1997, in the Oilwatch Declaration. These types of areas have been identified and defined by a wide range of environmental, scientific and indigenous peoples' organizations, including International Union for Conservation of Nature and Natural Resources (IUCN), Conservation International (CI), World Wildlife Fund International (WWFI), Rainforest Action Network (RAN), Oilwatch International, Project Underground, World Rainforest Movement, Nature Conservancy, and various national or regionally focused indigenous peoples organizations.

⁹ This figure does not include fossil fuel thermal generating plants

¹⁰ It is estimated that every 1 dollar of WB financing leverages 5 dollars of other capital.

¹¹ See World Bank Annual Reports 1995-1999

¹² See "Lending By Sector FY 95- FY99," 1999 IFC Annual Report Annex

¹³ Based on year of the commitment by IFC. Loans and Equity only not the total commitment. If commitments were made in multiple years including years prior to 95, so long as a FY95 - FY99 commitment is made, the entire loan or equity issued to date is included. This includes projects involving oil refineries.

¹⁴ See "Guarantees By Sector FY 95- FY99", MIGA Annual Reports 1995-1999

¹⁵ Includes loans to OMG and on-lending activities to banks where the annual report description notes that money from the loan is expected to go towards OMG projects in that particular country (of course it could be less than the total amount of the onlend guarantee that goes to OMG, but there is no transparency so the burden should be on MIGA to prove otherwise), and privatization of omg services.

¹⁶ The US dollar to Eurodollar ratio has fluctuated from 1995-1999. Therefore this report assumes a roughly 1:1 ratio.

According to FXConverter, as of September 11, 2000, \$1 US-\$1.1539 EURO

¹⁷ This figure includes gas distribution and power market assistance projects.

¹⁸ See ADB Annual Reports 1995-1999. This includes loans and technical grant assistance. Power distribution and transmission is included in countries that rely heavily on fossil fuels but not in countries that have a hydropower focus. In many cases, the ADB does not distinguish whether these services are provided for various fuel sources, therefore FoE took a rather conservative approach in this respect.

¹⁹ See IADB Annual Reports, 1995-1999 Includes electricity sector "reform" programs.

²⁰ Due to the lack of transparency of Export Credit Agencies, the authors do not have complete ECA mining figures at this time.

²¹ Crescencia Maurer with Ruchi Bhandari, "The Climate of Export Credit Agencies," World Resources Institute Climate Notes, May 2000 at page 4. According to WRI, every dollar of ECA financing leverages and draws in more than 2 dollars of private capital. Id.

²² "Venezuela Finds Source of Wealth Is Also A Curse," New York Times, Section 1 Page 3, August 2000.

²³ UNDP, Human Development Report 2000. Pages 170-171. See for example Chad ranking 161, Nigeria ranking 151, Ivory Coast 154, Indonesia ranking 109 and Bolivia ranking 119.

²⁴ Id. HPI-1 looks at the percentage of children under 5 who are underweight, probability at birth of not surviving to 40, adult illiteracy rate and access to safe water and health services. For example, in oil rich Nigeria 37.65 of the population lives in absolute poverty and 27.7% faces these conditions in Indonesia.

²⁵ Harvard Institute for International Development, Harvard University, "Natural Resource Abundance and Economic Growth," by Jeffrey D. Sachs and Andrew M. Warner, Abstract, October 1995. The authors note that the findings are highly suggestive and that other policy changes could play a large role in economic growth as well.

²⁶ Id. at Page 2

²⁷ Id.

²⁸ Id. at Page 3.

²⁹ Id. at Page 13. The paper goes on to prove that "this basic negative relationship is present after controlling for other relevant characteristics of the economies, such as initial income levels and trade policies."

³⁰ Id. at Page 4, citing the work of economists Lane and Tornell (1995) and the related case studies of Gelb (1988) and Auty (1990).

