

**SUMMARY OF COMMENTS DURING CONSULTATIONS AND
RESPONSE TO COMMENTS¹**

***Environment and Safeguards Compliance Policy
Inter-American Development Bank***

INTRODUCTION, SCOPE AND OBJECTIVES	
Summary of comments from participants	Response
Define clearly the scope and content of the Policy. Explain the two levels (Directives and Implementation Guidelines). Establish whether the Guidelines are mandatory.	The Environment and Safeguards Compliance Policy, approved by the Board on January 19, 2006, establishes mandates and directives for all Bank activities. The Policy will be supplemented by Implementation Guidelines approved by Management, which provides procedures to assist in complying with policy directives.
The policy needs to adopt a broad definition of sustainable development and its central role in poverty reduction. Reference should be made to the sustainability principles established in Rio'92 and those adopted by the EU and Equator principles, among others.	The introductory sections of the Policy (introduction, scope and objectives) make reference to sustainable development and poverty reduction principles underlying major international conventions and agreements, such as Rio 92, Agenda 21, Johannesburg, and the Equator Principles.
The policy needs to emphasize the proactive approach to support environmental activities in the Bank. Adopt a precautionary approach in Bank-supported activities.	The Policy adopts a proactive approach by establishing two sets of directives: Directives to mainstream environmental issues in programming activities and early on during the project cycle (Directives "A"); and safeguard directives to manage risks and adopt a precautionary approach to environmental impacts (Directives "B").

¹ The comments received were based on a Draft Document, dated November 12, 2004, which was distributed for consultation. The response to comments is based on the Environment and Safeguards Compliance Policy approved by IDB Executive Board on January 19, 2006.

POLICY DIRECTIVES	
A. Mainstreaming environment	
Summary of comments from participants	Response
Provide stronger procedural tools, analysis and increased financial resources for mainstreaming activities in country and sector strategies. Implementation Guidelines should be provided to guide implementation.	Directives A (Mainstreaming) of the Policy will be supplemented by Implementation Guidelines with procedural elements and technical support material to carry-out the mandates of the Policy.
The IDB should ensure that it has in place the internal management capacity and incentives to ensure that the directives are vigorously implemented, and an evaluative framework to assess its effectiveness at regular intervals.	The Bank, as stated in the Management Response to the Blue Ribbon Panel, recognizes that the internal management capacity is key to successful implementation of the policy. Section V of the policy establishes policy implementation and compliance requirements. The Implementation Guidelines and the implementation plan to be approved by Management will address necessary procedures and actions to this effect. The implementation of the Policy will be reviewed no later than three years after it enters into effect.
Mainstreaming Environment in Country Programming and Strategies	
Summary of comments from participants	Response
Open the Dialogue to line management agencies that manage environmental resources, to get them engaged in the country programming dialogue. Baseline indicators considered within Country Environmental Assessments (CEA) should include indicators of environmental quality (e.g. air, water, natural habitats, species, etc.), trends and emerging threats to environmental quality.	Directives A.1 thru A.3 establish requirements to address early on during the programming phase environmental conditions across sectors, and provide the bases for proactive environmental management. Country-level environmental analytical work is a required tool to carry such activities, including the conformation of relevant environmental baselines and performance indicators.
Define the role of private sector in reinforcing the mainstreaming vision; establish coordination between private and public sector in CEA and programming activities.	As mentioned in para. 4.1 and Directive A.1 the Policy indicates the need to integrate private sector development strategies and diagnosis in the programmatic phase, including opportunities and challenges for private sector financing.

