DFID Environment Guide

A guide to environmental screening

Contents

Preface

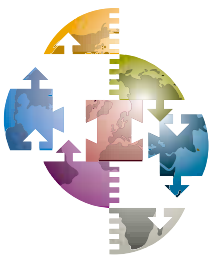
This is a revised and updated version of DFID's *Environmental Guide*. It provides advice on planning and managing the environmental appraisal of DFID interventions. The guide aims to provide all DFID staff, particularly project officers, with sufficient advice and guidance to enable them to undertake environmental screening.

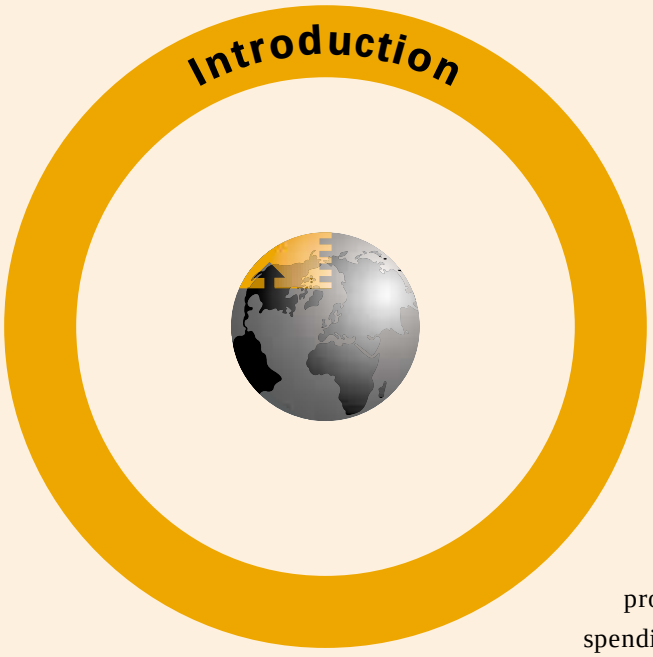
The guide provides a summary of the activities involved in environmental screening, and wider appraisal processes. It does not contain all the answers, but it will help you to find out where to get more detailed advice. It contains:

- **guidance on completing the simplified screening note** and complying with the new procedures, which require the screening note to be submitted at the same time as a project header sheet for interventions over £1 million;
- **new checklists** identifying key environmental opportunities and risks – covering a range of aid instruments, from projects and programmes to sectoral approaches and budget support; and
- **answers to common questions** and sources of further information.

This guide will help you mainstream issues of environmental sustainability into all DFID's development activities with the aim of achieving sustainable poverty reduction. DFID will continue to keep guidance on environmental appraisal under regular review, and the most up-to-date information is available on DFID's INSIGHT or on the website: www.dfid.gov.uk

June 2003





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1.1 When to use the guide

When to start

This guide focuses on the environmental screening process, which should be done during the design phase of an intervention. Screening notes need to be submitted at the same time as the project header sheet and project concept note to allow spending to start.

Environmental appraisal is not a single action but an ongoing process that takes place throughout a project or programme cycle. Environmental issues should be taken into consideration during identification, design and appraisal, and also during implementation, review and evaluation.

Financial thresholds

The procedures in this guide must be applied to all DFID interventions with a value of £1 million or more, including jointly funded initiatives where DFID's contribution is over this threshold.

Below the £1 million threshold screening is also required where there are potential environmental impacts. It will be difficult to decide whether there are potential impacts unless you screen, and so it is strongly recommended that screening be carried out even below this threshold. For example, DFID support to policy development may be below this threshold but could have significant environmental implications.

The role of project/desk officers

It is the responsibility of project/desk officers to complete the screening note and ensure that it is submitted with the other project documentation. It is also the responsibility of the project officer to ensure that any actions identified during screening are taken forward. Specific actions should be reflected in the project memorandum and logical framework (also known as the log frame).

> **“We must harness the benefits that better environmental management can offer to poor people”**
>
> Secretary of State for International Development, June 2002

The role of environment advisers

An environment adviser is often the best source of professional environmental advice. An environment adviser should be consulted at the screening stage, particularly if there is uncertainty as to the possible environmental issues or the appropriate action to take. Screening notes are signed off by both the project officer and the environment adviser.

1.2 How to use the guide

The guide has seven main sections:

1. **Introduction** – gives a brief overview of the whole guide.

2. **Why screen for environmental issues** – explains why environmental issues are important to DFID’s mission to eliminate poverty.

3. **Who does environmental screening and when** – explains who is responsible for environmental appraisal, particularly the initial screening, and where it fits in project and programme cycle management.

4. **How to do environmental screening** – takes you through the process of completing an environmental screening note (ESN).

5. **Further environmental investigations** – provides guidance on practical tools and approaches for the stages beyond screening, including sources of further information.

6. **Checklists and examples** – the checklists, although not comprehensive, give examples of environmental sustainability issues to be considered by project officers. They are organised around themes/topics. Examples of completed screening notes are also provided.

7. **Frequently asked questions, glossary and acronyms** – provides short and accessible answers to some key questions, and explanations of some technical terms.

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2.1 The environment is important for the poor

Ensuring environmental sustainability is one of the Millennium Development Goals to which DFID and the international community are committed. As well as being a goal in its own right, improving environmental sustainability also makes a vital contribution to the achievement of the other seven goals.

The environment matters greatly to people living in poverty. It affects their livelihoods and health and can increase their vulnerability to external shocks.

Livelihoods – poor people tend to be most dependent upon the environment and the direct use of natural resources. They are therefore the most severely affected when the environment is degraded or their access to natural resources is limited or denied. The drying up of the Aral Sea in Central Asia due to poorly planned and executed irrigation systems has destroyed the local natural resource base and exacerbated poverty in the region.

Health – poor people suffer most when water, land, and the air are polluted. Environmental risk factors are a major source of health problems in developing countries. It is estimated that 30% of the burden of disease in sub-Saharan Africa is due to environmental causes, such as lack of sanitation and clean water, poor indoor air quality and unsafe working conditions.

Vulnerability – the poor are often exposed to environmental hazards and environment-related conflict and are least capable of coping when they occur. In 1992 Hurricane Andrew hit the USA and resulted in 32 deaths. In 1991 a cyclone of similar force hit Bangladesh and killed over 139,000 people.

Taking a longer term view of development

Addressing the environmental issues that matter most to the poor is critical to achieving sustained poverty reduction. Developing countries are already experiencing environmental degradation and exhaustion of environmental resources that are vital to long-term development. Without a greater focus on the sustainability of their development, these problems will increase as their economies grow.

Box 1: Some myths and realities about the poor and their environment

Myth: The poor cause most environmental degradation.
Reality: In general, the rich use more resources and have greater environmental impact than the poor. But poverty can force people to use resources unsustainably.

Myth: Economic growth inevitably leads to environmental degradation.
Reality: Economic growth can pay for a better environment; and improved environmental management enhances and sustains growth.

Myth: The poor don't care about the environment.
Reality: The poor are acutely aware of the negative effects of a poor environment on their lives, particularly as they often depend directly on the environment for survival.

Myth: The poor lack the knowledge and resources to improve their environment.
Reality: The poor can and do invest in better environmental management, particularly where incentives and information are available. Their traditional knowledge is often undervalued and ignored.

2.2 Why is screening important?

The three main objectives of screening are to:

- **identify and exploit environmental opportunities** and benefits of a proposed intervention. For example, a screening note might identify the need to include environmental services (water, waste management etc.) in a local government development programme.
- **identify and manage environmental risks** associated with the intervention and ensure that appropriate action is taken. For example, improving rural road networks can have many social, economic and environmental benefits, but the risks (e.g. damage caused during construction) need to be managed.
- **ensure that DFID activities are consistent with policy** at the national and international level. For example, screening should identify if there is national legislation with which the intervention needs to comply. Ideally a screening note should also highlight any links to multilateral environmental agreements and international best practice.

2.3 Policy background

DFID Policy

It is DFID policy that the procedures in this guide should be followed. Screening **must** be carried out for all DFID interventions with a value of £1 million or more. Screening is also recommended below that threshold, as there may still be environmental impacts.

DFID's commitment to environmental sustainability is reflected in two White Papers on International Development.

The first White Paper on International Development was published in November 1997 – *Eliminating World Poverty: A Challenge for the 21st Century.* In this, the UK Government states its commitment to international development through "support for international sustainable development targets and policies which create sustainable livelihoods for poor people, promote human development and conserve the environment".

These commitments are expanded in the second White Paper on International Development – *Eliminating World Poverty: Making Globalisation Work for the Poor* (December 2002). In this, the Government states that it will promote equitable and environmentally sustainable economic growth. It also commits itself to:

- work to reduce the contribution made by developed countries to global environmental degradation; and
- work with developing countries to ensure that their poverty reduction strategies reflect the need to manage environmental resources sustainably, and strengthen their capacity to participate in international negotiations.

Partner country policy

An increasing number of partner countries require an environmental examination of certain proposed policies, plans and programmes before agreement and implementation. DFID interventions **must comply** with any partner country regulations.

Multilateral Environmental Agreements

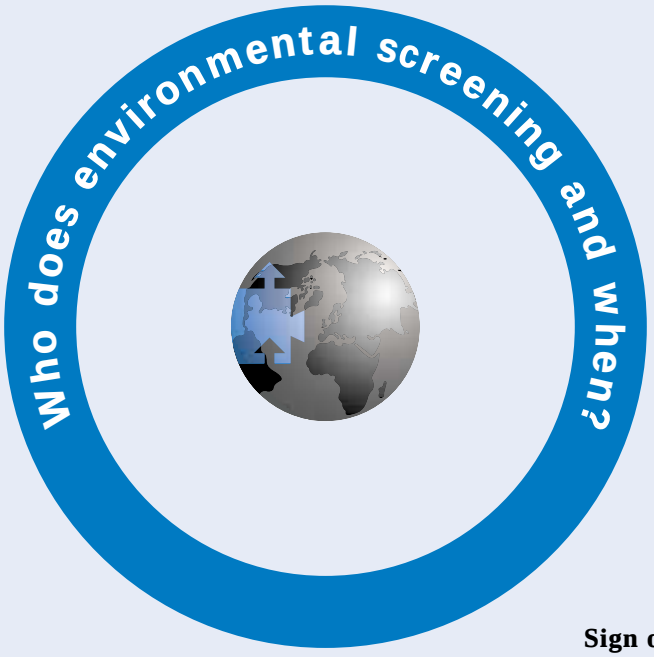
The UK has ratified a number of Multilateral Environmental Agreements (MEAs). They commit the UK to observing environmental agreements at home, and to help developing countries meet their own commitments. The targets set in these agreements are important for reducing poor people's vulnerability and meeting the challenges of development.

Box 2: Examples of Multilateral Environmental Agreements

- **The UN Convention on Biological Diversity (1994) established three main goals on biodiversity: the conservation of biological diversity; the sustainable use of its components; and the fair and equitable sharing of the benefits from the use of genetic resources.**
- **The UN Framework Convention on Climate Change (1994) provided the foundation for intergovernmental efforts to address climate change. The Kyoto Protocol (1997) broke new ground with its legally-binding constraints on greenhouse gas emissions from developed countries, and its innovative mechanisms aimed at cutting the cost of curbing emissions.**
- **The UN Convention to Combat Desertification (1996) aimed to promote effective action on desertification through innovative local programmes and supportive international partnerships.**

Public Scrutiny

Environmental screening notes may soon be open to public scrutiny. The Aarhus Convention – on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental matters – aims to increase the transparency and accountability of government. The UK Government hopes to ratify by the end of 2003. Ratification will mean that members of the public can ask to see ESNs, and only in exceptional circumstances would DFID be able to refuse. This places an additional onus on DFID to ensure a high quality of screening. The Aarhus Convention website is: www.unece.org/env/pp/treatytext.htm



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3.1 Who does screening?

Who completes the note?

Environmental screening is the responsibility of the project officer – who should consult colleagues as required. Environment advisers can provide advice on the completion of the note.

Sign off

The environmental screening note (ESN) needs to be signed off by both the lead project officer and the appropriate environment adviser.

3.2 When does screening happen?

When to complete the note

An ESN should be completed at the same time as the project concept note. Screening is the earliest stage in the environmental appraisal process. It may indicate the need to consider alternatives e.g. different approaches, timing, scale and location. Late screening may result in delays, additional costs and lost opportunities.

Early screening also ensures that environmental opportunities and risks can be fully integrated into the design process and adequately reflected in the project memorandum and log frame.

DFID's environmental appraisal procedure is integrated into project/programme cycle management. The process is illustrated in the flow diagram, Figure 1.

