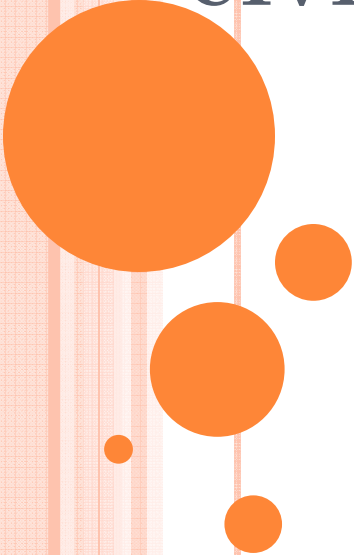


**GREEN GROWTH, FIRM
COMPETITIVENESS AND POLLUTION
MANAGEMENT:
A SOURCEBOOK OF POLICY TOOLS
FOR GOVERNMENTS, PRIVATE
SECTOR, FINANCIAL INSTITUTIONS,
CIVIL SOCIETY AND THE JUDICIARY**



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Lead Environmental Specialist
World Bank
February 16, 2011**

THE “OLD” PPAH

- *The Pollution Prevention and Abatement Handbook: Towards Cleaner Production* (PPAH) issued in 1998 by WBG
 - Policy Guidance and Industry Guidelines
- **Industry Guidelines** updated and expanded
 - WBG EHS Guidelines (technical good practice guidance linked with specific project sectors)
 - Linked to Safeguard Policies and Performance Standards
- **Policy Guidance** focused on setting and enforcing environmental standards (role of govt. environment agency)
 - We are now updating the policy guidance part



THE NEW APPROACH

The objective of this sourcebook is to

- Provide users with current knowledge and information on the pollution management policy tools that are available to them
- Put forward a guide on how to take a systems approach to pollution management (comprising of multiple stakeholders with multiple tools) in order to ensure a balance between improved growth and competitiveness objectives and pollution management objectives that help to maximize public welfare, i.e. an approach to smart and sustainable growth



WHO IS THE AUDIENCE?

- Primarily external
 - Generate debate on revised strategic approach to pollution management
 - Policymakers in developing countries, top-tier domestic banks and domestic firms in emerging markets, as well as development partners
- Also internal
 - Opportunity to gather our internal experts' collective knowledge
 - Sourcebook for World Bank Group staff to provide advisory services to external clients
 - Focus on policy tools in this report is synergistic with the technical guidance in the EHS Guidelines



ORGANIZATION OF REPORT (I)

- Section 1: User's Guide
- Section 2: Policy Tools



SECTION 1: *USER'S GUIDE*

- Presents scope
- Explains the evolution to a systems approach with multiple stakeholders
- Discusses the role of different stakeholders and their individual goals and incentives
- Describes the conceptual framework of a pollution management system with multiple stakeholders and how it can be strengthened with “institutional leapfrogging”
- Explains how stakeholders can use tools to manage pollution consistent with “green growth”



SECTION 1: *USER'S GUIDE-* SCOPE

Focus of report is on policy tools that facilitate multiple stakeholders to better manage environmental pollution so they can better respond to following policy challenges:

- Maximize public welfare (in particular by improving health outcomes linked with environmental factors and maximizing productivity gains)
- Maintain quality of life and basic human dignity and self-respect
- Maintain competitiveness and/or secure markets by meeting buyers' environmental demands
- Promote environmentally and socially responsible investment
- Minimize financial and reputational risk on investments
- Ensure sustainability of activities by ensuring that the carrying capacity of the resource is not exceeded
- Respond to national constitutions and comply with relevant international agreements and treaties



Focus on policy tools that allow for smart growth that improves competitiveness, quality of life and ultimately sustainability



SECTION 1: *USER'S GUIDE* – EVOLUTION TOWARDS A SYSTEMS APPROACH WITH MULTIPLE STAKEHOLDERS

- Public disclosure programs
- Information: Aarhus, PRTRs and FOIAs
- Judicial activity – Delhi and Shehla Zia
- Private Sector: CESR/ISO/Equator Principles
- Green consumers and investors
- Urbanization and expectations of urban dwellers:
Bogota
- Climate change
- Green economy

