

# Safeguards Policies

## Overview of Recent Activities

**Table 1. The safeguard policies at the World Bank (IBRD and IDA)**

OP/BP 4.01	Environmental Assessment
OP/BP 4.04	Natural Habitats
OP 4.09	Pest Management
OP/BP 4.12	Involuntary Resettlement
OD 4.20	Indigenous Peoples
OP/BP 4.36	Forests
OP/BP 4.37	Safety of Dams
OPN 11.03	Cultural Property
OP/BP 7.50	Projects on International Waterways
OP/BP 7.60	Projects in Disputed Areas

For the full text, please visit our website: <<[www.worldbank.org/safeguards](http://www.worldbank.org/safeguards)>>.

**Table 2. EA categories of investment projects in fiscal 2004**

Category	Number (%)	Lending \$ (%)
A	10	22
B	54	50
C	28	19
FI	8	9

## Ten safeguard policies

The World Bank's "safeguard" policies (see Table 1) require that potentially adverse environmental impacts and selected social impacts of Bank investment projects should be identified, avoided, or minimized where feasible, and mitigated and monitored. The policies provide guidelines for Bank and borrower staff in the identification, preparation, and implementation of programs and projects. The broad objective of the safeguard policy system is to integrate issues that the policies address into the decision-making process in order to support environmentally and socially sustainable development.

During fiscal 2004, the Bank approved 267 new projects, including GEF and other operations. The amount of investment lending increased 8.5 percent over fiscal 2003 (IDA\$9 billion, IBRD \$11 billion). See Table 2 for the environmental screening categories assigned to these projects.

Three themes have dominated in this area over the last fiscal year: (1) application of safeguard policies to an expanded program of infrastructure development; (2) continued support for safeguards training and capacity building with a diversity of parties; and (3) continued interest in the Inspection Panel process, which supports accountability and transparency at the World Bank.

## Support for infrastructure

The Bank has prepared an Infrastructure Action Plan (<http://www.worldbank.org/infrastructure>) that provides a framework for expanded support through a variety of approaches at the sector, program, and project level. The Action Plan recognizes that the Bank's safeguards are "a critical asset for ensuring development effectiveness and impact." The Action Plan notes the importance of supporting infrastructure investments that factor environmental and social safeguards into their design and operation. A greater emphasis on infrastructure requires scaling-up of Bank and borrower capacity to integrate safeguards into program and project development and implementation.

The Infrastructure Action Plan complements the Water Resources Strategy issued in fiscal 2003 (<http://lnweb18.worldbank.org/ESSD/ardext.nsf/18ByDocName/WaterResourcesManagement>). The Action Plan, like the Water Resources Strategy, provides an entry point for more systematic use of Strategic Environmental Assessment, Sector Environmental Assessment, and/or Regional Environmental Assessment. Through analysis of alternatives, the Action Plan and Water Resources Strategy also provide opportunities to examine ways that existing infrastructure can more fully contribute to meet-

ing current and future needs through rehabilitation, improvement, and/or changes in operational practices.

## Safeguards training and dissemination of experience

The Quality Assurance and Compliance Unit (QACU) and the Regional Safeguard Units have continued to provide training on safeguard policies for staff from the Bank, borrowers, consulting firms, and NGOs. During fiscal 2004, for example, over 600 Bank staff and consultants were trained by QACU on individual safeguard policies and the application of these policies to various sectors and themes. Madagascar and other field offices held training via videoconferences—an approach that will be expanded significantly during the new fiscal year. Individual Bank Regions also developed their own safeguards training courses for headquarters staff, field staff, and clients. Joint QACU/AFR pilots were conducted to train task managers in the new regional safeguards management process. More of these sessions will be conducted with the other Regions in fiscal 2005.

A new joint committee for Knowledge Sharing and Learning (KSL) will foster greater synergies and impacts from a combined approach to training to be shared by the Environment, Social Development, and Rural Development Departments.

The World Bank Group took an active role in the 2004 meeting of the International Association for Impact Assessment in Vancouver, and will continue its engagement at the 2005 meeting in Boston, where it plans to organize an event reviewing recent policy and procedural developments within the Bank, IFC, and MIGA. More information is available at <http://www.iaia.org/>.

## Inspection Panel cases

The World Bank's Inspection Panel has become a model for accountability mechanisms established at a number of major international financial institutions as well as the Japan Bank for International Cooperation, a bilateral organization.

In fiscal 2004, the Board of Executive Directors discussed two cases, one in Africa and one in South Asia; in both cases, Panel Investigations and Management Responses and Recommendations had been completed in fiscal 2003. The Board discussion of the case in Cameroon involved two projects associated with the Chad-Cameroon Pipeline—the Cameroon Petroleum Development and Pipeline Project and the Petroleum Environmental Capacity Enhancement Project. In addition, the Board discussed the India Coal Sector Environmental and Social Mitigation Project and Coal Sector Rehabilitation Project.

The Bank submitted Management Responses for five Eligi-

bility Phase Requests for Inspection in fiscal 2004: Philippines—Manila Second Sewerage Project; Mexico—Indigenous and Community Biodiversity Project (COINBIO); Colombia—Cartagena Water Supply, Sewerage, and Environmental Management Project; and India—Mumbai Urban Transport Project (two Requests from different groups).

The Inspection Panel recommended an investigation of the Colombia Request, which was agreed to by the Board. The Inspection Panel did not recommend investigation of the Philippines Request. The Panel concluded that an investigation of the Mexico Request was not the best course of action at this time. The Panel's eligibility report and recommendation regarding investigation of the two India Requests are expected shortly.

The Yacyreta Hydroelectric Project in Paraguay and Argentina was registered in fiscal 2002. Investigation began in fiscal 2003. In May 2004 the Board approved the Management Action Plan and requested that management report back in 90 days on progress made.

## Looking forward

The safeguard policy work of the World Bank will continue to evolve during fiscal 2005:

- The revision of the Indigenous Peoples Policy is proposed for discussion by the Board during fiscal 2005 and, subject to Board

approval, will become effective by the beginning of fiscal 2006.

- The World Bank will issue a framework for the pilot use of country systems for safeguard policies, following discussions with the Board and consultations.
- The World Bank will continue to support the harmonization of environmental assessment procedures among development organizations. Progress in this area will be reported on at the "High Level Forum on Harmonization and Development Effectiveness" to be held in Paris in early 2005.
- Application of strategic approaches to environmental assessment at the program, sectoral, and regional level will be expanded.
- Emphasis will continue to be placed on strengthening Bank and borrower supervision of Environmental Management Plans.
- Preliminary guidance will be provided on addressing disability issues in the context of environmental assessment and other related processes as a contribution to the World Bank's Disabilities and Development agenda.

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