<p>Strengthen the dialogue between national governments and civil society through adequate participatory processes and mechanisms at all stages (programming, monitoring, auditing). The tools used in CEA should provide participatory and inclusive approaches with effective public and institutional involvement.</p>	<p>Directive A.1 provides requirements for the integration of stakeholder consultation and cross-sectoral dialogue with government, private sector and other relevant interested parties throughout the programming process.</p>
<p>The Bank should coordinate its country-level environmental analysis activities with other multilateral partners working in the same country (WB, UNDP, UNEP, etc.).</p>	<p>Paragraph 4.5 of Directive A.1 requires the Bank to consider past and ongoing actions of multilateral financial institutions and other agencies in the development of country-level analytical work. Directives A.4 and A.5 also make explicit reference to inter-agency coordination.</p>
<p>Include Strategic Environmental Assessment (SEAs) as an instrument for country environmental analysis.</p>	<p>SEAs apply to programs and policies (See Directives B.3 and B.5), while CEAs are country-level analytical work. The Implementation Guidelines includes consideration of how CEA and SEAs may complement each other in some cases.</p>

Supporting Environmental and Natural Resources Management Operations

<p>Summary of comments from participants</p>	<p>Response</p>
<p>Establish IDB's role in preventing and mitigating the global environmental effects resulting from emissions of greenhouse gases associated with the IDB's operations in the energy sector. Include "adequate solid waste management" in the list of activities to be supported.</p>	<p>The Policy addresses in its Directives A (mainstreaming) energy efficiency and climate change mitigation, mainly as part of the Bank's proactive support of sustainable use of natural resources, ecological services and urban environmental management, including integrated solid waste management. Directive A2 mandates the promotion of carbon sequestration activities and reduction and control of GHG emissions. Specific requirements for GHG mitigation are provided in the safeguard directives (B.11 - pollution prevention and abatement).</p>
<p>Make explicit reference to "protected areas" as part of biodiversity protection,</p>	<p>The protection of biodiversity and fragile ecological systems, including the sustainable financing and management of protected areas is explicit in Directive A.2</p>

Mainstreaming Environment Across Sectors

<p>Summary of comments from participants</p>	<p>Response</p>
<p>Define with more clarity how the Policy will integrate environ-</p>	<p>Directive A.3 establishes requirements for the incorporation of environ-</p>

mental sustainability in economic sectors, as part of the mainstreaming activities.	mental and natural resource management components or activities across different sectors, beyond environmental mitigation actions. The Implementation guidelines will identify the types of mechanisms to be adopted to support this objective.
Consider support from bilateral partners and GEF resources to promote mainstreaming in selected sectors.	Directive A.4 for environmental mainstreaming points at GEF funds as an important source of funding for both, national and regional initiatives, and the need to seek co-financing with other interested agencies.
Avoid (or clarify) the term “non-environmental”, given the cross-sectoral nature of environment.	The Policy does not include or use the term “non-environmental.

Supporting Regional Initiatives and International Agreements

Summary of comments from participants	Response
Include sub-regional multilateral environmental agreements and add them to the list of key environmental agreements	Directive A.4 makes reference to key multilateral agreements under which signatory countries in the region must respond. The Implementation Guidelines will include a more extensive list of key international and sub-regional agreements.
Establish requirements for tracking performance in meeting internationally-agreed obligations	Directive A.5 is a specific directive for tracking environmental sustainability indicators. Also, Directive A.4 indicates that the Bank will support national authorities in meeting internationally-agreed obligations, and will provide assistance for tracking the countries performance in meeting such obligations.

Tracking Environmental Sustainability Indicators

Summary of comments from participants	Response
Compliance with the Implementation Guidelines should be considered while assessing the environmental sustainability of a project. Define the systems to oversee progress on sustainability.	Directive A.5 establishes a requirement to assess and report on environmental sustainability. specific sustainability assessment procedures will be provided in the Implementation Guidelines. Such procedures will be incorporated in the various evaluation and reporting instruments used by the Bank, such as logical frameworks, project monitoring reports, mid-term reviews and project completion reports.
Include both “quantitative and qualitative” indicators; include	Directive A.5 requires Bank teams to incorporate the necessary qualitative

