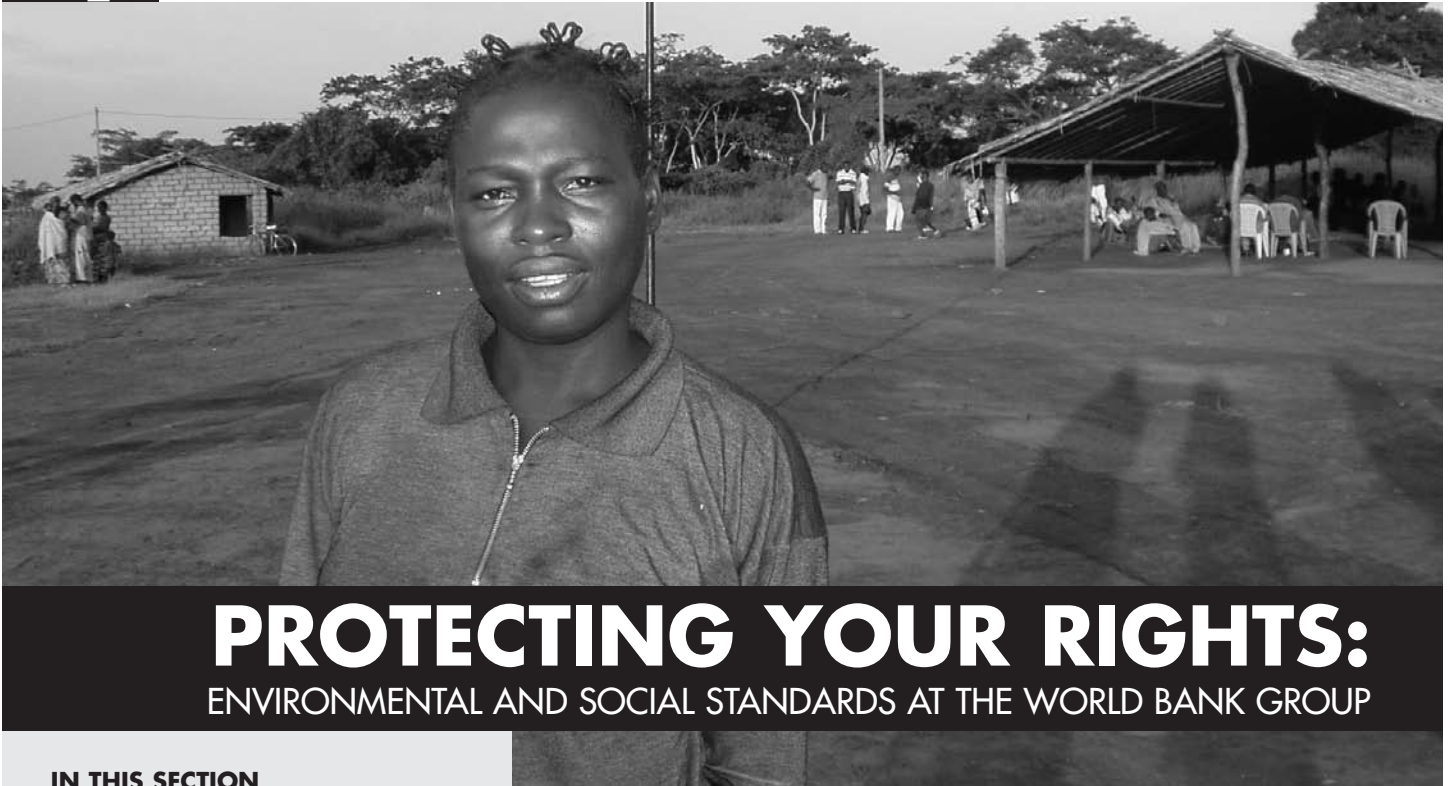


4



PROTECTING YOUR RIGHTS: ENVIRONMENTAL AND SOCIAL STANDARDS AT THE WORLD BANK GROUP

IN THIS SECTION

- Challenges to protecting rights
- World Bank Safeguard Policies
- IFC Performance Standards
- MIGA Safeguard Policies
- Find out more!
- Quick Reference: World Bank Safeguard Policies

Through its lending programs and policy advice, the World Bank Group exerts considerable influence on economic, social and environmental policies and investment projects in borrowing countries. While the Bank claims to be promoting “sustainable development”, the consequences of its activities often run counter to the notion of sustainability - damaging or depleting natural and human resources rather than protecting or enhancing them for current and future generations.