- ²⁹ See the recent report by Thomas Akabzaa, a lecturer at the Department of Geology of the University of Ghana, for Third World Networks, a non-profit organization whose Africa region's headquarters is in Accra. The study also found elevated levels of many other diseases associated with mining in the Tarkwa-Prestea-Bogoso and Nsuta areas of the Western region of Ghana, where about 70% of the area is given to mining concessions.
- ³⁰ "New Oil Pipeline Explosion Kills At Least 40 In Nigeria," Agence France Press, July 25, 2000.
- ³¹ Human Rights Watch, "The Price of Oil: Corporate Responsibility and Human Rights Violations In Nigeria's Oil Producing Communities," January 1999.
- ³² "In The Oil-Rich Niger Delta, Deep Poverty and Grim Fires," New York Times, Section A, Page 1, August 11, 2000.
- ³³ There are a variety of criteria that one can use to establish what HCV means, including areas of high richness, high endemism [note that high richness & endemism = outstanding biodiversity], rare or highly threatened habitats or species areas, large intact blocks of habitat that preserve natural ecological processes and phenomena, or any representative example of habitats (whether intact or degraded if that's all that's left - but in the degraded case, anything that's restorable). The Forest Stewardship Council has convened a slow-moving committee to define what HCV are, but they have not come up with anything yet. Examples of areas that can be delineated at global scales include: (1) for representation of globally rare habitats - Mediterranean, tropical dry and temperate rain forests; (2) for outstanding biodiversity value - entire ecoregions such as in Madagascar, Philippines and Indonesia; (3) for intactness - 'frontier forests' in the Amazon, Congo Basin, New Guinea, and boreal forests generally.
- ³⁴ British ecologist Norman Myers created the biodiversity hotspots concept in two scientific papers published in 1988 and 1990. Myers recognized that a modest number of hotspot ecosystems covering a small total land area, most often in tropical forest areas, accounted for a high percentage of global biodiversity. Conservation International has worked with Myers and other scientists around the world to refine the concept.
- ³⁵ See Rainforest Action Network and Project Underground, *Drilling to the Ends of the Earth*, 1999.
- ³⁶ Id.
- ³⁷ See Friends of the Earth International, "Gathering Storm: The Human Cost of Climate Change," September 2000.
- ³⁸ Recognizing the problem of potential global climate change the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP) established the Intergovernmental Panel on Climate Change (IPCC) in 1988. The role of the IPCC is to assess the scientific, technical and socio-economic information relevant for the understanding of the risk of human-induced climate change.
- ³⁹ See Rainforest Action Network and Project Underground, *Drilling to the Ends of the Earth*, 1999. See also Greenpeace International, *Carbon Logic*, 1999.
- ⁴⁰ In any event, the private sector is fully able to take care of itself in both the fossil fuels and mining sectors, and should bear the full risks of their investment choices, without the benefit of hidden subsidies from IFIs and Bilateral agencies.
- ⁴¹ See www.amazonwatch.org or www.ran.org for more information.
- ⁴² See Drillbits & Tailings, "Indigenous Peruvians Mobilize While Exxon/Mobil Further Explores the Rainforest," Volume 5, Number 12, July 20, 2000.
- ⁴³ For example, see THE PRICE OF OIL: Corporate Responsibility and Human Rights Violations in Nigeria's Oil Producing Communities, Human Rights Watch (New York · Washington · London · Brussels), 1999 [Available at www.hrw.org/hrw/reports/1999/nigeria/Nigew991-05.htm]
- ⁴⁴ See George Akpan, *Environmental and Human Rights problems in Natural Resources Development - Implications for Investment in Petroleum and Mineral Resources Sectors* (1998).
- ⁴⁵ MIGA also now supports the Svetagorsk pulp and paper mill although the project failed to meet OPIC standards, thereby exacerbating the "Race to the Bottom" whereby political risk insurers undercut one another by enticing clients with low environmental standards.
- ⁴⁶ Sustainability in this sense can be who has access to resources due to social inequality and/or how much resource use makes up the environmental space necessary to for future generations not to be negatively affected. See www.foei.org.
- ⁴⁷ See Mineral Policy Center report, "14 Steps to Sustainability" which is based on the sorry record of mining around the world in harming the environment and failing to help people directly affected by mines. This report is available online at www.mineralpolicy.org/publications.
- ⁴⁸ See www.ems.org. See also, "Tainted Gold From the Pacific" February 1996, by Peter Bosshard, Berne Declaration, www.evb.ch.
- ⁴⁹ See www.conservation.org for more information.
- ⁵⁰ The WB has just agreed to a \$150 million program to help CI fund its hotspots protection efforts. They shouldn't be using other money to undermine this protection by financing fossil fuel and mining projects in those areas.
- ⁵¹ The maps can be viewed at www.conservation.org/Hotspots/where.htm - the CI website.
- ⁵² At the international level this group includes International Union for Conservation of Nature and Natural Resources, Conservation International, World Wildlife Fund International, Rainforest Action Network, World Rainforest Movement and the Nature Conservancy. Many individual member groups of these and other NGOs likewise share the vision of protecting pristine wilderness areas from fossil fuel and mining activities.
- ⁵³ The WWF Global 200 Report can be viewed at www.worldwildlife.org/global200/
- ⁵⁴ Currently, exploration drilling platforms are operative in the four fields so far discovered (Foinaven, Schiehallion, Clair, and Sultven). Over a wider area extensive seismic testing is being carried out, despite the Atlantic Frontier being the home of whales -- including the very rare blue whale, dolphins, and that it is an intricate, little known marine ecosystem which is virtually untouched by pollution so far - a marine wilderness area.
- ⁵⁵ These regional maps can be viewed at www.wri.org/ffi/frontier/
- ⁵⁶ The maps can be viewed on the web at: www.moles.org/ProjectUnderground/motherlode/drilling/map.html -- This is a very functional site that shows things at the macro-level but then allows the user to click different areas for a closer focus, showing where there will be