indicators on public participation, governance, access to information, transparency and access to justice.	and quantitative environmental sustainability indicators to track country-level environmental performance and development effectiveness.
Use common definition of key indicators used by other MFIs (matching WB's), conduct data sets/inventories and monitoring in coordination with other MFIs, and coordinate and align indicators with MDGs and World Summit Development Targets.	Directive A.5 states that the Bank will work in coordination or harmonized with specialized national and international agencies in this regard. The implementation guidelines will provide comparative bases for compatibility with data sets, inventories and performance indicators adopted by the international community, and existing coordination mechanisms among multi-lateral development agencies.
Assessing Environmental Risks and Opportunities	
Summary of comments from participants	Response
Establish how the early identification of potentially highly sensitive programs ("flagging" or "alerta temprana") relates to early programming activities and CEA activities required in Directives A.1 and A.2.	Directive A.6 establishes that the country environmental analytical work required in Directive A.1 is critical for assessing early-on potentially significant environmental risks and opportunities of specific proposed operations as they are incorporated in the Bank's pipeline.
Consider applying the assessment of environmental risks to broader economic drivers and sectors in general, and not just to proposed Bank investments and activities.	The mainstreaming directives of the Policy mandate the Bank to address risks for sectors that are potentially environmentally and socially sensitive (i.e. energy, transportation, etc.) taking into account the broad sectoral priorities and risks.
Consider strategic environmental assessments (SEA) as a tool for early-on identification of environmental risks and opportunities of projects.	The application of SEA is stated in Directive B.5, and indicates that the use of SEAs should include early-on identification and analysis of strategic issues, actions and development alternatives.
Promoting Corporate Environmental Responsibility	
Summary of comments from participants	Response
Make reference to continuous improvement processes (procesos de mejoramiento continuo); IDB should consider ISO 14000 certification	Under this new Policy, the Bank is required to adopt environmental management approaches in line with environmental and social corporate responsibility principles. The implementation guidelines will provide orientation as to the use of Environmental Management Systems or available options for internationally-approved certifications.
Expand or modify the concept "harmful substances"	Directive A.7 has incorporated the term "hazardous substances".

<p>Include indicators established by the Global Reporting Initiative (GRI); IDB should adopt a standard (world-recognized) performance system.</p>	<p>The new Directive A.7 makes reference to GRI as a common standard for resource intensity and efficiency.</p>
<p>B. <u>Safeguarding the Environment: Managing Environmental Impacts and Risks</u></p>	
<p>Summary of comments from participants</p>	<p>Response</p>
<p>The Precautionary approach should be presented in the introduction of directives B. Such principle should be applied to national as well as regional initiatives, such as PPP.</p>	<p>The new paragraph 4.13 refers to the precautionary approach to environmental impacts, and applies it to all Bank-financed operations. The term is defined in Section VI (Definitions).</p>
<p>Bank Policies</p>	
<p>Summary of comments from participants</p>	<p>Response</p>
<p>All of the “environmentally relevant provisions” of other Bank policies should be part of this policy.</p>	<p>The implementing Guidelines will provide links and references to environmental provisions of the Bank’s sectoral policies.</p>
<p>IDB should develop safeguard policies related to : environmental assessment (EA); destruction of cultural and archaeological heritage; disputed areas; forestry; indigenous peoples and socially vulnerable ethnic minorities; international waterways; natural habitats; pest and pesticide management; dams; human rights and social and cultural impact assessment; public health and safety; and traffic.</p>	<p>The Policy addresses specific aspects, including: Environmental assessment (Directives B.3 thru B.5), transboundary impacts (B.8), natural habitats and cultural sites (B.9), hazardous materials (B.10), and pollution preventions and abatement (B11). The indigenous peoples policy is under review by the Board. Social impacts, if derived from environmental impacts are covered under this Policy. All other social aspects should be covered in relevant social policies. The Bank’s forestry policy (OP-723) is still binding.</p>
<p>Country Laws and Regulations</p>	
<p>Summary of comments from participants</p>	<p>Response</p>
<p>Significant and potentially irreversible risks are posed by prematurely relying on questionable in-country capacity to implement and enforce environmental law and policy provisions.</p>	<p>Directives B.1 and B.2 establish that the Bank will only finance operation that comply with the directives of the Policy, in addition to compliance with national environmental laws and regulations. Relying on in-country capacity is discussed under Directive B.16.</p>