Being familiar with the institution’s policies can be extremely useful to activists seeking to prevent, expose and remedy harms related to World Bank Group operations, and to communities working to assert their rights in the context of development decisions that affect them.

Challenges to protecting rights

Projects that build roads, dams and power plants, that finance mining and other natural resource extraction, and that promote large-scale agricultural development inevitably harm the environment, often irreversibly. In many cases these projects displace people and negatively affect their livelihoods. Bank-sponsored policy reforms – such as cuts in government subsidies to cotton farmers, privatization of drinking water services, or changes to investment regulations that make it easier for private companies to acquire land – may also cause serious social and environmental harm.

Local communities have long fought to protect their rights from the negative impacts caused by loans from international financial institutions (IFIs). Civil society groups have often sought protection through their own governments and courts, international human rights law and conventions, and the institutions themselves.

Much national legislation on rights is weak or not enforced, denying individuals and communities access to justice.

Many groups also often appeal to international human rights law for defense of their rights. Rights articulated in international conventions – such as the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights – are often violated in the course of IFI lending operations. Numerous other international agreements on the environment, labor, and rights of women, among others, also recognize rights that are frequently ignored by the IFIs. However, enforcement of human rights law and other international standards is exceedingly difficult and time consuming, creating further hurdles for groups seeking redress.

Complicating the picture, the World Bank Group and other IFIs are largely immune from prosecution in national courts, frustrating civil society attempts to hold such institutions legally accountable for their actions (see box, “Immunity and the Bank”).



IMMUNITY AND THE BANK

The Bank’s Articles of Agreement limit legal actions that a member country can take against the Bank. Furthermore, the Bank demands that member countries adopt legislation that provides the institution and its staff members a wide degree of immunity from prosecution in national courts. While not absolute, the Bank’s immunity creates significant barriers for legal challenges by communities affected by its lending operations.



NOT BOUND BY HUMAN RIGHTS?

The World Bank Group is not a formal “party” to international human rights conventions, and thus feels that it does not hold specific human rights obligations, even though nearly all its member governments are signatories to the main rights conventions. Civil society groups and academics have been challenging the Bank to formally recognize its human rights obligations as an international organization and to uphold human rights in its lending operations.

In light of inadequate protections afforded by national laws and difficulties in enforcing international human rights and other international standards, civil society groups demanded that the World Bank Group – as a global public institution – adopt its own binding social and environmental standards that would apply regardless of variations in national laws and regulations in the countries where it operates. Since the late 1970s, the World Bank (IBRD/IDA) has approved a range of internal policies that are supposed to guide the selection and design of the projects and policy reforms it supports. In the 1990s, the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA) followed suit and introduced internal policies largely based on those endorsed by the World Bank, though tailored to their private sector operations.

World Bank Safeguard Policies

In 1998, the World Bank grouped ten of its key environmental and social policies into a set of “safeguard policies” which together are designed to provide the environment and vulnerable populations some minimum protections from the negative effects of Bank-financed operations. The Quick Reference section at the end of this chapter summarizes key provisions of the Bank’s safeguards.

WHAT DO THE SAFEGUARDS DO?

The safeguard policies establish mandatory standards and procedures that the borrowing government and the Bank must follow when preparing and implementing Bank-financed investment projects. For example, the environmental assessment safeguard policy requires that a project’s potential impacts must be analyzed and that affected communities must be consulted before the project is approved.

Why are the safeguards important for civil society groups?

The safeguard policies establish minimal procedural rights and important opportunities for participation and access to information. Civil society groups have used the safeguards to alter project designs and the extent of social and environmental impacts as well as to secure greater project benefits for communities. When the Bank or the borrowing government fails to comply with any of the Bank’s policies (not only

the safeguards), communities can lodge complaints to the Bank's independent Inspection Panel. (See Part 5)

SAFEGUARDS AS LEVERAGE

The Bank's safeguards provide critical leverage points for local communities. Safeguard obligations – such as the types and levels of compensation that must be provided to local communities – are written into loan agreements, converting Bank policy into a legal obligation of the borrower. Where local authorities are reluctant to uphold these commitments, communities can turn to the Bank as another means of applying pressure to assert their rights.

