Operational Manual

BP 7.60 - Projects in Disputed Areas

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

BP 7.60 June, 2001

This Bank Procedures statement was revised March 2012 to take into account the provisions of <u>OP/BP</u> 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 <u>OP/BP</u> 8.60, issued in August 2004.

Note: <u>OP</u> 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. The presence of any territorial dispute affecting a proposed Bank project ¹/₁ is ascertained as early as possible and described in all project documents starting with the initial Project/Program Information Document (PID). The country director (CD), through the Regional vice president (RVP), promptly brings the dispute to the attention of the managing director (MD) concerned and the Vice President and General Counsel (LEGVP), and keeps them informed of the dispute throughout the project processing.
- 2. For this purpose, the CD prepares, in close collaboration with the Legal Vice Presidency (LEG) and in consultation with other departments concerned, a memorandum to be submitted to the MD concerned through the RVP and copied to the LEGVP. The memorandum
 - (a) conveys all pertinent information on the international aspects of the project, including information as to the procedure followed and the outcome of any earlier projects the Bank may have considered in the disputed area;
 - (b) makes recommendations for dealing with the issue; and
 - (c) seeks approval for taking the actions recommended and for proceeding with project processing.
- 3. Following project preparation, the full details of the dispute and the basis for the decision on whether to proceed to appraisal are included in the transmittal memorandum for the revised decision package. This memorandum, addressed to the RVP and copied to the LEGVP, is prepared in close collaboration with LEG and in consultation with other departments concerned. Based on the information in the memorandum, the RVP, on the advice of the MD concerned (who consults with the LEGVP), decides whether to proceed with appraisal.
- 4. The MD concerned may, in consultation with the LEGVP, decide at any stage of the project cycle to inform the executive directors concerned of the proposed project and the dispute.

Maps

5. For the delineation of boundaries on maps concerned, the applicable guidelines appear in <u>Administrative Manual Statement 7.10</u>, <u>Cartographic Services</u>, and its annexes. However, the inclusion of maps in the PAD and other project documentation is subject to any general instruction or decision of the RVP, taken in consultation with the LEGVP, to omit maps of the country concerned in their entirety or in part.

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