THE WORLD BANK GROUP
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Title: Telephone:
Dept/Div: Dept./Div. No.:

SUBJECT: NGO PLATFORM CALLING ON BANK GROUP TO PHASE OUT FINANCING OIL, GAS
AND MINING PROJECTS

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NGO PLATFORM CALLING ON THE WORLD BANK GROUP TO PHASE OUT FINANCING OIL, GAS AND MINING PROJECTS

APRIL 2000

In this era of globalization, there is a growing awareness that environmental protection and economic development must go hand in hand. Nowhere is the incompatibility of environmental destruction and poverty alleviation more evident than in the World Bank Group's investments in the extractive industries: oil, gas and mining. As the world's largest development institution, and one of the major vehicles for economic globalization, the World Bank now stands at a crossroads: perpetuate poverty among the poorest and pollution through extractive industries, or alleviate poverty through environmentally and socially sustainable development.

The undersigned organizations and individuals call on the publicly financed World Bank Group to phase out of financing destructive oil, gas and mining projects. The Bank's support for these extractive industries underscores its record of environmental and social destruction. Oil, gas and mining projects enable wealthy multinational corporations to extract resources and profits from poor countries, leaving poverty in their wake. They fuel global climate change, pollute the environment and lead to deforestation. Even worse, extractive industries have further entrenched corrupt and dictatorial governments, and exacerbated human rights abuses.

Oil, gas, and mining embody an unsustainable model of economic development that has failed the world's poor in the 20th century. There is no reason for the World Bank Group to finance these sectors in the 21st. The World Bank Group devotes a large share of its portfolio to extractive sectors (in 1999, IFC and MIGA lent 16% and the World Bank lent 3.8% of its portfolio for oil, gas and mining projects). An environmentally and socially sustainable approach would include investing in new industries, clean technologies, environmental protection, job creation and education. The World Bank Group should establish an immediate ban on new exploration in pristine, frontier ecosystems (a ban more than 200 organizations from 52 countries called for at the Kyoto climate change meeting). Finally, we call on the World Bank Group to develop a plan for a complete phase out of financing oil, gas and mining projects. The transition away from these sectors should be developed in a participatory manner, be based on renewable energy-based systems and ensure the livelihoods of local communities.

Ten Reasons the World Bank Group Should Stop Financing Oil, Gas, and Mining Projects in Poor Nations

1. The Poor Often Pay the Highest Price

The environmental destruction and social upheaval that accompany oil, gas, and mining projects often harm the poor the most. The poor are the most likely to be forced off of their land and made homeless by these projects. They are the most likely to live in polluted surroundings and the least empowered to demand fair compensation or a share in the revenue from oil, gas and mining development. The poor are the most dependent upon local natural resources for their food and livelihoods, and the most likely to suffer when aid is diverted from social sectors to finance extractive industries.

