



A New
**ENVIRONMENT
STRATEGY**
for the World Bank Group

Name of Presenter, Department
Date
City, Country

Environment Strategy 2010
CONSULTATIONS



worldbank.org/environmentconsultations

World Bank Group Milestones in Environment

1984 – Environmental Impact Assessments in investment lending adopted

1987 – Environment Department created

1992 – World Development Report (WDR) on Environment published

1993 – Global Environment Facility launched

1997 – Safeguards Policies adopted and Pollution Prevention and Abatement Handbook published

1999 – Prototype Carbon Fund launched

2001 – **World Bank Environment Strategy**

2003 – Equator Principles established (led by the IFC); WDR on Sustainable Development published

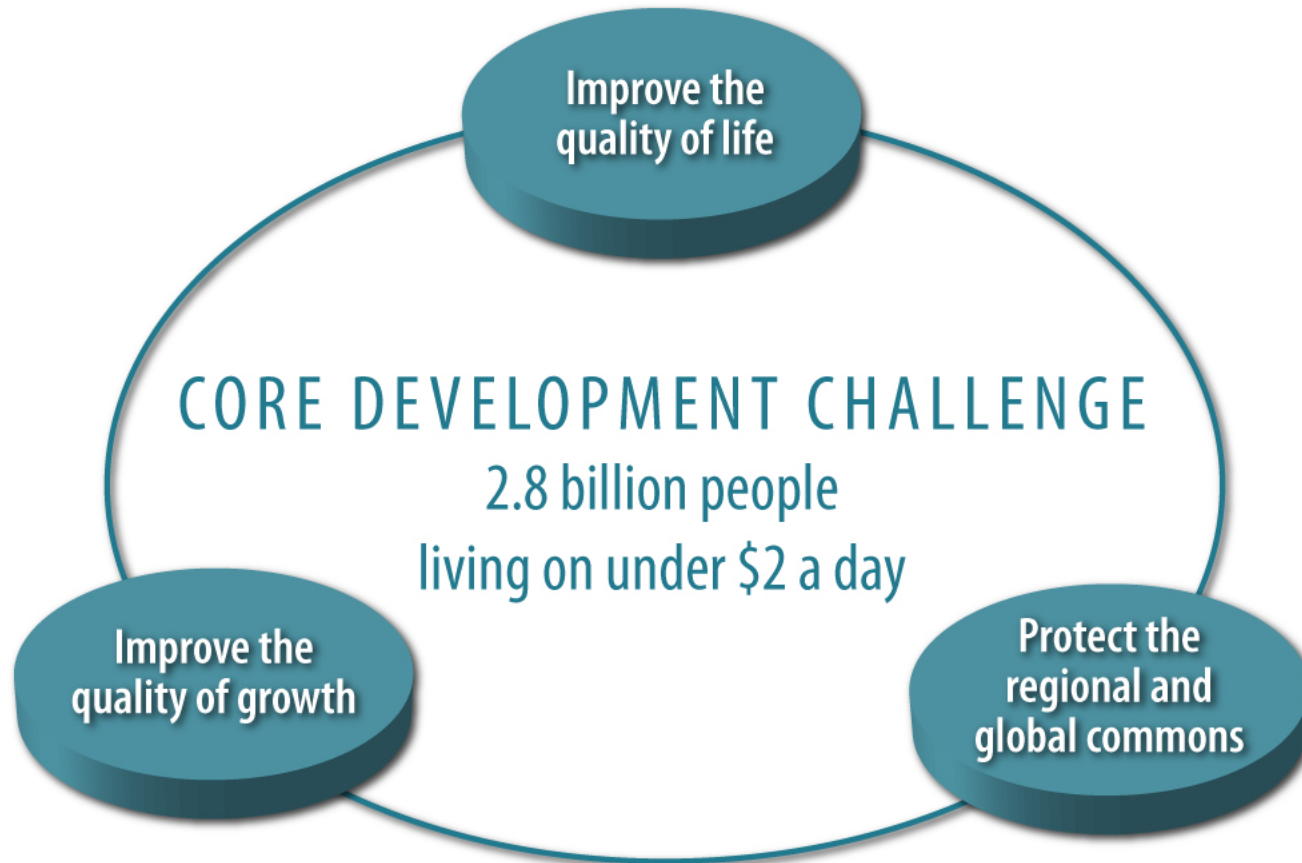
2006 – Sustainable Development Network (SDN) created