Completion of an ESN is mandatory

An environmental screening note must be completed for all interventions over £1 million before funding is released. It is recommended to complete one even for interventions below this threshold. The ESN should be included in the project documentation that is submitted.

Follow-up

A completed ESN is not the only output of screening. Any significant issues and actions that have been identified need to be highlighted in the project memorandum and log frame. Follow-up actions are the responsibility of the project officer, with support from an environment adviser if necessary.

Box 3: Key points on environmental appraisal

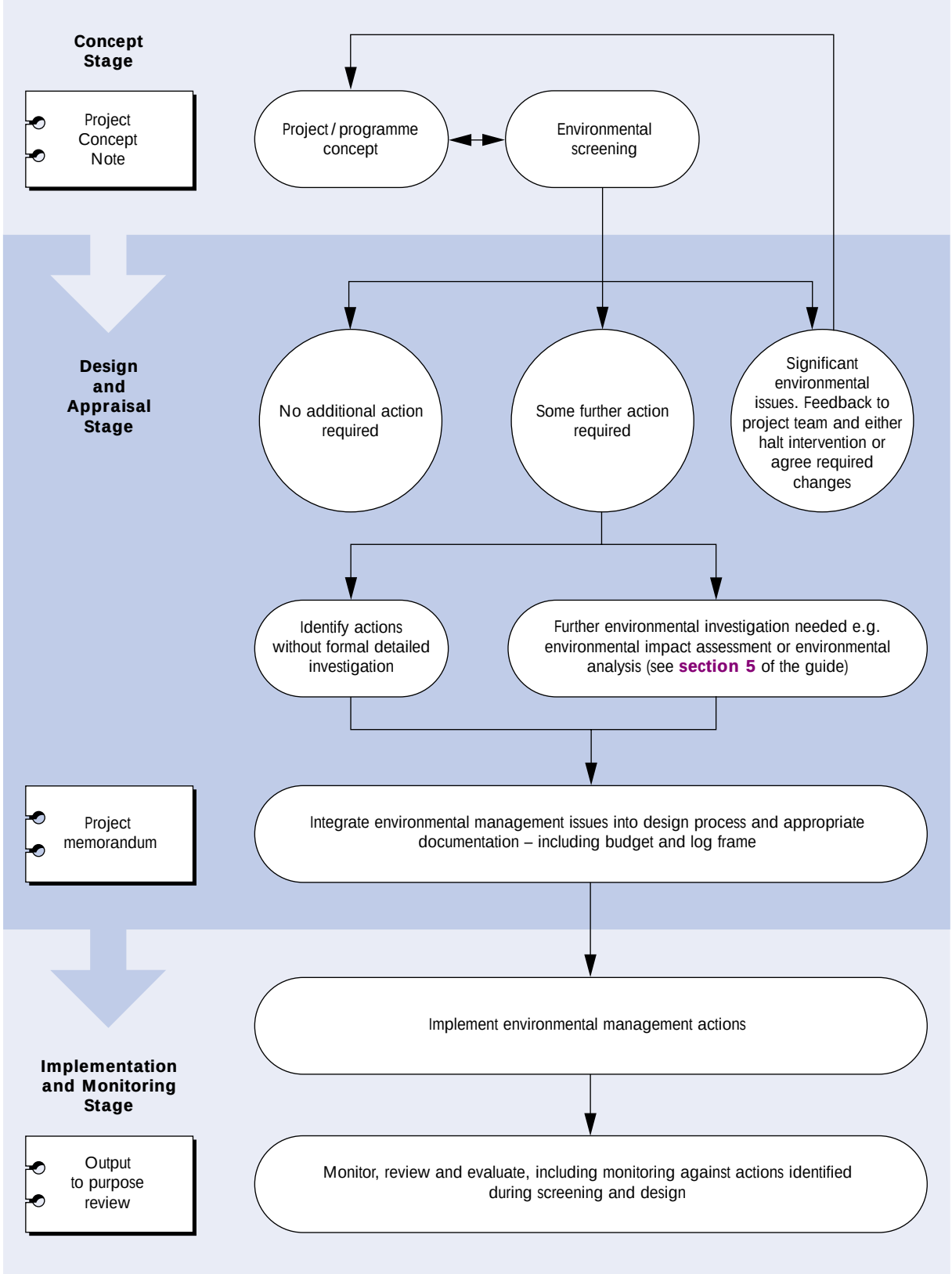
- **Consider environmental issues early – ideally as soon as an intervention is identified.**
- **Screening is a crucial first step – it identifies environmental opportunities and risks, and determines the level of detail of any further environmental studies.**
- **Integrate key issues and actions – the issues identified through screening need to be reflected in relevant project/programme documentation (e.g. the log frame).**
- **Environmental appraisal is iterative – if new environmental issues come to light during design and implementation, appropriate action should be taken.**
- **Monitoring is important – to ensure opportunities and risks raised during screening and design are being managed effectively.**

3.3 What next?

An ESN can lead to a number of different important follow-on actions (see Figure 1 overleaf):

- **No further action is needed** – because no significant environmental opportunities or risks have been identified.
- **Identification of environmental opportunities and risks** – there are issues that need to be managed to ensure both maximum benefit for the poor, and that the intervention is environmentally sustainable.
- **Identification of the need for further studies** – in some cases further environmental studies will be needed (e.g. an environmental impact assessment or a strategic environmental assessment) to inform subsequent decisions. The results and recommendations of these studies will be incorporated into the design of the intervention.
- **Allocation of staff responsibility and accountability** – any follow-up actions that are required during design or implementation should be allocated to an appropriate adviser/project officer and noted on the ESN.
- **Decision that the intervention is inappropriate** – it is possible, but unlikely, that an intervention will reach concept stage before a serious risk has been identified. The ESN may recommend that the intervention does not continue in its current form.

Figure 1: Flow diagram of the environmental appraisal process



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4.1 Step-by-step guide to completing an environmental screening note

It is the responsibility of the project officer to complete the screening note. Project officers do not need to be environmental specialists, but they should draw on their judgement as development professionals. For many interventions screening will be a simple and rapid process conducted as a desk exercise. Sometimes it will mean drawing on advice from environment advisers and possibly even external experts.

Step 1: Familiarise yourself with this environment guide. It may be helpful to look at:

- examples of completed ESNs; and
- the topic-related checklists which may give you ideas for your note.

Step 2: Open up a blank environmental screening note (ESN). Blank ESNs can be taken from the forms repository or the environment pages of DFID's Intranet system - INSIGHT.

Step 3: Complete sections A & B of the ESN using the advice in the guided version of a screening note that immediately follows this section. Advice is in red.

Step 4: Circulate the draft ESN to relevant staff for feedback – notably the environment adviser.

Step 5: Integrate feedback.

Step 6: Ensure actions recommended in the ESN are set in motion and recorded in other relevant documents such as the log frame, project memorandum etc. Screening needs to be closely linked with all other intervention design and implementation activities (see section 4.2 Top tips on screening).

Step 7: The project officer should sign-off the ESN and send it to the environment adviser for their sign-off too.

Step 8: Look at the project header sheet carefully and ensure that, if appropriate, the Environmental Sustainability PIMS marker and any environment related input sector codes (formerly economic sector codes) are highlighted.

Step 9: Ensure the ESN is submitted to DFID's Statistical Reporting and Support Group (SRSG) along with the project header sheet and other relevant documentation. Only when the ESN is received will spending blocks be lifted. ESNs will be stored on DFID's project document storage system – PRISM (Performance Reporting Information System Management) – for ease of future reference.

Screening note - guided version

Environmental Screening Note (ESN)

Section A – Basic Information
Project title: copy from concept note or other relevant document
Project cost: may have to be an estimate at this stage – mentioning if agencies outside DFID are involved in co-funding
Duration: may have to be an estimate at this stage
Country: you will know this!
Department: relevant funding department/s in DFID
Lead project/desk officer: project officer identified for the intervention
Officer responsible for environmental screening: may be same as above but please specify for monitoring purposes
Brief description of intervention: this could be the 'purpose' of the intervention taken from the concept note. Please mention any specific aspects that are of particular relevance to the environment or to poor people's livelihoods.

Section B – Assessment
Environmental issues: (refer to checklists in the Environment Guide) Please list the key environmental issues raised by this intervention. This might include: • opportunities to strengthen the environmental sustainability of this intervention; or • risks that need to be managed. Please refer to the checklists in section 6, which are organised according to topics/sectors. These will offer further guidance, although the lists are not intended to be exhaustive.

Next steps: (where possible indicate the responsible officer and the time frame)

Summarise any actions to deal with the issues above, and who will be responsible for taking these actions forward.

The project officer should ensure that:

- these actions are reflected in project documentation including the log frame and project memorandum;
- a budget is set aside for these activities if necessary; and
- appropriate monitoring and evaluation is identified, and carried out through the project cycle management process.

If you are having trouble completing the ESN due to lack of information, there may be a need for further study. The best person to talk to is the environment adviser who can provide advice on further environmental investigation.

Any other comments:

This is a space for other relevant information such as:

- comments on capacity for environmental management in country;
- capacity of implementing institutions;
- comments on environmental trends in the country or region; or
- information on related environmental projects implemented by government or other donors.

Section C – Sign off	
Environmental adviser:	**Date:**
Lead project officer:	**Date:**

Box 4: Questions to ask before signing off an ESN

- **Have the relevant issues been addressed and specialist environmental advice sought where appropriate?**
- **Does the approach contribute to the environmental priorities in the DFID Country Assistance Plan or national Poverty Reduction Strategy or equivalent?**
- **Have all significant pro-poor environmental opportunities been identified, including appropriate actions for the design process?**
- **Have all the significant environmental risks and assumptions been identified, including appropriate actions for the design process?**

Relationship between screening and the project header sheet

There are two important ways in which environmental issues are reflected on the project header sheet:

1. There is a space where you need to complete the date and officer responsible for environmental screening. The officer responsible is normally the project officer.

2. Some input sector codes and policy information makers (PIMS) relate to the environment. Instructions on this are found on the Statistics Department page on INSIGHT and in DFID's Pink Book, otherwise known as "Project Header Sheet Guidance incorporating Input Sector codes and Policy Information Marker System (PIMS)".

4.2 Top tips on screening

- **Start as early as possible.** Screening should go hand in hand with project concept development. This way environmental opportunities and risks can be appropriately and easily integrated into subsequent design stages, rather than being brought in at the last minute.
- **Consider indirect effects.** Some important environmental effects may be secondary or indirect – for example changes in government policy on taxation may have far-reaching but not immediately obvious environmental implications. Indirect effects can often result from social responses to a project, for example forest encroachment due to the access provided by a new road.
- **Consider existing causes of environmental change.** Underlying causes of change may include: increased environmental hazards; market failure; perverse policies; weak institutions; unclear property rights; and inadequate knowledge. How will the intervention contribute to or reduce these causes?
- **Consider gender aspects of environmental concerns.** Women living in rural areas are often more vulnerable to environmental degradation – because of existing inequality in access to land, natural and productive resources, training, credit, and development programmes. Women in urban and in low-income areas can be particularly vulnerable to environmental risks in the home and the workplace.
- **Consider impacts on different social groups.** Different groups in society feel positive and negative impacts of environmental issues differently. Varying socio-economic circumstances mean that there are winners and losers.
- **Screening is the start of the process, not the end.** Key results from all stages of environmental appraisal must be integrated into project or programme cycle management. Actions need to be included in log frames, project documents etc, and be monitored and reviewed during output-to-purpose reviews (OPRs) and/or in the mid-term review (MTR). If there is any environmental output, purpose or PIMS marker, there should be appropriate objectively verifiable indicators (OVIs) and means of verification (MOVs) in the log frame.
- **Keep the ESN up-to-date.** The ESN may need revising if issues are addressed by design changes, or if new problems arise.
- **Use the ESN to help complete the project header sheet.** The project header sheet also contains PIMS (Policy Information Marker System) markers and input sector codes. Screening should highlight whether the intervention contributes to the environmental PIMS or economic sector codes.
- **Make sure the ESN is included in the project documentation submitted.** Funding above the £1 million threshold will not be released without an ESN on file. Even ESNs that indicate no environmental impact should be sent.

4.3 How to screen poverty reduction strategies and direct budget support

DFID is committed, where appropriate, to moving away from supporting individual projects to providing assistance directly to recipient government budgets in support of an agreed national development plan such as a poverty reduction strategy (PRS)[1]. This section explores how environmental screening should tackle this new approach.