2. Indigenous Communities are Jeopardized

Oil, gas and mining operations have devastated dozens of indigenous groups around the world, resulting in loss of their numbers, territory, livelihoods and cultural identity. From the Amazon Basin to Asia, these indigenous peoples' ways of life are built on age-old traditions and deep ties to and interdependence with the ecosystems where they live. As a result of these extractive industries, indigenous communities often lose their right to self-determination, their right to their land and livelihood.

3. Leads to Forest Destruction and Biodiversity Loss

From Siberia's boreal forests, to the mangroves of Central Africa, to the rainforests of the Amazon basin, oil, gas and mining projects threaten precious forests and cause irreversible damage to ecosystems and biodiversity loss. Oil and gas exploration, mining and new roads (which are often an indirect result of oil, gas and mining exploration) currently threaten frontier forests in critical hotspot countries around the world, including the Russian Far East, South America and West Africa. Coal mining in eastern India threatens to destroy the last remaining habitat for the endangered tiger.

4. Toxic Contamination of Communities

Oil, gas, and mining operations are significant sources of ecological degradation even in wealthier nations with stronger environmental protections. In poorer countries with weaker environmental standards and less oversight capacity, the likelihood of oil spills, toxic emissions, and contamination is greatly increased, and governments and communities are less equipped to limit the damage. Between 1982 and 1992 Shell's subsidiary in Nigeria spilled about 1.6 million gallons of oil in the Niger Delta, most from leaking pipelines. Spills, gas flaring, improper disposal of waste, and mining accidents result in toxic releases that can be dangerous and even deadly to humans, and can poison groundwater, farmland, livestock and marine resources, the very resources on which the poor depend.

5. Negatively Impacts Women

Women often bear a disproportionate amount of the costs of extractive projects in their communities. Women are often not included in consultation processes, even though they are responsible for the welfare of their family. Their customary responsibilities are made even more difficult as the natural resources upon which they and their families depend, including clean drinking water and fuelwood for cooking, are polluted or degraded by these extractive industries.

6. Extractive Industries Often Tied to Human Rights Abuses

From forced relocation, to the brutal, and sometimes deadly, suppression of those who dare to demand fair compensation or clean-up, the drive for profit from fossil fuels and minerals has all too often led to human rights violations by governments and corporations. Witness the struggle in Nigeria by the Ogoni people to demand the clean-up of the pollution on their land by the oil industry, or the demand of the

Amungme in Irian Jaya, Indonesia, calling for fair treatment and compensation from the largest gold and copper mine in the world. The rights of individuals and communities are often sacrificed in the search for profit by these industries.

7. Ties with dictators and corrupt governments

Many of the countries with oil, gas and mining projects suffer from corruption and authoritarian regimes. Whether it is Russia, Colombia, Indonesia or Nigeria, repressive countries often form alliances with multinational corporations involved in extractive industries. For the last two years, Transparency International, a non-profit corruption watchdog, has identified Cameroon as the most corrupt nation in the world. In spite of this situation, the World Bank still claims oil development will benefit the poor in these countries, and is ready to finance a multi-million dollar oil development scheme.

8. Supports Corporate Welfare

The multinational corporations involved in extractive industries often have profits that dwarf the size of many of the Bank's borrowing countries. In the Chad-Cameroon Pipeline Project, which the Bank is poised to finance, the lead company – Exxon – has annual profits that are four times the budget of Cameroon and 40 times the budget of Chad. Although earmarked for sustainable development and poverty relief, nine out of ten World Bank fossil fuel projects first and foremost benefit transnational corporations based in wealthy countries. These multinationals are wealthy and do not need to tap into preciously limited foreign aid. Furthermore, when the Bank subsidizes these corporate giants in the name of helping the poor, in reality it diverts much needed aid from programs that truly benefit the poor.

9. Extractive Industries Fuel Global Climate Change

Fossil fuels are the major cause of global climate change and must be phased out. Climate change is already wreaking havoc on the poorest in developing countries, and threatens to only worsen their situation. The World Bank Group should be leading the way to assist countries in a transition towards a more renewable energy economy and maximizing energy efficiencies, not tapping into the last remaining resources for the dirtiest, most climate-destabilizing fuels. Today the World Bank lends 25 times more on fossil fuel projects than on renewables. Rather than taking substantive action on climate change, and drastically reducing their fossil fuel lending, the World Bank is now launching a carbon trading scheme, which threatens to provide even more subsidies to the already heavily subsidized fossil fuel industry.