2006 – Policy and Performance Standards on Social and Environmental Sustainability adopted IFC – MIGA (Multilateral Investment Guarantee Agency) adopts in 2007

2008 – Strategic Framework on Development and Climate Change approved

2009 ~ 2010 – Development of Environment Strategy 2010 for the World Bank Group

2001 Environment Strategy



2001 Strategy Implemented Through Mainstreaming

- ▶ Increased policy-based lending for environment
- ▶ Mainstreaming funds to support environment in sector portfolios
- ▶ Raised profile of safeguards management
- ▶ Increased environmental analysis (CEAs, SEAs)
- ▶ Raised the profile of environment in country strategies
- ▶ SDN integration



Examples of Environment Mainstreaming of in Sectors

Energy

- ❑ Clean Energy Investment Framework (CEIF) for increased lending for RE and EE, and increased energy access
- ❑ FY 09 \$8.2 billion invested – more than 40 percent in low carbon projects, including new renewable energy, energy efficiency, and hydropower

Agriculture

- ❑ Improved livestock management to reduce emissions, combat desertification, harness biogas and improve water quality
- ❑ More efficient use of water in irrigated agriculture

Water and Sanitation

- ❑ Rural water supply projects to significantly reduced disease
- ❑ Country Water Resources Assistance Strategies (CWRAS) to define strategic issues in 18 countries

Transport

- ❑ Urban transport planning integrated with air quality improvement strategies (Bus Rapid Transit) (i.e. Argentina, Mexico, Brazil and India)
- ❑ Centralized management systems for improved regulation

Urban

- ❑ Improved local environment for millions of slum dwellers
- ❑ Improved collection of disposal of more than one hundred million tons of solid waste per year



Examples of Environment Mainstreaming in Regions

- ▶ A Strategy for Climate Resilient Growth has been prepared in Africa
- ▶ Growing demand for Development Policy Lending for the Environment including in Colombia, Mexico, Brazil, Ghana, India
- ▶ Assessment of Poverty, Environment and Health Linkages in Egypt, Yemen and Djibouti
- ▶ Expanded Bank assistance in Sub-Saharan Africa for management of protected areas
- ▶ In East Asia region land management has been improved through tenure security and scaled up water management





While progress has been made, challenges remain. >>

Growing Challenge of Urbanization

For the first time more people live in cities than in rural areas

- ▶ Puts pressure on environmental resources, but
- ▶ Provides opportunity for environmentally sustainable service delivery to large numbers of people



Growing Challenge of Climate Change

- ▶ **Climate Change is a development challenge**
 - Developing countries will bear 70–80 percent of costs of damages caused by climate change
 - Many countries lack sufficient technical and financial capacity to manage climate risks
 - Economic growth alone is unlikely to counter threats, especially if it remains carbon intensive
- ▶ **Climate Change requires climate-smart development**
 - World needs to act now, act together, and act differently



Persisting Environmental Challenges

Environmental Health and Pollution Management

- ❑ 24% of disease burden and 23% of all deaths in developing countries due to environmental risk factors
- ❑ Half of malnutrition is caused by poor sanitation from lack of access to safe water
- ❑ Indoor air pollution responsible for 1.5 million deaths from respiratory illness; 2.7% of global burden of disease

Governance & Institutions

- ❑ Weak inter-ministerial coordination
- ❑ Lack of coordination among different levels of government
- ❑ Under-funded environmental institutions
- ❑ Enforcement

Sustainable Natural Resource Management

- ❑ Deterioration seen in water, air, forests, grasslands, marine resources, agro-ecosystems
- ❑ Overfishing: 75% of global fish stocks are fully or over-exploited.
- ❑ Ecosystem loss



