

European Community's Poverty Reduction
Effectiveness Programme (EC-PREP) research project:
Streamlining poverty-environment linkages in the European Community's
development assistance

EP/R05/15

**Institutional and policy opportunities to improve environment-poverty streamlining
in the CSP process: institutional evaluation at EC level¹
Activities 11 and 12**

May 2005

Abstract:

Although the EC is committed through numerous EC policies and multilateral agreements to mainstream the environment in its development assistance, this paper indicates that - despite noteworthy developments in updating the Commission's environmental integration manual (currently being drafted) – that:

- 1) there are few specific guidelines to fully integrate the environment as a cross cutting issue in EC country strategies (particularly regarding the six focal areas of EC development assistance – i.e., trade, support to macro-economic policies, transport, rural development, regional co-operation, and good governance);
- 2) ambiguity with regards to whether environmental integration is mandatory in country strategies;
- 3) vague articulation regarding who is responsible/held accountable to integrate environmental issues in country programming; and
- 4) insufficient emphasis on environment-poverty considerations that should stand central in EC development assistance.

This report identifies key entry points to strengthen (and strategic gaps that are challenging) environment-poverty integration in the CSP process. This paper does so by reviewing the CSP process (e.g., how CSPs are developed and reviewed), evaluating existing procedures to integrate the environmental dimension in country programming, and assessing if current guidelines/tools underscore environment-poverty mainstreaming. This paper provides various long term institutional and policy recommendations including practical suggestions on: developing useable guidelines to integrate the environment-poverty dimension in focal areas of EC development cooperation (trade, support to macro-economic policies, transport, etc.); integrating poverty-environment linkages at the core of country programming; and developing clear strategic institutional procedures to improve accountability of environment mainstreaming in country programming.

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1. Background and methodology

This report is focused on identifying long-term institutional opportunities and policy changes needed to facilitate environment-poverty integration in future Country Strategy Paper (CSP) design². This study does so by:

- describing the CSP process (how the CSP developed and reviewed, who participates, etc.);
- describing how environmental (-poverty) issues are currently integrated in EC country strategies (what guidelines are used, who is responsible to integrate environmental issues in the CSP, whether environment-poverty linkages have been acknowledged, etc.);
- identifying key entry points/opportunities to improve and conversely strategic gaps that are challenging environment-poverty integration in the CSP process; and
- providing long term institutional and policy recommendations/practical solutions to strengthen mainstreaming of environment-poverty issues in country programming.

The assessment highlights the need for country programming:

- to fully integrate the environment as a cross-cutting issue in the six core areas of EC development cooperation (i.e., trade, support to macro-economic policies, transport, rural development, regional co-operation, and good governance);
- to recognize the important role that natural resources management plays sustaining economies and alleviating poverty; and
- to acknowledge key environment-poverty linkages, namely that people living in poverty:
 - significantly depend on natural resources for their livelihoods;
 - rely on rights to and access of land and natural resources;
 - are more likely to suffer the health consequences of deteriorating environmental resources; and
 - are more vulnerable to natural and man-made disasters (DFID et al., 2002).

The evaluation relies mainly on a review of documents, including of EC policies, Commission communications, environmental guidelines, and reports on the programming process. The paper draws especially on “The 9th EDF Programming process” (EC, 2000) - a key document used to introduce principles and procedures of programming under the 9th EDF - and the Commission’s “Environmental Integration Manual” (Environmental helpdesk, 2005; EC, 2001) - that sets out environmental mainstreaming procedures to be followed in EC programming as well as project management and policy making (Environmental help desk, 2005; EC, 2001)³. Interviews have been conducted where further information/follow-up was needed. While this report is focused on evaluating institutional and policy processes at the EC (Brussels) level, the report - where applicable - draws on country-level assessments that have been conducted by WWF EPO and MPO for select country strategies, namely for Tanzania, Rwanda, and Madagascar (Snel, 2004a; Snel, 2004b; Snel forthcoming, 2005)⁴. This activity fundamentally builds upon current efforts to improve environmental streamlining in EC development assistance – such as the updating of the EC environmental integration manual that is currently taking place.

² This report has been developed in completion of Activities 11 and 12 for research being conducted on “Streamlining poverty-environment linkages in the European Community’s development assistance” funded under the EC-PREP initiative.

³ Note that the 2001 Environmental Integration Manual is currently under review. Where updated documents are available, reference will be made to these. A draft of the manual – that is currently being updated - is posted on: <http://www.agreco.be/hde/EN/index.php>, while the 2001 Environmental Integration Manual is available at: http://europa.eu.int/comm/development/body/theme/environment/env_integ/env_integration/index1.html.

⁴ Country level assessments that have recently been conducted (Snel forthcoming, 2005; Snel 2004b) are funded under the EC-PREP initiative.

2. Scope of study

This paper is focused on evaluating environmental integration in the CSP process and emphasizes environment-poverty mainstreaming early in the programming process so that:

- harmful (direct and indirect) environment impacts can be avoided early on and
- opportunities can be identified and implemented to improve environmental/livelihood conditions.

While this paper underscores early phases of the programming process, reference is made to other stages of the programming cycle (e.g., evaluation). This study focuses on procedures, guidelines, tools, etc. used to integrate environmental issues in country programming (vs. project or sectoral programming⁵). Note that under the current 9th European Development Fund (EDF) (2002 – 2007) - through which country strategies are financed - an amount of 10 billion Euro is currently being allocated under programmable aid at the country level; an estimated 9 billion Euro of outstanding balances from previous EDFs is also being drawn upon (EC, 2000).

3. CSP process

A Country Strategy Paper (CSP) – officially referred to as a Country Support Strategy (CSS) - is a common agreement between a recipient country and the EC outlining EC development assistance to partner countries and an instrument to guide, manage, and review EC assistance programs (EC, 2000; WWF-EPO, 2004). The CSP includes a strategic analysis of the country's own development plans (e.g., PRSPs), existing donor activities, a response strategy, and implementation plan (EC, 2000). After having drawn a CSP, countries are obligated to develop a National Indicative Programme (NIP) which presents a budget for each of the selected focal areas (trade, macro support, etc.) (WWF-EPO, 2004). The NIP includes a work programme consisting of a summary/budget of the selected focal areas and a set of tables consisting of an intervention framework matrix on targets, objectives, performance indicators, etc. (EC, 2000)⁶. Activities financed through CSPs/NIPs are evaluated periodically through annual, mid-term, and end of the term reviews (see Figure 1 on the country programming cycle).

⁵ Sectoral programming seeks to provide direct support to initiatives defined by countries themselves by financing public sector budgets (e.g., government initiatives in health, education, and energy sectors). While the concept is still evolving, the objective of sectoral orientations is to support national ownership and to improve effectiveness of implementation and management of national and donor resources (EC, 2000). Sectoral programming use other guidelines which tend to vary between thematic and geographic programmes.

⁶ Note that in practice the CSP and NIP are currently often considered the same document and developed simultaneously (personal communication, Mukome, 2005).

