

ENVIRONMENTAL EVALUATION SYNTHESIS STUDY

ENVIRONMENT : MAINSTREAMED OR SIDELINED?

According a high policy priority to environmental considerations is not enough. Environment has to be mainstreamed within the bilateral aid programme as a potential development opportunity - rather than just a risk to be minimised and mitigated - if it is not to become further sidelined.

MAIN FINDINGS

- DFID¹ policy has accorded high priority to the environment for over a decade. However, there is a gap between the high policy priority attached by DFID to environmental issues, and what has actually been delivered in terms of positive environmental impact. There are also indications that environmental issues are now a lower priority for country programmes than they were in the early and mid-1990s.
- DFID has, in the main, successfully managed a substantial portfolio of environmental projects, accounting for around one-quarter of bilateral expenditure in the 1990s. Environmental benefits were, however, generally assumed rather than critically examined, and low priority was accorded to environmental monitoring and impact assessment, even in projects with major environmental objectives. The likely positive environmental impact was judged to moderate or higher in only 4 of the 21 projects reviewed in some detail.
- The evaluators conclude that environment as a potential development opportunity - rather than a risk to be minimised and mitigated - has not been fully mainstreamed, or made operational, across the bilateral programme. Rightly or wrongly, there is a perception that environmental improvement and protection is less likely to contribute to poverty elimination than are other interventions.
- It follows that the key challenge is to identify and demonstrate the potential contribution of environmental management to poverty reduction and livelihood improvement, to the sustainability of poverty reduction, and as an enabling action to achieve the international development targets. If they are not to be further sidelined, environmental considerations and interventions need to become demonstrably effective as a means of achieving poverty reduction, not just a worthy add-on or a risk to be avoided.

¹ Until 1997, DFID was known as the Overseas Development Administration (ODA). DFID is used as a synonym for ODA in this report.

BACKGROUND

1. The Environmental Evaluation Synthesis Study (EESS) was commissioned in 1996 to examine the implementation and impact of DFID bilateral project support for environmental improvement and protection. This synthesis report is based on a review of 49 DFID supported-projects in five countries : Brazil, China, India, Kenya and Tanzania. Short field visits were made to 15 of these projects. It draws on four EESS country reports, as well as the findings of similar evaluations by other donors.
2. The projects evaluated cover a wide range of energy efficiency, industrial, forestry, biodiversity, agriculture and urban improvement interventions. Most were not environmental projects *per se*, but all had environmental improvement as a principal or significant objective. The term 'environmental protection' (EP) project is used to describe these projects. During the 1990s EP projects have comprised around 25% of the DFID bilateral programme.

FINDINGS

Policies and programmes

3. DFID policy has accorded high priority to the environment for over a decade. Environmental protection and improvement have featured prominently in all statements of departmental objectives, particularly the 1997 White Paper. Ensuring that environmental issues were fully addressed in the design of all projects, and increasing expenditure on EP sectors, have been important commitments.
4. Despite the high policy priority, there are indications that environmental issues are now a lower priority for country programmes than they were in the early and mid-1990s. Country Strategy Papers (CSPs) for India, Kenya and Tanzania support this finding and display continued uncertainty about the link between poverty and environment. However, environmental assistance remains a priority in the Brazil and China programmes.

5. The Policy Information Marker System (PIMS) does not provide a reliable estimate of environmental expenditure (and was not designed to do so). While PIMS data for Sustainable Forest Management, Sustainable Agriculture, and Biodiversity show a rising trend of environmental protection expenditure since 1992, financial data for renewable natural resources show a declining trend in real terms.

Procedures and practice

6. For most of the period under review, specific environmental advice has been provided by two or three London-based Environmental Advisers as well as by Natural Resources and Engineering Advisers. The number of Environmental Advisers has now increased to nine, only three of whom are located in overseas offices. However, the number of Environmental Advisers remains very small in relation to the size of the bilateral programme, the number of EP projects, and the staffing of other professional groups. One of the London-based advisers currently covers 49 countries across four geographic divisions.
7. Although some formalisation has taken place since the period under review, DFID's environmental procedures are still relatively informal, and auditing compliance remains difficult. There was no record of initial screening, nor of Environmental Adviser involvement, in around two-thirds of the projects reviewed. Limited capacity meant that Environmental Advisers' inputs tended to be limited, focused on reducing risk, and late in the design process. Environmental Advisers and other advisers nevertheless succeeded in identifying most of the environmental risks.
8. A common feature was that environmental benefits were generally assumed rather than critically examined. Many of the assumed linkages between project outputs and environmental impacts turned out to be weak. This is consistent with the general assumption that certain sub-sectors (eg. agriculture, forestry, and energy efficiency) are inherently and strongly environmentally positive, which is not necessarily the case.