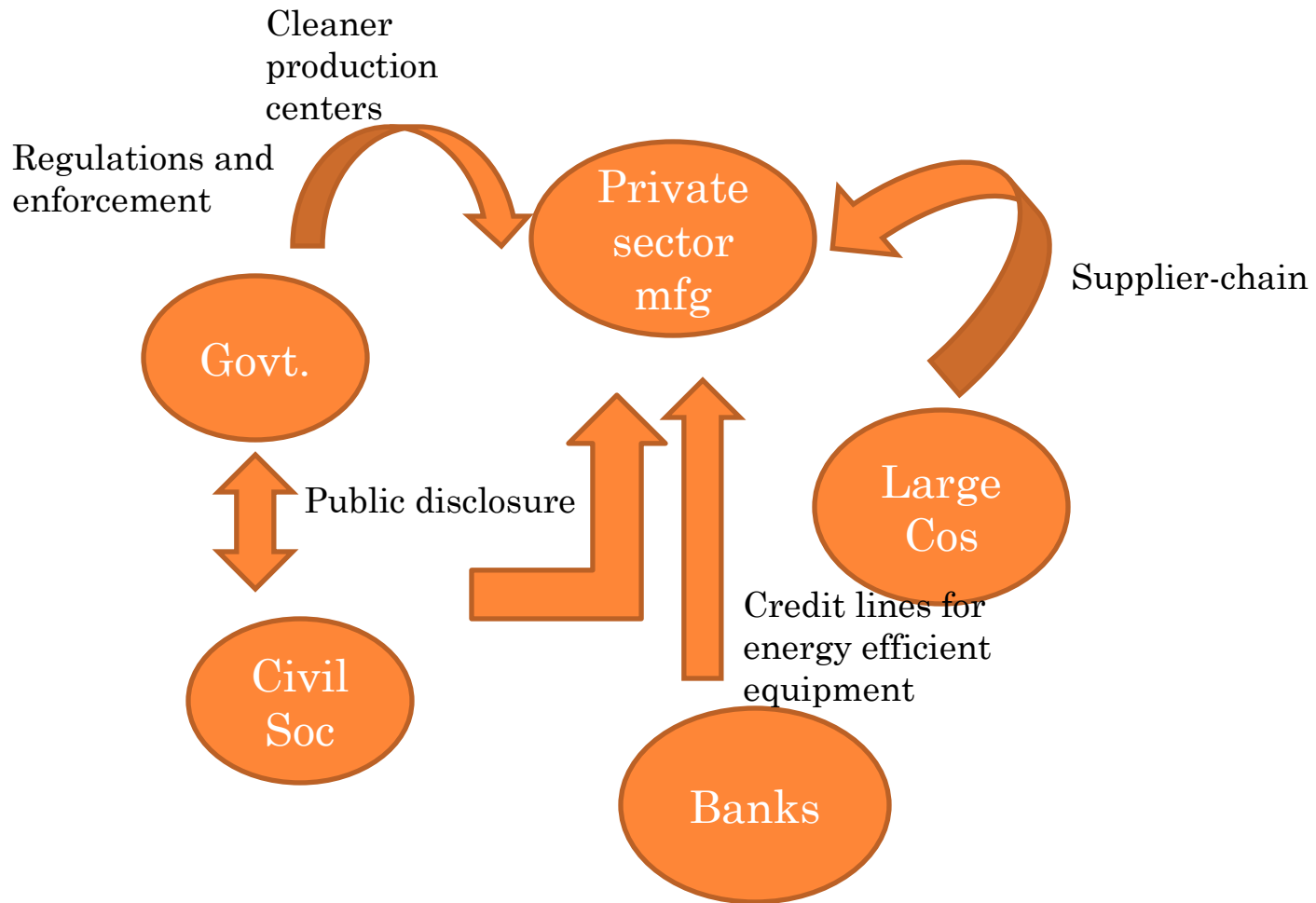


SECTION 1: *USER'S GUIDE* – STAKEHOLDERS AND THEIR INDIVIDUAL GOALS AND INCENTIVES

- Benefits sought can be different for different stakeholders
- Win-Win – allies with different reasons for pursuing goal
- Timing of benefits matters
- Who takes the lead varies in different contexts
- Concept of a Pollution Management System (be it at level of factory or watershed or city or country)



SECTION 1: *USER'S GUIDE* – IN A SYSTEM, STAKEHOLDER ACTIONS ARE LINKED



Reinforcement through multiple policy tools by different stakeholders helps to facilitate desired results

SECTION 1: *USER'S GUIDE* – INSTITUTIONAL LEAPFROGGING

- Conflict in a PoMa system as a way to maximize multiple co-benefits (conflict resolution mechanisms are important)
- Coase's Theorem applied in today's context
- Tunneling through the Kuznets Curve: “Institutional leap-frogging”
- How can one engage other stakeholders? The role of tools that facilitate access to information, participation and recourse to justice



SECTION 1: *USER'S GUIDE* – MAPPING POLICY TOOLS

- Some tools inherently engage other stakeholders (e.g. public disclosure)
- Other tools have the potential but need to be used that way (e.g. SEA)
- Others do not at all (clean production management systems)
- Choice of tools is dependent on culture and context
- View as multi-tool package, rather than at the level of individual tool



SECTION 2: *POLICY TOOLS*

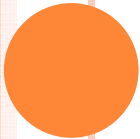
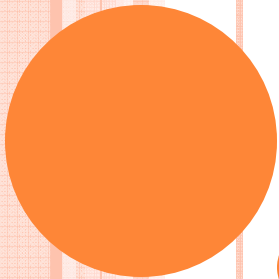
- 26 short notes on key tools to manage pollution and shift towards a smart growth approach
- Subdivided by stakeholder group: the government, the private sector (including large, medium and small enterprises), financial institutions, the judiciary, and finally citizens, including civil society organizations.
- For each tool, there is:
 - i. Description of tool and its application
 - ii. Pre-requisite factors that are important to apply the tool effectively, including minimal institutional requirements
 - iii. Advantages and disadvantages of using the tool, and its limitations (also explaining when the tool may not be effective or what is not covered by the tool)
 - iv. Interaction of the tool with other tools and possible substitutes
 - v. Practical examples of the application of the tool
 - vi. References and resources that could be useful to practitioners in applying the tool



NEXT STEPS

- Complete editing of guidance notes
- Place on Bank website for 45 day comment period in April 2011
- Finalization of electronic document by June 2011





THANK YOU