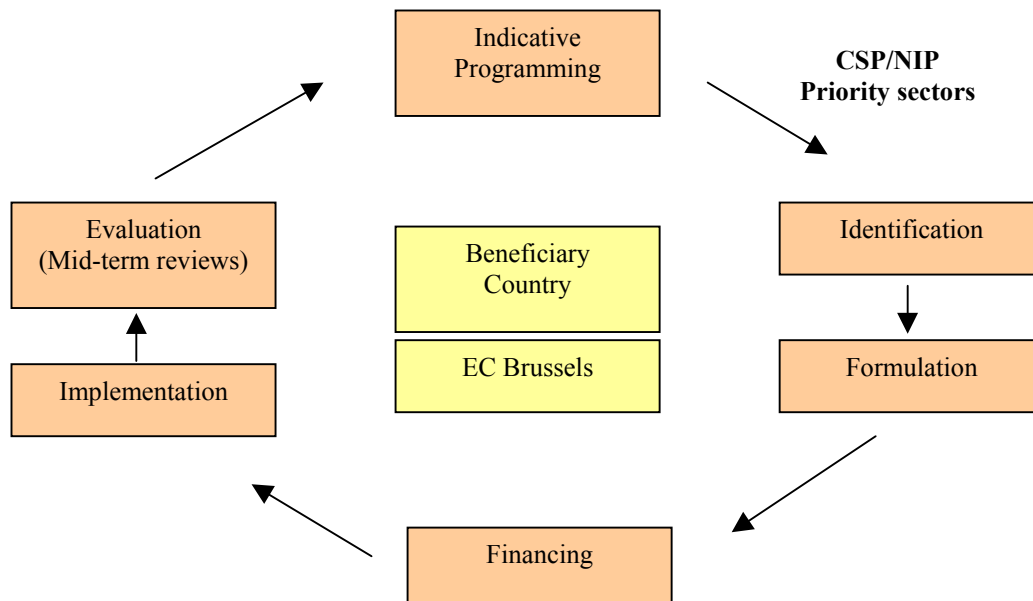


Figure 1: Country programming cycle (adapted from WWF, 2004)

The following sections describe in more detail the CSP process and focuses on how CSPs are developed (section 3.1) and reviewed/evaluated (section 3.2). This evaluation is drawn upon to identify key entry points to improve environmental mainstreaming in CSP design (section 5).

3.1. CSP development

The CSP - officially referred to as the CSS (Country Support Strategy) - is developed through a dialogue-driven process between the partner countries (e.g., government and civil society), the European Commission (e.g., country delegations and headquarters), and EU member states (EC, 2000). The development of the CSP entails the following key phases:

- phase 1: describing the partner country's own development strategies, plans, and priorities (e.g., in PRSPs);
- phase 2: analyzing the country situation;
- phase 3: elaborating the Community response that includes the development of an indicative work programme/budget for actions and programmes (typically discussed about 2-3 selected focal areas)⁷ (EC, 2000).

⁷ The indicative work plan/NIP includes the identification of performance indicators (by delegations and NAOs) upon which CSP reviews heavily rely (see section 3.2.a): "The indicators must be developed jointly, and accepted by both sides at the outset as being realistic and attainable in the foreseen time-scales." and "Rolling programming is based to a significant extent on performance measurement and reward... the development and application of suitable performance indicators from the outset, will be crucial (EC, 2000, p. 40 – part II). The performance indicators need to cover management of the EC programmes (used for the annual reviews), good governance, macro-economic management, and poverty focused on sustainable development (the latter three are used extensively during midterm and end of term reviews) (EC, 2000).

More specifically the National Authorizing Officer (NAO) spearheads the CSP/CSS process by facilitating discussions with ministries, departments, civil society, etc. to develop a draft CSS (personal communication, Mukome, 2005) (EC, 2000; personal communication, Mukome, 2005)⁸. The draft CSS (based on national priorities, strategies, etc.) is then presented to the European Commission (delegation and headquarters – including to the Quality Support Group (QSG)) and revised based on discussions between the Commission, NAO, and member states (see steps 1 and 2 in Figure 2). The revised draft CSS is (re-)submitted to EC headquarters (Brussels) and discussed with the EDF committee for formal approval (steps 3 and 4 in Figure 2). If approval is granted, the CSS/CSP is finalized and adopted by the country delegation and NAO (steps 5 and 6). If the CSS/CSP is not approved, additional discussions take place between the country delegations, headquarters, NAO, etc.. Environmental integration in the above noted steps is discussed in section 4.

3.2. CSPs reviews/evaluation

Initiatives that are proposed in the CSP are reviewed through a “rolling programme” of on-going, annual, mid-term, and end of the term reviews.

3.2.a. On-going and annual reviews: The on-going and annual reviews examine progress and may entail the re-allocation of financial resources. An annual review relies on the submission of an annual joint delegate/NAO report, a position paper, and a formal review meeting. Headquarters, Members States, and EIB (European Investment Bank) may participate in the formal meeting. Once relevant feedback has been transmitted from headquarters to the delegation, the results of the review are finalized and adopted by the delegation and NAO (EC, 2000). The “rolling programme” review is based significantly on performance indicators developed in the CSP/NIP (see footnote #7).

3.2.b. Mid-term and end of term reviews: The mid-term review is a more extensive strategic/performance review. The mid-term review requires the development of a position paper that:

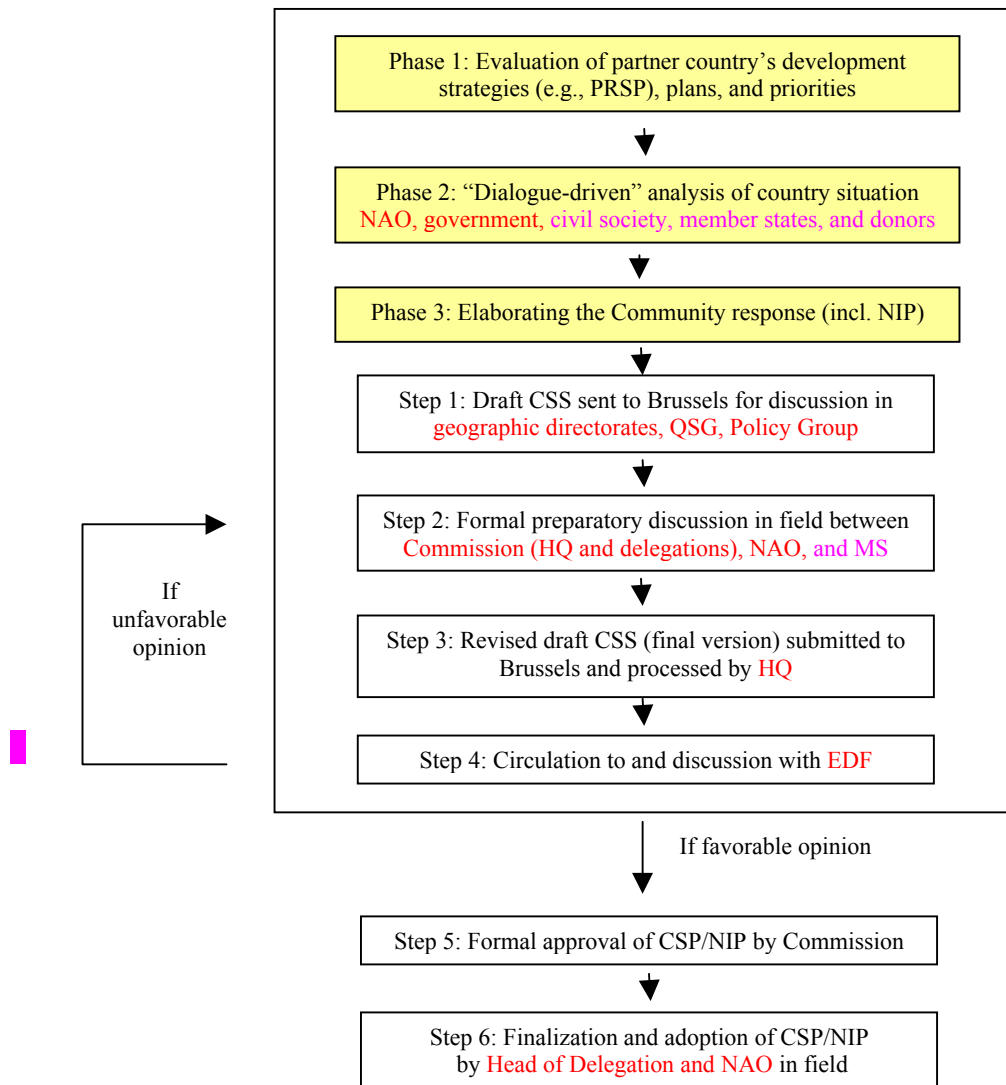
- articulates the effectiveness of the CSP based on the agreed performance measurement criteria (e.g., the performance indicators - see footnote #7) and
- the need to modify activities and resource allocation.

