Integration of environment, including climate change in EC development co-operation: Tools and Methods

EUROPEAN
COMMISSION

Objectives of the Seminar

- **<u>Global objective:</u>**

  You are more competent to integrate the environment including climate-related aspects in the planning and implementation of development aid interventions.

- **<u>Specific objectives</u>:**

  – You have a better understanding of how the environment relates to your work/sector of activity
  – You get acquainted with the main tools and methods for environmental integration
  – You are more capable to identify and implement appropriate actions to integrate the environment at the various stages of the operations cycle and in relation to the main aid delivery methods

Part 1:
Process and analytical basis for programming

Environmental integration in the cycle of operations

- Project cycle
- Sector policy support programme (SPSP) cycle
- General budget support (GBS) cycle
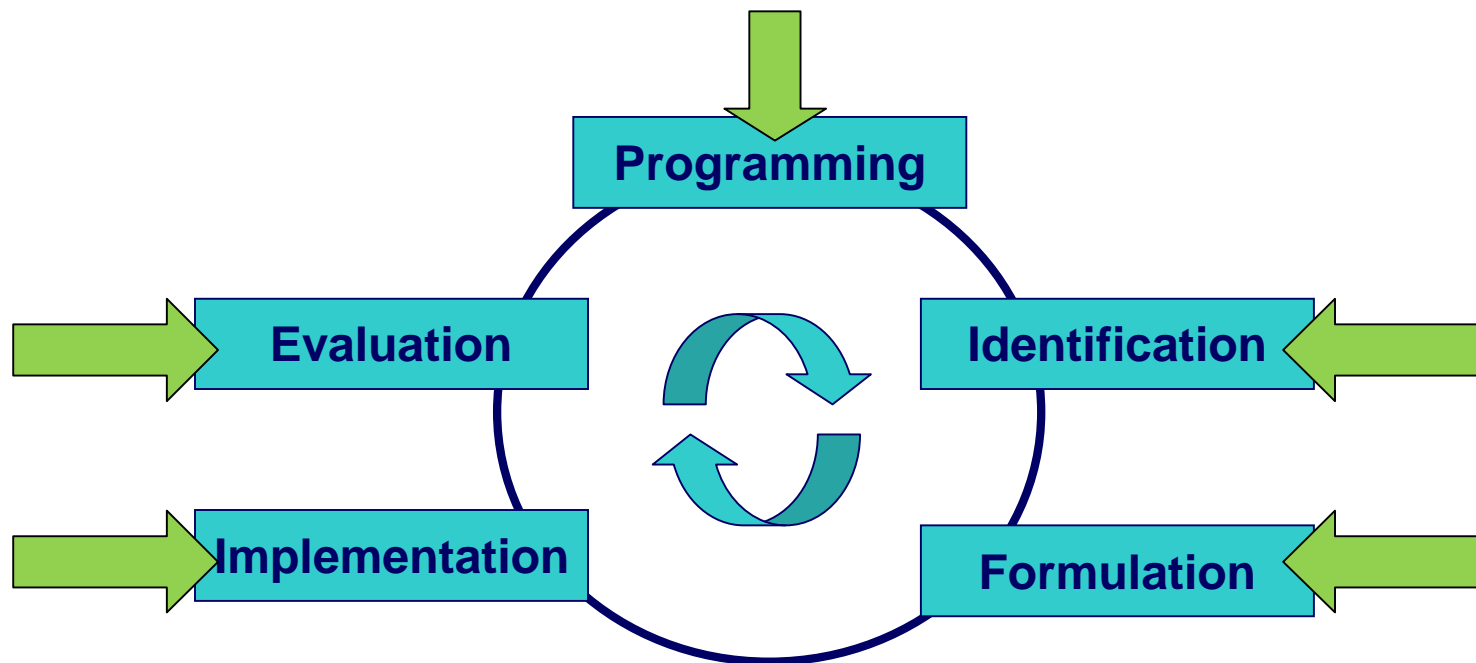
Steps in multi-annual programming
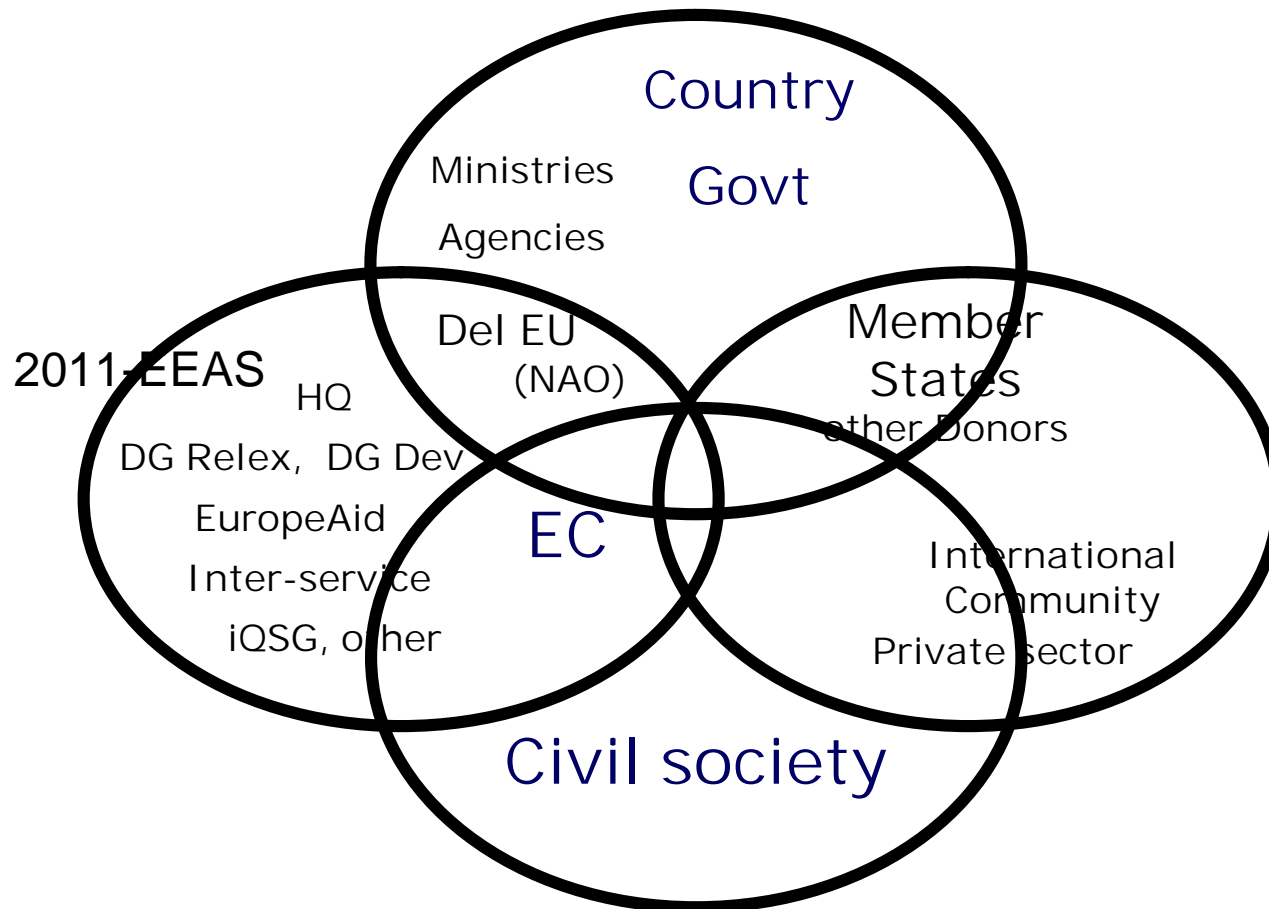
- Analysis of the situation
- Review of national and donor priorities
- Identification of the response strategy and focal sectors
- Design of the intervention framework