<p>The Bank should not support operations that would contravene country obligations under Multilateral Environmental Agreements (MEAs). Key MEA should be listed.</p>	<p>Directive B.2 requires that Bank operations comply with country environmental laws and regulations, including those pertaining MEAs ratified by countries. The Implementing Guidelines will provide a list of key international agreements and links to the contents of such agreements.</p>
<p>The Bank should support operations (including TC funds) which improve local environmental regulation, thus helping the borrowing country close the gap between national/ local legislation and internationally agreed standards.</p>	<p>Directive A2 requires proactive support to enhance environmental legislation, strengthen institutions and support capacity building activities. Directive B16 (in-country systems) refers to Bank support in closing gaps between national systems and Bank standards.</p>
<p>Screening and Classification</p>	
<p>Summary of comments from participants</p>	<p>Response</p>
<p>State who determines the screening and categorization of operations</p>	<p>The implementation Guidelines will establish responsibilities for screening and categorization, including the review and approval of the screening and categorization process.</p>
<p>The criteria used for Category A classification are unnecessarily restrictive. The World Bank simply considers Category A projects to be those likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented.</p>	<p>Directive B.3 defines Category A operations as high safeguard risk operations, that is, operations that are likely to cause significant negative environmental impacts and associated social impacts.</p>
<p>The screening process should include a scoping of whether the project may overlap with natural or cultural habitats, in which case the project should be classified as Category A.</p>	<p>Directive B.3 establishes that, potential environmental, social and cultural impacts of the operation are identified as part of early scoping and screening process. Directive B.9 () specifically refers to natural habitats and cultural sites, providing strict safeguards.</p>
<p>The “A” classification suggests that all A projects could be funded as long as mitigation measures and/or compensation measures are provided.</p>	<p>Directive B.1 states that approval of Category A projects is based on compliance with all policy directives.</p>
<p>Independent expert reviews for “highly complex” Category A projects should be required.</p>	<p>The Policy requires the borrower to establish and advisory panel of experts for some high safeguard risk operations that, in the Bank’s opinion raise complex and sensitive environmental, social, or health and safety concerns.</p>

Include specific reference to cumulative and associated impacts.	Directives B.3 and B.5 address cumulative and associated impacts
Consider reviewing the new IFC's Policy on Social and Environmental Sustainability, for coherence with international standards.	All relevant policies by other MDBs have been revised for coherence and compatibility.
The IDB's classification of Category A projects must at the very minimum, consider discharges of pollutants such as carbon dioxide and other greenhouse gases	Directive B.3 incorporate, within the EIA process, global environmental issues, including considerations about of GHG mitigation. Directive B.11 (pollution prevention and abatement) encourages the reduction and control of GHG.
Establish the stakeholder consultation and community participation mechanisms that are used during categorization, including distribution to the public of Bank documentation concerning screening.	The policy establishes under Directive B.6 procedures for consultations. . The Bank's Disclosure of Information Policy (OP-102) applies for disclosure issues. Details on procedures will be spelled-out in the guidelines.

Other Risk Factors

Summary of comments from participants	Response
Include a wide range of risk factors that affect environmental sustainability.	Directive B.4 refers to a wide range of risks factors that affect environmental sustainability , beyond those associated with environmental impacts, such as governance capacity of the executing agency/borrower and of third parties, risks associated with highly sensitive environmental and social concerns, and vulnerability to disasters.