9. In general, low priority was accorded to environmental monitoring and impact assessment during project implementation, even in projects with a major environmental objective.
10. These criticisms notwithstanding, the evaluators conclude that DFID has, in the main, successfully managed a substantial portfolio of environmental projects. Current environmental procedures, if properly implemented and monitored, are adequate for this type of project. However, it is an open question whether they are adequate for non-EP projects which make up three-quarters of the bilateral programme.
11. It is also not enough to avoid environmental problems, which was largely done in these EP projects. Current advisory resources, priorities and perceptions significantly constrain the identification and exploitation of environmental opportunities which can contribute to poverty reduction goals. In addition, the environment is not sufficiently mainstreamed within DFID for other staff to be aware of the possibility of risks and opportunities.
12. Five of the projects reviewed were implemented by NGOs under the Joint Funding Scheme (JFS). Similar scope exists to improve the environmental appraisal and monitoring of these projects, although it is questionable whether this should be a priority for DFID.

General project performance

13. Most of the projects reviewed were not solely or primarily environmental. General project performance was below average for DFID projects, most noticeably at the purpose and goal level, which is the level at which most environmental objectives were stated. Approximately 60% of the projects achieved their intended outputs, and approximately 30% the purpose. Around half the projects were judged to be partially successful or better.
14. Significant factors affecting the general success of the projects include :
 - high degree of local ownership
 - good partnerships with local institutions and multilateral donors
 - competent DFID project management and staff continuity

- institutional, social and economic understanding and inputs
- attention to dissemination, uptake and replication
- long project duration
- modest project scale

Environmental performance

15. Given the very limited environmental monitoring, only a subjective assessment of the type and scale of environmental impacts is possible. Of the 21 projects reviewed in more detail, approximately 90% are judged likely to have some sort of positive environmental impact, whether direct/immediate or indirect/long-term. However, in only four of these projects 18% was the likely environmental impact judged to be moderate or higher. In all the rest, the likely environmental impact, although positive, was judged to be limited.
16. There are three main reasons for this limited environmental impact : (i) poor overall project performance; (ii) projects were often not designed and/or managed with the environment as a major objective, despite being marked as such; and (iii) the indirect and/or long term nature of the environmental impacts expected. The low operational priority for environmental issues contributed to this outcome.

Other donor experience

17. Seven thematic evaluations carried out for other donors were reviewed. There are many similarities between the findings of these evaluations and the EESS. A number of the evaluations reported a significant gap between the high policy priority accorded to the environment, and actual practice. Environmental concerns have not been systematically integrated in all sectors, at all stages of the project cycle, and in all forms of development assistance, as had been intended.
18. A variety of reasons were advanced for this gap. They include the lack of clear strategies and monitorable targets relating to the environment and the absence of a single authority or unit within the aid agency responsible for the integration and monitoring of environmental

performance; the wide and general definition of the environment and the absence of a coherent core set of internationally agreed environmental indicators; the limited numbers of specialist environmental staff and a limited awareness among general programme staff; the limited institutional capacity and demand for environmental assistance within recipient governments; and, finally, environmental projects' relative complexity.

CONCLUSIONS

19. A major conclusion of this study is that there is a gap between the high policy priority attached by DFID to environmental issues, (and the value of projects marked as having environmental objectives) and what has actually been delivered in terms of positive environmental impact.
20. A second conclusion is that environment as a potential development opportunity - rather than a risk to be minimised and mitigated - has not been fully mainstreamed, or made operational, across the bilateral programme. Despite the central importance attached to the conservation and sustainable management of the environment in the 1997 White Paper, there is a perception that environmental improvement and protection is less likely to contribute to poverty elimination than are other interventions. Attention has also become over- focused on the economic and human development targets, rather than the combination of international development targets, which include environmental sustainability and regeneration. The environment has become the forgotten cornerstone of sustainable development.
21. The evaluators conclude that the key challenge is to identify and demonstrate the potential contribution of environmental management to poverty reduction and livelihood improvement, to the sustainability of poverty reduction, and as an enabling action to achieve the international development targets. This needs to be based on evidence and research, not assertion. If they are not to be further sidelined, environmental considerations and interventions need to become demonstrably effective as a means of achieving poverty reduction, not just a worthy add-on or a risk to be avoided.
22. Other necessary steps include :
 - i. the full integration of the environment within bilateral country strategies.
 - ii. monitorable performance targets for the environment at country programme and DFID level.
 - iii. a central and independent department with a mandate to promote and support the environment as integral to poverty elimination, and with responsibility for monitoring environmental performance.
 - iv. increasing environmental support, training and guidance for DFID staff, consultants and partners.
 - v. focusing environmental input and support at strategy, theme and programme level, rather than at project level.
 - vi. increasing the number of environmental advisers, particularly in overseas offices.
 - vii. improving the professional management and support for environmental advisers and field managers.
23. The evaluators are not convinced that the experience of these EP projects - as opposed to the rest of the bilateral programme - justifies a significant strengthening of environmental procedures. However, improved monitoring of existing procedures, and of risks identified during project design, is certainly required.
24. All the above measures will help. The key initiative, however, has to be a focused effort to identify and support (with other advisers and departments) specific opportunities where environmental improvement can contribute to poverty elimination. Also required are clear strategies which link DFID policy and practice; high-level commitment to (and accountability for) monitorable targets for environmental performance; and a conviction, at operational level and within senior management, that environmental considerations and interventions are integral to the elimination of world poverty.