Changing External Environment

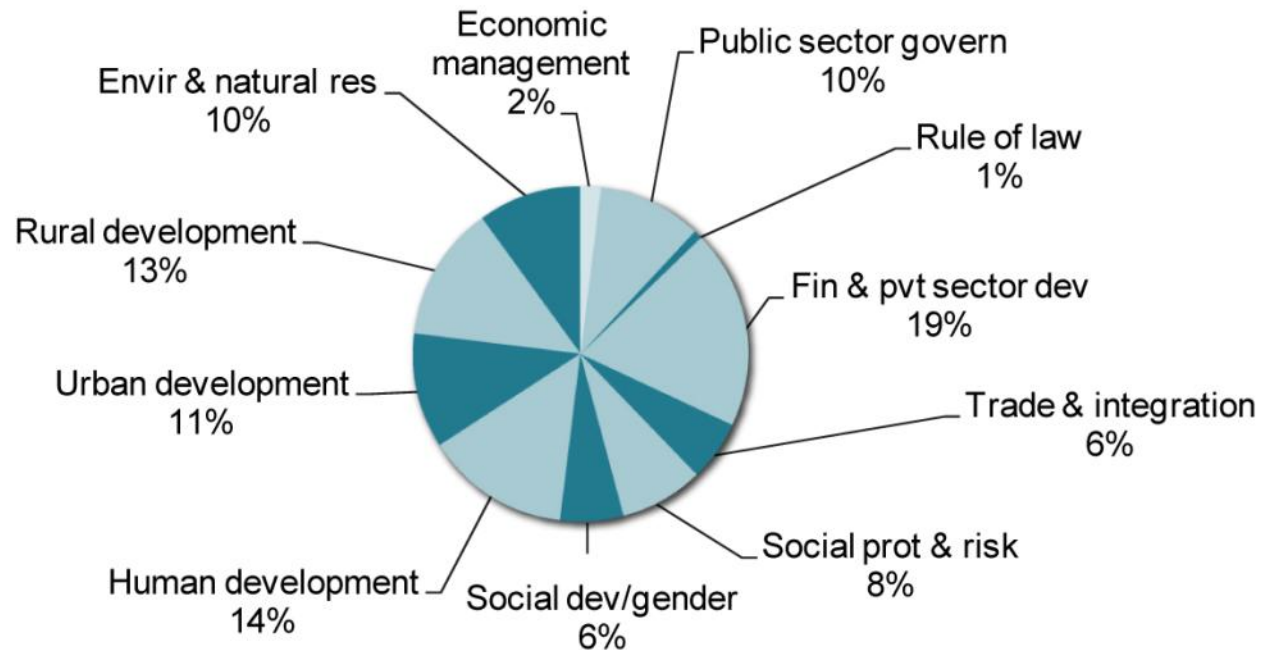
- ▶ A number of large economies will move to middle-income status
- ▶ Yet, there will also be many fragile/conflict affected states
- ▶ Populations in developed countries will be aging, while developing countries will have large young, unemployed
- ▶ As in last few years, commodity prices (food, energy, etc.) likely to continue to rise
- ▶ Bank will be one of many lending institutions globally, with a relatively small environment portfolio...

Environment Lending FY09

Active
Environment
and Natural
Resource
Management
(ENRM)
Portfolio

FY09, ENRM portfolio amounted to \$13 billion
(10% of total)

Total World Bank Project Portfolio by Thematic Distribution



Looking Ahead to the 2010 Strategy: How Can the WBG Increase Impact? (I)

- ▶ 2008 Independent Evaluation said:
 - Greater attention to **environmental sustainability**
 - More cross-sectoral and spatially-oriented approaches
 - Strengthen staff skills
 - Better measurement of activities and results
 - Better coordination among WBG institutions and external partners



Looking Ahead to the 2010 Strategy How Can the WBG Increase Impact? (II)

- ▶ Bank will need to build on its comparative advantages:
 - Learning through lending operations to a diverse set of countries
 - Gathering and disseminating knowledge across countries
 - Facilitating South–South exchanges of knowledge
 - Ability to leverage finance, especially for unproven ventures and markets
 - Convening powers in international arenas, unlike other regional organizations

Looking Ahead to the 2010 Strategy: How Can the WBG Increase Impact? (III)

- ▶ **Promoting Sustainable Development**
 - Proper accounting for natural resource depletion, conversion to other forms of capital (physical, human, etc.)
 - Promoting investment in natural resources (watersheds, forests, etc.) to generate growth
- ▶ **Promoting Environmental Sustainability**
 - Where there are limits to capital substitutability
 - E.g. beyond certain limits fish stocks can't regenerate, forests can't support critical ecosystem services
- ▶ **Promoting Green Growth**
 - That is, cleaner, low-carbon, and climate-resilient growth
 - By an aggressive move to leapfrogging

Looking Ahead to the 2010 Strategy: How Can the WBG Increase Impact? (IV)

- ▶ Work to exploit synergies with other sectors in the World Bank by:
 - Developing common goals for environmental sustainability
 - Identifying measurable indicators in other sector strategies
- ▶ Sector Strategies:
 - Urban Strategy (just completed consultations)
 - Energy Strategy (pending consultations)
 - Social Development Strategy (under review)
 - Information and Communication Technology Strategy
 - Transport, Infrastructure Strategies, etc.