Do the safeguard policies apply to all the Bank's operations? The Bank's safeguard policies only apply to investment projects – such as the construction of public works, industrial development schemes, agriculture programs or natural resource extraction. They do not apply to the Bank's policy lending for reform of national laws, regulations or institutions, even though policy reforms can cause significant social and environmental impacts. The Bank has developed a separate, quite weak policy regarding social and environmental reviews of policy loans. (See "Safeguards and Policy Lending") What are some of the main problems with the safeguards? Numerous problems exist with the safeguard policies, including the following:

- The policies often fall short of leading international rights and standards that could provide stronger protections to affected communities.
- The policies do not cover the entire range of social and environmental impacts caused by Bank-financed projects.
- The policies apply only to Bank investment lending operations but not development policy (structural adjustment) lending.
- The Bank and borrower often do not comply with all of the policy provisions.

SAFEGUARDS AND POLICY LENDING

Development policy lending – the Bank's new name for structural adjustment loans – may cause significant social

WORLD BANK SAFEGUARD POLICES

- OP 4.01 Environmental Assessment
- OP 4.04 Natural Habitats
- OP 4.09 Pest Management
- OP 4.10 Indigenous Peoples
- OP 4.12 Involuntary Resettlement
- OP 4.36 Forestry
- OP 4.37 Safety of Dams
- OP 7.50 Projects on International Waterways
- OP 7.60 Projects in Disputed Areas
- OPN 11.03 Cultural Property

Find out more in the Quick reference: World Bank Safeguard Policies pull-out section.





and environmental impacts. Deflecting calls from civil society to apply rigorous social and environmental review requirements to its policy lending, the Bank adopted a vague operational policy (OP 8.60) that leaves it largely up to Bank staff to determine how extensively to examine potential impacts of proposed policy loans. The policy requires the Bank to determine if policy lending will likely cause “significant poverty and social consequences” or “significant effects on the country’s environment, forests, and other natural resources.” If such impacts are likely, the Bank is to assess how well a borrowing country’s own laws and regulations will reduce such adverse effects and is to propose how any shortcomings are to be addressed. The policy fails to provide more specificity, and does not require the Bank to avoid severe impacts.

The absence of more rigorous “safeguards” for policy lending does not mean that civil society must remain silent about the consequences of Bank-supported reforms on people and environment. Citing Bank violations of other internal policies, such as those regarding supervision and poverty reduction, activists have raised concerns and filed complaints about policy loans to the World Bank’s Inspection Panel (see Part 5). To access a complete set of the World Bank’s internal policies governing its operations, visit the Bank website at: www.worldbank.org/opmanual

IFC Performance Standards

The IFC provides financing and a range of services directly to private sector clients conducting business in developing countries. Many IFC loans support companies engaged in activities that cause significant social and environmental impacts, such as gold mining, oil and gas pipelines, pulp and paper mills, among others.

In 2006, the IFC completely overhauled its social and environmental policies. It abandoned its former Safeguard Policies, based largely on those of the World Bank, in favor of a new system based upon principles and guidelines. The IFC adopted a Policy on Environmental and Social Sustainability that outlines IFC’s obligations and a set of

eight Performance Standards that identify a client’s obligations in the following areas:

- social and environmental assessment and management systems;
- labor and working conditions;
- pollution prevention and abatement;
- community health, safety and security;
- land acquisition and involuntary resettlement;
- biodiversity conservation and sustainable natural resource management;
- indigenous peoples; and
- cultural heritage.

WHY THE CHANGE IN APPROACH AND WHAT DOES IT MEAN FOR AFFECTED PEOPLE?

The IFC claimed that it needed to adopt policies that are more outcome-oriented and provide clearer guidance for private sector clients. In the process, the IFC put in place a set of standards that are considerably more flexible than the former safeguard policies. While the overhaul included some improvements – such as inclusion of social as well as environmental assessments as part of a client’s project preparation and respect for all core labor standards – major concerns remain about discretionary language and the absence of required timelines and benchmarks for public consultation and disclosure of information. The performance standards increase reliance on client-generated information and self-monitoring by the private sector, raising questions about the independence and objectivity of impact reporting and the comprehensiveness of mitigation measures. Despite the IFC’s aim of demonstrating its leadership with the introduction of the performance standards, on some issues, such as human rights, the IFC’s standards are not as rigorous as those of peer financial institutions and some corporations.

