

III-H. Profile of The World Bank

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1. World Bank Environment Strategy

The Environment Strategy of the World Bank - *Making Sustainable Commitments: An Environment Strategy for the World Bank* – published in 2001 sets the Bank's vision, objectives and actions in tackling the environmental challenges in the Bank's client countries. The strategy also includes the methods that the World Bank should include to integrate environmental sustainability in its programs and projects. The strategy has three main pillars that touch upon the concept of environmental security:

- **Enhancing livelihoods** where 'the World Bank will help protect the long-term productivity and resilience of natural resources and ecosystems on which people's livelihoods depend'.
- **Reducing health risks** where the Bank 'will focus on cost-effective measures to reduce environmental health risks, including reducing people's exposure to indoor and urban air pollution, waterborne diseases, and toxic chemicals'.
- **Reducing vulnerability to natural hazards** where the Bank 'will aim to reduce vulnerability by helping to prevent and mitigate the impacts of natural disasters; supporting upland resource management and payments for environmental services; improving weather forecasting and the dissemination of weather-related information; managing land and coastal-zone resources'.

2. World Bank's Involvement in Water Security

Among the World Bank's involvement in the area of environmental security, the contribution and initiatives in the area of water security stand as a good example to expose. One recent initiative was the World Bank Water Week in 2005, which focused on *Water Security: Policies and Investments*. The primary objective was to challenge the preconception that all water problems can be solved with infrastructure. Discussion focused in large part, on how countries must develop their institutional environment and invest in infrastructure in parallel. Two topics discussed during that week were of particular importance. The first was the "Water Security and Linkages to Food Security" which examined linkages between water security and food security and considered how stronger understanding the correlation might contribute to the achievement of the poverty and hunger Millennium Development Goals (MDGs). The second topic covered "Water in Post-Conflict Situations" and addressed the post-conflict challenges to water supply and sanitation, especially the difficulty in mobilizing investment. Discussions considered approaches aimed at improving water security for societies emerging from conflict with a particular focus on innovative responses for addressing client needs by the donor community.

3. The 2006 World Bank Report "Water for Growth and Development"

In a recent discussion paper entitled *Water for Growth and Development*, which was prepared at the request of the Secretariat of the Fourth World Water Forum held in Mexico City in March 2006, the World Bank paper acknowledges that simply constructing

new water infrastructure projects is not enough. Rather, it is essential to manage and govern water resources in a way that balances water security, social and environmental protection. The discussion paper continues to argue that water security means access to reliable water supplies, good governance, and the possibility of managing acceptable risks from floods and other unpredictable weather events.

The *Water for Growth and Development* report identifies four approaches for ensuring that water management reduces poverty in the developing world:

- Broad-based river regulation and water storage schemes
- Water resource projects aimed restoring degraded water catchments areas in poor regions.
- Broad-based water service project aimed at improving the performance of water utilities.
- Water service initiatives aimed at providing water, sanitation and irrigation services to those without them.

4. World Bank Conflict Prevention and Post-Conflict Reconstruction

The World Bank is one of the most active IGOs in the areas of conflict prevention and post-conflict reconstruction and rehabilitation. Its operational policies such as the Operational Policy on Development Cooperation and Conflict (O.P. 2.30) enhance the World Bank's capacity to respond rapidly and flexibly, and apply its full potential to break cycles of conflict. Also the Bank's Operational Policy on Emergency Recovery Assistance (O.P. 8.50) guides its work and activities in conflict-affected areas.

5. Conflict Prevention and Reconstruction Unit

Several of the World Bank programmes and initiatives address the issues of conflict prevention and post-conflict reconstruction and rehabilitation. The **Conflict Prevention and Reconstruction Unit** is the main body that provides guidance on integrating conflict-related issues into World Bank activities. The Unit's activities include:

- conflict analysis aimed at optimizing policy and project design in conflict-affected countries,
- developing specific tools and strategies to contribute to development in those countries, and
- supporting research on the economic causes and consequences of conflict.

The Unit has developed a **Conflict Analysis Framework (CAF)** that would address the complexity of the links between conflict and development programming. The CAF is a grading system for assessing projects, which may negatively impact on countries that are conflict-prone. It is composed of six categories of variables covering factors that have shown to affect or be affected by conflict,

One of the recent tools the Unit has prepared was a guidance note on possible approaches to the Strategic Environmental Impact Assessment (SEAs) in conflict-affected countries prepared by the Netherlands Commission for Environmental Assessment to prepare.

Three pre-conditions were identified for ensuring the success of SEAs in conflict zones. First, there must be the possibility of mainstreaming environmental issues into a strategic decision that can be implemented. Second, all relevant stakeholders must be willing to participate in and trust the process. Third, involvement of key stakeholders must not put

them at risk, especially in post-conflict situations where peace and security institutions may not be fully developed.¹

6. Peace and Conflict Impact Assessment Handbook

Another important source of guidance for strategic conflict assessment is the 2005 “Peace and Conflict Impact Assessment Handbook” prepared by the Conflict Prevention and Post-conflict Reconstruction Network of multilateral and bilateral donor organisations.² The Handbook provides sets of tools for conducting peace and conflict impact assessments and for identifying and designing conflict-sensitive options and programmes. The Profile Tools aim to strengthen understanding of the context, undercurrents and components of a particular conflict situation. The Profile Tools use Political, Economic, Social/Cultural, Security, and Regional/International Lenses. The Impact Tools support the assessment of the possible political, socio-economic, security. The Decision Tools aim to help practitioners implement possible response strategies.

7. World Bank Post-Conflict Fund (PCF)

Established in 1997, the Post-Conflict Fund (PCF) of the World Bank enhances the Bank's ‘ability to support countries in transition from conflict to sustainable peace and economic growth’. The Fund provides grants to a wide range of partners (institutions, nongovernmental organizations, United Nations agencies, transitional authorities, governments, and other civil society institutions).

During the 2005 fiscal year, the Post-Conflict Fund (PCF) was engaged in 37 conflict-affected countries. Between the 1998 and 2005 fiscal years, the PCF has approved more than USD 70 million.³

8. The World Bank Research on Conflict

Two of the World Bank's research projects have tried to understand the causes of civil wars and processes and conditions in societies in post conflict transition. The seminal work on the Economics of Civil War, Crime and Violence (1998-2005) undertook an extensive analysis of the causes of civil war and generated a number of influential papers and publications in the field of civil conflict studies.⁴ The Current Post-Conflict

¹ Verheem Rob, et al. “Strategic Environmental Assessments: Capacity Building in Conflict-Affected Countries”. Report prepared by the Netherlands Commission for Environmental Assessment for the Conflict Prevention and Reconstruction United in the Social Development Department of the Environmentally and Socially Sustainable Development Network of the World Bank. 2005, page 13. See: www.worldbank.org/conflict (See “Publications” in the navigation menu.)

² See: www.cprnet.net

³ See: PCF Annual Report 2005
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALDEVELOPMENT/EXTCPR/0,contentMDK:20698452~menuPK:1260916~pagePK:148956~piPK:216618~theSitePK:407740,00.html>

⁴ See: “Understanding Civil War Vol 1& 2 –and Breaking the Conflict Trap: Civil War and Development Policy”
http://www.worldbankinfoshop.org/ecommerce/catalog/product?item_id=5196809

Transitions Project that was launched in 2005 'will advance this research by identifying the conditions under which post-conflict societies succeed'.⁵

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⁵ See: <http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/EXTPROGRAMS/EXTCONFLICT/0,,contentMDK:20335964~menuPK:477967~pagePK:64168182~piPK:64168060~theSitePK:477960,00.html>