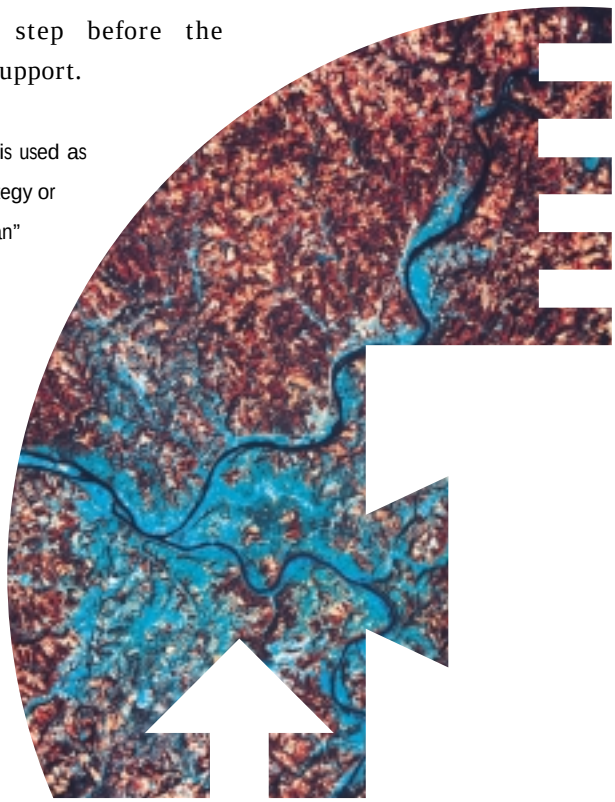
Poverty reduction strategies and the environment

Poverty reduction strategy papers (PRSPs) are a vital way of highlighting how better environmental management can reduce poverty. The development and review of national poverty reduction strategies provides an opportunity to integrate key environmental issues into national planning processes.

For a more detailed list of ideas when supporting PRSP processes see the PRSP checklist.

Direct budget support and the environment

The nature of budget support – general support to the government rather than support to specific projects – dictates that ensuring good environmental management in the country as a whole becomes important. Detailed consideration of environmental issues is therefore an important step before the provision of direct budget support.



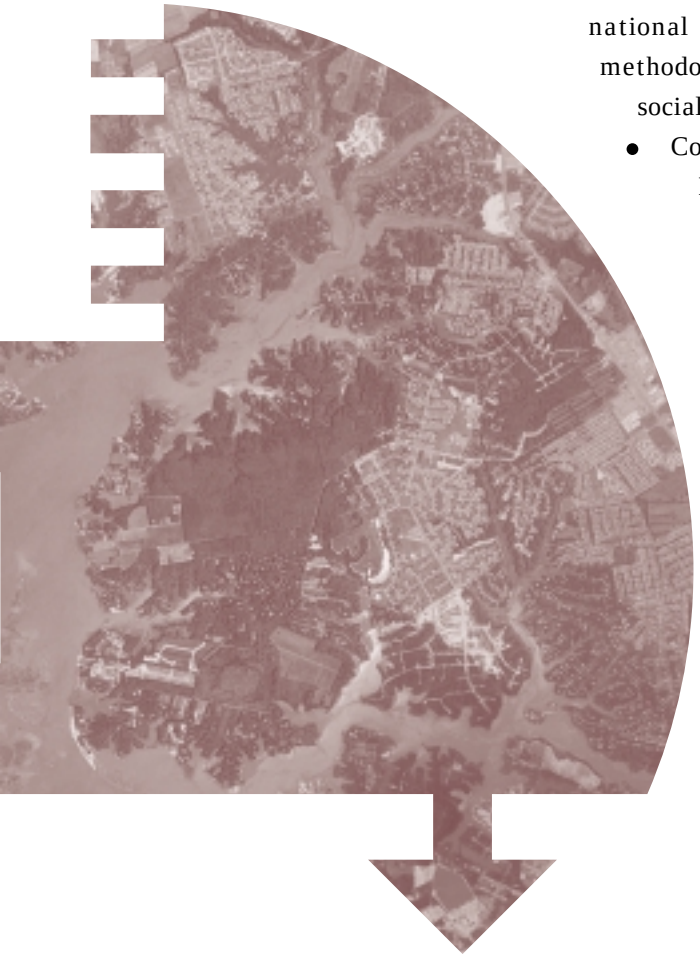
1 Poverty reduction strategy or PRS is used as shorthand for "poverty reduction strategy or equivalent national development plan"

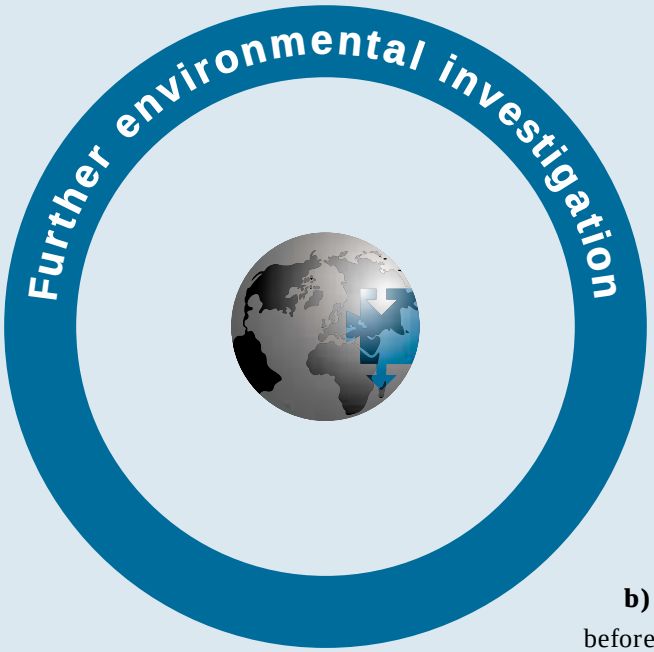
Top tips for screening direct budget support

Thorough environmental analysis should take place before providing direct budget support. There are no hard and fast rules, but the following points should be considered:

- Support the inclusion of key environmental issues in national policies and plans such as PRSPs. This may include: understanding how natural resources contribute to economic growth; analysis of the relationship between environment and poverty; analysis of the drivers of environmental change; definition of environmental standards; use of poverty-environment indicators; monitoring/auditing and capacity-building in environmental management. It may be helpful to read the checklist on national development plans/poverty reduction strategies (PRSs).
- Support strategic environmental assessment (SEA) processes. An SEA enables the environmental impacts of national development plans, such as poverty reduction strategies, to be considered.
- Consider the capacity of key governmental and non-governmental stakeholders to engage with national development processes. Supporting natural resource/environment ministries to engage with processes such as PRSPs is a way of helping address environmental issues related to economic growth, livelihoods and poverty elimination. Another useful step is in supporting environmentally-related civil society groups.
- Ensure environmental issues are addressed in key analytical inputs into national planning. Environmental issues can be included in the methodology for participatory poverty assessments and poverty and social impact analyses.
- Consider the approaches of other agencies, particularly the World Bank and the International Monetary Fund (IMF). DFID support will often be linked to support by the World Bank (through the Poverty Reduction Support Credit) or the IMF (through the Poverty Reduction Growth Facility). It may, therefore, be important for DFID to encourage the World Bank and the IMF to cover environmental issues in their budget support instruments.

  For a more detailed list of ideas, see the direct budget support checklist.





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5.1 Is more information needed?

Screening may highlight the need for further environmental investigation, for any of these reasons:

a) there is insufficient information to complete screening;

b) screening identifies issues that need investigation before design is completed; or

c) further work is needed during implementation and monitoring.

This section lists the most common forms of further environmental investigation to meet these needs.

5.2 Environmental advice

DFID environment advisers, partner institutions, and consultants can all provide advice for completing an ESN. They should also highlight whether further studies are necessary. A brief discussion with an environment adviser who has worked on similar interventions may be all that is required.

5.3 Environmental analysis

This is the most frequently used level of further study. Environmental analysis can take the same approach as an environmental impact assessment (see below) but either at a lower level of detail or more narrowly focused on specific concerns. The term is commonly used to cover field studies of individual issues and environmental inputs to design activities. These may result in the preparation of an environmental annex (for the project memorandum) for the proposed initiative. The objective of environmental analysis is to enhance benefits, as much as to solve potential problems. The resulting recommendations may include action at a strategic level (e.g. through changes in national policy) as well as at the programme or project level.

5.4 Environmental impact assessment (EIA)

An environmental impact assessment (EIA) is a multidisciplinary, comprehensive and detailed study of the expected significant interactions between a proposed development and the environment within which it is to be implemented.

When an EIA is needed

An EIA is the appropriate environmental appraisal tool to use for major development projects – and, to a lesser extent, multi-project programmes – and so it is not often applied to DFID initiatives. However, where DFID provides technical assistance to support infrastructure developments financed by other agencies, an EIA must be undertaken.

National ownership

An EIA will usually be undertaken under the auspices of the national government of the partner country. Most partner countries have statutory environmental standards or advisory guidelines that must be applied to development interventions. In the absence of such standards, DFID's approach is to develop specific standards with the partner government, which take into account local environmental conditions, costs of compliance, obligations under international law etc. Publication of the EIA is the responsibility of the partner governments, in accordance with their own legislation.

Timing and resources for an EIA

An EIA can only be undertaken at the planning or early design stage of an intervention and should be initiated as early as possible. As a multi-disciplinary study, it will require a team which might include economists and sociologists as well as environmental experts. The resources needed for an EIA depend on its nature and location, but may be significant, perhaps 1% of total implementation costs.

Role of donors

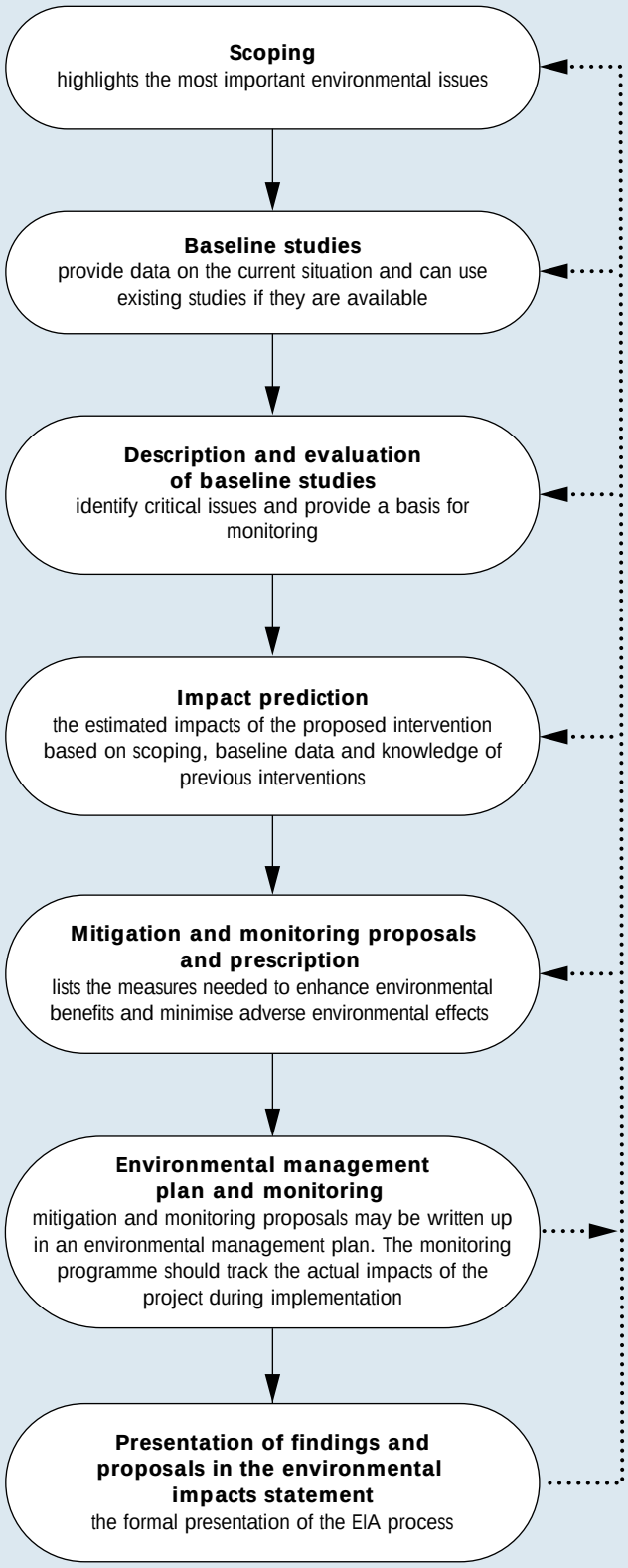
If an EIA is to be undertaken, funding and additional technical assistance may be provided by DFID or the lead donor agency. Donors, for example, might review an EIA for adequacy, with particular attention to mitigation and environmental management plans - or support ongoing monitoring.