A SHIFT WITH GLOBAL IMPLICATIONS

The revamping of IFC’s policies has far-reaching implications. Not only does the IFC influence other financial institu-



WHEN RIGHTS ARE VIOLATED: A PREVIEW OF SECTION 5

When an individual or group feels that rights have been violated, they should seek redress as early as possible. If local authorities are unresponsive, groups should review the measures agreed to between the Bank and the borrower (contained in locally available project documents such as the environmental assessment) and complain to the Bank as early as possible. The Bank staff in charge of a project, such as the Task Manager, may have significant influence, particularly in the early stages. If the Task Manager ignores local complaints, groups should “move up the ladder,” communicating directly to the Bank’s Country Director. Groups may also wish to contact the Executive Director representing their country on the Bank’s Board, or appeal to supportive non-governmental organizations in Northern countries that could relay the complaints to their country’s Executive Directors at the Bank. If complaints remain unanswered, local groups may wish to consider filing a formal complaint with the Bank’s Inspection Panel as well as seeking legal action in local, national or international courts. Groups should document all actions taken to seek redress.



For more information on MIGA’s safeguard policies, see:
www.miga.org/sitelevel2/level2.cfm?id=1184

tions through its own lending and investment activities (which often involve other banks), but it also wields significant influence over the more than 40 lending institutions (primarily commercial banks) that have pledged to uphold the IFC’s social and environmental standards in their own project lending. Known as the “Equator Principles,” these standards are largely set by the IFC, providing it even greater leverage to influence the ways that other lenders treat environmental and social risks and impacts.

MIGA SAFEGUARD POLICIES

The private insurance arm of the Bank Group, MIGA, adopted environmental assessment and disclosure policies in 1999, pledging that its projects would also comply with other safeguards then those in operation at the IFC. Since 2002, MIGA has been applying both its own environmental assessment policy and the following “interim issue-specific safeguard policies”:

- Natural Habitats
- Forestry
- Pest Management
- Dam Safety
- Projects on International Waterways
- Involuntary Resettlement
- Physical Cultural Resources
- Indigenous Peoples

MIGA claims that the purpose of these additional safeguards is to determine “the soundness of a project’s contribution to the development of the host country.” However, it is difficult to know how MIGA makes this assessment or to gauge MIGA’s compliance with its own policies because it discloses very little information about the projects it supports and virtually no records of the due diligence it conducts on prospective guarantees.

It is expected that MIGA will revise its current safeguard policies in the wake of IFC’s adoption of its “Performance Standards.”

IN BRIEF

- Although the World Bank Group claims to promote “sustainable development,” its activities often damage or deplete natural and human resources.
- Responding to international pressure, the institution adopted the Safeguard Policies to guide the selection and design of the projects and policies. The IFC and MIGA soon followed suit with their own Performance Standards and Safeguard Policies, respectively.
- Understanding these policies will equip you to prevent, expose and remedy harms related to World Bank Group operations.



FIND OUT MORE!

World Bank Resources

- World Bank Safeguards: www.worldbank.org/safeguards
IFC Safeguard Policy Updates: <http://www.ifc.org/ifcext/policyreview.nsf/Content/SafeguardPolicesUpdate>



QUICK REFERENCE: WORLD BANK SAFEGUARD POLICIES

In 1998, the World Bank grouped ten of its key environmental and social policies into a set of “safeguard policies” which together are designed to provide minimal protections to the environment and vulnerable populations from negative effects of Bank-financed operations. The World Bank Safeguard Policies establish mandatory standards and procedures that the borrower and the Bank must follow in preparing and implementing Bank-financed projects. See Part 4 for more details.

Key provisions of the Bank’s public sector (IBRD/IDA) safeguard policies are described below. The more civil society organizations understand the Bank’s policy requirements, the more able they will be to utilize the policies to further their interests in the context of Bank-financed projects. Most safeguard policies are comprised of Operational Policies (OP) that list core requirements and Bank Procedures (BP) that list the procedures Bank staff must follow. The full text of these mandatory policies can be found on the Bank’s website at www.worldbank.org/safeguards.