- Multiannual programming is subject to a mid-term review that allows for adjustments based on:
    - o Implementation experience during the first period
    - o The evolution of the situation (e.g. new political priorities)

Programming documents

- Country Strategy Paper (CSP)

  - Analysis: political, economic, social, and ENVIRONMENTAL

  - Policy agenda

  - Past and on-going co-operation

  - Response strategy

- National Indicative Programme (NIP) / Multi-annual Indicative Programme (MIP)

  - Indicative budget

  - Priorities and actions

  - Alignment and harmonisation

Actors

Country Govt

Ministries

Agencies

Del EU (NAO)

2011-EEAS

HQ

DG Relex, DG Dev

EuropeAid

Inter-service

iQSG, other

EC

Member States

other Donors

International Community

Private sector

Civil society

National programming

EuropeAid

EC programming

Evaluation & audit

Identification

Implementation

Formulation

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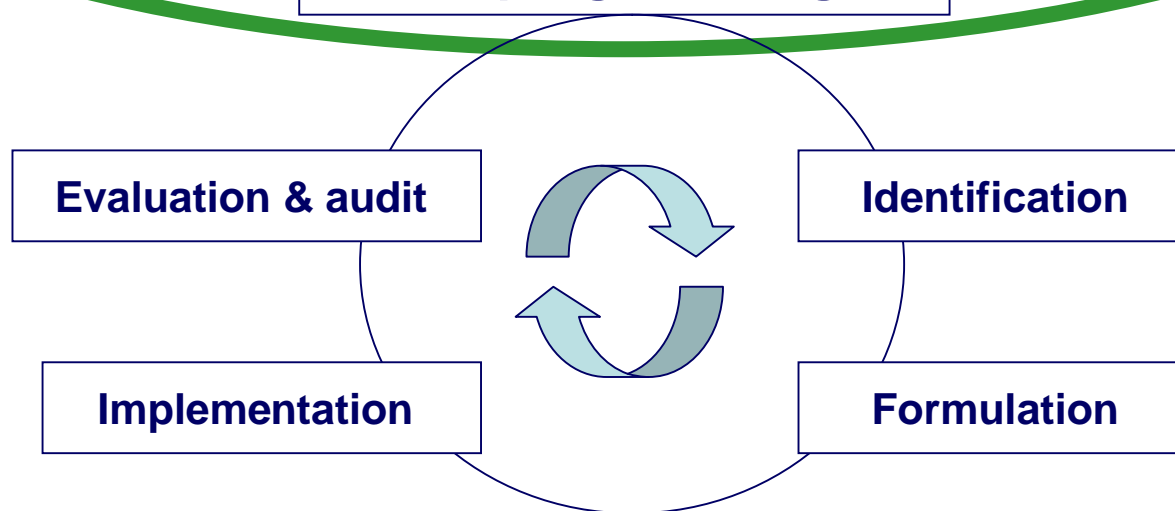
Country Environmental Profile

- Identifies and assesses the environmental issues to be considered during the preparation of the Country Strategy Paper / National Indicative Programme (or on the occasion of the mid-term review of programming documents)

    - identifies the main environmental challenges incl. climate-related aspects

    - highlights the main links between the environment climate, the economy and poverty reduction

    - contains information to facilitate <u>dialogue.</u>

- This is <u>not</u> an over technical document: it must be accessible to non-environmentalists

Appreciation of a CEP

Framework Contract AMS/451 Lot N°6
Request for Services N°2005/102581

Country Environmental Profile

Indonesia

Draft Report

July 2005

MWH

CEP overall structure

1. Summary
2. <u>State of the environment</u> -> inputs for the "analysis of the environmental situation" in the CSP
3. Environmental policies, legal and institutional framework
4. Implications of climate change
5. EU and other donors' co-operation from an environmental perspective
6. <u>Conclusions and recommendations</u> -> to be considered in the design of the response strategy

CEP: conclusions and recommendations

- How best to address environmental issues, their relative priority and challenges of implementation

- Identify opportunities, direct interventions and safeguards for other activities

- Any recommendations for additional studies (SEA) ?