Monitoring environmental impacts

The monitoring programme should be presented as part of a broader environmental management plan (EMP), which is used to guide implementation of the project, and which would include:

- significant environmental risks and uncertainties;
- applicable environmental legislation and standards;
- mitigation measures (including in-country institutional support);
- monitoring programme;
- resources and funds required for environmental management;
- contractual and management arrangements; and
- consultation and participation arrangements.

A Basic EIA Process



Adapted from Morris, P. and Therivel, R. "Methods of Environmental Impact Assessment", 2001.

5.5 Environmental audit

An environmental audit uses the same basic approach as an EIA (see above), but it is applied to *existing* projects/activities rather than new developments.

An environmental audit has been most often applied:

- to industrial sites to identify existing environmental risks and liabilities (pre-acquisition audit);
- to relate operations to standards, licenses and laws (compliance audit); and
- to record environmental performance at regular intervals (environmental reporting).

DFID is most likely to undertake an environmental audit as part of support for privatisation programmes, or the improvement of facilities. However, an environmental audit may be useful if more information is needed about existing environmental conditions or trends in order to inform decisions. For example an audit may highlight the need for an area-wide programme of sanitation, soil conservation or waste management. Audits may be conducted as part of a strategic environmental assessment (see below).

5.6 Strategic environmental assessment (SEA)

Strategic environmental assessment (SEA) is an emerging tool, which can be applied to higher levels of decision-making hierarchy than an EIA (which is more suitable for individual projects).

What is SEA?

An SEA is a process for analysing the environmental consequences (positive and negative) of proposed policies, plans, major investment decisions and other strategic interventions. It is undertaken to inform and enhance strategic decision-making and to ensure that the costs and benefits of policy choices are considered. It ensures that environmental considerations are taken into account alongside economic and social factors as early as possible in the policy and planning process.

An SEA is a flexible process. There is no template of procedures and methodologies such as those available in the application of EIA. The methodology will vary according to the purpose of the SEA. What we do have, however, is a set of evolving principles and criteria that help describe the SEA process.

Box 5: Selected principles of SEA

- **Fit for purpose:** **The SEA process should be customised to the context and characteristics of the policy, strategy, plan or programmes development.**
- **Decision relevant:** **The process should provide rigorous data and information in a form relevant to the level of decision-making.**
- **Sustainability-driven:** **The process should identify how development options and proposals contribute to environmentally, socially and economically sustainable development.**
- **Integrative:** **The process should include consideration and trade-offs of social, health, economic and other impacts.**
- **Participative:** **The process should provide the opportunity for multi-stakeholder dialogue and participation, which is appropriate to the level and issues of decision-making.**
- **Transparent:** **The process should ensure public access to any information generated, and the choices to be made.**

Experience with SEA

Considerable experience exists in applying SEA-type approaches to sector specific proposals - such as energy, transport, trade and land-use planning. Pioneering work is underway to link SEA with development co-operation initiatives such as poverty reduction strategies. SEA can be used to ensure environmental opportunities and constraints are reflected in PRSPs or national development plans.

When is SEA appropriate?

SEA may be appropriate in a wide variety of situations. It can be used to evaluate existing policy choices (in such a case assessment is likely to be a relatively quick exercise provided some baseline information exists). It can also influence the range of policy and strategy options developed (a longer and more complex exercise). To be most effective SEA must be initiated proactively before decisions have been made and when alternatives are still available.

Some examples of circumstances where a SEA would be usefully applied are:

- **Macro policy initiatives** – initiatives without discrete project-based outputs, such as poverty reduction strategies, agricultural subsidy reform, public sector reform, privatization, or trade policy.
- **Sectoral investment or support programmes** – (e.g. sector wide approaches) - in water resources, waste management, education, forestry, transport planning, the extractives sector etc.
- **Sub-national strategic planning and policy formulation** – coastal zone management, urban or industrial development plans, catchment management or regional development plans etc.
- **Programmes with numerous small-scale developments or community projects** – where individual appraisal would not be cost-effective. Here an SEA could highlight generic environmental issues and provide mitigation measures to apply across the whole programme.
- **Cumulative impacts** – situations where the effect of individual developments may be limited, but could be significant when considered together. The development concerned should be considered with other existing or proposed activities in the same sector, region or catchment. Also, projects or activities may induce development beyond the control of the project developer (e.g. industrial estates, urban development programmes and road projects).

5.7 Further sources of information

The most accessible sources of further information are:

- Environment advisers working in the country/region and policy division staff working on environment-related topics and teams. The contact list for environment advisers and staff in policy division working on environment issues is available on the INSIGHT environment page.
- Environmental publications produced by DFID and partner agencies. These cover topics such as participatory poverty assessments and the environment, environment and trade, genetically modified organisms. Many are available on the environment pages of INSIGHT as well as the website: www.dfid.gov.uk
- Websites including:
  African Development Bank www.afdb.org
  Asian Development Bank www.adb.org
  European Bank for Reconstruction and Development www.ebrd.com
  European Union http://europa.eu.int/comm/environment/
  Inter American Development Bank www.iadb.org
  United Nations Environment Program www.unep.org
  World Bank www.worldbank.org/environment

6

6.1 Checklists by development themes

The following checklists provide examples of environmental sustainability issues that might be relevant to the intervention under consideration. For each type of development intervention, some environmental opportunities and risks are given. They are presented to stimulate thinking and are not exhaustive in terms of intervention type or environmental issues.

The following themes are currently covered by checklists:

National development plans

- Poverty reduction strategies
- Participatory poverty assessments
- Direct budget support

Economic growth

- Fiscal reform and public expenditure management
- Privatisation and reform of state-owned enterprises
- Reform of the financial sector and support to small and medium enterprises
- Trade and foreign direct investment

Human development

- Health
- HIV/AIDS
- Education

Governance

- Local government reform / decentralisation
- Strengthening civil society
- Tackling corruption
- Public sector reform (including public expenditure management)
- Safety, security and access to justice

Livelihoods

- Rural development
- Water resource management
- Fisheries
- Forestry
- Infrastructure
- Urban development

Conflict and humanitarian assistance

- Conflict analysis / management
- Humanitarian relief
- Assistance to refugees and internally-displaced people

National development plans

Poverty reduction strategies (PRSs)

Strategic environmental assessment (SEA) is an important tool that can be used to address both opportunities and risks associated with a PRS. In **Ghana** a number of donors are supporting the Environmental Protection Agency and the National Development Planning Commission in the conduct of an SEA of the PRS.

Opportunities

- Environmental management is important for poverty reduction, and should therefore be included in national development plans/poverty reduction strategies. Environmental drivers of poverty – such as loss of soil fertility, lack of clean water, and vulnerability due to natural hazards/disasters, climatic variation and long-term climate change – should be addressed.
- A first step in the integration of environmental issues is to develop a good understanding of the links between environment, poverty and economic growth. This understanding can be developed through the inclusion of environment in participatory poverty assessment (PPA), and poverty-social impact analysis (PSIA). Specific studies could also assess the environmental dimensions of growth, and the macro-economic costs of environmental problems.
- Plans for sectors that are heavily dependent on environmental goods and services (such as agriculture, mining, energy) need to consider how long-term environmental sustainability will be achieved. This may require some form of strategic environmental assessment or sustainability analysis.
- Environment agencies and environmental civil society groups should be supported to engage in national planning processes and identify capacity building needs.
- Key poverty-environment indicators should be included in the PRS monitoring plan. This requires systematic collection of relevant information.

Risks

- Plans for economic growth may rely on unsustainable exploitation of natural resources. In these situations the benefits of growth may be unequally distributed.
- National policies may have unforeseen negative impacts on the environment as a result of poor planning or lack of information and capacity. They may also fail to take into account environmental hazards/natural disasters.
- National quality assurance and regulatory functions intended to ensure environmental sustainability should be in place to manage risks.

National development plans

Participatory Poverty Assessments (PPAs)

In **Uganda** the government has undertaken a Participatory Poverty and Environment Assessment (PPEA), which has captured strong messages coming from the poor that the quality of the environment on which they depend for their livelihoods is declining. This in turn means they are less able to move out of poverty. Messages from the PPEA have helped to shape the content of the second Ugandan Poverty Reduction Strategy.

Opportunities

- PPAs provide an excellent opportunity to understand environmental issues of importance to the poor. This requires an appropriate environmental input in the design, fieldwork and analysis so that researchers are sensitive to the issues and can interpret results appropriately for decision-makers.
- PPAs can be conducted specifically to focus upon environmental issues that are important to the poor (these are known as environmental PPAs). These enable a better understanding of poverty-environment links and their policy implications.
- PPAs help to improve understanding of gender and environment links and help to empower women to have a voice in national policy making.

Risks

- Analysis of PPAs has shown that environmental issues are important to the poor. However, without appropriate analysis from people with an understanding of the breadth of poverty-environment links, key concerns may be overlooked in the interpretation of the PPA results. This can lead to PRSP plans and interventions that lead to environmental damage, and threats to livelihoods.

National development plans

Direct Budget Support (DBS)

In **Uganda** DFID has included, as part of its Budget Support, comprehensive support for poverty-environment analysis. This includes: an Environmental Participatory Poverty Assessment; development of a Budget Framework Paper for environment and natural resources; and the integration of environmental sustainability into agricultural modernisation and other major development programmes.

Opportunities

- Budget support is linked to poverty reduction strategies (PRSs) or national development plans, and is provided to help meet the targets set out in these strategies. Appropriate poverty-environment targets from the PRS should be included in the budget support monitoring framework.
- Plans for DFID budget support are often developed in conjunction with other donors, particularly the World Bank. Donors should work together to look at the integration of environmental issues into negotiation and implementation of this support (e.g. in the poverty reduction support credit agreement).
- It is often necessary, at an early stage of direct budget support, to carry out more data gathering and analysis in the form of a strategic environmental assessment, a country environmental analysis or other studies.
- Technical assistance is often provided to complement budget support. This could include capacity building for effective integration of environmental issues, and better environmental management.
- Environmental performance and impacts can be integrated into national accounting mechanisms to provide a more balanced analysis of the budget (this is known as 'green' accounting).

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 environmentally damaging, unsustainable, or threatening to the livelihoods of the poor. This is an issue to which donors need to be sensitive.
- There may not be a suitable 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.

Economic growth

Fiscal reform and public expenditure management

There is recognition in **South East Asia** of the need for governments to increase revenues generated from forests. This has proved complex given the vested interests involved, and the large revenues lost through illegal logging. DFID continues to build these concerns into its dialogue with international financial institutions and government partners.

Opportunities

- Fiscal reform may increase tax revenues, improve social equity, improve the environment and reduce corruption. For example:
  - improved revenue collection in forest and fishery sectors;
  - removal of environmentally damaging subsidies e.g. on energy and water, whilst taking care to make safety-net provisions for the poor.
- Strategic environmental assessment of fiscal policy changes can identify the appropriate measures for a given country or sector.
- Fiscal reform provides an opportunity for improved communication and understanding between finance ministries and those institutions responsible for environmental protection and sustainable development planning.

Risks

- Fiscal changes (e.g. subsidies or incentives) may encourage over-use of natural resources and environmental harm.
- Lack of policy and fiscal consistency across government may create conflicting environmental outcomes threatening the livelihoods of the poor.

Economic growth

Privatisation and reform of State-owned enterprises (SoEs)

In **China,** DFID's State-owned Enterprise and Enterprise Reform Project is helping to develop models of how enterprises can become more effective and profitable. This includes how improved management systems should address improved environmental management and responsibility, leading to environmental improvements and business benefits.

Opportunities

- Reform of state-owned enterprises often brings environmental benefits as these enterprises are frequently inefficient, costly, under resourced, under-regulated and a source of significant environmental problems. Privatisation offers opportunities to improve, amongst other things, corporate governance, resource efficiencies, environmental and social standards.
- Strategic environmental assessment of an entire sector to be privatised can determine environmental opportunities and risks and recommend measures to manage them cost-effectively. An SEA also represents an excellent entry point for broader social issues (e.g. health and safety, child labour), and should maximise the proceeds to government from privatisation.
- There may be a need to review environmental legislation to ensure it is adequate to manage environmental issues associated with privatisation. Environmental opportunities and risks can be integrated into responsible business and manufacturing practices e.g. through adoption of an environmental management system (EMS).
- Demonstration projects illustrate how improved environmental management can save costs through minimising waste or energy-use, cleaner technology and other 'win-win' situations.
- Support can be provided so that civil society groups can engage with the private sector and monitor industry-related environmental issues.

