

**IDB's Environment and Safeguards Compliance Policy  
Electronic Consultation Process Overview and Results  
November 15, 2004**

**Consultation Process Overview**

The Electronic consultation is the first step of the consultation process carried out by the Bank as part of the development of its new Environment and Safeguards Compliance Policy. The general objectives of the consultation process were to: (i) publicly demonstrate the position, mandates and directions the Bank wishes to pursue regarding the environment within the framework of the Bank's activities and operations; (ii) receive comments, suggestions, critiques, and recommendations from government entities and different parts of civil society (such as associations, academia, NGOs, and private organizations); and (iii) based on those inputs, validate, revise and modify the Environment Policy when appropriate, before it is presented to the Bank's Executive Board of Directors.

The electronic consultation on the Advanced Policy Profile was conducted from April 20<sup>th</sup> to June 30<sup>th</sup>, 2004, following the procedures and milestones set forward in the Consultation Plan. The Policy Profile was distributed for consultation via a web page on the Bank's website. In addition, over 850 invitations to consult the profile were directed to a wide spectrum of public and private entities, including civil society organizations and NGO's in the region and across the globe.

**Results of the Electronic Consultation**

A large number of individuals and organizations participated in the consultation. All comments were gathered and analyzed for consideration during the drafting of the Policy document.

The respondents commented on the following aspects of the Policy Profile:

On Scope and Objectives, respondents highlighted the cross-sectoral nature of environmental issues, the need to mainstream environmental considerations into Bank operations and decisions, the need to articulate the policy with other policy instruments within the IDB, and the importance of inter-agency coordination/ harmonization to achieve sustainability in the region. Respondents emphasized the "do good" potential of IDB interventions concerning natural resource management and environmental quality, and the need to create a balance between preventive and mitigatory or compensatory measures.

On Mainstreaming environment into Bank operations, respondents commented on the following aspects: the importance of country analysis in promoting coordination among ministries and institutions, and the role environmental management plays in this exercise; the critical task in assessing environmental impacts of high-risk projects and the need to base financial decisions based on environmental and social impacts of such projects; the use of strategic environmental assessment as a tool to be used early in the planning and design of IDB operations; the importance of meeting national obligations and international environmental agreements, pointing at specific conventions such as biodiversity; the importance of involving state and local governments, local communities, land owners and private sector in environmental management; the need to include indicators on environmental performance in project evaluation and monitoring.

On Safeguarding the environment, respondents addressed the need to: adopt internationally recognized quantitative standards for environmental performance; incorporate strategic environmental assessment (SEA) for policies and program lending, and at the project

planning phase; improve the different phases of environmental assessment (EA); improve participatory processes and information disclosure; clarify the Bank's position with respect to conversion or degradation of critical natural habitats; and improve the Bank's performance through environmentally responsible procurement.

On Policy Implementation and compliance, respondents emphasized the need to provide the necessary framework and the right set of incentives to regional divisions and the private sector departments to execute the mandates of the Policy and assure compliance with its directives.

A summary of comments submitted during the electronic consultation and the Bank response to those comments are presented as in Annex A. A full record of the observations and comments as were presented by the participants are presented in Annex B. This Electronic Consultation Process Overview and Results, with its corresponding annexes are being distributed and posted for information in the Banks web site.

### **Next steps in the Consultation Process**

The Bank has incorporated, in the Draft Policy, the comments submitted by the participants. The Draft Policy has been posted for consultation (effective Nov. 16, 2004), and will be posted for a minimum of 90 days. The Draft Policy will be discussed in the regional and extra-regional consultations scheduled for January and February of 2005. All comments received in those consultations will be considered in the redrafting and revisions made to the Policy Document.

Regular updates on the status and results of the consultation process will be distributed to all participants during the various stages of consultation, and will be posted in the Bank's Web site for public information. IDB remains fully committed to an open and transparent consultation process.