

BP 4.01 - Environmental Assessment

These procedures were prepared for use by World Bank staff and are not necessarily a complete treatment of the subject.

BP 4.01
January, 1999

Note: [OP/BP 4.01, Environmental Assessment](#), was revised on April 2013 to take into account the recommendations in “*Investment Lending Reform: Modernizing and Consolidating Operational Policies and Procedures*” (R2012-0204 [IDA/R2012-0248]), which were approved by the Executive Directors on October 25, 2012. As a result of these recommendations: (a) [OP/BP 10.00, Investment Project Financing](#), have been revised, among other things, to incorporate and expand parts of [OP/BP 8.00, Rapid Response to Crises and Emergencies](#), and to incorporate [OP/BP 8.10, Project Preparation Facility](#), [OP/BP 8.30, Financial Intermediary Lending](#), [OP/BP 13.05, Supervision](#), and [OP/BP 13.55, Implementation Completion Reporting](#) (which have accordingly been retired; and (b) [OP 8.60, Development Policy Lending](#), and [OP 9.00, Program-for-Results Financing](#), have also been revised. [OP/BP 4.01](#) have consequently been updated to reflect these changes, as well as to clarify the extent of applicability of this [OP/BP](#) to Development Policy Financing and Program-for Results-Financing. Questions on this policy may be addressed to the Safeguard Policies Helpdesk in OPCS (Safeguards@worldbank.org).

Additional information related to these statements is provided in the *Environmental Assessment Sourcebook* (Washington, D.C.: World Bank, 1991) and subsequent updates available from the Environment Sector Board, and in the [World Bank Group Environment, Health and Safety Guidelines \(EHSGs\)](#).¹ Other Bank statements that relate to the environment include [OP/BP 4.02, Environmental Action Plans](#); [OP/BP 4.04, Natural Habitats](#); [OP 4.07, Water Resources Management](#); [OP 4.09, Pest Management](#); [OP/BP 4.10, Indigenous Peoples](#); [OP/BP 4.11, Physical Cultural Resources](#); [OP/BP 4.12, Involuntary Resettlement](#); [OP/BP 4.36, Forests](#); and [OP/BP 10.00, Investment Project Financing](#).

Revised April 2013

1. Environmental assessment (EA)¹ for a proposed Bank-financed operation is the responsibility of the borrower. Bank² staff assist the borrower, as appropriate. The Region coordinates Bank review of EA and, as necessary, with the support of the SDN anchor units, Safeguard Policies Helpdesk in OPCS and LEGEN.

Environmental Screening

2. In consultation with the Regional Safeguards Advisor (RSA), the task team (TT) examines the type, location, sensitivity, and scale of the proposed project,³ as well as the nature and magnitude of its potential impacts. Review of selected category B projects may be transferred by the RSA to the relevant Sector Manager. At the earliest stage of the project cycle, the TT, with the RSA's concurrence, assigns the proposed project to one of four categories (A, B, C, or FI; see [OP 4.01, para. 8](#)), reflecting the potential environmental risks associated with the project. Projects are categorized according to the component with the potentially most serious adverse effects; dual categories (e.g., A/C) are not used.

3. The TT records in the Project Concept Note (PCN) and the initial Project Information Document (PID) (a) the key environmental issues (including any resettlement, indigenous peoples, and physical cultural resources concerns); (b) the project category and the type of EA and EA instruments needed; (c) proposed consultation with project-affected groups and local nongovernmental organizations (NGOs), including a preliminary schedule; and (d) a preliminary EA schedule.⁴ The TT also reports the project's EA category in the *Monthly Operational Summary of Bank and IDA Proposed Projects* (MOS), and prepares (and updates as necessary) an Integrated Safeguard Data Sheet (ISDS)⁵ for the project. For Category A projects, the ISDS is included as a quarterly annex to the MOS.

4. If, during project preparation, the project is modified or new information becomes available, the TT, in consultation with the RSA, considers whether the project should be reclassified. The TT updates the PCN/PID and the ISDS to reflect any new classification and record the rationale for the new classification. The new classification that appears in the MOS is followed by "(R)" to indicate a revision.