Environmental Assessment OP/BP 4.01 (1999)

This is the “umbrella policy” through which potential social and environmental impacts are identified and mitigation measures proposed. Assessment process determines whether other safeguard policies (such as involuntary resettlement) apply.

KEY PROVISIONS

- Bank screens projects to identify potential impacts early in project cycle and categorizes projects according to level of impacts (see box). Categories trigger varying requirements regarding pre-project studies, participation, and information disclosure.
- Borrower conducts assessment. Identified impacts are to be avoided or minimized and project alternatives are to be examined. Borrower assesses not only impacts of immediate project area, but project’s “area of influence” (e.g., access roads, power lines, pipelines) as well as unplanned developments (spontaneous settlements, logging, etc.) induced by the project.
- Assessment contains appropriate mitigation measures to offset potential negative social and environmental impacts. The mitigation measures are often contained in an Environmental Management Plan.
- Bank should not (or cannot) finance projects that contravene legislation or obligations of the country under relevant international environmental treaties and agreements.
- For high-risk (Category A) projects, the borrower must retain independent experts not affiliated with the project to carry out the assessment.

ABCs of Bank Projects

Projects are categorized according to the degree of potential adverse social and environmental impacts

- Category A: may cause “irreversible,” diverse, or unprecedented damage
- Category B: impacts are site-specific and can be more readily mitigated than for Category A projects
- Category C: minimal or no adverse environmental impacts
- Category FI: for subprojects financed through financial intermediaries that may have negative impacts.
- For Category A and B projects, borrower must consult with project-affected groups and local non-governmental organizations about project’s environmental aspects and take their views into account. Borrower must (a) initiate consultations as early as possible; (b) for Category A projects, borrower consults groups at least twice (before terms of reference for the assessment are finalized and once a draft assessment report is prepared); (c) borrower consults affected groups throughout project implementation as necessary to address related issues.
- For all Category A and B projects borrower must provide relevant material in a timely manner prior to consultation and in a form and language that are understandable and accessible to the groups being consulted.

Natural Habitats OP/BP 4.04 (2001)

This policy establishes limits on Bank-financed projects that may impact areas with high degrees of plant and animal species and that have not been essentially modified by human activity.



Critical natural habitats are

- existing or proposed protected areas
- areas recognized as protected by traditional local communities (e.g., sacred groves)
- sites that maintain conditions vital for the viability of the above protected areas
- other areas of high conservation value identified by the Bank or other bodies.

KEY PROVISIONS

- Bank may finance projects that involve “significant conversion” (or damage, see box) of natural habitats only if there are no “feasible” alternatives (defined in financial and technical terms). Comprehensive analysis must show that potential benefits “substantially outweigh” environmental costs.
- No financing of projects that, in the Bank’s opinion, involve significant conversion or degradation of “critical natural habitats.” (see box)

What is significant conversion?

The Bank determines significant conversion or degradation on a case-by-case basis. Significant conversion exists when major changes in land or water use eliminate or severely weaken the integrity of a natural habitat. Degradation occurs when an area is modified to the extent that it substantially loses the ability to maintain viable populations of native species.

- Projects with significant impacts are to be classified as “Category A” and must include mitigation measures acceptable to the Bank. Such measures normally include minimizing habitat

loss and establishing ecologically similar protected areas often referred to as “offsets.”

- Consultation and information disclosure requirements of the environmental assessment policy apply. Additional language may provide civil society groups more leverage: borrowers must “take into account the views, roles, and rights of groups, including NGOs and local communities affected by Bank-funded projects and to involve such people in planning, designing, implementing, and monitoring and evaluating such projects.”

Forests OP/BP 4.36 (2002)

This policy establishes minimum standards on the types of forest projects that the Bank will finance. Provides for financing of commercial logging and plantations under restricted conditions.