Environmental Assessment Requirements

Summary of comments from participants	Response
Critical elements of EA that are not mentioned include baseline data, the legal context, and analysis of alternatives.	Directive B.5. of the Policy indicates the minimum requirements of the EA process, including baseline data, legal requirements and analysis of alternatives. The scope and content of EA procedures are further detailed in the Implementation Guidelines.
The Policy should require that SEAs be conducted prior to the implementation of programs, plans or policies. SEAs should include analysis of indirect, cumulative and secondary impacts, as well as socio-cultural assessment	Directive B.5 establishes that the SEA process should be triggered early-on in the decision making process and prior to the implementation of policies, plans and programs. Unlike EIAs, for which the Policy requires to address direct, indirect, regional and cumulative impacts, as well as socio-

	cultural issues, SEAs are strategic in nature.
The guidance for preparation of EA documents on energy projects must include information on the climate change-related impacts of the proposed projects, including at the very minimum, consideration of discharges of pollutants such as carbon dioxide and other greenhouse gases.	Energy sector issues and climate change considerations are addressed under mainstreaming directives (Directives A.2, A.3 and A.4), as well as in Directive B.11 (Pollution Prevention and Abatement).
Scoping should be addressed in the Policy text. It should be said that the scoping process establishes the terms of reference for the EA. Public consultation and disclosure must be required during scoping, particularly with local project-affected populations and civil society.	Directive B.5 addresses the full range of activities under EA, including scoping. Directive B.6 requires public consultation and stakeholder involvement during scoping.
For Category A projects, EIA should include quantitative economic analyses to establish costs and benefits of impact mitigation and risk management.	Directive B.5 requires that EIA be supported by economic analysis of project alternatives and by economic cost-benefit assessments of the project's environmental impacts and/or the associated protection measures.
EIAs should be developed by independent EA experts not affiliated with the project.	The EIAs are the responsibility of the executing agency or sponsor (in the case of private operations) which is the common professional practice. The Policy (Directive B.5) and the Implementation Guidelines pertaining directive B.3 and B.5 will provide standards in the development of EAs to help ensure the quality of such assessments.
Clarify what are the public consultation mechanisms and information dissemination mechanism required at the EIA process, the time frame for such consultations, and other related issues.	The implementation guidelines pertaining Directives B.5 and B.6 establish technical aspect of public consultation and information dissemination requirements for EIAs. The Bank will follow the Disclosure of Information Policy (OP-102).
The content of Environmental and Social Management Plans (ESMPs) should be described in the main text of the policy, including details regarding the required content and standards for an adequate ESMP.	Directives B.5 thru B.7 establish key aspects of ESMP; their corresponding Implementation Guidelines will specify technical content and procedures for the ESMP.
Provide requirements that ESMPs explicitly address the existence, capacity, development, and training of institutions capable of implementing the mitigation and monitoring measures identified in ESMPs and EIAs.	The Policy addresses the implementing agency's capacity to manage the environmental impacts and management plans at various stages of the project cycle: during screening (Directive B.3), during EIA preparation (Directive B.5), and supervision and compliance (Directive B.7).