5. Any exemption with respect to the application of this policy to any project processed under paragraph 11 of [OP 10.00, Investment Project Financing](#),⁶ is subject to approval by the Regional vice president (RVP), in consultation with the Senior Advisor, Safeguards, OPSOR, and the Legal Department (LEG).⁷

EA Preparation

6. During preparation of the PCN, the TT discusses with the borrower the scope of the EA⁸ and the procedures, schedule, and outline for any EA report required. For Category A projects, a field visit by an environmental specialist for this purpose is normally necessary.⁹ At the time of the Project Concept Review, the RSA provides formal clearance of the environmental aspects of the PCN/PID. For Category B projects, the Concept Review decides whether an environmental management plan (EMP) will be required.

7. EA is an integral part of project preparation. As necessary, the TT assists the borrower in drafting the terms of reference (TOR) for any EA report.¹⁰ The RSA reviews the coverage of the TOR, ensuring among other things that they provide for adequate interagency coordination and for consultation with affected groups and local NGOs. To support preparation of the TOR and the EA report, the TT gives the borrower the documents *Content of an Environmental Assessment Report for a Category A Project* and *Environmental Management Plan*.¹¹ As applicable, Bank and borrower staff refer to the *World Bank Group Environment, Health and Safety Guidelines (EHSGs)*,¹² which contains pollution prevention and abatement measures and emission levels that are normally acceptable to the Bank.

8. For a Category A project, the TT advises the borrower that the EA report must be submitted to the Bank in English, French, or Spanish, and an executive summary in English.

9. For all Category A projects, and for Category B projects that are proposed for IDA funding and that will have a separate EA report, the TT advises the borrower in writing that (a) before the Bank proceeds to project appraisal, the EA report must be made available in a public place accessible to affected groups and local NGOs and must be officially submitted to the Bank; and (b) once the Bank officially receives the report, it will make the report available to the public through its InfoShop.¹³

10. During the design phase of a project, the TT advises the borrower on carrying out the EA in accordance with the requirements of [OP 4.01](#). The TT and the lawyer identify any matters pertaining to the project's consistency with national legislation or international environmental treaties and agreements (referred to in [OP 4.01, para. 3](#)).

Review and Disclosure

11. When the borrower officially submits a Category A or Category B EA report to the Bank, the Region places a copy of the full report in the project file. It also sends the English-language executive summary of a Category A EA report to the Board Operations Division, Corporate Secretariat, under cover of a transmittal memorandum confirming that the executive summary and the full report (a) have been prepared by the borrower and have not been evaluated or endorsed by the Bank, and (b) are subject to change during appraisal. The results of a Category B EA, when there is no separate report, are summarized in the PID.

12. For Category A and B projects, the TT and the RSA review the results of the EA, ensuring that any EA report is consistent with the TOR agreed with the borrower. Review of selected category B projects may be transferred by the RSA to the relevant Sector Manager. For Category A projects, and for Category B projects proposed for IDA funding that have a separate EA report, this review gives special attention to, among other things, the nature of the consultations with affected groups and local NGOs and the extent to which the views of such groups were considered; and the EMP with its measures for mitigating and monitoring environmental impacts and, as appropriate, strengthening institutional capacity. If not satisfied, the RSA may recommend to Regional management that (a) the appraisal mission be postponed, (b) the mission be considered a preappraisal mission, or (c) certain issues be reexamined during the appraisal mission. The RSA sends a copy of Category A reports to ENV.

13. For all Category A and B projects, the TT updates the status of the EA in the PCN/PID, describing how major environmental issues have been resolved or will be addressed and noting any proposed EA-related conditionalities. The TT sends the InfoShop a copy of all EA reports.

14. At the Project Decision stage, the RSA provides formal clearance of the environmental aspects of the project, including their treatment in the draft legal documents prepared by LEG.

Project Appraisal

15. For Category A projects and for Category B projects proposed for IDA funding that have a separate report, the appraisal mission normally departs only after the Bank has received the officially transmitted EA report and reviewed it (see paras. 11-13).¹⁴ For Category A projects, the appraisal mission team includes one or more environmental specialists with relevant expertise.¹⁵ The appraisal mission for any project (a) reviews both the procedural and substantive elements of the EA with the borrower, (b) resolves any issues, (c) assesses the adequacy of the institutions responsible for environmental management in light of the EA's findings, (d) ensures the adequacy of financing arrangements for the EMP, and (e) determines whether the EA's recommendations are properly addressed in project design and economic analysis. For Category A and B projects, the TT obtains LEG's concurrence with any change during appraisal and negotiations in any environment-related conditionality from that approved at the Project Decision stage.

