



# Bank Procedures

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

## Application of EA to Dam and Reservoir Projects

1. During project identification and before assigning an environmental category, the task team (TT) ensures that the borrower selects and engages independent, recognized experts or firms, whose qualifications and terms of reference (TOR) are acceptable to the Bank, to carry out environmental reconnaissance that includes

- (a) identifying the potential environmental impacts of the project;
- (b) ascertaining the scope of the environmental assessment (EA), including any resettlement and indigenous peoples concerns;
- (c) assessing the borrower's capacity to manage the EA process; and
- (d) advising on the need for an independent environmental advisory panel.<sup>1</sup>

The TT obtains from the borrower a copy of the results of the reconnaissance and ensures that they are taken into account in environmental screening and in the preparation of the EA TOR. For dam and reservoir projects that are in an advanced stage of preparation when proposed for financing to the Bank, the TT in consultation with the Regional environment sectoral unit (RESU) determines whether any additional EA work is needed, and whether an independent environmental advisory panel is needed. A field visit for this purpose is normally required (see **BP 4.01, para 6**).

2. During project preparation, the TT assesses the environmental soundness of the country's macroeconomic and sector policies on matters that affect the project. If the TT identifies any issues, it discusses with the government measures to improve the policies.

3. If the borrower engages an environmental advisory panel, the TT reviews and indicates to the borrower the acceptability of the TOR and shortlists.

4. In reviewing the EA, the TT and the RESU ensure that the EA examines demand management opportunities. In appraising the project, they ensure that the project design adequately takes into account demand management as well as supply options (e.g., conservation of water and energy, efficiency improvements, system integration, cogeneration, and fuel substitution).

5. The TT ensures that the borrower establishes within the implementing ministry or agency an in-house environmental unit, with adequate budget and professional staffing strong in expertise relevant to the project, to manage the project's environmental aspects.

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1. See **OP 4.01, para. 4**.