



Bank Policy

OP 7.50 - Projects on International Waterways

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Operational Manual

OP 7.50 - Projects on International Waterways

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

OP 7.50
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 7.50](#) replace OP and BP 7.50, dated October 1994. Questions may be addressed to the Chief Counsel, Environmentally and Socially Sustainable Development and International Law.

Applicability of Policy

Revised March 2012

1. This policy applies to the following types of international waterways:

- (a) any river, canal, lake, or similar body of water that forms a boundary between, or any river or body of surface water that flows through, two or more states, whether Bank¹members or not;
- (b) any tributary or other body of surface water that is a component of any waterway described in (a) above; and
- (c) any bay, gulf, strait, or channel bounded by two or more states or, if within one state, recognized as a necessary channel of communication between the open sea and other states-- and any river flowing into such waters.

2. This policy applies to the following types of projects:

- (a) hydroelectric, irrigation, flood control, navigation, drainage, water and sewerage, industrial, and similar projects that involve the use or potential pollution of international waterways as described in para. 1 above; and
- (b) detailed design and engineering studies of projects under para. 2(a) above, including those to be carried out by the Bank as executing agency or in any other capacity.

Agreements/Arrangements

3. Projects on international waterways may affect relations between the Bank and its borrowers and between states (whether members of the Bank or not). The Bank recognizes that the cooperation and goodwill of riparians is essential for the efficient use and protection of the waterway. Therefore, it attaches great importance to riparians' making appropriate agreements or arrangements for these purposes for the entire waterway or any part thereof. The Bank stands ready to assist riparians in achieving this end. In cases where differences remain unresolved between the state proposing the project (beneficiary state) and the other riparians, prior to financing the project the Bank normally urges the beneficiary state to offer to negotiate in good faith with the other riparians to reach appropriate agreements or arrangements.

Notification

4. The Bank ensures that the international aspects of a project on an international waterway are dealt with at the earliest possible opportunity. If such a project is proposed, the Bank requires the beneficiary state, if it has not already done so, formally to notify the other riparians of the proposed project and its Project/Program Details (see [BP 7.50, para. 3](#)). If the prospective borrower indicates to the Bank that it

does not wish to give notification, normally the Bank itself does so. If the borrower also objects to the Bank's doing so, the Bank discontinues processing of the project. The executive directors concerned are informed of these developments and any further steps taken.

5. The Bank ascertains whether the riparians have entered into agreements or arrangements or have established any institutional framework for the international waterway concerned. In the latter case, the Bank ascertains the scope of the institution's activities and functions and the status of its involvement in the proposed project, bearing in mind the possible need for notifying the institution.

6. Following notification, if the other riparians raise objections to the proposed project, the Bank in appropriate cases may appoint one or more independent experts to examine the issues in accordance with [BP 7.50, paras. 8-12](#). Should the Bank decide to proceed with the project despite the objections of the other riparians, the Bank informs them of its decision.

Exceptions to Notification Requirement

7. The following exceptions are allowed to the Bank's requirement that the other riparian states be notified of the proposed project:

(a) For any ongoing schemes, projects involving additions or alterations that require rehabilitation, construction, or other changes that in the judgment of the Bank (i) will not adversely change the quality or quantity of water flows to the other riparians; and (ii) will not be adversely affected by the other riparians' possible water use. This exception applies only to minor additions or alterations to the ongoing scheme; it does not cover works and activities that would exceed the original scheme, change its nature, or so alter or expand its scope and extent as to make it appear a new or different scheme. In case of doubt regarding the extent to which a project meets the criteria of this exception, the executive directors representing the riparians concerned are informed and given at least two months to reply. Even if projects meet the criteria of this exception, the Bank tries to secure compliance with the requirements of any agreement or arrangement between the riparians.

(b) Water resource surveys and feasibility studies on or involving international waterways. However, the state proposing such activities includes in the terms of reference for the activities an examination of any potential riparian issues.

(c) Any project that relates to a tributary of an international waterway where the tributary runs exclusively in one state and the state is the lowest downstream riparian, unless there is concern that the project could cause appreciable harm to other states.

Presentation of Loans to the Executive Directors

8. The Project Appraisal Document (PAD) for a project on an international waterway deals with the international aspects of the project, and states that Bank staff have considered these aspects and are satisfied that

(a) the issues involved are covered by an appropriate agreement or arrangement between the beneficiary state and the other riparians; or

(b) the other riparians have given a positive response to the beneficiary state or Bank, in the form of consent, no objection, support to the project, or confirmation that the project will not harm their interests; or

(c) in all other cases, in the assessment of Bank staff, the project will not cause appreciable harm to the other riparians, and will not be appreciably harmed by the other riparians' possible water use. The PAD also contains in an annex the salient features of any objection and, where applicable, the report and conclusions of the independent experts.

1. "Bank" includes IBRD and IDA; "loans" include IDA credits and IDA grants; and "project" 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; and "borrower" refers to the member country in whose territory the project is carried out, whether or not the country is the borrower or the guarantor.

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