Projects Consisting of Subprojects or Involving FIs (paragraphs 9 and 10 of the OP)

16. The appraisal mission develops clear arrangements with the borrower to ensure that the implementing institutions will be able to carry out or oversee EAs of proposed subprojects;¹⁶ specifically, the mission confirms the sources of required expertise and the appropriate division of responsibilities among the ultimate borrower, the financial intermediary or sector agency, and the agencies responsible for environmental management and regulation. As appropriate, the TT reviews Category A and B subproject EA reports in accordance with [OP 4.01, paras. 9 and 11-12](#).

Guarantee Operations

17. Environmental assessment of a guarantee operation is carried out in accordance with [OP/BP 4.01](#). Any EA for an IBRD guarantee operation must be carried out in sufficient time for (a) the RSA and/or relevant Sector Manager to review the results of the EA, and (b) the TT to take the findings into account as part of appraisal. The TT ensures that a Category A EA report for such an IBRD guarantee operation is available at the InfoShop no later than 60 days before the expected date of Board presentation, and any required Category B EA report no later than 30 days before the expected date of Board presentation.

18. For the purposes of disclosure of EA reports, IDA guarantees are governed by the same policy framework as IDA credits. When a deviation from this policy framework is justified on operational grounds, the procedures for IBRD guarantees may be followed (see para. 17).

Documentation

19. The TT reviews the borrower's Project Implementation Plan to ensure that it incorporates EA findings and recommendations, including any EMP. In preparing the loan package for submission to the Board, the TT summarizes in the Project Appraisal Document (PAD) the reasons for the project classification; the findings and recommendations of the EA, including the justification for the recommended emission levels and approach to pollution prevention and abatement; and any issues related to the country's obligations under relevant international environmental treaties and agreements to which it is a party (see [OP 4.01, para. 3](#)). For a

Category A project, the TT summarizes the EA report in an annex to the PAD, including such key elements as the procedures used to prepare the report; environmental baseline conditions; the alternatives considered; the predicted impacts of the chosen alternative; a summary of the EMP, covering the areas outlined in [OP 4.01, Annex C](#); and the borrower's consultations with affected groups and local NGOs, including the issues raised and how they have been taken into account. The annex also describes negotiated environment-related loan conditionalities and covenants; when necessary, documentation of the government's intention to grant appropriate permits; and environmental supervision arrangements. For sector investment and financial intermediary loans, the documents include appropriate measures and conditions for subproject EA work. The TT and LEG ensure that loan conditions include an obligation to carry out the EMP and include as additional conditions specific measures under the EMP, as appropriate for facilitating effective supervision and monitoring of EMP implementation.

Supervision and Evaluation

20. During implementation, the TT supervises the project's environmental aspects on the basis of the environmental provisions and the borrower's reporting arrangements agreed in the legal documents and described in other project documentation.¹⁷ The TT ensures that procurement arrangements are consistent with the environmental requirements set out in the project legal agreements. The TT also ensures that supervision missions contain adequate environmental expertise.

21. The TT ensures that environment-related covenants are included in the monitoring system. It also ensures that reports provided by the borrower on project progress adequately discuss the borrower's compliance with agreed environmental actions, particularly the implementation of environmental mitigation, monitoring, and management measures. The TT, in consultation with the RSA and LEG, reviews this information and determines whether the borrower's compliance with environmental covenants is satisfactory. If compliance is not satisfactory, the TT discusses an appropriate course of action with the RSA and LEG. The TT discusses with the borrower actions necessary to correct the noncompliance, and it follows up on the implementation of such actions. The TT advises Regional management of the actions taken and recommends any further measures. During implementation, the TT obtains the RSA's concurrence with any change in environment-related aspects of the project, including environment-related conditions cleared by LEG.

22. The TT ensures that the borrower's operating plan for the project includes actions required to carry out the project's environment-related aspects, including provision for continued functioning of any environmental advisory panel as agreed with the Bank.

23. The Implementation Completion Report¹⁸ evaluates (a) environmental impacts, noting whether they were anticipated in the EA report; and (b) the effectiveness of any mitigatory measures taken.

Role of the Environment Department

24. ENV supports the Regions throughout the EA process with advice, training, dissemination of good practice, and operational support. As appropriate, ENV provides to other Regions the EA reports, related materials, precedents, and experience that originate in any one Region or from external sources. ENV carries out project audits to help ensure compliance with the Bank's EA policy, and it conducts periodic reviews of the Bank's EA experience to identify and disseminate good practice and develop further guidance in this area.