Risks

- Change of ownership should involve 'due diligence' activities which include identifying and quantifying environmental liabilities (e.g. through an environmental audit). Existing environmental and human health damage can result in claims against new owners and threaten the viability of a project and its dependent jobs.
- Past and present pollution can pose long-term threats to surface and ground water resources, with possible indirect effects such as reduced agricultural production and health problems.
- Lack of environmental management and occupational health protection can prejudice long-term growth prospects, employment opportunities, and deter potential investors.
- Increased production as a result of privatisation, without adequate environmental management, can lead to increased natural resource depletion, pollution and other adverse impacts.

Economic growth

Reform of the financial sector and support to small and medium enterprises (SMEs)

In **Bangladesh** DFID has launched a five year multi-donor project for developing a conducive business environment for small and medium enterprises, with a focus on improving competitiveness. Environmentally and socially responsible approaches are recognised as an important component in order to ensure long-term sustainability. Resources have been set aside to recruit appropriate staff to take this forward.

Opportunities

- Financial intermediaries – institutions which provide loans directly to SMEs – provide an opportunity to support environmentally beneficial activities. For example, loan criteria could encourage more efficient manufacturing or production processes that both reduce waste and save money.
- Financial intermediaries could be supported in management of environmental aspects of their loans through provision of advice on environmental hazard-ranking, health and safety etc. This might include training for staff and production of information for borrowers.
- Environmental management capacity-building for the private sector, including SMEs, can be provided through support for local chambers of commerce and industry.
- Environmental impact questions should be included in monitoring procedures e.g. asking about water, waste disposal and health and safety aspects. Training may be needed to facilitate this.

Risks

- Financial intermediaries need to integrate some form of environmental screening into their loan approval process to avoid financing environmentally damaging projects.
- SMEs can be a major source of pollution and other environmental damage – particularly when collected together. This issue should be addressed, without damaging poor people's employment and income opportunities.
- Drives to remove red tape and reduce regulations may result in the removal of important environmental and social protection measures. Since impacts may be indirect, it is important that social and environmental appraisals of regulatory reforms are conducted.

Economic growth

Trade and foreign direct investment

In **Russia** DFID undertook a review of the environmental opportunities and risks of Russia's accession to the WTO as part of wider support to Russia to tackle issues raised by WTO.

DFID's International Trade Department is funding assistance by UNCTAD to governments and private sector exporters in Asia and Latin America around the opportunities and risks to market access from environmental concerns. Many countries are interested in increasing their exports of organic products.

Opportunities

- Foreign direct investment, and the introduction of new products, skills and technology through trade, may bring environmental benefits, e.g. through the replacement of polluting or wasteful processes.
- Good environmental management can facilitate or directly increase market access. This can be through increased efficiencies in resource use, as well as adding value to the commodity through improved quality or adherence to standards that increase their value in competitive global markets.
- To access the higher value markets that environmental standards can bring requires support to the private sector, especially small and medium enterprises. Such support includes improved dialogue and information exchange with their own government and with OECD private sector importers.
- Sustainability impact assessment of trade initiatives is a tool used to identify risks and benefits and appropriate policy responses.

Risks

- Changes in trade patterns can create major shifts in demand and production. For example, the expansion of monocultures, increased use of fertilisers and pesticides, and pressure on water and marine resources. 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.
- Simplifying licence and tax regimes to stimulate industrial investment can result in environmental costs through increased pollution, especially if environmental legislation/policy is weak.
- Trade in out-dated technology (e.g. pesticides banned in Europe) can bring environmental risks.

Human development

Health

An environmental health scoping study in **Uganda** has shown that 30% of ill health is due to environmental factors, particularly lack of sanitation, indoor air pollution and an alarming increase in traffic accidents. The report also highlighted the lack of good quantitative information. The report has led the government to consider its approach to environmental health. Similar work in Bangladesh has also concluded that 30% of the country's health burden is attributable to environmental causes.

Opportunities

- The inclusion of environmental issues in health programmes can be a cost-effective way of improving health outcomes. For example, environmental health education can be provided for primary healthcare workers.
- Access to safe water and sanitation brings major environmental health benefits, particularly when combined with hygiene education.
- Indoor air quality can be improved, for example by use of clean fuels, improved household ventilation, and improved cooking methods. There is a particular benefit for women and children.
- Other environmental health improvements include initiatives to reduce injuries at home, at work and on the road, as well as improving hazardous clinical waste management, reducing exposure to environmental contaminants (such as pesticides and heavy metals) and the distribution of pesticide-impregnated bed nets etc.
- There may be an opportunity to focus on providing healthy environments for children, particularly in areas where they live or go to school. Issues to consider include urban/ambient air pollution, road accidents and hazardous waste.
- Engagement with health ministries provides the opportunity to consider more cost effective construction technology, particularly for primary health clinics. This should include improving resilience of buildings to environmental hazards, more efficient maintenance and energy-management practises.
- Other issues that can lead to efficiencies and cost-savings include health transport and fuel management.

Risks

- Health programmes may focus on curative interventions. Failure to address environmental health conditions (and occupational health) may compromise long-term sustainability and cost-effectiveness.
- Proposed disease control programmes may not adequately provide opportunities for environmental or biological control of vectors, for example malaria-carrying mosquitoes.
- Proposed health programmes may not tackle the need for safe disposal of clinical and other health-care waste.
- Proposed environmental and energy programmes may not identify and prioritise potential health benefits.

Human development

HIV / AIDS

In **Ghana** a programme that included social marketing of condoms ensured that information on safe disposal was also provided.

Opportunities

- HIV/AIDS-affected communities often benefit from livelihoods interventions, which may have an environmental component. This may include advice on farming/land management with lower labour inputs, and employment or income generation activities for survivors and carers.
- HIV/AIDS support can be included in integrated environmental health/reproductive health/health care programmes.
- Physical environmental health initiatives can help reduce the spread of HIV/AIDS, for example improving access to needle exchange programmes for drug users, and safe needle and clinical waste disposal.
- In some countries the problem of mother to child transmission through breast milk has led to an increase in use of infant milk powder formulations. However, to make up the formulation requires a source of clean water, which may require accompanying interventions related to water supply and sanitation.

Risks

- DFID-funded initiatives may ignore their potential for exacerbating HIV/AIDS problems (e.g. major construction projects, road improvement projects, humanitarian aid). Often an environmental assessment will pick this up as part of socio-economic impact analysis.
- HIV/AIDS programmes may ignore the possible benefits of including primary healthcare activities, reproductive health activities or environmental health improvements.
- In some countries, HIV/AIDS related morbidity in the work force may have significantly adverse impacts on attempts to build capacity – including capacity for environmental management. Realistic assessments of staff replacement rates should be undertaken as part of baseline data analysis.
- HIV/AIDS renders communities more vulnerable to environmental hazards, such as recurrent drought, as their coping strategies will already be stretched.

Human development

Education

In **Malawi** DFID is supporting the Department of Education in a school building programme. Environmental sustainability is being incorporated into the design of these schools. For example, the design proposal incorporates the provision of daylight and natural cross ventilation to regulate temperatures. Also, the stabilised soil blocks (a form of brick) needed for construction are being produced on site using a simple hand-operated press. It is hoped that this will discourage the use of burnt bricks and thus deforestation, both during the school building programme and in subsequent construction projects.

Opportunities

- Introducing environmental issues into curricula, school design and facilities can improve educational outcomes and have wider livelihood and health benefits.
- Providing schools with appropriate sanitation and water facilities, and teaching improved hygiene practices can save lives of pupils and through them their wider community.
- The environment can be used as an educational tool in resource-poor schools – for example, the local environment can be a source of materials for teaching numeracy or biology. Environmental education in schools can enable students to increase the awareness of their families, and of their wider community, of environmental and natural resource issues.
- Appropriate school design, including environmental issues is important for assisting learning and boosting attendance. Effective use of natural light assists learning, while poor sanitation facilities may deter female attendance.
- For school building programmes, energy and resource use can be minimised through building design (for example the positioning of windows, use of local materials and use of energy efficient cooking facilities). Buildings can also be designed for multiple uses, for example as sites for adult education, public meetings, and as emergency shelters. This can be cost-effective while also integrating social and cultural values into the building process.

Risks

- The construction of school buildings may use materials that are sourced without concern for resource depletion, sensitive sites or potential environmental and socio-economic consequences.
- Manufacture of equipment, such as desks, might exploit unmanaged sources of timber.
- School location and construction may be chosen without due consideration of issues associated with the everyday running of the school such as water supply, energy requirements, ease of access, and local environmental hazards.
- Inadequate sanitation in schools may create environmental health hazards and deter pupils – especially girls – from attending.

Governance

Local government reform / decentralisation

In **Pakistan** a project to strengthen decentralised local government in Faisalabad aims to establish efficient and effective district government that is responsive to the needs of local communities. Dimensions of the project improve the incorporation of environmental management into planning processes, and introduce better and more community responsive water and sanitation services.

Opportunities

- Decentralisation can bring major environmental benefits by improving local level environmental governance and management, improving delivery of environmental services and enabling appropriate local solutions to environmental problems to be developed. Decentralised approaches are often more sensitive to local environmental conditions than applying 'one size fits all' solutions from central government.
- Local authorities usually have core environmental functions, such as physical planning, control of natural resources, solid waste management, and public health. These issues are often high priorities of the poor. An effective decentralisation process provides opportunities to deliver services in ways that are more responsive to the needs of local people, including the poor.
- Capacity-building can be provided at the local level to effectively implement core environmental functions, planning and environmental management. This might include strengthened capacity to regulate and monitor the environment and deliver services such as water, sanitation and waste management.
- Empowerment of communities and marginal groups can provide opportunities to give the poor greater voice and control over resources on which their livelihoods depend.

Risks

- Local authorities may not have adequate capacity to address environmental management issues, so their actions may be unsustainable or harmful. They may:
  - fail to integrate environmental issues into planning processes;
  - be unaware of opportunities for improved environmental management and the wise use of land, water and natural resources; or
  - have inadequate physical or human capacity to carry out their remit.
- Environmental issues are often geographically spread over a number of administrative boundaries – for example across watersheds or river basins. Such issues may not be adequately addressed unless local and national authorities work together.

Governance

Strengthening civil society

The Pathways for Environmental Action in **Kenya** (PEAK) Programme is building civil society and private sector capacity to demand more transparent and participative environmental governance. The programme aims to increase non-state engagement in policy debate and national decision-making on environmental issues.

Opportunities

- Poverty reduction initiatives can benefit from engaging a wide range of NGOs/civil society organisations. These groups may have a good understanding of how to address environmental issues of relevance to the poor.
- Environmental management may be an important area for capacity building of NGOs and community based organisations (CBOs), as it can be directly linked with helping to promote sustainable livelihoods.
- Civil society activities can be used to hold government to account for environmental degradation leading to more equitable and environmentally sustainable outcomes, especially across genders.
- There may be links between civil society initiatives – for example those focusing on health, education, disadvantaged groups or the environment. These links should be explored and an integrated approach taken where appropriate.
- Donors can work together to identify and support environmentally aware civil society groups. There may be an opportunity to encourage groups to work together as an environmental lobby.

Risks

- NGOs and CBOs may not have adequate environmental management skills to undertake their work in urban or rural areas. Some environmental NGOs may not adequately represent civil society, and the wider concerns of society.
- Not all civil society groups will be aware of the potential environmental and social consequences of their actions.

Governance
Tackling corruption

DFID's multi-stakeholder forestry programme in **Indonesia** is building more accountable institutions and processes for sustainable forest management to tackle corruption and increase government revenues.

Opportunities

- The elimination of corruption can serve to ensure that revenues from the exploitation of natural resources (e.g. forests, minerals) support development goals - including poverty reduction – rather than being mis-appropriated for personal or other illegal gain.
- Eliminating corruption increases the prospects for transparency in revenue flows which then enables citizens to hold their governments to account for the more equitable and efficient distribution of those resources.
- Civil society groups have an important role to play in demanding greater transparency from government, and in challenging corrupt practices.
- The capacity of natural resource/environmental authorities can be strengthened to enable them to fight against corruption in the management of natural resources.
- Police, inspectors, district authorities and customs officials can be trained to tackle breaches in environmental law. Examples include: illegal logging, trade in banned chemicals, and the trade in endangered species.