<p>Articulate environmental assessment requirements with key decision points in the Bank (Committees, Disbursement etc).</p>	<p>Directive B.3 thru B.7 cover key EA requirements throughout the project cycle. The Implementing Guidelines of these Directives will establish responsibilities for overseeing and approving various steps and outcomes of the EA, and for various project categories.</p>
<p>Consultations</p>	
<p>Summary of comments from participants</p>	<p>Response</p>
<p>Provide specifics as to how and when consultations are to take place; define standards for public consultation, disclosure and timelines.</p>	<p>Directive B.6 establishes requirements for consultations with affected communities and other interested parties as part of the environmental assessment process for various project categories. The release of documentation of results of the consultation will follow the Bank's Information Disclosure Policy (OP-102).</p>
<p>References should be made to stakeholder analysis, which guarantees that the interested and affected parties had been identified.</p>	<p>The implementation guidelines pertaining Directive B.6 will refer to methodologies such as stakeholder analysis, to help ensure that potentially affected parties are consulted. Stakeholder analysis is a requirement of Logical Frameworks applied in the design of IDB operations.</p>
<p>Supervision and Compliance</p>	
<p>Summary of comments from participants</p>	<p>Response</p>
<p>Specify concrete evaluation mechanisms to carry environmental oversight, and consequences for non-compliance with ESMP, safeguard indicators, or other standards or safeguards. Establish conditions for continued disbursement based on compliance with environmental commitments.</p>	<p>Directive B.7 establishes that results and products under the EA process should be integrated into loan agreements. The Bank will use its oversight and evaluation channels for assessing environmental performance and monitor compliance of executing agency/ borrower with environmental requirements contained in loan agreements.</p>
<p>Include environmental indicators in logical frameworks.</p>	<p>Directive B.7 states that environmental indicators are required in logical frameworks of operations. Such indicators are followed-up in project monitoring reports and reviewed in mid-term reviews and project completion reports.</p>

Transboundary Impacts	
Summary of comments from participants	Response
Consider more proactive ways of addressing potentially critical trans-boundary environmental impact and risks.	Directives A1 thru A4 incorporated a proactive approach to trans-boundary issues as part of mainstreaming activities.
Include identification and, when possible, prevention of global impacts. Include additional trans-boundary issues such as atmospheric pollution.	Directive B.8 includes regional trans-boundary considerations for the assessment and management of watersheds, biological corridors, regional airsheds and other potential issues.
Strategic Environmental Assessment (SEA) could be used as analytical instrument for studying trans-boundary impacts. Potential cumulative impacts need to be considered in regional initiatives such as IIRSA and PPP.	As defined in Directive B.4 and B. 5, SEA is a methodological EA tool applicable to policies, plans and programs..
Clarify the notion and procedure for “Notification” to people in other countries, and how they get involved.	The Implementing Guidelines pertaining Directive B.8 will clarify the detailed procedures.
Clarify what is an appropriate framework for consultation	Directive B.6 refers to the appropriate framework for consultation of affected parties, and the specific procedures to be followed based on the project classification (Directive B.3) and EA requirements (Directive B.5). The Implementing Guidelines will define the detailed procedures.
Include “watersheds” as an analytical unit for addressing trans-boundary impacts.	The Policy has incorporate “watersheds” in the language.
Natural Habitats and Cultural Sites	
Summary of comments from participants	Response
Refer to language originally used in the Policy Profile. Some concepts (i.e. “critical ecological sites”, “critical habitats”, etc.) better suit the policy. The term “critical conservation areas” only includes protected areas and proposed protected areas, while also areas not legally protected but which are critical habitats need to be protected under this policy. The policy should follow the WB’s Natural Habitats Policy (OP404) for terminology and scope, and for establishing	The new Directive B.9 provides clarity and consistency in the use of terms such as critical natural habitats, critical cultural sites, significant conversion, invasive species and others. Section VI of the Policy provides definitions of these terms. Consistency with the use of these categories by other multilateral agencies and international conventions has been sought. Compliance with Multilateral Environmental Agreements is referred to in Directive B.2.