The position paper is prepared by the delegation in close consultation with the locally represented MS (Member States) and headquarters. The draft position paper is discussed by the headquarters policy group and in exceptional cases (such as if the mid-term review recommends major re-programming) is submitted to the Quality Support Group (QSG). Following the formal review meetings, the draft position paper is processed by headquarters and transmitted to the EDF Committee for formalization.

3.2.c. Ad hoc reviews: In addition to the above ad hoc reviews may take place. These may be initiated by the headquarters (e.g., an environmental audit) or requested by beneficiary states (e.g., if significant changes take place such as a natural disaster or conflict).

Figure 2: Development of the CSP (adapted from EC, 2000).

⁸ The Commission’s working document on “The 9th EDF programming process” notes that “civil society is probably the most important single factor in development...” and “An effective dialogue between public and private actors will not only help to generate consensus on priorities, but will also help identify who is best placed to deliver services” (EC, 2000, p. 15 - part II).



4. Environmental integration in the CSP process

Given the above CSP process, how then is the environment integrated in the CSP process. This section specifically describes current procedures that are used to integrate the environmental dimension in light of the above noted CSP process steps and evaluates:

- how the environment is mainstreamed in the CSP process (e.g., what guidelines/tools are currently used) (section 4.1);
- if the mainstreaming underscores environmental-poverty linkages, particularly for each of the six focal areas of EC development assistance (section 4.2);
- policy requirements regarding environmental integration for country programming (section 4.3);
- who is responsible/held accountable to integrate the environment (-poverty) dimension in country programming (and follow up on the quality of environmental mainstreaming) (section 4.4); and
- awareness on and capacity to mainstream the environment-poverty dimension in the CSPs (section 4.5).

4.1. Environmental integration in the CSP process

Based on an extensive review, the environment is integrated in the CSP process through mainly the development of Country Environmental Profiles (CEPs) and Strategic Environmental Assessments (SEAs). Furthermore, although less emphasized checklists in the Commission's environmental integration manual and working document on "The 9th EDF programming process" provide a set of issues/questions - albeit general - that may be used to help integrate the environment dimension in country programming.

4.1.a. Country Environmental Profiles: A Country Environmental Profiles (CEPs) is a summary of the environmental, social, and economic situation and more specifically include background information on: the state of the environment (e.g., the physical environment, biological conditions, biodiversity, socio-economic conditions, and human health); current environment policies and legislation; existing institutional structures that deal with environmental issues; and environmental concerns in main economic sectors (e.g., agriculture and mineral resources)⁹. The 9th EDF programming process working document (EC, 2000) notes that the CEP "should be compiled especially before the finalization of the indicative work programme" (p. 102) (before step 4 in Figure 2). In practice this seldom occurs since the CSP and NIP are often developed simultaneously (personal communication, Mukome, 2005). While CEPs are typically developed during the programming phase, a CEP may also be used in other stages of the country programming cycle: e.g., to identify the need for environmental programmes and projects (the "identification" stage), to prioritize funds (the "formulation" stage), and to evaluate progress (e.g., in mid term reviews – the "evaluation" stage)¹⁰ (see Figure 1) (WWF-EPO, 2004). The CEP is attached as an appendix to the CSP and is intended to provide background information through which the environmental dimension may be systematically integrated in the CSP (see also section 4.1.c.).

4.1.b. Strategic Environmental Assessment: SEA is a systematic process for evaluating the environmental impacts of proposed policies, plans and programmes (EC, 2001). More specifically a SEA includes a description of proposed activities, evaluation of environmental impacts (including short- and long-term as well as likely and unlikely impact), identification of mitigation measures, and recommended mitigation measures (drafted in an environmental management plan). The working document on "The 9th EDF programming process" recommends that SEAs are conducted in the preparation of indicative programmes (NIPs) and notes that "by incorporating environmental issues at this early stage, programmes are more likely to contribute to sustainable development and to narrow the scope of environmental integration required downstream during programme implementation" (EC, 2000, p. 103). Although it is preferable to conduct a SEA early in the programming cycle, SEAs may also be used in other stages including to identify and formulate programmes under sectoral budget-lines (energy, fisheries, etc. sectors) and focal areas (macro support, transport, trade, etc.) (Environmental helpdesk, 2005)¹¹. While in principle a SEA provides guidelines to help mainstream environmental issues in country programming, in

⁹ <http://www.agreco.be/hde/Download/D13/CEP-TOR.doc>

¹⁰ Note that CEPs are not used for annual reviews. The Commission's working document on "The 9th EDF programming process" indicates that environmental considerations should be included in the annual report: "Critical environmental trends [in the annual report] should be analyzed and the adequacy of public policy responses to curb negative environmental trends should be assessed" and that "Specific measure taken to ensure the integration of crosscutting issues should be outlined" (EC, 2000, p. 29/30 – partII). Performance indicators are used to a significant extent in annual rolling programming (see section 3.2.a.).

¹¹ SEAs are, for example, encouraged for structural and sectoral programmes and for major new infrastructures.

reality SEAs have rarely been developed: in a study of 60 CSPs, only three countries made reference to a SEA and only one integrated a SEA (Davalos, 2002)¹².

4.1.c. Environmental integration in country strategies: Although emphasis is placed on developing CEPs and SEAs (see sections 4.1.a and 4.1.b), the Commission's working document on "The 9th EDF programming process" (EC, 2000) and environmental integration manual (Environmental helpdesk, 2005; EC, 2001) provide general checklists that may be used to help streamline the environmental dimension in the country strategies (see respectively Appendix 1 and 2). The new environmental integration manual draft (Environmental helpdesk, 2005) furthermore notes of the need to integrate environmental issues in prioritizing focal areas and identifying performance indicators: "In all these [focal] areas, crosscutting principles (respect for human rights, effect on poverty reduction, gender equality, environmental sustainability) will apply and be mainstreamed" (p. 35 – part II) and "[the basic criteria for the review process will require choosing indicators that entail]...poverty focusing and sustainability of development ([e.g.,] public spending on environmental management and natural resource conservation, national environmental trends, etc.)" (p. 42 – part II). A preliminary/draft list of indicators is provided in the draft environmental integration manual (Environmental helpdesk, 2005) that may be used to help evaluate environmental impacts for each of the six focal areas of EC development assistance: the preliminary list of pressure-state-response indicators are intended to facilitate the development of other indicators. This list of indicators has been drawn upon to develop a preliminary set of indicators to improve environmental-poverty integration in the CSP process (see section 6, point **m.**).

4.1.d. Other (outside of the scope of this paper)

Environmental impact assessment: If projects are proposed in CSPs that are anticipated to have adverse environmental impacts, EIAs must be developed (e.g., for roads development). An EIA is used to: identify, predict, and evaluate potential environmental impacts of a project; determine if modifications to improve environmental consideration are needed; and indicate if the project can be sustainably implemented.

Sectoral guidelines: The environmental integration manual includes guidelines for numerous specific sectors - used for orientations financed under sectoral budget-lines (see section 2 and footnote **#5**) - including for emergency aid, agriculture and food security, fisheries and aquaculture, protected areas and conservation, mineral resources, tourism, and transport (EC 2001b). The sectoral guidelines indicate key environmental issues that are associated with various sectors and provide approaches that may be used to help address the issues. The sector guidelines may be drawn upon to helping improve environmental integration in country programming - particularly for the EC development cooperation's six focal areas (see section 5.1).