KEY LESSONS LEARNED

- according a high policy priority to environmental considerations is insufficient. Policy needs to be translated into monitorable strategies and performance targets at DFID and country programme level.
- projects need to be designed and managed for environmental benefits if environmental benefits are to be realised. Giving a project an environmental objective, or marking it as environmentally beneficial, is insufficient. Similarly, it is erroneous to assume that expenditure in a particular sub-sector - such as energy efficiency, agriculture, or forestry - will be inevitably and strongly environmentally beneficial.
- environmental advisers do make a difference. However, a wider commitment to, and understanding of, environmental issues among other advisers, country programme staff, and senior management are equally important.
- projects with environmental objectives are capable of making focused, inclusive and enabling contributions to poverty elimination but may also conflict with poverty elimination in the short term. The particular links between environment and poverty need to be identified, understood and demonstrated.
- environmental procedures need to be monitored if they are to be implemented as intended.
- environmental procedures and manuals are more effective at ensuring that environmental risks are avoided and managed, than at ensuring that environmental opportunities are identified and exploited.
- modest scale, local projects may generate more immediate environmental benefits than larger regional or national projects. Where environmental benefits can only be indirect and long-term, critical examination of the links between short-term outputs and long-term impact is required.
- monitoring environmental impacts at the purpose and goal level tends to be overlooked, and will usually be difficult and costly. Resources need to be allocated for strategic or sectoral impact assessment, and/or for the establishment of monitoring systems in a small sample of projects, if DFID and its partners are to be able to report on environmental impacts.
- the current system for estimating DFID bilateral expenditure on environmental improvement and protection produces exaggerated and unreliable figures. A better system is required for monitoring and reporting purposes.
- mainstreaming and integrating environmental considerations are not helped by the wide and diverse nature of the 'environment'. More specific initiatives in consort with other sectoral interests, such as health or education, may help.

This evaluation study was undertaken by an independent team: Michael Flint (Team Leader), Paul Balogun, Ann Gordon, Richard Hoare, Doug Smith, Ben Voysey, Anthony Ziegler. The views expressed in the study are those of the evaluation team and do not necessarily represent the views of HMG. For further information see “Environmental Evaluation Synthesis Study” (Evaluation Report EV626) obtainable from Evaluation Department, Department for International Development, Abercrombie House, Eaglesham Road, East Kilbride, Glasgow G75 8EA, telephone 01355- 843641. This report will also be accessible via the Internet in due course.

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DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

The Department for International Development (DFID) is the UK government department responsible for promoting development and the reduction of poverty. The government first elected in 1997 has increased its commitment to development by strengthening the department and increasing its budget.

The central focus of the Government’s policy, set out in the 1997 White Paper on International Development, is a commitment to the internationally agreed target to halve the proportion of people living in extreme poverty by 2015, together with the associated targets including basic health care provision and universal access to primary education by the same date. The second White Paper on International Development, published in December 2000, reaffirmed this commitment, while focusing specifically on how to manage the process of globalisation to benefit poor people.

DFID seeks to work in partnership with governments which are committed to the international targets, and seeks to work with business, civil society, and the research community to this end. We also work with multilateral institutions including the World Bank, United Nations agencies and the European Community.

The bulk of our assistance is concentrated on the poorest countries in Asia and sub-Saharan Africa. We are also contributing to poverty elimination and sustainable development in middle income countries in Latin America, the Caribbean and elsewhere. DFID is also helping the transition countries in central and eastern Europe to try to ensure that the process of change brings benefits to all people and particularly to the poorest.

As well as its headquarters in London and East Kilbride, DFID has offices in many developing countries. In others, DFID works through staff based in British embassies and high commissions.

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