<p>conditions allowing the conversion of natural habitats. The Policy should require compliance with internationally accepted conventions and conservation categories (World Heritage sites, IUCN classification of protected areas, UN List of National Parks and Protected Areas, World Biosphere Reserves, Ramsar Convention on Wetlands, etc.).</p>	
<p>Some consideration could be given to separating cultural areas from natural habitats, and have a separate directive on cultural property. It was recommended that the term “critical cultural sites” be replaced with “critical human sites”.</p>	<p>In Directive B.9 a specific paragraph for cultural sites has been added to clarify and emphasize its importance. B.5, and its corresponding Implementation Guidelines address critical cultural sites as part of the EA process. Section VI of the Policy, on definitions, provides further clarification.</p>
<p>The IDB policy is weak in its determination that IUCN category I-III protected areas should be considered “critical conservation areas” and categories IV-VI should be considered “areas of ecological importance.”</p>	<p>Directive B.9 and the definition of critical natural habitats was revised to seek consistency with IUCN categories I-VI and other definition adopted by MDBs.</p>
<p>The IDB policy should provide a strong bases for safeguarding protected areas and encouraging sustainable livelihoods in association with such areas.</p>	<p>Directives A.2 and A.3 requires the promotion of conservation and sustainable use of protected areas and its ecological services for sustainable livelihood as a key objectives. Directive B.9 provides specific mandates to protect critical natural habitats and natural habitats.</p>
<p>Hazardous Materials</p>	
<p>Summary of comments from participants</p>	<p>Response</p>
<p>The Bank should not only seek, but wherever possible eliminate adverse impacts to the environment and human health and safety occurring from the production and use of hazardous materials. The production, procurement or use of other non-persistent hazardous materials and substances should be minimized and ultimately phased out.</p>	<p>Directive B.10 emphasizes the Bank’s commitment to avoiding and minimizing adverse impacts caused by the production, procurement, use and disposal of hazardous materials and substances.</p>
<p>Establish clear reference to WHO’s pesticides categories and the conditionalities for the use of pesticides. Refer to the Rotterdam Convention on Prior Informed Consent (PIC), the Basel Convention on trans-boundary movements of hazardous waste, and other conventions related to the production, procurement, commercialization and export of hazardous</p>	<p>Directive B.10 refers to WHO’s categorization and recommendations, and to other international conventions. The Implementation Guidelines provide technical references to international conventions, and a complete glossary with definitions, including Persistent Organic Pollutants (POPs).</p>

chemical substances.	
Promote the use of ecologically based integrated pest management (IPM) approaches, such as biological control, cultural practices, and the development and use of crop varieties that are resistant or tolerant to the pest. The production, procurement or use of synthetic chemical pesticides should be minimized and avoided wherever possible.	Directive B.10 promotes and encourages the use of integrated pest management (IPM) and integrated vector management (IVM) practices to reduce reliance on synthetic chemical pesticides.
A management/emergency plan to reduce risks of POP should always be adopted, including consideration concerning the handling of POPs by workers.	Directive B.10 prescribes the need to adopt management plans that should include preventive and contingency measures to protect workers.
Pollution Prevention and Abatement	
Summary of comments from participants	Response
Include a directive related to pollution prevention	A new Directive B.11 has been included in the Policy. This Directive requires clients to comply with emission and discharge standards recognized by MDBs, to adopt cleaner production processes, energy efficiency or renewable energy, and encourages the reduction and control of greenhouse gas (GHG) emissions.
The policy should explicitly identify and require specific internationally recognized minimum numeric standards, such as standards included in WB's Pollution Prevention and Abatement Handbook (PPAH).	Under Directive B.11, the Bank requires clients to follow source-specific emission and discharge standards recognized by multilateral development Banks. Explicit reference of the PPAH will be stated and detailed in the Guidelines.
Project Under Construction	
Summary of comments from participants	Response
IDB should not finance projects under construction that are not in compliance with IDB and other applicable standards.	The Policy addresses projects under construction in its Directive B.12, The Directive establishes that operations under construction will be financed only if borrower can demonstrate that such operations comply with all relevant provisions of this Policy.