4.2. Environment-poverty integration in the CSP process

The following assessment evaluates if the existing CSP programming guidelines/tools (as described above) underscore the need to integrate the **environment-poverty** dimension in country strategies, especially regarding each of the six focal areas of EC development assistance. The evaluation highlights the need to underscore the importance of natural resources management to sustain economies and more specifically to highlight key environment-poverty linkages, namely that people living in poverty:

- significantly depend on natural resources for their livelihoods;
- rely on rights to and access of land and natural resources;

¹² Several countries have, however, recently committed to carry out SEAs (e.g., Mozambique, Malawi, Botswana, Namibia, Nigeria, and Zambia) (Le Grand, personal communication, 2005).

- are more likely to suffer the health consequences of deteriorating environmental resources; and
- are more vulnerable to natural and man-made disasters (DFID et al., 2002).

The evaluation is structured about the three environmental guidelines used for country programming (as discussed in the previous section 4.1.): CEPs, SEAs, and environmental integration checklists. The evaluation does not evaluate project guidelines/tools (e.g., EIAs) or sectoral guides (used for orientations under sectoral budget-lines) which are outside the scope of this study (see previous section 4.1.d. and section 2).

4.2.b. CEP: Vague reference is given in the CEP guidelines on poverty-environment linkages: updated draft CEP terms of reference, for example, notes that: “The Profile will establish the key linkages between the environment and poverty reduction” and consider in the state of the environment assessment, “especially socio-economic conditions in relation to environmental issues (public health, vulnerability to disasters, access to natural resources and commodities)”¹³. Specific guidelines are not given regarding how poverty-environment linkages may be highlighted in the CEP particularly for each of the six focal areas. Similarly, the CEP guidelines do not underscore the importance of natural resources to economies and rather generally note of the need to “examine the integration of environmental concerns in [various sectors...: [e.g.,] agriculture, fisheries, forestry, industry, mining,...” (Environmental helpdesk, 2005)¹⁴.

4.2.c. SEA: Draft SEA terms of reference generally indicate the need to describe environment-poverty linkages noting the need to identify: “socio-economic and cultural conditions in relation to environmental issues (public health, vulnerability to disasters, and access to natural resources and commodities)”¹⁵. Although the environmental integration manual draft (Environmental helpdesk, 2005) does provide guidelines to develop SEAs (e.g., to evaluate CSPs and focal areas), specific guidelines are not provided on how the **environment-poverty** dimension may be integrated as a **cross-cutting issue** in CSPs¹⁶.

4.2.c. Environmental integration checklists: Although current environmental tools/guidelines for country programming emphasize the use of CEPs and SEAs (see above section 4.2.b and 4.2.c), checklists are provided to help mainstream the environment in CSPs (see section 4.1.c.). While the checklists do generally note of the need to evaluate the environmental impacts of focal area development, they do not provide specific guidance on how the **environment-poverty** dimension can be integrated as a **cross-cutting** issue in each of the six focal areas of EC development assistance.

4.3. Requirements

This section reviews whether integrating environmental issues in CSPs – as described above - is indeed mandatory. An extensive review indicates that while the development of CEPs and SEAs

¹³ <http://www.agreco.be/hde/Download/D13/CEP-TOR.doc>

¹⁴ Quotes from the draft environmental integration manual (Environmental helpdesk, 2005) have been translated from French. Note that while the CEP guidelines do not provide specific questions/indicators to assess the contribution of environmental resources to economic growth and poverty reduction, the introduction of the draft environmental integration manual (Environmental helpdesk, 2005) does describe how the Commission’s six focal areas are linked to environmental considerations.

¹⁵ <http://www.agreco.be/hde/Download/D13/SEAsector-TORdraft.doc>

¹⁶ Note, however, that the environmental integration manual draft (Environmental helpdesk, 2005) does provide SEA guidelines for initiatives supported under macro support and more generally for the other focal areas: the guidelines note of the need to evaluate environmental impacts, linkages between the environment and policy reforms, and institutional capacity.

– primarily used to integrate the environment in CSPs - is supported by the Commission their use/integration in country strategies is **not mandatory**. The Commission’s Communication on “Integrating environment and sustainable development into economic and development co-operation policy: Elements of a comprehensive strategy” (EC, 2000b, p. 16) indicates that CEPs “*should* serve as an input to the country strategy document”. Various other Commission documents - including the staff working papers on environmental integration (EC, 2001b) as well as “The 9th EDF Programming Process” working document (EC, 2000) indicate that CEPs and SEAs are “important tools” and “should” (vs “must”) be developed in EC-funded country strategies¹⁷. The new environmental integration manual - currently being drafted - recognizes this limitation by stating that, “.. recommendations to integrate the environment ... exceeds the lawful obligation” and that the manual should in turn be considered as a “guide on good practice” (Environmental helpdesk, 2005, p. 7)¹⁸. Such lax policy may be a key reason why few country strategies have included CEPs and SEAs: a review on environment mainstreaming in Country Strategy Papers indicate that only six out of 50 countries included a CEP, while only one country integrated a SEA (Davalos, 2002) (see section 7). Aside from CEPs and SEAs, the “9th EDF programming process” working document (EC, 2000) does indicate that, “environmental background information *must* be integrated in the country [(regional)] document” in which the CEP is considered to provide the bulk of background environmental information for such integration. Considering that CEPs have not been included in many country strategies - a key document used to integrate the environmental dimension in country strategies (see section 4.1.a) - it may be assumed that environmental integration in CSPs is in turn challenged.

4.4. Responsibilities/Accountability

Based on the above, who then is responsible to integrate the environment in CSPs, follow up on whether environmental issues have indeed been integrated, and check on the quality of environmental mainstreaming? The environmental integration manual indicates that, “[Geographic and technical officers] managing [the development of country strategies are] responsible for integrating [the] environmental [dimension], with assistance from the Commission’s environment services or from external consultants” and that “the tasks are to be undertaken to the Commission official responsible for formulation, implementation, and evaluation of programming” (EC, 2001). Quality Support Groups (DG-RELEX), the environmental service (DG-Development), as well as country delegations are subsequently responsible to follow up and check on the quality of environmental mainstreaming in the CSP: “A preliminary draft programming document *must* be submitted to the environmental service for review” (EC, 2000,) and “improvement of the overall quality of the integration of environmental aspects [occurs] through Quality Support Groups.” (EC, 2000b, p. 16) (see step 1 in figure 2)¹⁹. The new environmental integration manual draft includes an appendix noting “shared responsibilities” to integrate environmental issues in development strategies (Environmental helpdesk, 2005). No specific reference is, however, made on who is specifically **accountable** to integrate the environment in the CSP process: e.g., to develop (or initiate the development of) the CEP, to check to see if a SEA(s) is required (and if so develop a SEA), to integrate environmental background information in the CSP, etc. (see also section 4.3 above on “requirements”).

¹⁷ Note, however, that recent Mid Term Review guidelines (EC, 2004) do require that CEPs (REPs) are included as a mandatory annex (EC, 2004; Le Grand, personal communication, 2005). Furthermore, although outside the scope of this study EIAs are required for projects that envision environmental impacts.

¹⁸ Quotes from the draft environmental integration manual (Environmental helpdesk, 2005) have been translated from French.

¹⁹ The new environmental integration manual more specifically notes that the country delegations, DG-RELEX, and DG-Development are responsible to check on the quality of CEPs, while country delegations should follow-up on the quality of SEAs (Environmental helpdesk, 2005).

4.5. Awareness and capacity

Respondents in country-level evaluations conducted as a part of this EC-PREP initiative (see section 1) were asked about awareness on Commission environmental integration guidelines and capacity (at delegation level) to address environment-poverty concerns. While there was significant interest to improve environment-poverty integration in future country programming, there is insufficient awareness on existing Commission environmental guidelines/tools (e.g., environmental integration manual) and a need to strengthen environment-poverty capacity (Snel forthcoming, 2005). Various EC documents have similarly indicated this weakness and note of the need to strengthen environmental capacity: “the capacity of officials with geographic or sectoral responsibilities needs to be enhanced so that they can adequately integrate environmental issues into their tasks” (EC, 2001b, p. 8)²⁰. The environmental helpdesk is offering a number of trainings on environmental integration (in EC development cooperation) to help raise environmental awareness and capacity²¹.