10 Increases Debt and Dependency of Poor Countries

Oil, gas and mining development commit countries to a path of indebtedness and dependency on external aid. Desperate for hard currency to service debts, poor countries exploit their natural resources at unsustainable rates, such as petroleum reserves or minerals, to export for foreign exchange. This costly development path fuels growing indebtedness, and the World Bank's policy-based lending encourages an unsustainable export-led growth strategy.

Ten Better Examples of Good Development

There is no shortage of alternatives to oil, gas and mining. Opportunities will vary between countries, but this is not an obstacle ensuring that foreign assistance directly responds to the needs of the poor and offer sustainable solutions to pressing environmental problems. The starting point is for the World Bank Group to work with governments to establish a participatory process and consult with citizens and stakeholders in the borrowing countries to identify national development priorities for investment and financial support. It may not be appropriate for the World Bank Group to invest in each of these areas. But the bottom line is that where the World Bank Group is providing financial assistance to developing countries, it must limit its support to those projects and policy lending which directly alleviate poverty and promotes environmentally and socially sustainable development. Some better development examples than what the World Bank is currently doing with the majority of its lending, include:

1. Deliver energy to the rural poor.

Roughly two billion people in rural areas lack access to electricity and other forms of energy. While the World Bank has a strategy to address these needs, it has never properly implemented it. Instead, financing is oriented toward industrial development and urban areas, thereby further impoverishing the rural poor. Drawing on advances in renewable energy, and existing production, the Bank Group could bring energy to millions of people in rural areas. In most cases, cost-benefit analysis shows that renewable forms of energy are the most viable way to reach remote, rural areas.

2. Promote energy efficiency and renewable energy development.

Rather than promoting the exploration and production of fossil fuels, the World Bank Group should be concentrating its energy on capturing the hundreds of millions of dollars in revenues that are annually lost through energy inefficiency. Investments in preventing heat loss and in co-generation processes that simultaneously produce both hot water and electricity, could save World Bank Group clients billions of dollars in the coming decades. Combined with energy efficient lighting and building techniques, this would reduce energy imports and possibly free up energy for export. Similarly, by supporting emerging markets in solar, wind and fuel cell technology, the Bank will be promoting energy that will not exacerbate pollution problems or global climate change.

3. Support education and technical training.

Investing in human capital is the most important investment of all. A quality education empowers a person to defend their rights and to creatively employ their own resources. Basic education is a fundamental right and the foundation upon which an informed and dynamic citizenry is based, yet it is denied to hundreds of millions of children around the world. Primary education is key, especially for girls.

4. Promote healthy societies.

Easily preventable diseases continue to kill millions of people each year. In many countries of Sub-Saharan Africa, roughly one in four children will die before the age of five and diarrhea is a leading cause of death among toddlers. Responding to this scandal and waste of human and economic potential is a moral imperative that the world must face.

5. Support micro and small enterprise.

Supporting small and medium enterprises, as well as micro-enterprise initiatives, has obvious social advantages over the mega-projects that characterize World Bank Group lending. Smaller enterprises result in more employment per dollar invested, are more likely to reinvest earnings in the local economy and can be more easily targeted to benefit women and marginalized communities. From producing carbon

filters out of coconut husks, to exporting organic foods to other markets, opportunities for promoting small and medium sized initiatives are endless.

6. Build strong agricultural sectors that respond to peoples' needs.

Agriculture is the lifeblood of many of the world's poorest countries. World Bank projects and policy lending have often been associated with accumulation of land in the hands of the few and the promotion of export driven agriculture that can ultimately undermine food security. What is needed is a more positive role in development in the agriculture sector that deals with land redistribution and land rights, sustainable agricultural practices and more appropriate technology development.

7. Improve the quality of life in urban areas.

Gridlock, pollution, crime and a declining quality of life are the products of overcrowded cities flourishing in the developing world. The World Bank Group could help counter-act this trend by directing more of its resources towards land-use planning, improved efficiency in building practices and pollution control. Better-organized transit corridors, especially public transit such as low cost ultralight rail vehicles, would reduce pollution-related illnesses. The World Bank Group could work to support innovative building practices and work with city planners to improve the design of urban areas. The Bank could also invest in more urban area pollution programs, the cause of so many health related problems.