Sources and resources for drafting a CEP

- Sources of information:
    - partner government institutions
    - other organisations (e.g. local or international NGOs, research institutes)
    - international organisations (e.g. World Bank, UNEP, World Resource Institute, FAO)
- Take stock of available information and identify missing information
- Use internal resources (desk, Delegation) if available, add external resources according to needs (usually framework contract)
- Perspectives: towards a single CEP shared by government and development partners?

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CEP practical issues

- Duration
  - o Approx. 4 months between start of contract and final report

- Cost
  - o Varies according to size and complexity of country and availability of information

- Length
  - o 40 pages + annexes

- Expertise required
  - o Generally 2 experts, of which one "generalist of the environment"; familiarity with EC programming; country experience

Regional Environmental Profile

- Commissioned for a region to inform the Regional Strategy Paper / Regional Indicative Programme

- Same format as the CEP, but focused on:

  - The identification and assessment of regional environmental opportunities and challenges

  - Issues that are better addressed through a regional (supranational) approach

    - e.g. shared resources (management of cross-border watersheds, some fisheries…), trade-related issues, etc.

- The REP is <u>not</u> a substitute for country profiles – rather, it complements them

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Environmental integration in the CSP

Possible entry points	**Issues to be addressed**
• Co-operation objectives	• Sustainable development objectives
• Analysis of the country situation	• Key environmental issues (incl. climate change), links with social and economic situation
• Partner country's policy agenda	• Environmental policy, multilateral environmental agreements
• EC and other donors' co-operation	• Actions taken to integrate the environment, results obtained, donor coordination
• Response strategy	• Proposed approach to integrate the environment
• Annexes	• CEP summary

Possible outcomes of environmental integration in the CSP and the NIP

- 'Environmental and natural resource management' chosen as a focal sector

- Objectives, approaches and strategies for focal sectors reflecting adequate consideration for environmental issues (incl. commitment to undertake SEA/EIAs)

- Actions related to environmental and natural resource management in the framework of non-focal sectors

- Concern for environmental sustainability reflected in intervention objectives and associated indicators (NIP)

- 'Environmental ' identified as a theme to be raised in the policy dialogue

- Indicative budgets for the actions identified

Environmental integration outcomes Example Indonesia CSP

- o "Focal sector: education
  - Promoting environmental education
- o Focal sector: trade and investment
  - Eco-labelling and certification processes
  - Improvement of environmental standards
  - Investment in sustainable energy
  - Energy efficiency and renewable technologies
- o Focal sector: law enforcement and justice
  - Actions to fight illegal logging
  - Proposed indicator: number of law enforcement personnel trained to effectively address illegal activities affecting the environment, including illegal logging"

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Programming: mid-term review