Financing EA

25. Project Preparation Facility advances¹⁹ and trust funds may be available to potential borrowers that request Bank assistance in financing EA.

Specific Applications

26. Procedures for the environmental assessment of projects involving dams and reservoirs and pest management are set out in Annexes [B](#) and [C](#), respectively.

1. [World Bank Group Environmental Health and Safety Guidelines](#) (EHSGs) have replaced the 1998 Pollution Prevention and Abatement Handbook (PPAH). Guidelines as to what constitutes acceptable pollution prevention and abatement measures and emission levels in a Bank financed project can be found in the EHSGs. For complete reference, consult the [World Bank Group Environmental Health and Safety Guidelines](#). Please check the website below for the most recent version: [http://www1.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/IFC+Sustainability/IFC+Sustainability+Framework/Environmental,+Health,+and+Safety+Guidelines/]
2. "Bank" includes IBRD and IDA; "EA" refers to the entire process set out in [OP/BP 4.01](#); "project" covers all operations financed by Investment Project Financing or Bank guarantees ("project" does not cover operations supported by Development Policy Lending (for which the environmental provisions are set out in [OP/BP 8.60, Development Policy Lending](#)), or operations supported by Program-for-Results Financing (for which environmental provisions are set out in [OP/BP 9.00, Program-for-Results Financing](#)) also includes components funded under the Global Environment Facility; "loans" includes IDA credits and IDA grants; "borrower" includes, for guarantee operations, a private or public project sponsor receiving from another financial institution a loan guaranteed by the Bank; "Project Concept Document" includes the Initiating Memorandum; and "Project Appraisal Document" includes the Report and Recommendation of the President (President's Report).
3. "Location" refers to proximity to or encroachment on environmentally important areas, such as wetlands, forests, and other natural habitats. "Scale" is judged by Regional staff in the country context. "Sensitivity" refers to projects that may have irreversible impacts, affect vulnerable ethnic minorities, involve involuntary resettlement, or affect physical cultural resources. For further discussion, see the [Environmental Assessment Sourcebook, Update No. 2: Environmental Screening](#) (available from the Environment Department).
4. See [OP/BP 10.00, Investment Project Financing](#), for the loan processing context in which decisions on the environment category and the EA process are made.
5. For information on the ISDS, refer to the Bank's Safeguard Policies Website: <http://safeguards>.
6. See [OP 4.01, para. 13](#).
7. LEG input is provided through the lawyer assigned to the project.
8. For projects comprising subprojects or involving FIs, as described in paragraphs 9 and 10 of [OP 4.01](#), Bank and borrower staff need to consider the potential for significant cumulative impacts from multiple subprojects.
9. Such a field visit by an environmental specialist may also be desirable for some Category B projects.
10. According to [Guidelines: Selection and Employment of Consultants by World Bank Borrowers](#) (Washington, D.C.: World Bank), the TT reviews the qualifications of and, if acceptable, gives a no-objection to any consultants retained by the borrower to prepare the EA report or to serve on a panel.
11. For these two documents, see [OP 4.01, Annexes A and B](#).

12. See footnote 1.
13. See [OP 4.01, para. 19](#), and [The World Bank Policy on Access to Information](#).
14. In exceptional cases, the RVP, with the prior concurrence of the Chair, ENV, may authorize the appraisal mission's departing before the Category A EA report is received. In such cases, the RESU's clearance of the project is conditional on the Bank's receiving, before appraisal ends and negotiations begin, an EA report that provides an adequate basis for continued project processing.
15. It may be desirable to include environmental specialists on the appraisal mission team for some Category B projects, as well.
16. The TT provides to the implementing institutions, for use (as appropriate) in the preparation and appraisal of subprojects, copies of *Content of an Environmental Assessment Report for a Category A Project* ([OP 4.01, Annex B](#)), *Environmental Management Plan* ([OP 4.01, Annex C](#)), and [World Bank Group Environmental Health and Safety Guidelines \(EHSGs\)](#) (see footnote 1).
17. See [OP/BP 10.00, Investment Project Financing](#).
18. See [OP/BP 10.00, Investment Project Financing](#).
19. See [OP/BP 10.00, Investment Project Financing](#).

[Annex A - Application of EA to Dam and Reservoir Projects](#)

[Annex B - Application of EA to Projects Involving Pest Management](#)