APPENDIX 3

OPERATIONAL MANUAL STATEMENT

PROJECTS ON INTERNATIONAL WATERWAYS

Basic Policy Approach

1. Projects on international waterways require special handling as they may affect relations not only between the Bank\(^1\) and its borrowers but also between States, whether members of the Bank or not. In this connection, the Bank recognizes that the cooperation and goodwill of riparians is essential to the most efficient utilization and exploitation of international waterways for developmental purposes. The Bank, therefore, attaches the utmost importance to riparians entering into appropriate agreements or arrangements for such utilization for the entire waterway system or any part thereof, and the Bank stands ready to assist riparians to this end. In cases where differences remain unresolved, the Bank, prior to financing a project will normally urge the State proposing a project to offer negotiations in good faith with other riparian(s) with a view to reaching appropriate agreements or arrangements.

Applicability

2. This Operational Manual Statement (OMS) covers the following:

(a) Types of international waterways:

(i) river, canal, lake or any similar body of water which forms a boundary between, or any river or body of surface water which flows through, two or more countries whether members of the Bank or not;

(ii) any tributary or any other body of surface water which is a part or a component of any waterway described in (i) above; and

(iii) bays, gulfs, straits or channels, bounded by two or more States whether members of the Bank or not, or, if within one State recognized

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\(^1\) All references in this Statement to the Bank and to Bank Loans include IDA and IDA credits.
as necessary channels of communication between the open sea and other States, and any river flowing into such waters.

(b) Types of projects:

(i) hydroelectric, irrigation, flood control, navigation, drainage, water and sewerage, industrial or similar projects which involve the use or pollution of international waterways as described above; and

(ii) detailed design and engineering studies of projects under (i) above, including those to be carried out by the Bank as executing agency.

General Guidelines

3. The procedures contained in the following paragraphs are intended to ensure that the international aspects of a project on an international waterway are brought to the fore and dealt with at the earliest possible opportunity.

4. The presence of any potential international water rights issue should be ascertained as early as possible during project preparation and be described in the Project Brief. Before an appraisal is undertaken for a proposed project on an international waterway, a memorandum should be addressed to the Chairman of the Loan Committee giving all relevant information on the international aspects of the project, and the Chairman of the Loan Committee should be informed promptly during the project cycle of any significant event which may have taken place in connection therewith.

Notification

5. As early as possible during the identification stage of the project cycle (see OMS 2.00, paras. 7–14) the Bank should advise the State proposing the project on an international waterway (hereinafter called “beneficiary State”) that, if it has not already done so, it should formally notify the other riparian(s) of the proposed project. However, if the beneficiary State indicates to the Bank that it does not wish to give notification, the Bank will normally give such notification to the other riparian(s). If the beneficiary State does not wish to give notification and objects to notification proposed by the Bank, the Bank will discontinue further processing of the project. The Executive Directors concerned should be informed of these developments and of further steps in connection therewith.

6. The notification should contain to the extent available sufficient technical and other necessary specifications, information and data (hereinafter called “Project Details”) to enable the other riparian(s) to determine as accurately as possible the potential for appreciable harm by the proposed project by way of deprivation of water rights, pollution or otherwise. If the Project Details are not