- Critical assessment of environmental integration in programming documents may reveal some weaknesses or missing issues
  - o e.g. failure to consider the implications of increasing water scarcity
- The mid-term review of programming documents provides and opportunity to address these weaknesses
- It also provides an opportunity to consider new issues e.g. climate change
- 2009 mid-term review: a series of "sector scripts" on climate change were prepared to support thinking on climate change adaptation and mitigation in a variety of sectors
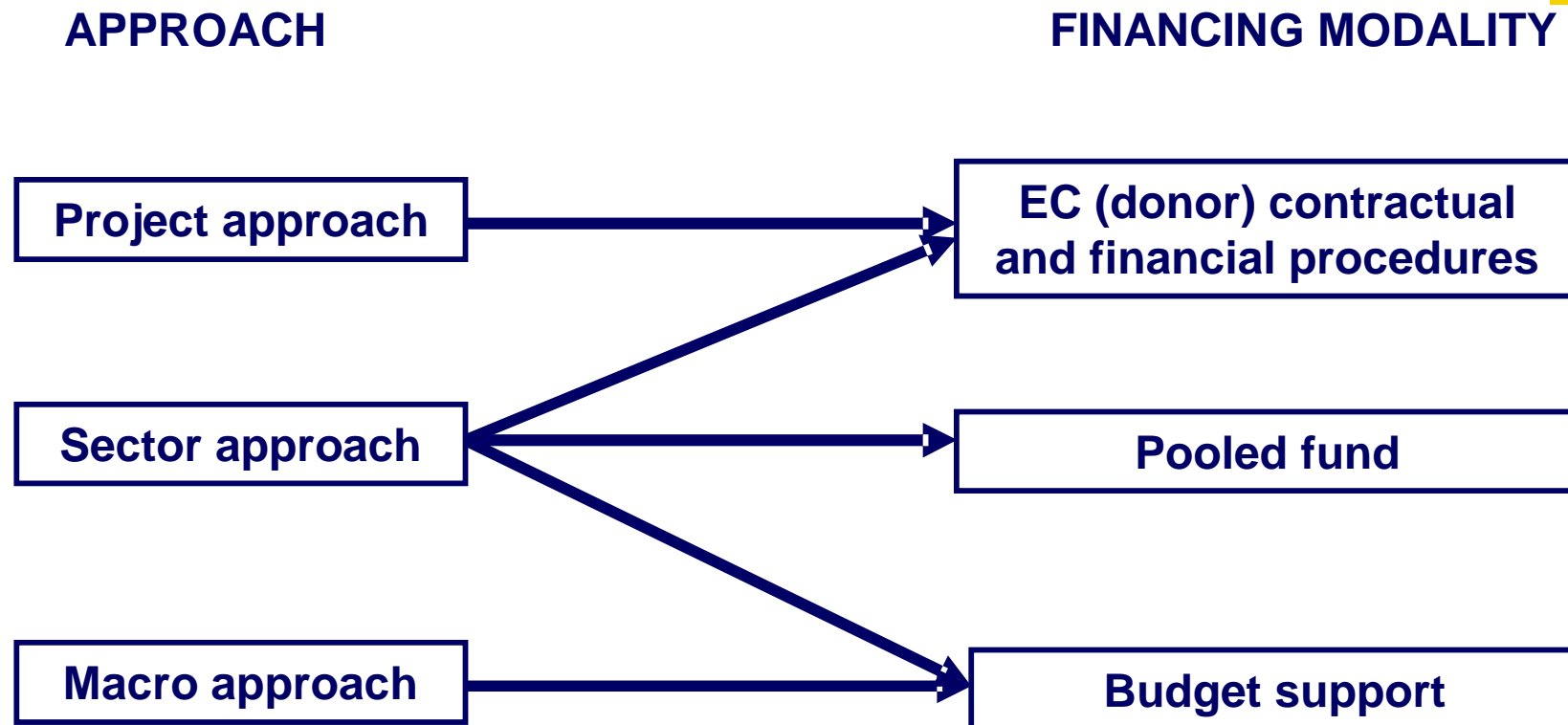
CEP, CSP/NIP & policy dialogue

