

OP 7.60 - Projects in Disputed Areas

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

OP 7.60
June, 2001

This Operational Policy statement was revised in March 2012 to take into account the provisions of [OP/ BP 9.00](#), issued in February 2012; and previously revised in August 2004 to reflect the term "development policy lending" (formerly adjustment lending), in accordance with [OP/BP 8.60](#), issued in August 2004.

Note: OP and [BP 7.60](#) replace OP and BP 7.60, dated November 1994. Questions may be addressed to the Chief Counsel, Environmentally and Socially Sustainable Development and International Law.

Revised March 2012

1. Projects¹ in disputed areas may raise a number of delicate problems affecting relations not only between the Bank and its member countries, but also between the country in which the project is carried out and one or more neighboring countries. In order not to prejudice the position of either the Bank or the countries concerned, any dispute over an area in which a proposed project is located is dealt with at the earliest possible stage.
2. The Bank may support a project in a disputed area if the governments concerned agree that, pending the settlement of the dispute, the project proposed for country A should go forward without prejudice to the claims of country B.

Presentation of Loans to the Executive Directors

3. For every project in a disputed area, Bank staff consider the nature of the dispute. The Project/Program Appraisal Document (PAD) for a project in a disputed area discusses the nature of the dispute and affirms that Bank staff have considered it and are satisfied that either
 - (a) the other claimants to the disputed area have no objection to the project; or
 - (b) in all other instances, the special circumstances of the case warrant the Bank's support of the project notwithstanding any objection or lack of approval by the other claimants. Such special circumstances include the following
 - (i) that the project is not harmful to the interest of other claimants, or
 - (ii) that a conflicting claim has not won international recognition or been actively pursued. In all cases, the project documentation bears a disclaimer stating that, by supporting the project, the Bank does not intend to make any judgment on the legal or other status of the territories concerned or to prejudice the final determination of the parties' claims. The Legal Vice Presidency prepares the relevant portions of the project documentation.

1. "Bank" includes IBRD and IDA; "loans" include IDA credits and IDA grants; and "projects" includes all projects/programs financed under Bank loans or IDA credits, but does not include development policy lending programs supported under Bank loans and IDA credits.