Proposed Changes to the World Bank Environmental and Social Standards

Environmental and Social Standard 4: Community Health and Safety

Expand Safeguards to Cover Public Health Beyond the Community

It is our view, given the past and recent history of infectious diseases which are public health emergencies of international concern, that the proposed Standard 4 needs to go beyond community health, to take into account national core capacity assessment related to compliance with the International Health Regulations, as agreed by international law by all 196 WHO State Parties. The World Bank should place among its highest priorities the building of core public health capacity in developing countries. Gaps in core public health capacity give rise to risks to economies, communities, and human health. These risks reduce the development prospects of poor countries and cause poverty. Support for public health systems is both necessary to fulfill the World Bank’s development mandate and a high-return investment. This is a long-term, and necessarily continuing effort, if there is any likelihood of success.

Working with WHO and other partners, the World Bank can bring to bear its financing and long experience in supporting governments in implementing major development projects. These will be needed to sustainably build and operate performing public health systems in developing countries. Both the role of the World Bank in supporting global health security and the high priority of core public health systems should be explicitly recognized and embedded in its relevant operational products. The most effective means in doing so is through a safeguard measure, one that ensures this crucial developmental challenge is not taken up on a piecemeal basis, but engrained in the Bank’s operational DNA.

Why is This Needed?

The World Bank is, by far, the largest multilateral bank, and its mandate to promote sustainable economic development includes safeguarding developing countries from adverse economic shocks. In 2013 the World Bank’s Independent Evaluation Group issued a report finding that, after 2010, the World Bank did not sustain its support to client-country responses to avian flu and other zoonotic disease threats and preparedness for pandemics and other public health emergencies. On the positive side, it has in its tool chest various initiatives, such as the Crisis Response Window of IDA, DPLs with Cat DDO for IBRD borrowers, individual country preparedness projects, and a proposal for a Pandemic Emergency Facility (PEF). These approaches, however, focus on responses or only tangentially deal with, far more cost-effective preventive measures. (There is extensive analysis which demonstrates how robust is the case for prevention compared to waiting to respond only after infectious diseases have spread exponentially. An article by Prof. Lawrence Summers et al. estimates that the expected annual value of this risk is $1 trillion. The cost of core public health systems that will substantially eliminate this risk is only $3.4 billion annually.

Despite the avian flu, MERS, Ebola, and Zika emergencies, all countries are increasingly recognizing they need core public health system capacity if severe, and potentially catastrophic, impacts on the poor are to be prevented. Such investment spending offers the highest returns of all public expenditures, but this has not yet been fully recognized and
supported by all levels of the World Bank. There is need to ensure performance of core public health functions in developing countries, ones which bring large and lasting development benefits in each country, as well as for their neighbors, regions, and globally. Weak public health systems pose severe risks for poor countries, and for the poor within countries, which undermines progress in achieving World Bank goals to end poverty and boost shared prosperity.

By incorporating a broad public health safeguards approach, the World Bank will take an important step in its operations to deal with critical and consistent recommendations of several major health security reports issued in 2015-16, including the U.S. National Academy of Medicine (NAM) Commission on a Global Health Risk Framework for the Future, Harvard-LSHTM panel, and UN high-level panel.

The World Bank could become a more relevant development financier and a leader among the multilateral development banks if it chose to lead to fill the void in the governance of infectious disease prevention and control. The World Bank’s potential to play a uniquely impactful role is built on its: Global membership and operations, influence with developing country ministers; political neutrality due to its multilateral character; a successful record of financing large development programs in health, agriculture, and disaster risk management; and its ability to convene UN agencies and other partners to help governments coordinate multisectoral programs and, as in the avian flu response, to support coordination of major global programs.

The World Bank’s Articles of Agreement provides that decisions on financing should be based on expected economic returns and, further, that most productive investments should be financed first, as a priority. Addressing critical gaps identified by independent external assessments of core public health systems, which are among the highest-return public investment opportunities in developing countries, the institution would be responding to its Article of Agreement directive. (estimated economic rates of return range from 57% to 86% annually.)

In sum, the review of the Environmental and Social Standards is a unique opportunity to place the Bank squarely at the center of dealing with a major developmental challenge, one which most affects developing country populations, much like that of another global challenge-- climate change. Given how infrequently a review of safeguards has occurred in the past, this is perhaps the only chance to put in place a Bank mechanism which can consistently help safeguard client countries from the next or future avoidable public health emergency.

An interpretation of “Community Health” to encompass, not just local communities, but also national, regional, and global communities would provide the wherewithal for the Bank to achieve this worthy goal.