KEY PROVISIONS

- Forests Policy builds off the Natural Habitats policy. If Bank determines that a forest area is not a critical natural habitat, the policy allows project financing that may cause significant conversion/degradation provided that (a) no feasible alternatives exist to the project or its siting; (b) comprehensive analysis indicates that benefits “substantially outweigh” costs; and (c) appropriate mitigation measures are incorporated.
- No financing of projects that would involve significant conversion or degradation of critical natural habitats (including critical forest areas). This is not a “no go zone” standard for sensitive forest areas, but a weaker standard of not financing projects that would “significantly” damage such areas.
- Bank does not finance projects that contravene applicable international environmental laws.
- No financing of plantations that involve any conversion or degradation of critical natural habitats, including adjacent or downstream critical natural habitats (a higher standard than allowing “significant conversion”).
- No financing of commercial logging if areas affected are “critical forests” or related critical natural habitats (higher standard than allowing “significant conversion”).
- Commercial logging operations must be certified under an independent forest certification system acceptable to the Bank.
- “Meaningful participation” of local people, communities, and organizations required in the development of the certification system.
- Forest Management Plans often developed, though not required. Disclosure not mandatory but considered “good practice.”

Involuntary Resettlement OP/BP 4.12 (2001)

This policy establishes standards and procedures for projects that displace people from their homes or cause economic displacement due to loss of land, buildings, or sources of income.

KEY PROVISIONS

- Involuntary resettlement to be minimized, if not avoided.
- Displaced persons must be assisted at a minimum in restoring their former living standards, income earning capacity, and production levels. Though not required, the policy speaks of improving living standards of resettled persons.
- Resettlement activities should be conceived and executed as sustainable development programs.
- Policy applies when a Bank-financed project causes the loss of land (including buildings), assets, or sources of income. The policy also applies when a project restricts access to parks and protected areas.
- Affected persons without formal title or legal claims to the land they occupy are covered by the policy but will be provided resettlement assistance rather than compensation for the loss of occupied land.

What is full replacement value?

All affected assets (land and structures) are to be compensated at their replacement cost, that is, equivalent to the amount required to replace the asset in its existing condition. Since in many borrower countries, and especially at the project sites, there may not be functioning markets in old housing, replacement cost should be equal to the cost of constructing/purchasing a new structure, without making any deductions for depreciation.

- Land-based resettlement strategies “should” be provided to displaced persons whose livelihoods are land-based. Does not require land-for-land compensation.
- Compensation for loss of land or assets is to be at full replacement value. (see box)
- Taking of land and related assets allowed only after compensation has been paid and resettlement sites and moving allowances have been provided.
- Displaced persons to be offered transitional support and development assistance to restore livelihoods, in addition to compensation.
- Affected persons must be consulted on resettlement options and offered opportunities to participate in planning, implementing, and monitoring.

- Borrower prepares resettlement plan on all aspects of resettlement. Must identify choices of affected persons regarding resettlement measures and compensation.
- Draft resettlement plans must be available at an accessible place in a form, manner, and language that are understandable.



Indigenous Peoples OP/BP 4.10 (2005)

This policy establishes standards and procedures when projects affect indigenous communities. Recognizes limited procedural rights of indigenous communities to confer or deny support to proposed projects.

KEY PROVISIONS

- Avoid potentially adverse effects on indigenous communities or, when such avoidance is not “feasible,” minimize, mitigate, or compensate for such effects.
- Bank-financed projects to deliver culturally appropriate social and economic benefits to indigenous communities.
- Bank identifies if indigenous peoples are present in or have a collective attachment to the project area. Borrower conducts social assessment.
- Policy establishes higher consultation standards than normally apply. “The Bank provides project financing only where free, prior, and informed consultation results in broad community support to the project by the affected Indigenous Peoples.” Free, prior, and informed consultation required at each stage of the project.
- Policy establishes a higher access to information standard: “Indigenous Peoples’ communities are to be provided all relevant information in a culturally appropriate manner at each stage of project preparation and implementation.”

- Borrower must prepare, in consultation with indigenous communities, an Indigenous Peoples Plan that ensures that (a) affected Indigenous Peoples receive culturally appropriate social and economic benefits and (b) adverse effects are avoided, minimized, mitigated, or compensated.

Human Rights

The Indigenous Peoples Policy is the only Bank operational policy that references human rights; the policy is to ensure “that the development process fully respects the dignity, human rights, economies and cultures of indigenous peoples.”