Risks

- Natural resources (such as oil, timber, minerals, water and hydro-power) can be the source of significant revenues and are often linked to corrupt practices.
- Natural resources may become the focus of corruption as other sources of corruption are closed off. Corruption in these sectors therefore needs to be included in a strategic approach to the issue, recognising the risk of driving the practice further underground.
- Tackling corruption through conservation measures for natural resources and protected species may not have political support at high level.
- Tackling corruption must take into account the needs of local people. Sustainable use of a resource is preferable (for example, sustainable forest management in a given area rather than a ban on all forest use) but often difficult to enforce.

Governance

Public sector reform (including public expenditure management)

Yunnan Environment Development Programme aims to promote environmentally sustainable development and poverty reduction in Yunnan Province, **China.** The programme aims to develop the capacity of the Provincial Government to prepare and implement participatory, pro-poor, and environmentally sustainable development.

Opportunities

- Improved government structures are key to improving environmental management. Addressing weaknesses – such as low wages, over-staffing, poor human resource management, and poor financial management – will generally benefit the environment.
- There are also particular issues for the environment which can be included in public sector reform efforts – in terms of improved natural resource management, better environmental service provision and strengthening the way environment is treated as a cross-cutting issue.
- For natural resource management, key ministries – such as forestry, fisheries, minerals, agriculture, and coasts – should consider moving to a sustainable livelihoods approach – with the resources managed in a way that will promote greater user-rights.
- For environmental related services, the general policy direction of key ministries – such as energy, water – towards a regulatory approach with public-private participation can be beneficial, and also integrate environmental concerns.
- Much environmental related expenditure remains donor-financed and off-budget, and needs to be moved on-budget as part of public expenditure reform.

Risks

- Environmental issues are often poorly integrated into government activities, with many either out-dated protectionist laws (e.g. in the forestry sector) or weakly enforced new environmental regulations. Environment Ministries tend to be relatively new and marginalized institutions, and may be dependent upon donor funding.
- Inefficient delivery of services (e.g. water, waste management) can result in the continued deterioration of environmental quality which impacts on the poor.
- Without a sound environmental regulatory framework, public sector policies and actions (such as tourism promotion, or resettlement programmes) can result in environmental damage.

Governance

Safety, security and access to justice

A screening of the **Justice India** programme identified the opportunities to improve environmental justice. For example, it calls for: increased public participation in environmental decision-making; access to environmental information; and access to courts and systems of conflict resolution.

Opportunities

- Poor and marginalized communities will often benefit greatly from access to environmental justice. Key environmental rights include: the right to a clean and healthy environment, and access to clean water and sanitation.
- Vulnerability can be reduced through more equitable and secure allocation of resources to (e.g. land and common property resources such as forests). There may be an important gender dimension here as women often have less resource rights than men.
- Vulnerability can also be reduced through access to justice for people suffering from environmental damage that may affect their health or well-being e.g. unsafe food, or air, soil and water contamination.
- The environment can be categorised as a public good, and therefore the governance framework is critical. It is important that poor people have a voice in the development of this framework, through dialogue with enforcers, legal experts and policy makers. Access to environmental justice can also be improved by: clarifying environment legislation, improved environmental monitoring, increasing public awareness and awareness of the judiciary, improving mechanisms for redress and reducing the costs of litigation.
- Support can be provided for more effective policing of environmental crimes (e.g. poaching, illegal trade, dumping of toxic materials).

Risks

- Enforcement of ill-conceived environmental laws may disadvantage the poor who may lack alternative livelihood opportunities.
- If the poor are excluded from some resources, this may lead them to compensate for income losses by exploiting alternatives – with possible harmful or unsustainable effects.
- Efforts to improve security – for example the establishment of secure villages – may cause over-exploitation of natural resources unless adequately planned. (See also checklist on Conflict and Humanitarian Assistance.)

Livelihoods

Rural development

The Plan for the Modernisation of Agriculture (PMA) in **Uganda** is a multi-sectoral programme under the country's Poverty Eradication Action Plan. The PMA aims to raise agricultural productivity, and sustainable agricultural practices will be integrated within this approach, through addressing issues such as soil fertility, and soil erosion.

Rural development can cover a range of different activities (e.g. agriculture, community development, rural roads). This section looks at the use of renewable natural resources, with a focus on agriculture. Forestry and fisheries are covered in separate checklists.

Opportunities

- Rural development and use of natural resources can be addressed in poverty reduction strategy processes which should consider:
  - participation of the poor in policy and planning processes;
  - removal of policy, institutional and legal constraints to practices which encourage the sustainable use of resources;
  - how the environment is linked to poverty in rural areas; and
  - strategies to encourage the diversification of livelihoods which may reduce pressure on key natural resources.
- Poor people's rights over – and access to – both land and common pool resources can be strengthened, for example with land tenure reform. This brings particular benefits for women and AIDS orphans.
- Principles of sustainable resource use can be introduced, leading to higher and more stable production and improved soil fertility – examples might include integrated pest management, water conservation and water harvesting.
- Women can be empowered to improve environmental practices and management of their neighbourhoods through enhanced participation in decision-making relating to the use of resources.

Risks

- Economic pressures, coupled with a weak policy and low capacity, may favour unsustainable production methods or use of resources. Examples might include misapplication of agrochemicals and over-extraction of water.
- Where jurisdictions overlap or are unclear, there may be insufficient capacity at the level of local government to implement measures governing the use of sustainable resources or the pooling of resources.
- Corruption may lead to ineffective implementation of policy and law, particularly in extractive industries such as logging or mining.
- Agricultural development may encroach on forest, wetlands and rangelands and threaten the livelihoods of poor people.
- Inappropriate application of pesticides and fertilisers remains common, threatening the livelihoods and health of the poor as well as the environment.

Livelihoods

Water resources management

The **Western India** Rainfed Farming Project (1993-98) focused on watershed development using approaches such as reduced subsidy rates, community-based soil and water conservation, and participation of farmers in selection of crops. Three Indian States have subsequently adopted some of these approaches.

In **China** the Water Sector Development Programme is helping national and provincial government to develop improved methods for managing water resources at river basin and more local levels. Improved management of scarce resources is essential for economic development and poverty reduction, especially in the poor inland and western regions of northern China.

Opportunities

- Improved and more integrated water resource management, water conservation and water efficiency interventions can result in an improved environment.
- Work can include policy-making, improved institutional arrangements for water resource management, introduction of better mechanisms such as permitting and licensing, the integration of water resource issues into national poverty reduction plans or technical capacity building.
- Assistance might also help introduce technical measures, such as catchment management, water-harvesting, water conservation and water services.
- Improved resource management and more efficient use of water can be a more sustainable and economically attractive option to investment in new water supply schemes.
- Improved access by people and communities to water and sanitation can reduce time spent collecting water and have other livelihood and health benefits. Women and children often benefit most.
- Water resources management should often be linked to related measures for other sectors. For example, integrated water resources management might be strongly related to management of watersheds, land improvement, forestry or wetland management.

Risks

- Poor management of water resources may lead to a number of problems
  - inequitable distribution or over-abstraction of water;
  - loss of water services to the poor, for example in the drying up of bore-holes; and
  - competition over scarce resources e.g. local conflicts.
- Inadequate planning or management can make water initiatives unsustainable, for example, inappropriate or perverse subsidies for water can encourage over-abstraction of ground or surface water.
- Water development initiatives may have health impacts on the poor, for example an increase in vector-borne diseases due to reduced river flow rates, or poisoning from contaminated ground water.
- Expansion of agricultural production requires careful planning of irrigation systems, to avoid land degradation such as soil salination or water-logging.
- Application of pesticides and fertilisers, as well as other development activities in a catchment area, can lead to sedimentation and pollution of water-bodies.

Livelihoods
Fisheries

"Fisheries" is a term that covers a diverse range of activities from hunting, through forms of ranching to extensive and intensive husbandry of fish.

The Code of Conduct for Responsible Fisheries is an important internationally agreed set of principles that should be consulted for information and guidance in all aspects of fisheries. The Code can be accessed on the website of the Food and Agriculture Organisation of the UN: www.fao.org

Opportunities

- Fisheries projects, if focused on improved management of resources, can have positive impacts on the environment, increase participation of poor people in the structures and processes through which they are governed, and enhance the economic benefits which they derive from these resources.
- Improved management of fisheries in inland water bodies brings wider environmental benefits, such as improvements in water quality.
- Many fisheries are regional/cross-border in nature. Projects or programmes that support international or intra-regional co-operation can have wide and positive long-term impact on habitats, ecosystems and societies.
- Support to fish farming, if well targeted and based around appropriate technologies, can deliver significant benefits to poor people and enhance the aquatic environment.

Risks

- There are difficult access problems associated with fisheries. In capture fisheries there is the issue of open access and the problems of the 'commons'. In aquaculture, elite capture of resources and exclusion of the poor threaten sustainability. Any support to fisheries will need to take these access issues into account.
- Transfer of resources from local to international markets involves difficult trade-offs between economic returns to national economies, long-term sustainability of the resources and the availability of fish for local consumption. Programmes of support need to be well informed and based on an appropriate balance between the different forms of benefit generated.
- Where fisheries span borders they tend to be poorly managed and can become the basis of tension, conflict and sovereignty disputes. The promotion of commitment to co-operate should be a first step in developing programmes of support.
- Intensive aquaculture can damage the environment and exploit the poor. Stronger governance of the sector, sustainable production systems and market-led approaches to secure improved social and environmental practise should be promoted.

Livelihoods
Forestry

The Mount **Cameroon** Project has worked with the Cameroon Ministry of Environment and Forestry, local communities and a variety of other stakeholders, including an international pharmaceutical company. It has created tangible links between sustainable management of the Mount Cameroon forests and local economic development.

In **Malawi** DFID is supporting the privatisation of the country's forest reserves. The programme will include a number of environmental management initiatives including: exploring opportunities to develop guidelines for certification; protection of water catchments; clarification of institutional roles in regulation after privatisation.

Opportunities

- National forest programmes, meeting country specific priorities, often contribute to wider environmental and social objectives – for instance the equitable sharing of forest resources, protection of watersheds etc.
- Capacity development for forest agencies and the private sector should incorporate environmental management.
- Local communities should also be involved in forestry projects and forest reserve management. This can improve local livelihoods and the condition of the forest, as well as tackling gender dynamics.
- Forestry can, in some circumstances, be used to tackle global environmental problems such as climate change and biodiversity loss.
- Forestry interventions provide unique opportunities for addressing governance issues e.g. the empowerment of indigenous people and marginalized groups, and tackling corruption.

Risks

- Forestry initiatives that involve a major change in land use may require analysis of environmental consequences or environmental impact assessment. Issues to look out for include:
  - inappropriate promotion of a single species;
  - impact on water resources; and
  - impact on local livelihoods and the rights of local people.
- Without attention to good governance frameworks, privatisation of national forest assets could result in activities that damage the environment – including short-term asset-stripping such as deforestation without replanting.
- Protected areas, and privatised forestry concessions should take account of traditional hunting and gathering practices of local communities.
- The value of forests as a source of diverse products and services, e.g. traditional medicines, or protection from landslips, may be overlooked.

Livelihoods
Infrastructure

In **Ghana** DFID has been supporting the Government in the rehabilitation of bridges and feeder roads. Compliance with EIA regulations and integration of environmental considerations in design have been important elements in developing the capacity of Government and contractors during construction.

Infrastructure inputs can include: buildings (e.g. schools and health care facilities); transport (such as road and rail); water supply schemes (e.g. dams and hydropower); waste water treatment; solid waste management; energy supply; ports, harbours and coastal structures; industry; and mining.

Opportunities

- Because of the potentially significant environmental impacts, many infrastructure initiatives will require a more detailed environmental analysis or environmental impact assessments (EIA). This may even be a legal requirement in many partner countries. Detailed environmental analysis or EIA will identify a plan to manage and mitigate risks as well as identifying opportunities that make for a better intervention.
- Environmentally beneficial improvements include:
  - technical alternatives, for example appropriate technology solutions for water and waste management rather than capital intensive options;
  - designing with consideration for efficient resource use, including water and energy efficiencies;
  - designing to incorporate mitigation measures to withstand natural hazards e.g. cyclones, earthquakes, floods;
  - providing healthy living and working environments;
  - sourcing construction materials from local and/or sustainable sources.
  - recycling and recovering waste; and
  - developing performance measures to monitor effectiveness and efficiency in project design and operation.
- Building the capacity of relevant ministries and agencies to institutionalise the EIA approach.