5. Key entry points to improve environmental integration in the CSP process

Based on the above evaluation a number of key opportunities to improve environmental mainstreaming in the CSP process have been identified (section 5.1). Conversely, strategic gaps that are challenging environmental integration in country strategies are described (section 5.2). This evaluation is subsequently drawn upon to develop long term institutional and policy recommendations/practical solutions to strengthen environmental integration in future CSP design (see section 6).

5.1. Opportunities

- a. The **updating of the environmental integration manual** - that is currently being drafted - **provides an important opportunity to strengthen environment-poverty integration in the CSP process.**
- b. Awareness on the need to fully integrate the environment as a cross cutting issue in country strategies **must target all actors involved in the CSP process** (as highlighted in red and purple in Figure 2 - e.g., NAO, QSG, EDF committee, etc.).
- c. **Improving environment-poverty streamlining in PRSPs** - upon which EC funded CSPs are significantly based – **significantly facilitates environment-poverty integration in EC development strategies**²².
- d. **Improving the selection/identification of performance indicators** – that are heavily relied upon during CSP reviews – **provides a key entry point to facilitate environment-poverty integration in CSP design.**
- e. **Existing sector guides** (currently used to support orientations financed under sectoral budget-lines) **and indicators** (being drafted in the new environmental integration manual) **provide key entry points to strengthen guidelines/indicators to facilitate environment-poverty integration** in EC country strategies (particularly for each of the six focal areas).
- f. **The Commission’s environmental helpdesk trainings provide an important opportunity** through which awareness may be raised on environment-poverty mainstreaming in country strategies.

5.2. Challenges

²⁰ The EC furthermore recognizes that in relation to its environmental commitment levels, EC staff resources are considerably lower than in other major donor organizations (EC, 2000b).

²¹ <http://www.agreco.be/hde/EN/index.php#>

²² See also Snel, forthcoming, 2005.

- g. **Current environmental guidelines** used in country programming **focus too strongly on the development of a Country Environmental Profiles and Strategic Environmental Assessments**. Insufficient attention is given to the importance to fully integrate the environment as a cross-cutting issue in country strategies, particularly for each of the six focal areas of EC development assistance (macro support, good governance, rural development, transport, etc.).
- h. Despite EC policy commitments, **mainstreaming environmental issues in country strategies (e.g., through CEPs and SEAs) is not mandatory**. Commission documents, for example, indicate that CEPs and SEAs are “important tools” and “should” (vs. “must”) be used.
- i. Although Commission procedures indicate generally who is responsible to mainstream environment in country strategies, **the current procedures do not indicate who is held accountable**: to, for example, develop the CEP, determine if a SEA is needed, and integrate environmental background information in the CSP, etc (see also point **h**).
- j. **Current environmental guidelines insufficiently highlight key environment-poverty linkages** and the critical role that natural resources play in supporting economies. Other linkages such as between natural resources and conflict are similarly inadequately underscored.
- k. While the environmental integration manual is a very useful reference and includes numerous environmental tools, **the manual is cumbersome and needs a clear pragmatic strategic approach to fully integrate environmental issues in CSPs** (see also point **g**).
- l. While **Non State Actors** (NSA) participate in developing the draft CSS/CSP, their **participation needs to be strengthened throughout the CSP process** (including in CSP reviews).

6. Long term institutional and policy recommendations/practical suggestions

Based on the above review various recommendations/practical suggestions have been made that highlight long term institutional and policy opportunities to improve environment-poverty streamlining in CSP design and EC country programming.

- m. **A strategic approach is needed to fully integrate the environment as a cross cutting issue in the CSP process**. This entails:
 - **Developing a useable set of CSP environmental integration guidelines/indicators** that underscores poverty alleviation through sustainable development. The guidelines/indicators will need to:
 - highlight key environment-poverty linkages (see also next point);
 - use a simple and straightforward format;
 - be explicitly linked to the Commission development cooperation’s six focal areas (i.e., trade, regional economic integration, macro economic support, access to social services, transport, and rural development); and
 - fundamentally build upon existing Commission environmental integration efforts (e.g., environmental integration manual and environmental helpdesk).

It is recommended that environmental guidelines, indicators, processes, etc. currently used by other donors are reviewed and drawn upon in formulating a usable set of environmental guidelines for country programming (Appendix 3 includes a preliminary review of environmental guidelines used by some donors). Developing (and agreeing) upon a set of environmental integration guidelines/indicators will require extensive dialogue and involvement of especially staff (with expertise in environment and development) at the Commission, donor agencies, NGOs, etc.

Testing sample environmental guidelines/indicators in various countries may be a useful approach to check the usability of proposed environmental guidelines in varying contexts. Appendix 4 and 5 include a preliminary set of questions/guidelines (not exhaustive) that may be used to: 1) fully integrate the environment as a cross cutting issue in country strategies and 2) mainstream environment-poverty considerations in four (of the six) EC focal areas (i.e., rural development, macro support, transport, and government)²³. The preliminary indicators are intended to improve the selection of performance indicators upon which CSP reviews heavily rely (see section 3.5). Preliminary indicators have been highlighted in Appendix 5 in red.

- Ensuring that the environmental guidelines address fundamental issues at the center of poverty/environment dependencies: The environmental guidelines/indicators will need to critically highlight poverty/environment linkages and the important role that natural resources management plays in sustaining economies and alleviating poverty. More specifically, the guidelines need to emphasize: ownership structures, land tenure regime, control of/access to natural resources by especially the rural poor; health consequences of natural resources deterioration on especially the poor; the link between natural resources and conflict; and institutional/policy capacities to address environment-poverty issues.

- Clearly articulating who will be held accountable to integrate the environment-poverty dimension in CSPs. Environmental commitments in existing TORs of Commission staff, NAOs, etc. (see Commission stakeholders of the CSP process highlighted in red in figure 2) will need to be revised and strengthened to indicate who will be responsible/held accountable to integrate the environment-poverty dimension in country strategies (e.g., who will be responsible to develop the CEP, check to see if a SEA(s) is required, follow-up on whether environment-poverty issues have been mainstreamed in the CSP, etc.).

- Addressing environmental capacity. Current capacity in the Commission needs to be strengthened. This includes adjusting TORs, recruiting staff with environment and development backgrounds, and possibly developing environment specialist units at delegation level (as some other donors have done).

- Intensifying the involvement of Non-State Actors in country programming. This entails strengthening civil society participation (e.g., environmental NGOs, local interest groups, etc.) in drafting CSSs/CSPs, developing indicative programmes (e.g., NIP), and reviewing performance of country programmes (e.g., midterm reviews).

- n. **Environmental integration in EC country strategies must be mandatory.** Without explicitly requiring environmental integration, a continuation of poor environmental mainstreaming in EC country programming is inevitable. Existing guidelines, TORs, policies, procedures, etc. need to explicitly state that environmental issues **must** be fully integrated in CSPs. This will entail revising existing Commission guidelines (the 10th EDF programming procedures, environmental integration manual, etc.) as well as modifying policies (adding an environmental assessment requirement to Appendix IV of the Cotonou EU-ACP agreement, etc.).
- o. Once the environmental guidelines have been revised and formalized, **a strategy needs to be developed to raise awareness** on the new environmental guidelines. This includes raising awareness to Commission staff, NAOs, etc. (see stakeholders of the CSP process in figure 2 highlighted in red and purple) on the: **requirement** and **responsibilities** to

²³ Preliminary guidelines still need to be developed for the regional cooperation and trade focal areas.

mainstream the environment-poverty dimension in CSPs, new environmental integration procedures, and need to highlight key environment-poverty linkages.