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│   CEP    │ ───▶ │   CSP    │   NIP    │ ───▶ │environmental │
│          │      │          │          │      │ integration  │
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     │      │ situation│    │  political   │    │ tools &      │
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     │                                          │ further      │
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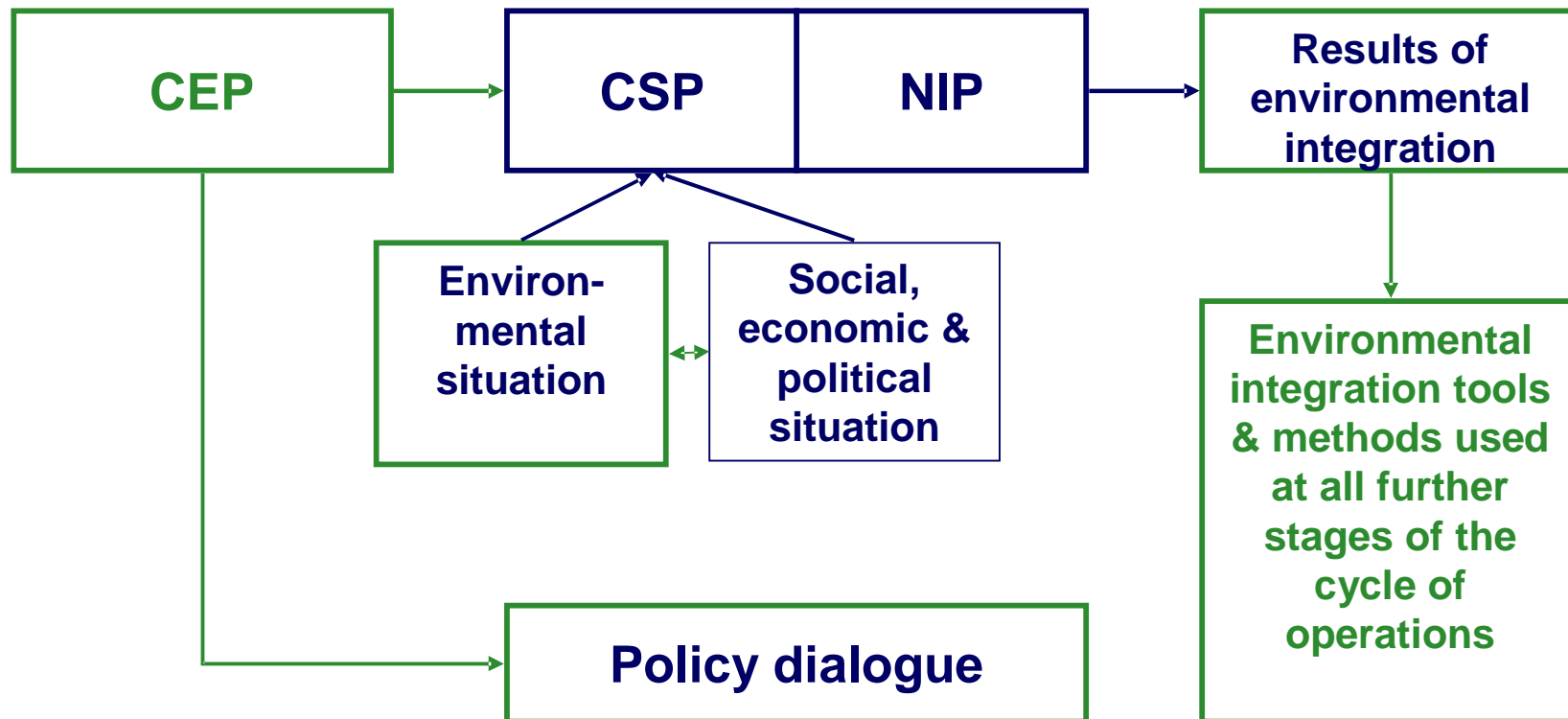
Session 1:
From identification to evaluation

Overview of aid delivery methods

APPROACH

FINANCING MODALITY

|	
Project approach	EC (donor) contractual and financial procedures
Sector approach	Pooled fund
Macro approach	Budget support

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Session 2:
Projects – Identification: the 'greened' logframe

Identification: reminder

- The identification phase involves:
  - o Identifying project ideas that are consistent with the partner country's and the EC's development objectives and strategies

  - o Assessing the relevance and likely feasibility of these project proposals

  - o Pre-selecting proposals, options and alternatives that look worth financing and will be subject to more detailed formulation