- Physical Relocation is to be avoided or to occur only in exceptional circumstances and must be “broadly supported” by the affected indigenous peoples. Land-based resettlement strategies are to be used.
- Borrower must pay particular attention to but not required to recognize customary rights of indigenous peoples to lands or territories that they traditionally own, or customarily use or occupy. Legal recognition only required in projects that depend on recognition (such as land titling projects) or when such lands will be ‘acquired.’ Action plans for legal recognition to be developed in such cases.
- Commercial exploitation of indigenous peoples cultural knowledge and resources “is conditional upon their prior agreement to such development” (highest standard of consent in all of the safeguards).
- Exploitation of natural resources on indigenous lands and territories only requires weaker free, prior informed consultation standard. “Broad community support” clause is conspicuously absent in this section of the policy.
- Access restrictions to legally designated parks and protected areas, in particular access to their sacred sites, “should”—not must—“ be avoided.” Where it is not “feasible” to avoid restricting access, indigenous peoples only need to be consulted on preparation of a process framework and management plan that are to provide for equitable sharing of benefits from restricted areas.



Pest Management OP/BP 4.09 (1998)

This policy promotes the use of biological or environmental control methods and reduces reliance on synthetic chemical pesticides and sets conditions on the acquisition and use of pesticides.

KEY PROVISIONS

- Pest populations to be controlled through Integrated Pest Management (IPM) approaches (see box). Bank may finance the purchase of pesticides when use justified under an IPM approach.

What is IPM?

IPM refers to a mix of farmer-driven, ecologically based pest control practices that seeks to reduce reliance on synthetic chemical pesticides. It involves (a) managing pests rather than seeking eradication; (b) relying on non-chemical measures to keep pest populations low; and (c) selecting and applying pesticides in ways that minimize adverse effects on beneficial organisms, humans, and the environment.

- Selection and use of pesticides (a) must have negligible adverse human health affects; (b) must be shown to be effective against target species; (c) must have minimal effects on non-target species and the natural environment; and (d) must take into account need to prevent the development of resistance in pests.
- Pesticides to be manufactured, packaged, labeled, handled, stored, disposed of, and applied according to standards acceptable to the Bank.

Cultural Property OPN 11.03 (1986)

This policy requires Bank projects to avoid damage to and assist in the preservation of cultural property, such as sites having archeological, paleontological, historical, religious and unique cultural values (policy to be updated as Physical Cultural Resources, OP 4.11).

KEY PROVISIONS

- Bank “normally declines” projects that will “significantly” damage non-replicable cultural property and only assists projects that prevent such damage.
- Provides assistance to the protection of cultural properties encountered in Bank-financed projects, often through relocation and museum preservation.
- Bank staff must determine extent of knowledge about cultural property in project area. Specialist should survey area if there is chance of such property in area.

Safety of Dams OP/BP 4.37 (1999)

This policy establishes procedures and safety requirements for construction of new dams and for projects that depend of safe functioning of existing dams. Requirements apply to large dams (15 meters or more in height, with some exceptions).

KEY PROVISIONS

- For construction of new dams, borrower must engage panel of independent experts to review the design, construction, and start of operations and prepare detailed plans for all phases of dam construction and operation.
- For existing dams, borrowers must engage independent dam specialists to inspect, evaluate safety status of the dam, review operation and maintenance procedures, and submit written report for any potential remedial work.
- Bank staff must review all written reports, verify that recommendations have been adopted, and monitor all activities related to dam safety provisions.

Projects on International Waterways OP/BP 7.50 (2001)

This policy seeks to reduce potential conflict between states that border an international waterway (or a bay, gulf, etc.) over projects that may affect the use or pollute the waterway.

KEY PROVISIONS

- Encourages borrowers to notify and to provide sufficient project details so other riparian states can determine if interests affected. If borrower refuses notification, Bank normally does so. If borrower objects, Bank discontinues processing.
- Bank encourages riparians to enter into agreements that cover concerned waterway.
- If riparians raise objections, Bank may appoint independent experts to review.
- Applies to dams, irrigation, flood control, navigation, water, sewage and industrial projects.

Projects in Disputed Areas OP/BP 7.60 (2001)

This policy establishes minimal rules for Bank-financing of projects in areas disputed by two or more states.

KEY PROVISIONS

- Bank may proceed if governments in dispute agree to go forward without prejudice to claims.

- Bank may finance project even if one government objects provided that the Bank determines that the project is not harmful to the interest of the claimants and that no conflicting claims have received international recognition.
- Requires early identification of territorial disputes and descriptions in all Bank documentation