- p. **Developing strategies to increase environment-poverty awareness and capacity in host governments.** In addition to strengthening capacity at the EC-level, the EC (and other donors) need to fundamentally support initiatives to strengthen environment-poverty awareness and capacity in host countries. This may entail EC (and other donor) programme/project assistance to: improve environment-poverty integration in national strategies and policies (e.g., PRSP); raise awareness on poverty-environment linkages; and increase institutional capacity to address environment-poverty concerns. EC programme assistance should be strongly linked with the good governance focal area towards strengthening environmental management capacity and supporting good **environmental** governance programming in host countries²⁴.

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²⁴ See also Snel, forthcoming, 2005.

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Appendix 1: List of questions in the Commission’s working document on “The 9th EDF programming process” to integrate environmental background information in the country programming document (EC, 2000, p. 104/105).

- “Does the document contain a summary review of the environmental background information collected?
- Does the economic prediction take account of environmental constraints to economic growth or create new environmental constraints (e.g., availability of freshwater resources for industry or agriculture, regenerative capacity of marine fisheries)?
- Will further development in the focal sector have an impact on the intensity of utilization of natural resources in other sectors (cross-sectoral effects, e.g., transport sector development in remote areas on exploitation/conversion of tropical forests)?
- Does the programme contain actions to address environmental threats to economic development (e.g., capacity building to tackle environmental problems in focal sectors, monitoring of environmental indicators)?
- Are there sufficient environmental safeguards to ensure sustainability of programmed activities (e.g., environmental impact assessments, environmental monitoring)?
- Does the proposed programme include environmental actions that support economic and social development (e.g., sewage treatment for better health, fight against soil erosion for increased agricultural productivity)?
- Are provisional environmental screening categories provided for projects identified to indicate the type of assessment/action required downstream (see screening lists in the Environmental Integration Manual)?
- Are there sufficient measures to implement environmental strategies established within the country or region (e.g., adequacy of public expenditure/human resources on environmental protection agencies)?
- Are global environmental issues requiring political dialogue addressed in the programme (e.g., protection of threatened species/habitats/landscapes, energy efficiency issues)?
- Does the proposed programme support the implementation of environmental conventions or other environmental priorities (in particular as related to the Convention to Combat Desertification, Convention on Biological Diversity and Framework Convention on Climate Change)?
- Does the programme address environmental problems in the country, and include environmental mitigation and environmental management measures?” **Appendix 2:** Checklist of environmental issues to be included in the country- (regional-) related programming in the (EC, 2001).

Appendix 2: Checklist of environmental issues to be included in the country- (regional-) related programming in the Commission’s environmental integration manual.

I. Checklist in old version of the environmental integration manual (EC, 2001)

“Country-related Programming

For country-related programming, the environmental review should ensure that:

- the document contains a summary review of the environmental background information assessed in ‘Task 1. Collect environmental background information in consultation with the environmental service’;
- the economic predictions take into account environmental constraints to economic growth;
- the programme contains actions to address environmental threats to economic development;
- there are sufficient environmental safeguards to ensure sustainability of programmed activities;
- the proposed programmes includes environmental actions that support economic and social development;
- provisional environmental screening categories are provided for identified projects (see ‘Projects’) to indicate the type of assessment/action required downstream;
- there are sufficient measures to implement EC environmental strategies established within the country or region;
- global environmental issues requiring political dialogue are addressed in the programme;
- the proposed programme supports the implementation of ‘International Conventions’ or other environmental priorities; and
- the programme contributes to addressing environmental problems in the country, through including mitigatory action, environmental management measures or supporting environmental capacity development.” (EC, 2001, p. 65)

II. Checklist in new draft version of the environmental integration manual – currently being updated (Environmental helpdesk, 2005).

List of issues that may be used to check if the environmental dimension has been integrated in the CSP (translated from French):

“....

Description of objectives of the EC co-operation: including [a description of] the objectives of sustainable development and the [d’inversion??] of environmental degradation;

Political agenda of the beneficiary country: including [a description of] the political importance of the environment as identified in the CEP.

Analysis of the political, economic, and social situation: although the environment is not explicitly mentioned in this heading, [the environment] needs to be considered as a pillar of sustainable development that influences economic and social issues of the population, as well as the viability of existing policies.

Summary of past or current EC cooperation: information on Member States as well as other donors programs: environmental lessons drawn and prior actions that have accounted for these.

Response strategy of the EC, coherence with EC policies, complementarity within the EC and with other donors, sector selection, approach and objectives that will be implemented, and (notably) environmental implications, including the need to reinforce capacity.

Indicative programme (NIP)...” (Environmental helpdesk, 2005, Annex 8)

Appendix 3: Review of existing environmental guidelines and indicators used by select donors.

I. Department for International Development (DFID)

DFID: Environmental Screening Notes (ESN) are mandatory for all DFID interventions (projects or programmes) with a value of over 1 million pounds sterling: “Funding above the 1 million pounds sterling threshold will not be released without an ESN on file. Even ESNs that indicate no environmental impact should be sent” (DFID, 2003, p. 17).]. The screening notes are directly linked to DFID’s mission to eliminate poverty and highlight key poverty-environment linkages. The ESNs use a simple format and clear institutional procedures regarding who is responsible to complete, screen, and submit the screening notes. The environmental guide provides various checklists that indicate opportunities and risks associated with interventions (e.g., rural development, trade, direct budget support, water resources management) – these may be referred to in developing the ESN. The checklists highlight how environmental impacts may affect the livelihoods, health, etc. of people living in poverty. Extracts from a number of checklists of relevance to EC focal sectors have been included below] – see pages 26-51 for checklists by development theme).

Rural development

“Opportunities

-
- Poor people’s rights over – and access to – both land and common pool resources can be strengthened, for example, with land tenure reform.

“Risks

-
- Agricultural development may encroach on forest, wetlands and rangelands and threaten the livelihoods of poor people”...
- Inappropriate applications of pesticides and fertilizers remains common, threatening the livelihoods of the poor as well as the environment.” (DFID, 2003, p. 42)
-

Trade

“Risks

- Changes in trade patterns can create major shifts in demand and production... These can have significant effects on local livelihoods, increase pressure on scarce natural resources and impact on biodiversity, water, and soil quality. Adverse impacts often have disproportionate impact on the poor.
- The concerns of the poor are often missing from international debates on trade. The poor may not be able to articulate how policies are impacting on their livelihoods and the resources on which they may depend. ...” (DFID, 2003, p. 33)

Direct budget support

“Risks

- The nature of budget support – where the funds contributed by donors cannot be separated from the national budget – involves an inherent risk. The government may undertake development activities that are environmental damaging, unsustainable, or threatening to the livelihoods of the poor. This is an issue which donors need to be sensitive.
- There may not be a sustainable environmental management framework in place to ensure that the PRS will be implemented in a way that promotes environmental sustainability.

Key aspects of a suitable framework include: an autonomous national agency responsible for environmental management, an active parliament and civil society, suitable regulations and laws that can be enforced” (DFID, 2003, p. 29).

II. Swedish International Development Cooperation Agency (SIDA)

Under a Directive of SIDA’s Director General, it is indicated that a strategic environmental analysis “shall be made” for all SIDA funded country strategies (SIDA, 2002). Guidelines for the strategic environmental and sustainability analysis highlight the relationship between poverty, health, vulnerability and the environment; economic policy and the environment; rights, gender equality and environment; conflict and the environment; and institutional commitment and capacity to sustainable development. Various questions are identified in the SIDA guidelines that may assist the environmental analysis of the country strategy. An extract of these questions follow that may be of relevance towards improving environment-poverty streamlining in EC country strategies.

“ 1. Poverty and the environment

...

- How are the poor affected by the destruction of the environment?
-
- Is access to, and the quality of, clean water improving or deteriorating among the poor?
- ...
- How well is poverty reduction and improvements in the environment and use of natural resources integrated in the country’s Poverty Reduction Strategy (PRS) or equivalent national development plan?

....

2. Economic policy and the environment

....