Risks

- If an intervention includes significant infrastructure inputs, then specialist advice is recommended. An environment adviser will help identify the type and level of risks, ensure they are adequately addressed, and identify the level of potential further environmental analysis which might be required.
- Infrastructure inputs at a policy level, without direct DFID funding for hard infrastructure, can also have significant environmental impacts.
- Poor planning, construction and management of infrastructure projects can result in serious adverse direct or indirect environmental impacts.
- Failure to address and support in-country capacity to assess risks will lead to inadequate follow-up. There is also a high risk that future projects will then be assessed inadequately.
- Failure to apply international best practice in a given sector may increase costs and reduce effectiveness of major infrastructure developments. The World Commission on Dams report, for instance, could be used to provide a framework for decision-making in water and energy development.

Livelihoods
Urban development

In **India** DFID is supporting the Government of Andhra Pradesh in the implementation of a package of reforms and environmental improvements with local government in secondary towns in the State. A locally owned municipal action planning process has been shown to improve participation of the urban poor in governance and environmental improvement.

Urban development covers all aspects of better governance and management of cities, urban and peri-urban areas.

Opportunities

- Urban areas provide much scope to reduce the unit costs of delivering basic environmental services of importance to the poor (e.g. water, sanitation, solid waste management, public transport, environmental health interventions).
- Decentralisation, bringing governance closer to people through empowering local bodies, creates opportunities for more effective participation of the poor in decision making around environmental resources and management.
- Women are often empowered through urban decentralisation programmes, and prioritise family well-being, which in turn puts increased emphasis on access to environmental resources and services.
- Planning, land and tenure issues underpin many urban environmental problems. Lack of tenure security and political voice due to illegitimate residence reduces poor people's incentives to manage their local environment. Addressing these issues can create the framework for better environmental management and major improvements in livelihood of the poor.

Risks

- Unless urban environmental management is strengthened, urban problems tend to escalate and the conditions and livelihoods of the urban poor decline.
- Poor planning, construction and management of urban infrastructure can result in serious adverse direct or indirect environmental impacts including increased risk of environmental hazards (e.g. flooding). Major infrastructure projects require a more detailed environmental analysis or environmental impact assessment (EIA).
- To achieve improved environmental management in urban areas, efforts need to be made to overcome barriers such as rent seeking behaviour, polluters not paying, and uneconomic pricing of services.
- When services, such as water supply, are privatised or public-private partnerships are considered, then cross-subsidy to protect the poorest may need to be considered.
- The complexity and multidisciplinary nature of urban environmental management, often acts as a barrier to donor involvement.

Conflict and humanitarian assistance

Conflict analysis / management

The **Nile Basin** Initiative seeks to harness the tremendous potential of the River Nile for the benefit of the poor people in the basin. It seeks to address problems of conflict in the region through development and co-operative action between the nine riparian States.

Opportunities

- Natural resources have a significant role in conflict – both exacerbating tensions in areas where resources are scarce, and fuelling conflicts through exploitation of plentiful resources.
- Establishing a suitable environmental management regime can partially tackle conflicts over scarce resources. These regimes may often involve participatory management, and can contribute to improving social relationships at local, national and regional levels.
- The sustainable livelihoods approach can help integrate environmental issues into approaches to conflict and post-conflict situations.
- Environmental projects can be included within initiatives for the disarming and re-integration of combatants. This can include activities that use their environmental knowledge of former areas of operations, as well as creating employment.

Risks

- Conflict assessments often overlook control over and access to natural resources as a cause of conflict.
- Conflict can have a significant impact on the environment. Issues include land abandonment (linked to safety concerns, land-mines etc.), and unregulated exploitation of common property resources (e.g. hunting of wildlife, contamination of land).
- Displaced populations can have an impact on natural resources – for example the creation of inadequately planned secure villages or refugee camps.

Conflict and humanitarian assistance

Humanitarian relief

The Engineering and Environmental Services Section of the United Nations High Commission for Refugees (UNHCR) is developing new guidelines, Environmental Considerations in the Life Cycle of Refugee Camps. These will guide decision-making in the selection of sites for camps, their physical development and future management.

Opportunities

First Phase – Emergency Response

- The environmental aspects of food distribution, site selection, and service provision aim to conform to Humanitarian Charter and Minimum Standards in Disaster Response (Sphere Standards, www.sphereproject.org).
- Agencies should adopt a 'minimal environmental harm' policy. This would recognise the priority of immediate needs, but also consider how environmental damage might impact on neighbouring communities.
- Environmental issues can be included in the budget. Environment specialists could be members of disaster assessment and relief teams, to help with siting, planning and management of camps and relief efforts.

Second Phase – On-going Relief to Recovery Efforts

- Given the inter-linked nature of the first and second phases, it is important to consider environmental aspects as soon as possible, and to:
  - encourage the establishment of a local environmental plan for management of scarce resources;
  - promote the formation of a representative group to work on the issues. It will often be difficult to do this – competition over resources is often intense and groups may struggle to reach consensus or solutions; and
  - promote educational and income-generating activities that contribute to environmental management. This could include growing food.
- Eventually the relief effort may change into a more development-focused process. Long-term activities can then be addressed, such as environmental rehabilitation, and activities with the host community to restore livelihoods.

Risks

- Adverse environmental impacts resulting from poor planning can lead to increased disease, degradation and, occasionally, conflict.
- Confusion over land rights or the monopolisation of resources by elites can lead to corruption or illegal activity by host and displaced populations.
- Environmental technologies (such as fuel-efficient stoves), if not properly introduced or not culturally appropriate, can exacerbate problems.
- Use of food containing GMOs has proved controversial in some humanitarian situations. Full and up-to-date guidance on this issue should be sought. A briefing is available on DFID's internal environment site, and on the website.
- Humanitarian aid programmes may not adequately consider the health and environmental effects of moving and accommodating large numbers of people.

Conflict and humanitarian assistance

Assistance to refugees and internally displaced people (IDPs)

In the Dadaab refugee camps in **Kenya,** CARE International promotes the use of service delivery mechanisms, techniques and installations that promote the primary health of refugees while being sensitive to the environment. For example spillage water at tap stands can also be used to irrigate tree nurseries or vegetables, the produce of which can either be used or sold to provide income.

Opportunities

- Environmental impact assessments should be made of new settlements, of major changes in camp/settlement or for actions associated with repatriation and reintegration.
- Planning the use of land should include the needs of refugees/IDPs as well as local people in terms of use and management of resources. This task may require specific technical inputs.
- Environmental education for refugees can have long-lasting benefits when repatriation and reintegration to country/place of origin occurs.

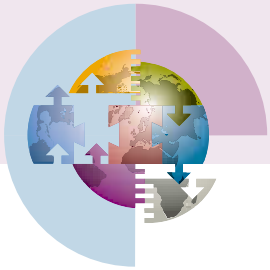
Risks

- Local deforestation, caused by using wood for fuel and building materials (including maintenance), may need to be managed.
- Water pollution from inadequate sanitation and poor waste management can have adverse effects on both refugees and host communities.
- Refugee/IDPs settlements can grow in an uncontrolled fashion, as they can attract in-migrants or returnees in order to take advantage of jobs, improved infrastructure and commercial opportunities. IDPs settlements may not fall under urban planning legislation, and people may be forced to live in highly vulnerable areas.
- Increased pressure on local resources may lead host communities to exploit natural resources elsewhere, for example by opening up new grazing areas.
- Governments providing asylum may request assistance with clean-up costs to rehabilitate environmental damage.
- Negative experiences of previous support to refugees/IDPs – such as serious environmental degradation – may prejudice future offers of assistance.

6.2 Examples of environmental screening notes (ESNs)

Further examples of screening notes can be found via DFID's PRISM system.

Example 1: Blank ESN



Environmental Screening Note (ESN)

Section A – Basic Information	
Project title:	
Project cost:	
Duration:	
Country:	
Department:	
Lead project/desk officer:	
Officer responsible for environmental screening:	
Brief description of intervention:	

Section B – Assessment
Environmental issues: (refer to checklists in the Environment Guide)
Next steps: (where possible indicate the responsible officer and the time frame)
Any other comments:

Section C – Sign off	
Environmental adviser:	**Date:**
Lead project officer:	**Date:**

Example 2: Land reform ESN

Environmental Screening Note (ESN)

Section A – Basic Information
Project title: Making land markets and post-transfer service delivery work for the poor
Project cost: £2 million
Duration: 18 months
Country: South Africa
Department: DFIDSA
Lead project/desk officer: A N Other
Officer responsible for environmental screening: A N Other
Brief description of intervention: Design and development of a programme of support to land reform and initial activities on land tenure policies, budget and information management, and support to the National Agricultural Farmers Union.

Section B – Assessment
Environmental issues: (refer to checklists in the Environment Guide) The programme as it stands is concerned with the development, rather than implementation, of land tenure policy. The programme will not lead to direct environmental impact. Although this programme of support does not include implementation, there are likely to be wider environmental implications resulting from the implementation of the policy. These are related to, for example, land utilisation and management; and waste management issues related to housing development, etc. This will be an important issue for the design and development of the longer-term programme of support. No environmental impacts are envisaged for this short-term support. Environmental impact will need to be explicitly considered during the design and development phase of the longer-term programme for land reform.
Next steps: (where possible indicate the responsible officer and the time frame) Environmental appraisal by DFIDSA Environment Adviser or environmental consultants and the inclusion of these issues as early as possible into the design and development of longer-term support. A N Other to ensure environment adviser (and consultants if necessary) are included in the design team for early identification and further investigations as necessary.

Section C – Sign off	
Environmental adviser: A N Other	**Date:**
Lead project officer: A N Other	**Date:**

Example 3: Direct budget support ESN

Environmental Screening Note (ESN)

Section A – Basic Information
Project title: Tanzania Poverty Reduction Strategy - Budget Support
Project cost: £135,000,000
Duration: 2002/03-2004/05
Country: Tanzania
Department: DFIDEAT
Lead project/desk officer: A N Other
Officer responsible for environmental screening: A N Other
Brief description of intervention: This proposal provides budgetary assistance over the 3 UK financial years 2002/3-2004/05 to support the implementation of Tanzania's Poverty Reduction Strategy

Section B – Assessment

Environmental issues: (refer to checklists in the Environment Guide)

Tanzania's annual growth rate projections are predicated on sound management of environmental resources. However, there are linkages between development, poverty and environment which could threaten the sustainability of these growth rates. Linkages include:

- Forest destruction, soil erosion, land degradation, pest diseases and water pollution having a severe detrimental impact on yields of export and food crops.
- The viability of key wetlands and river basins, including Lake Victoria, which provide economic services in agriculture, fisheries, transport, is under threat.
- Potential and existing adverse effects from the growth in the mining sector, most particularly in gold mining. GDP growth is strongly dependent upon the mining sector (especially in light of the collapse in many commodity prices). But open cast mining is causing problems of land degradation and reclamation, land ownership, and contaminated run off, which are impacting health and livelihoods of mine workers and of the surrounding and downstream communities.
- The depletion and mismanagement of water resources, is starting to limit the use of water for agricultural and industrial production and is affecting the hydroelectric industry, and therefore affecting all development through energy shortages.
- Environmental health issues limit people's ability to generate income – urban and rural income generation is considerably diminished by disease related to inferior water supply and sanitation.

Next steps: (where possible indicate the responsible officer and the time frame)

The Tanzania PRSP acknowledges the importance of environmental management for poverty reduction initiatives. However, in its current form the PRSP does not develop any strategy for ensuring that environmental management features in future poverty reduction activities. Senior representatives in certain key ministries have recognised the inadequate coverage of environmental management in the PRSP, and the GoT has committed itself to specifying more comprehensively the fundamental links between poverty and environmental issues in future versions of the PRSP and other strategic planning processes – including rural development, agricultural and energy development plans. In addition, GoT is beginning a comprehensive process for developing a national environmental management framework which will make sure priority environmental outcomes are mainstreamed into the PRS.

DFID will collaborate with other donors to support GoT in this process, and will give targeted technical assistance in those areas in which DFID has comparative advantage, either as an integral part of planned DFID interventions (both budget support and "off-budget"), or as part of another donor led programme of support to environmental mainstreaming. DFID technical assistance might include, for example:

- Identifying opportunities for maximising local authority revenue collection for poverty alleviation and sound management of environmental resources;
- Analysing and addressing the social, economic and environmental issues faced by artisanal miners and mining companies, within the context of the promotion of sustainable development, and promotion of better accountability and greater transparency with respect to those involved in the export of mined resources;
- Integration of poverty/environment interactions into a new Social Accounting Matrix;
- Development, and use of poverty-environment indicators to monitor the sustainability of strategic plans;
- Analysis of environmental issues which are of significance to trade liberalisation in Tanzania;
- Ongoing support to the development of an institutional and legal framework for environmental management

In addition, DFID has seconded a full-time Environment Advisor into UNDP Tanzania to work on a daily basis with Government and other stakeholders. The advisor will continue the policy dialogue, leading to integration of environment issues into the Tanzanian PRS, the poverty monitoring system, the Public Expenditure Review (PER) and Medium Terms Expenditure Framework (MTEF) process. The advisor will be in post in October 2002.