Non-investment lending and flexible lending instruments	
Summary of comments from participants	Response
The inclusion of this policy directive, particularly in relation to the policy-based loans, shows a move forward in adopting international standards and pushing the Bank's policy to a higher level demonstrating interest in leading other financial institutions.	Directive B. 13 requires policy based loans to address environmental issues when significant environmental impacts are identified.
<p>Are all FI projects subject to categorization? Prepare an "IDB Exclusion List" of activities and annex it to the Guidelines. Indicate what are the actual analytical and management tools to be employed and how to operationalize them within the framework of FI operations. Include environmental due diligence and EMS in the technical requirements.</p> <p>The Bank should assess and rate the FI's institutional capacity in environmental and social risk management.</p>	<p>Directive B.13 requires that FI demonstrate that appropriate environmental procedures are in place so that final recipients of IDB financing are required to adopt and implement sound and adequate environmental measures.</p> <p>The environmental procedures established in the Implementation Guidelines this policy will require a Bank approved exclusion list in the case of Financial Intermediary operations.</p>
Strategic Environmental Assessment (SEA) should be adopted for mainstreaming environment into policy-based loans that may have significant direct implications on environmentally sensitive sectors such as forestry, energy, transportation, agriculture, mining and water.	Directive B.13 requires use of alternative environmental assessment and management tools, of which SEA can be one of them.
Policy-based loans are becoming a large part of IDB's portfolio, and budgetary support is needed for implementation of environmental provisions set forth in this policy	As part of policy implementation, it is expected that the Bank will provide capacity building and budgetary support for environmental quality control and application of safeguards required for new lending instruments.

Multiple Phase and Repeat Loans	
Summary of comments from participants	Response
The Bank should require remedial actions and environmental compliance before subsequent phases of loans are approved.	The Policy addresses these requirements in Directive B.14, establishing that corrective actions must be taken by the executing agency/borrower, or agree with the Bank on appropriate course of action to remedy significant environmental liabilities, prior to the Bank's decision on a new phase or loan.
Improve text regarding the requirements for audits in the case of multiple phase loans. Audits should be mandatory.	Directive B.14 states that If warranted by the nature of the operation, an environmental audit will be required.
Co-financing Operations	
Summary of comments from participants	Response
Establish harmonization procedures and define how they will be pursued.	Directive B.15 establishes that the Bank should collaborate with the borrowers and participating lending institutions to adopt a single EA process and unified documentation, consultation and disclosure requirements, consistent with the requirements of this policy.
Environmental sustainability should be judged on the basis of the entire operation, including components not financed by the Bank.	Directive B3 refers to the <i>operation and its associated facilities</i> which includes not only the entire operation but, when relevant, those associated facilities to the operation. The term is defined in Section VI.
In-country Systems	
Summary of comments from participants	Response
The Bank should not rely on country systems for environmental due diligence and oversight unless assurance of highest standards of such systems is provided.	The Policy establishes, in Directive B.16, that the borrowing member countries' systems must be equivalent or superior to the Bank's safeguards, in order to use its country systems in the context of individual operations financed by the Bank. The Bank will use its own safeguards in areas where the borrowing member's systems are not deemed equivalent. The Directive recognizes limitations (gaps) of in-country systems, and therefore prescribes some necessary provisions to identify and bridge such gaps.

Procurement	
Summary of comments from participants	Response
Define Scope and objectives of corporate social responsibility (CSR)	This addressed in Directive A.7. Also, Directive B.17 addresses CSR as it related to environmentally responsible procurement applied to Bank-financed operations and Bank activities.
POLICY IMPLEMENTATION AND COMPLIANCE	
Summary of comments from participants	Response
IDB needs to develop the capacity and analytical/ intellectual support to implement the policy in a responsible manner. Establish how will the policy be implemented (resources, staff, incentives, commitment from management, etc.) and how key responsibility for implementation and oversight will be distributed among central departments, operational divisions and country offices.	This consideration has been transmitted to Bank Managers by the Blue Ribbon Panel. The Management Response to the Panel concurs with the need to strengthen Bank's internal capacities.
An evaluation framework should be set forth in the policy to evaluate compliance and implementation. A three-year review of implementation performance should be conducted.	Section V provides the bases for a general evaluation framework. It establishes that the implementation of the Policy will be reviewed no later than three years after it enters into effect.