- Is the country’s economy based on the unsustainable consumption of raw materials?
- ...
- Are policy instruments (rules, taxes) used to contribute to sustainable use of natural resources?
-
- Does the country finance its debts with the aid of unsustainable exploitation and export of natural resources?
- What effects have structural adjustments and economic reforms had on the environment?
- Are there any initiatives taking place in the country that are analyzing and trying to understand these issues?

....

3. Health and the environment

....

- What are the greatest environment-related health problems? How do these affect the poor?
- ...
- How does water pollution and the availability of water affect the health of the population?
- ...
- Are there any initiatives taking place in the country that are analyzing and trying to understand these issues?
- ...

4. Population and the environment

....

- What proportion of the scarce natural resources (for example drinking water, firewood) does the present population consume?
- ...
- How does population growth affect access to water, cultivable land and fuel?
- Do movements of people take place that cause/are caused by considerable degradation of the environment?
- ...
- Are there any initiatives taking place in country that are analyzing and trying to understand these issues?

...

5. Capacity development, institutions, legislation and the environment

...

- ...
- Does the country's legislation promote the sustainable use of resources?
- ...
- Are there rights for the use and ownership of natural resources that promote sustainable use?
- Does corruption exist ... that seriously contribute to environmental problems and the unsustainable exploitation of natural resources?
- Does civil society participate in the process of change towards a sustainable society?
-

6. Rights, equality and the environment

...

- Does the country receive or "produce" environmental refugees?
- Do violations of human rights in the country contribute to environmental problems?
- ...
- Are there inequities that result in the unsustainable use of resources... ?
- Who owns/controls the natural resources that the poor depend on?
- ...
- Does the situation in the country in respect of equality (for example in access to land) contribute to environmental problems?
- ...

7. Risks of conflict, vulnerability and the environment

...

- Is the scarcity of resources (for example cultivable land, water, fuel) increasing in total? For certain groups?
- ...
- Are corruption and general social and political dissatisfaction becoming increasingly widespread?
- Are there any signs of an increase in the number of disputes in respect of land ownership?
- How are the risks arising from floods, storms, drought and other nature-related disasters being handled? ...
- ...
- What importance does HIV/AIDS have in respect of increasing vulnerability in relation to the use natural resources?

8. The environment situation and sustainable development

....

-

- To what extent is the country dependent on its natural resource base?
-
- Does the country share important natural resources and ecosystems with other countries?
- ...
- Is the country part of an internationally important ecosystem (for example a catchment area, coastal zone)?
- Does the country have any species threatened with extinction that are of global importance?
- ...

9. The work being done by the partner country for sustainable development

...

- Does the country have a national strategy/plan of action for sustainable development? Is it linked to a strategy/plan for poverty reduction..?
-
- Are the strategies/action plans supported by a good, strategic environmental analysis?
- ...
- Has the country undertaken to follow, or has it started implementing, the international environment-related conventions/protocols on climate, desertification, biological diversity or wetlands?
-
- Has the country drawn up natural resource accounts that follow up trends in the country's natural capital?" (SIDA, 2002, p. 5-17).

Appendix 4: Preliminary guidelines to integrate the environmental-poverty dimension in CSPs (builds on DFID, 2004).

The following questions underscore that the environment-poverty dimension is integrated as a cross-cutting issue in country strategies. The set of questions highlights key environment-poverty linkages and builds upon a recent DFID (2004) publication on the “Contribution of the environment and natural resources to pro-poor growth: a checklist examining these issues within a poverty reduction strategy”. For a more detailed set of questions refer to DFID (2004)

Has the CSP addressed the following questions?:

- How dependent is economic growth on the country’s main natural resource sectors (e.g., forestry, fisheries, tourism, and mining)? Percentage in terms of GDP?
- Is there recognition of the economic costs associated with environmental degradation (e.g., through air and water pollution)?
- How dependent are people living in poverty to natural resources (e.g., legal and illegal use of timber, charcoal, tourism, and agriculture)? How much employment is generated to especially poor people in natural resource sectors (e.g., agriculture, fisheries, and forestry)?
- Is there a clear understanding of key environment-poverty linkages in the CSP, namely that poor people significantly depend on natural resources for their livelihoods and suffer more if environmental resources are damaged (in terms of health and exposure to natural and man-made disasters)?
- What access to and control over natural resources and land do especially poor people have? How are people living in poverty benefiting from development in the focal areas (e.g., through benefit sharing schemes)? How are these issues being addressed in the country strategy? How can initiatives be adapted to better address these issues?
- Is development of the focal area deteriorating natural resources (review for each of the selected focal area – refer also to questions posed in Appendix 5)? If so, how is this anticipated to affect people’s health (particularly of the rural and urban poor who are more likely to be exposed to environmental degradation)? What initiatives are being proposed in the CSP/NIP to address these issues? How can initiatives be adapted to better address these issues?
- Is access to or control over natural resources a major issue? May this result (or is this resulting) in conflict? Are conflicts being funded (or anticipated to be funded) through natural resources extraction? What initiatives are being proposed to tackle these issues in the country strategy? How can initiatives be adapted?
- What institutional capacity exists to ensure that poor people will benefit from growth in the focal areas (review for each of the focal areas – refer also to questions posed in Appendix 5)? What types of labour standards are there? Institutional capacity to enforce these? How are these issues being addressed in the development strategy? How can initiatives be adapted to better address this issue?
- What types of environmental policies, strategic plans, etc. exist? Institutional capacity to enforce these? How are the issues being addressed in the CSP (e.g., are initiatives in good *environmental* governance being supported)?
- Are there issues of illegal resource use and corruption? How are these issues being addressed in the CSP? How can initiatives be adapted to better address these issues?

Appendix 5: Preliminary CSP guidelines/indicators to mainstream the environment-poverty dimension in the EC focal areas. [Consider this a brainstorm of sorts (!)... still needs a lot of work... In coming up with a more comprehensive sample set of guidelines/questions would suggest that be conducted a more extensive review of current guidelines (as started to do in Appendix 3) and develop a sample/preliminary set of questions with individuals involved in environment mainstreaming in development strategies (e.g., at DFID, SIDA, OECD, World Bank, etc.)]

The following preliminary CSP guidelines/indicators have been developed to facilitate the integration of the environment-poverty dimension in four (of six) Commission focal areas (i.e., rural development and food security, macro economic support, transport, and good governance)²⁵. The set of questions/indicators highlight environment-poverty linkages and emphasize the importance of natural resources management to sustain economic growth. Indicators have been highlighted in red²⁶. The preliminary guidelines draw upon existing EC and other donor environmental guidelines and indicators (Environmental helpdesk, 2005; SIDA, 2002, DFID, 2003; DFID, 2004).

Rural development and food security

- Do the rural development initiatives seek to strengthen especially poor people's rights over and access to both land and common pool resources? [land acts/policies]
- How are activities supported in this focal area envisioned to impact the environment (water, forests, wildlife, fish, air, etc.)? [nutrient balance, fertilizer use, duration of fallow, erosion gullies, water level, pollution levels in ground water, forest biomass, bush fires, size of (fish) spawning stocks, etc.] How in turn will this affect especially people living in poverty that significantly depend on natural resources:
 - their livelihoods?, [harvest levels, size of (fish) spawning stocks, fish catches, charcoal production, etc.]
 - health? [exposure to ground water contamination from fertilizers, occurrence of skin ailments/disease due to dangerous exposure/contact to fertilizers, etc.]
 - if applicable, vulnerability to natural (or man made) disasters? [occurrence of bush/forest fires, etc.]
- How are the initiatives seeking to address the above indicated issues? How can the proposed initiatives (in the focal area) be strengthened/adapted to minimize negative environment/livelihood impacts? [agroforestry, fertilizer restrictions/safety codes, fishing net restrictions, strengthening field extension, etc.]
- Did especially the rural poor participate in identifying/prioritizing initiatives in this focal area? How were women and marginalized groups involved? [involvement of women, elderly, children, and the disabled]
- How are the initiatives (supported in this focal area) seeking to improve the rural poor's access to services, credit, opportunities, etc.? How are people living in poverty anticipated to benefit from the proposed rural development initiatives? [number (and clients) of community banks, money available through community banking/credit schemes, support to women entrepreneurs, etc.]
- How are the initiatives (supported in this focal area) seeking to strengthen local governance and tackle corruption? [local mechanisms of participation, coadministration and management of natural resources, transparent fiscal accounting, etc.]