8. Develop productive alternatives to deforestation.

Even by its own analysis, World Bank Group projects are often associated with accelerating rates of deforestation. More emphasis should be placed on developing alternatives to deforestation and promoting the sustainable use of certain forest resources. Innovative alternatives exist, such as emerging substitutes for wood products and non-wood paper production, or supporting eco-tourism and the sustainable harvesting of forest products such as rubber. Governments should be enabled to expand protected areas for conservation and sustainable use because forests are critical for the global environment and for generations to come.

9. Encourage the efficient use of water.

Water scarcity is a growing global concern, as well as an increasingly obvious potential source of conflict. Despite the shortages and its fundamental importance to life on earth, huge volumes of water are unnecessarily wasted each day. Bombay loses up to one-third of its water, and losses are as high as 50 percent in Manila. Similarly, irrigation systems that account for more than half of the water drawn for human use, can also be sources of great waste. The World Bank Group could improve quality of life by directing more of its resources to reducing leakage, improving water conservation and developing mechanisms to more efficiently employ existing irrigation systems.

10. Immediate Debt Cancellation and Recognition of Ecological Debt.

The dire problem of debt must be addressed. The World Bank Group should move forward this year on granting immediate debt cancellation to the highly indebted poor countries and develop a program for debt relief for middle income countries. These programs should include innovative approaches to protect and conserve more pristine, frontier ecosystems around the world. It should also be recognized that there is an ecological debt that must be reckoned with since Northern consumers have benefited from cheap natural resources, including oil, gas and minerals, from the South. These resources have been extracted at a high cost to the environment and communities.

Endorsed By

Africa Faith and Justice Network
United States

African Network for Environmental and
Economic Justice
Nigeria

Alberta Wilderness Association
Canada

Alliance for Democracy - Minnesota
United States

American Lands Alliance
United States

Anti-Debt Coalition
Indonesia

Asociaciones Civicas Unidas

Association of World Citizens
United States

BothENDS
Netherlands

Campaign for Alternative Industry Network
Thailand

Center for Economic and Policy Research
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Center for International Environmental Law
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Earth Rights International - Asia
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Earthwatch Magazine
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Fellowship of Reconciliation
United States

Forests, Trees and People Newsletter
Sweden

Friends of the Earth - Austria

Austria

Creed Alliance
Pakistan

David Suzuki Foundation
Canada

Development VISIONS
Pakistan

Earth Rights Institute
United States

Earth Rights International - US
United States

East Kootenay Environmental Society -
Kimberly/Cranbrook Branch
Canada

Ecology Action Center
Canada

ECOROPA
Germany

ECOTERRA International
Kenya

Engenni Community Initiative for Conservation
and Development
Nigeria

Environmental and Conservation Organizations
of New Zealand
New Zealand

Environmental Investigation Agency
United Kingdom

Environmental Support Group
India

Federation de CIGALES
France

First Unitarian Church
United States

Friends of the Bitterroot

United States

Friends of the Earth - Cameroon
Cameroon

Friends of the Earth - El Salvador
El Salvador

Friends of the Earth - Estonia
Estonia

Friends of the Earth - Georgia
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Friends of the Earth International

Friends of the Earth - Japan
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Friends of the Earth - Middle East
Middle East