Sustainability at IFC



Climate Change

\$1 bn. investment in
Renewable/Energy
Efficiency

Leading GHG impact metrics:
i. CC stocktaking
ii. GHG calculator

Support private sector's
adaptation to climate
change risks



Env & Soc Risk Management

IFC Sustainability Policy

Performance Standards on
Social and Environmental
Sustainability

IFC Leading Convergence of
E&S Practice in Financial
Sector

Disclosure Policy

EHS Guidelines



Business Opportunities in E&S

Climate Change
i) Sustainable Energy Markets
ii) Sustainable Energy Finance
iii) Cleaner Production
iv) Sustainable Water

Labor & Social Assets
i) Gender
ii) Labor
iii) Community Investment

Biodiversity Loss
i) Sustainable Forestry
ii) Eco-Standards

Background Analytical Work

TOPIC

Monitoring and Measuring Environmental Sustainability

Growth, Poverty and the Environment: Understanding the Trade-offs and Synergies

Environment and Natural Resources for Growth and Poverty Alleviation: A Framework for World Bank Assistance in *Sub-Saharan Africa*

Rebalancing the Environment Agenda: Climate Change and Core Environmental Challenges

Climate Change, Environmental Degradation, and Competition Prevention: Identification of Policy Options in *Middle-East and North Africa*

Environmental Mainstreaming and Sustainability

Conflict Resolution Mechanisms for Environmental Disputes

Role of Environmental Development Policy Loans in Supporting Sustainability

Background Analytical Work (cont)

TOPIC

Pollution Management (with special reference to legacy pollution in *Eastern and Central Europe*)

Biodiversity Management: Should the WBG be engaged and how?

Environmental Services:

- Valuation of Ecosystem Services
- Financing Environmental Services

Innovative Financing for the Environment

Strengthening Environmental Governance and Institutions: What is the role for the WBG?

Towards More Sustainable Outcomes with Stronger Environmental Governance and Institutions in *Latin America and the Caribbean*

Greening Agenda for World Bank Group

We Are Listening: Please Share your Thoughts

Provide feedback directly online

1. What should the role of the Bank be in helping developing countries to achieve sustainable development?
2. What should the role of the IFC and MIGA be in helping private sector stakeholders to achieve sustainable development?
3. What should be the balance in the Bank Group's role between addressing country/client specific priorities and global public goods agendas?
4. How can the WBG assess progress in ensuring environmental sustainability across its entire portfolio?
5. Any other issues?



World Bank Group's Environment Strategy 2010

Available in: [中文](#), [Español](#), [العربية](#), [Português](#), [Français](#)



Introduction

The World Bank Group (WBG) is embarking on the preparation of a new Environment Strategy, expected to be completed and approved by December 2010.

The new Strategy will articulate a set of principles and propose an approach for achieving the environmental sustainability of the WBG's portfolio.

[Watch more videos...](#)

We Are Listening



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- [Energy Strategy](#)

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Please read more and [Share Your Thoughts](#) on the [Strategy Concept Note](#) (available in several languages from the menu on the right).

In a nutshell, the strategy development process will be carried out in two phases as shown in the following diagram (click on each block to see additional details):



Your participation is very important to us. Please [register here](#) to receive automatic e-mail updates on the consultation process.

Share your [comments and suggestions](#) on this website.

Key Messages to Date

- A gap between what the WBG says and does is perceived.
- WBG should increase coordination within its sectors and with other development partners.
- What is the definition of environmental sustainability?
- The 2010 Strategy should include measurement and monitoring systems for environmental sustainability.
- WBG should have greater role of knowledge sharing and capacity building (sharing lessons on SWAPs and DPLs).
- WBG should have stronger role on strengthening Environmental Governance.