²⁵ Preliminary guidelines/indicators still need to be developed for the two remaining EC focal areas (i.e., trade and regional economic integration).

²⁶ The proposed indicators have drawn upon indicators developed by OECD (2004) and proposed in the environmental integration draft manual.

- Links to conflicts (e.g., over access to/control over natural resources)? [conflicts relating to natural resources]

- ...

Macro economic support

- What policy changes/structural adjustments are being promoted through macro economic support (trade liberalization, privatisation, etc.) [structural reforms]? How are these envisioned to impact key economic sectors (mining, fishing, tourism, agriculture, forestry, etc.)? How in turn is it anticipated to impact the environment (water, forests, wildlife, fish, air, etc.) [intensity of forest resource use, forest area management and protection, volume (or monetary value) of timber harvested, volume (or monetary value) of minerals extracted, concentration of heavy metals in water, number of tourists, number of new hotels, total pollution emissions, quality of water and air, water shortages (frequency, duration, and extent), size of (fish) spawning stocks, etc.]? How in turn are the environmental impacts envisioned to impact the livelihoods of poor people that significantly depend on natural resources:

- their access to/control over natural resources and land? [legal support to rural communities, number of courts in rural areas, number of court cases granted regarding natural resources/land tenure issues, etc. ???]
- health? [number of cases of cholera and other water borne diseases, occupational hazard guidelines/policies, access to potable water, etc.]
- if applicable, vulnerability to natural (or man made) disasters? [strikes/local riots due to mining/forestry operation, (forced) relocation, etc.]

- How are people living in poverty benefiting from the structural adjustments (e.g., through benefit sharing and employment)? What types of labour policies exist? Is there capacity to enforce the above mentioned policies? [benefit sharing policies, employment generated through benefit sharing, amount of money transferred to communities through benefit sharing schemes, labour policies, number of fisheries/forestry/agricultural extension in relation to local population, population connected to sewage treatment plants, etc.]

- Were initiatives conducted to facilitate the integration of environment-poverty issues during the development of the Poverty Reduction Strategy Paper (PRSP)? During the implementation of the PRSP? If so, what were/are these? Has the PRSP been evaluated regarding its mainstreaming of environment-poverty issues? If so, how? How did the PRSP perform? Has environmental performance been integrated into national accounting mechanisms (e.g., are environment-poverty indicators included in public expenditure reviews, status of green accounting, etc.)?

[environment-poverty indicators in PRPS and/or public expenditure review, status of green accounting, etc.]

- What types of environmental policies, national strategies, etc. exist? Does institutional capacity exist to enforce environmental policies? What is being done by the EC (and other donors) to strengthen good environmental governance? [see indicators under the good governance focal area]

- Links to conflicts (e.g., over access to/control over natural resources)? [conflicts relating to natural resources]

- What initiatives are being proposed in the CSP to address the above noted issues? How can these be adapted to better address the environment-poverty concerns? [promoting certified logging and mineral extraction, green accounting, renewable energy, public access to environmental information, local community participation, etc.]

- ...

*Transport*²⁷

- What are anticipated (long term and short term) environmental impacts relating to activities supported in the transport focal area (on forests, water, wildlife, biodiversity, soil, air, etc.)? [deforestation (about roads), car emissions, disturbance of wildlife corridors (about roads)] How will these environmental impacts in turn affect the livelihoods of the poor people:
 - their access over/control of natural resources and land? [number of people relocated (by local population??)]
 - health? [population exposed to road accidents, number of speed bumps (per km2 road)]
 - if applicable, vulnerability to natural (man-made disasters)? [local riots, etc.]
- How will the initiatives proposed in the transport focal area affect economic sectors that rely on natural resources (this includes in-country as well as regional impacts)? [number of tourists, mineral extraction, timber extraction, etc.] How in turn will this effect the environment and people's livelihoods (see above)?
- Did especially the rural poor participate in identifying/prioritizing initiatives in this focal area? How were women and marginalized groups involved? [participation of women, elderly, children, and the disabled]
- Is there just compensation (e.g., where people have been forced to relocate)? Institutional capacity to ensure that compensation is fair and provided in a timely fashion? [amount of money allocated to compensate for relocation/damage, time required for compensation, etc.]
- Have initiatives been included in this focal area to help ensure that especially the rural poor will benefit from the transport activities? [allocation of tax on fuel to community projects, ??]
- Linkages to conflicts (e.g., over access to/control over natural resources)? [conflicts relating to natural resources]
- How can initiatives in the transport focal area be adapted to address the above noted concerns? [proposed route does not open up closed forest areas, protect wildlife corridors, traverse through national parks and protected areas, considered indirect impacts, etc.]
- ...

Good governance

- What types of environmental strategies and policies exist? Is there capacity to enforce environmental policies? [environmental policies, number of fisheries/forestry/agricultural extension in relation to local population, co-management of natural resources, level of decentralization]
- Upon which natural resources does the economy depend? What institutional capacity exists to manage and monitor these natural resources - at national to local levels (e.g., capacity at fisheries, forestry, and agricultural departments to collect, analyze, and disseminate data)? [status of national census, presence of an environmental/poverty information system, environmental curricula (at elementary school to university level), number of fisheries/forestry/agricultural extension in relation to population, national data and archiving standards, public access to (environmental) information, etc.]
- What types of policies are in place to safeguard especially the rural poor's access to and control of natural resources and land? [land act/policies]
- Are policies in place to hold institutions, companies, etc. accountable for environmental/livelihood damage (water pollution, relocation of communities, etc.)? Is there sufficient capacity to enforce these policies/follow-up? [routine monitoring of industrial emission]
- Are there policies in place to help ensure that especially the rural poor benefit from natural resources-dependent economic growth (e.g., through mining and tourism expansion)? Are there

²⁷ Note that the EC requires that EIAs are developed for many infrastructure initiatives (such as the development of roads).

benefit sharing policies in place? If so, what has the success been of such policies been? Is there a need to strengthen enforcement/follow-up? [benefit sharing policies, employment generated through benefit sharing, amount of money transferred to communities through benefit sharing, etc.]

- Were initiatives conducted to facilitate the integration of environment-poverty issues during the development of the Poverty Reduction Strategy Paper (PRSP)? During the implementation of the PRSP? If so, what were/are these? Has the PRSP been evaluated regarding its mainstreaming of environment-poverty issues? If so, how? How did the PRSP perform? Has environmental performance been integrated into national accounting mechanisms (e.g., are environment-poverty indicators included in public expenditure reviews, status of green accounting, etc.)?

[environment-poverty indicators in PRPS and/or public expenditure review, status of green accounting, etc.]

- Are current (anticipated) conflict linked to access over/control of natural resources?

- How is the government tackling issues of corruption, including corruption linked to natural resources extraction? [transparent fiscal accounting (company and government level)?,..]

- What types of environment/livelihood impacts are anticipated for the initiatives proposed in the CSP? [see proposed indicators under other focal areas]

- How are initiatives described in the CSP helping address the above noted issues? How is the CSP supporting good *environmental* governance? How can initiatives be adapted to strengthen good *environmental* governance? [supporting public access to environmental information, strengthening routine (environmental) data collection and analysis (at fisheries, forestry, water, statistics etc. departments), supporting green accounting, green certification (for logging, mining, etc.), renewable energy initiatives, etc.]

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■