Friends of the Earth - Nicaragua
Nicaragua

Friends of the Earth - Togo
Togo

Friends of the Earth - US
United States

Georgia Strait Alliance
United States

Global Greengrants Fund
United States

Global Resource Action Center for the
Environment
United States

Global Response
United States

Greenpeace International

Guyana Human Rights Association
Guyana

Holy Child Sisters
United States

Friends of the Earth - Brazil
Brazil

Friends of the Earth - Czech Republic
Czech Republic

Friends of the Earth - England, Wales &
Northern Ireland
United Kingdom

Friends of the Earth - France
France

Friends of the Earth - Grenada
Grenada

Friends of the Earth - Italy
Italy

Friends of the Earth - Lithuania
Lithuania

Friends of the Earth - Netherlands
Netherlands

Friends of the Earth - Nigeria
Nigeria

Friends of the Earth - Ukraine
Ukraine

Fundacion para el Desarrollo de la Libertad
Ciudadana
Panama

Global Exchange
United States

Global Peacemakers Association
Japan

Greenpeace Belgium
Belgium

Greenpeace United States
United States

Helio International
France

	Pacific Environment and Resources Center United States
Indiana Forest Alliance United States	Ijaw Youth Council Nigeria
Institute for Transportation and Development Policy United States	Institute for Spirituality in Politics and Economy Switzerland
International Institute for Energy Conservation United States	International Campaign for Responsible Technology United States
Jubilee 2000 Austria Austria	International Society for the Protection of the Tropical Rainforest United States
Kalahari Conservation Society Botswana	Jubilee 2000 UK United Kingdom
Leavenworth Audobon Adobt-a-Forest United States	Latin American Institute for Alternative Services Colombia
MAMA TERRA Romania	LOVEARTH.net United States
Manitoba Future Forest Alliance Canada	Mangrove Action Project United States
Medical Mission Sisters Alliance for Justice United States	Maryland United for Peace and Justice United States
Milarepa Fund United States	Methow Forest Watch United States
Mineral Policy Institute United States	Millennium Leadership Institute United States
Native Forest Network United States	National Union of Izon Students Nigeria
Niger Delta Women for Justice Nigeria	New Economics Foundation United Kingdom
Ogbolgolo Development Foundation Nigeria	Northwest Resistance Against Genetic Engineering United States
One World Society Ireland	Oilwatch Africa Africa
Ozone Action United States	Oxfam Canada Canada

Pan African Youth Movement
Nigeria

Peoples' Movement
Australia

Plight of the Redwoods Campaign
United States

Project Underground
United States

Protect our Woods
United States

Public Services International
United States

Rainforest Action Network
United States

Red de Accion Sobre Plaguicidas y Alternativas
en Mexico
Mexico

Reform the World Bank Campaign
Italy

Ruckus Society
United States

Save the Redwoods, Boycott the GAP
United States

Sierra Club
United States

Sierra Club Canada
Canada

Sisters of the Holy Names - California
United States

Society for the Protection of Birds in Slovakia
Slovakia

Students Environmental Assembly
Nigeria

SUSTAIN
United States

Sustainable Energy Network for Thailand
Thailand

Pesticide Action Network
United States

Program Energetikych
Czech Republic

Protect all Children's Environment
United States

Public Citizen
United States

Quantum Conservation eV
Germany

Rainforest Information Centre
Australia

Red de Information Rural
Mexico

Rete di Lilliput
Italy

Sanctuary Magazine
India

Shenandoah Ecosystems Defense Group
United States

Sierra Club - Many Rivers Group
United States

Sisters of the Holy Names of Jesus and Mary
United States

Social Justice Committee of Montreal
Canada

Society for Threatened Peoples
Germany

Students for a Free Tibet
United States

Sustainable Energy Forum
New Zealand

Swiss Coalition of Development Organizations

Switzerland

Tartu Student Nature Protectoin Circle
Estonia

The Friends of the Oldman River
Canada

The United Peoples
Denmark

Transnational Resource and Action Center
United States

Uganda Debt Network
Uganda

Uganda Wildlife Sociery
Uganda

Unitarian Universalist Social Justice Committee
- Olympia, Washington
United States

United Church of Christ - Network for
Environmental and Economic Responsibility
United States

Urgewald
Germany

US Catholic Mission Association
United States

Watch the Niger Delta
Nigeria

Wildlife Protection Society of India
India

World Rainforest Movement
Uruguay

Xaverian Missionaries
Italy

Za Matku Zem
Slovakia

The Edmonds Institute
United States

The Fyke Nature Association
United States

Third Planet
United States

Tropico Verde
Guatemala

Union de Ciudadanas de Panam
Panama

United Church Board for World Ministries
United States

United Methodist Church - General Board of
Church and Society
United States

Ursuline Sisters of Tildonk
United States

Virginia Forest Watch
United States

WEED
Germany

Women in Nigeria
Nigeria

Worldview, Ltd.
United States

Women's Eyes on the World Bank
Mexico

Yadfon Association
Thailand

Zoocheck Canada
Canada