Any other comments:

The National Environmental Management Council, following an internal process of strategy planning and prioritisation, is focusing on greater involvement in future iterations of the PRSP, particularly with regard to sectoral discussions on environmental mainstreaming, identification of appropriate environmental indicators to enable monitoring of a cleaner environment and its links with sustained livelihoods and strengthening environmental management capacity at district level.

Section C – Sign off	
Environmental adviser: A N Other	**Date:**
Lead project officer: A N Other	**Date:**

Example 4: Health sector ESN

Environmental Screening Note (ESN)

Section A – Basic Information

Project title: Orissa - Sector support to Health

Project cost: £100 million

Duration: 10 years

Country: India

Department: DFID India

Lead project/desk officer: A N Other

Officer responsible for environmental screening: A N Other

Brief description of intervention: It is proposed that DFID provide a ten-year support to the health sector, coinciding with Government of Orissa's 'Health Vision – 2010'. The **goal** of the project is to improve the health status of people in Orissa. The project **purpose** is to provide equitable quality health services for poor people in accordance with the GoO draft 'Vision' for the health sector, to be implemented over the next 10 years. The health strategy will seek to strengthen decentralised health planning and management systems, including financial, human and other assets. It will also seek to improve core areas of health service provision with better targeting towards the needs of the poor, establish mechanisms for inter-sectoral working, and also enhance partnership with civil society and the private sector.

Section B – Assessment

Environmental issues: (refer to checklists in the Environment Guide)

There are two distinct but inter-related issues to consider in this kind of decade-long health sector intervention. The first relates to the overall analysis of problems that prevent the achievement of project goal – the causes of ill-health. This suite of issues should be addressed in design, and some, of relevance to environment, are listed under any other comments.

The second set of issues are associated with the impact of project-supported interventions. These are both those which have an explicitly adverse environmental impact in nature, and those where judicious intervention and appropriate sensitisation and education can prevent or mitigate problems. This ESN focuses on the second array of issues, which can be grouped as follows:

(a) waste to air, water and land from health facilities and health machinery;
(b) logistics of the health system – for example, the need for and use of transport;
(c) the health system basic infrastructure, its capital and operational costs;
(d) the use of medicines/treatment processes – and environmental contamination that may ensue; and

(e) human resources – their sensitisation to environmental concerns, and their interaction with different elements (a)-(d).

Environmental impacts will be widely variable. The critical issue for design is to list all those reasonably possible, identify those of potentially high impact and mitigate through implementation.

Next steps: (where possible indicate the responsible officer and the time frame)

Strategic Environmental Assessment is required as a component of project design. This should examine basic data available on baseline levels of "medical" products and by-products in the environment; assess the basic facilities and information gathering/monitoring and surveillance systems available; review opportunities for mitigating all relevant solid and liquid waste streams from health facilities supported by the programme through effective application of the GoI Biomedical Waste Management rules. Infrastructure provision, the costs and sources of materials, operational costs and opportunities for reduction of impacts and costs, and energy and fuel consumption/mitigation should be examined. General opportunities for green housekeeping in health sector facilities, and environmental impact reduction associated with health logistics should be identified and options recommended. Where appropriate, the project design should consider the necessity of training health sector workers in hygiene awareness/education, HIV/AIDS awareness and the like.

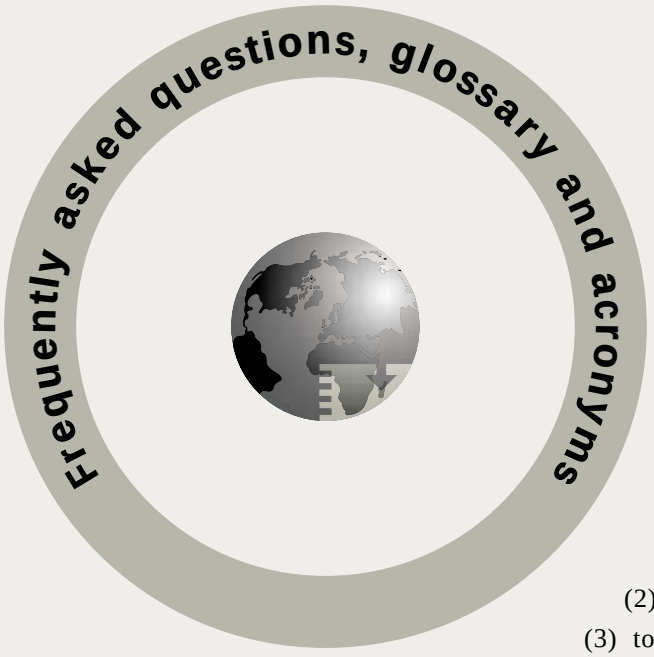
The Project officer needs to ensure that the Environment Adviser drafts Terms of Reference for Strategic Environmental Assessment, and that they are agreed with the GoO. This SEA should be carried out as part of project design. The ToR should include provision for identifying appropriate on-going project implementation and mitigation activities that address items (ii)- (v) above. The project design should provide for appropriate resources for design and implementation.

Any other comments:

The project design should ensure that the health sector strategy addresses a fundamental analysis of the causes of morbidity and mortality in the population, particularly in mothers, infants and the elderly. Where these are related to environmental factors such as the need for potable water, better indoor air quality, improved sanitation, reduction of mosquitoes/other disease vectors, then the project design should explore multi-disciplinary and multi-institutional mechanisms by which the goal can best be achieved. Complex matters, that are out of control of the health ministry, such as food safety, occupational health and pesticides in foodstuffs, which nevertheless are likely to have a bearing on health outcomes, should be addressed through project design and more holistic DFIDI-Go Orissa State Partnership dialogue.

Section C – Sign off

Environmental adviser: A N Other	**Date:**
Lead project officer: A N Other	**Date:**



7

7.1 Frequently asked questions

What are the objectives of environmental screening?

There are three objectives:

(1) to identify and exploit environmental opportunities

(2) to identify and manage environmental risks

(3) to ensure that DFID activities are consistent with partner country, UK and international policies.

Does environmental screening need to be carried out for all DFID interventions?

Screening is mandatory for all projects or programmes above £1 million. Below this threshold, screening is also required where there are potential environmental impacts. It will be difficult to decide whether there are potential impacts unless you screen, and so it is strongly recommended that screening be carried out even below this threshold.

Is screening required for Direct Budget Support (DBS)?

Yes. With DBS, screening provides an opportunity to consider the wider environmental impacts of national plans (such as Poverty Reduction Strategies). Screening can identify measures to mainstream environmental sustainability into national policies.

Is it important to consider partner country legislation on environmental issues?

Yes. Many partner countries have environmental legislation and regulations. At a minimum, DFID interventions must comply with these. This might mean, for example, that an environmental impact assessment should be carried out.

What comes after completion of an environmental screening note (ESN)?

If there are no significant environmental impacts, no further environmental study is needed. But if screening highlights important environmental issues, steps must be taken so they can inform project design and implementation. In some cases, there will be a need for further environmental analysis. The ESN section called Next Steps should explain what actions will be taken, and by whom.

Are there any international agreements to take into account?
Certain projects or programmes, particularly those to be developed in or near environmentally sensitive areas – such as wetlands, forests or deserts – may need to comply with multilateral environmental agreements of which the UK or partner countries are signatories or supporters.

How do we deal with co-funded projects?
The environmental procedures and standards of most other development assistance agencies and development banks are acceptable to DFID. However, a screening note should still be completed where DFID contributions exceed £1 million. As a minimum, the screening note should explain whose environmental procedures would be followed. Screening may also identify additional opportunities for consideration. DFID has a responsibility to ensure that the procedures and standards set out in the lead donor's environmental guidelines are adhered to effectively.

7.2 Glossary

Country environmental analysis

A World Bank approach, currently being piloted, that aims to integrate environmental considerations into poverty reduction and development strategies by looking at:

- poverty-environment links in a country;
- the likely environmental impacts of the Poverty Reduction Strategy; and
- key institutional and capacity requirements.

Direct Budget Support

A form of programmatic aid in which:
(a) funds are provided in support of a government programme that focuses on growth and poverty reduction;
(b) funds are provided to a partner government to spend using its own financial management and accountability systems.

Environment

For the purpose of this guide, the environment includes all aspects of the living and non-living world around us, and the goods and services it provides. It encompasses the built environment, the natural environment and all natural resources, including air, land and water. The environment therefore provides sustenance to humanity and is the foundation for social and economic development.

Environmental appraisal

A series of actions, which take place throughout the cycle of policy, programme and project activities, aimed at identifying and evaluating environmental concerns and opportunities and taking required actions.

Environmental audit

A systematic and documented process of auditing an existing project or programme to determine whether specified environmental activities have been undertaken to an appropriate standard.

Environmental hazard

A natural or man-made event or situation that has the potential to cause harm or loss.

Environmental impact assessment

A multidisciplinary, comprehensive and detailed study of the expected significant interactions between a proposed development and the environment within which it is to be implemented.

Environmental management system

A management tool to improve environmental performance. An EMS gives order and consistency for organizations to address environmental performance through the allocation of resources, assignment of responsibility and ongoing evaluation of practices, procedures and processes.

Environmental opportunities

Opportunities to integrate environmental sustainability into a proposal while considering costs, benefits and impacts on the poor.

Environmental risk

Risk of direct or indirect damage to the environment, which could lead to adverse impacts on people, their livelihoods and the wider economy.

Environmental screening	The initial step in the process of determining the likely environmental opportunities and risks of an intervention and the steps needed to address them.
Environmental sustainability	The ability of an intervention to continue achieving its objectives in the long-term, without inflicting adverse or irreversible effects on the environment or the community.
Genetically-modified organisms	Any organism containing genetic material that has been modified by means of modern biotechnology.
Logical framework or log frame	An aid to logical thinking and a means of structuring and designing a project for analytical purposes. It is also a tool for project management and evaluation and must be kept constantly under review.
Mitigation	Actions to prevent, avoid or reduce damaging impacts.
Monitoring	The tracking of the environmental impacts of an intervention. It involves selection of an indicator such as woody vegetation cover and measuring it over a specific time period to detect whether it is increasing, decreasing or is stable. Monitoring can also be used to check implementation of mitigating measures.
Participatory poverty assessment	A process that aims to ensure the participation of local people in the analysis of poverty and policy, enabling a deeper understanding of poverty.
Poverty-environment indicators	Indicators that reflect trends in poverty levels and conditions, through a change in the state of the environment.
Poverty reduction strategy	A document describing the country's macro-economic, structural and social policies and programmes to promote growth and reduce poverty as well as associated external financing needs and major sources of financing. Usually prepared in collaboration with World Bank, International Monetary Fund, civil society and other development partners.
Poverty reduction support credit	Support provided by the World Bank for countries that are eligible for International Development Association loans. The PRSC supports the implementation of the country's poverty reduction strategy.
Strategic environmental assessment	SEA is a process for analysing the environmental consequences of proposed policies, plans, programmes and other strategic choices and actions in order to ensure they are addressed at the earliest stages of decision-making on a par with economic and social considerations.
Sustainability impact assessment	A generic term for assessment approaches based on the broad integration of environmental, social and economic dimensions of policies, plans and programmes.

7.3 Acronyms

The following acronyms have been used in the text:

CBO	Community-based organisation
CEA	Country environmental analysis
CSO	Civil society organisation
DBS	Direct Budget Support
EAP	Environmental action plan
EIA	Environmental impact assessment
EIS	Environmental impact statement
EMS	Environmental management system
EMP	Environmental management plan
ESN	Environmental screening note
GMOs	Genetically-modified organisms
IMF	International Monetary Fund
MEA	Multilateral environmental agreement
MDGs	Millennium Development Goals
MOVs	Means of verification
MTR	Mid-term review
NGOs	Non-governmental organisations
OECD	Organisation for Economic Cooperation and Development
OPR	Output-to-purpose review
OVIs	Objectively verifiable indicators
PIMS	Policy Information Marker System
PPA	Participatory poverty assessment
PRSC	Poverty Reduction Support Credit
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PSIA	Poverty and Social Impact Analysis
SEA	Strategic environmental assessment
SME	Small and medium-sized enterprises
SoE	State owned enterprises
UNCTAD	United Nations Conference on Trade and Development
WTO	World Trade Organisation