- This phase of the cycle of operations results in the drafting of an Identification Fiche

Greening the "problem tree"

**Identify environmental problems –
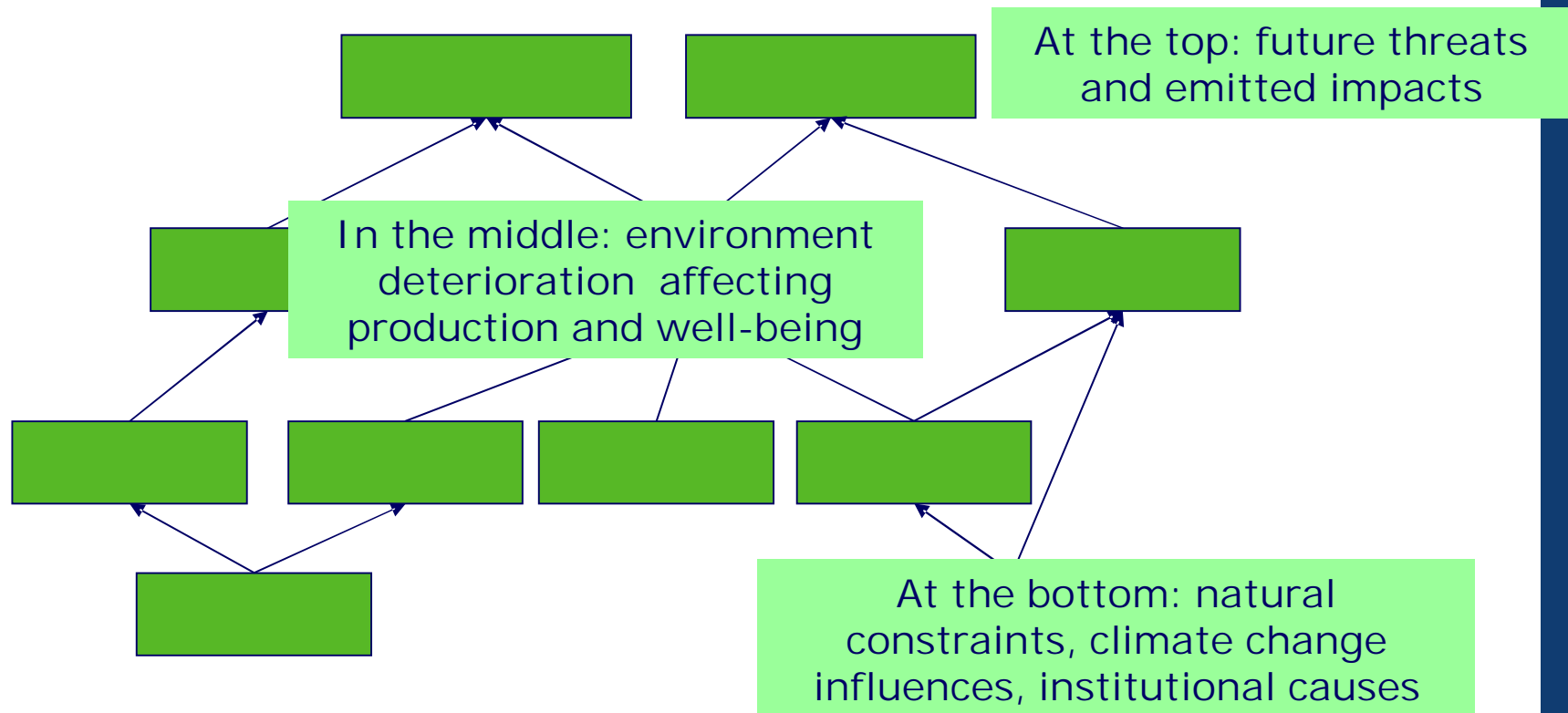3 pillars**

Effects
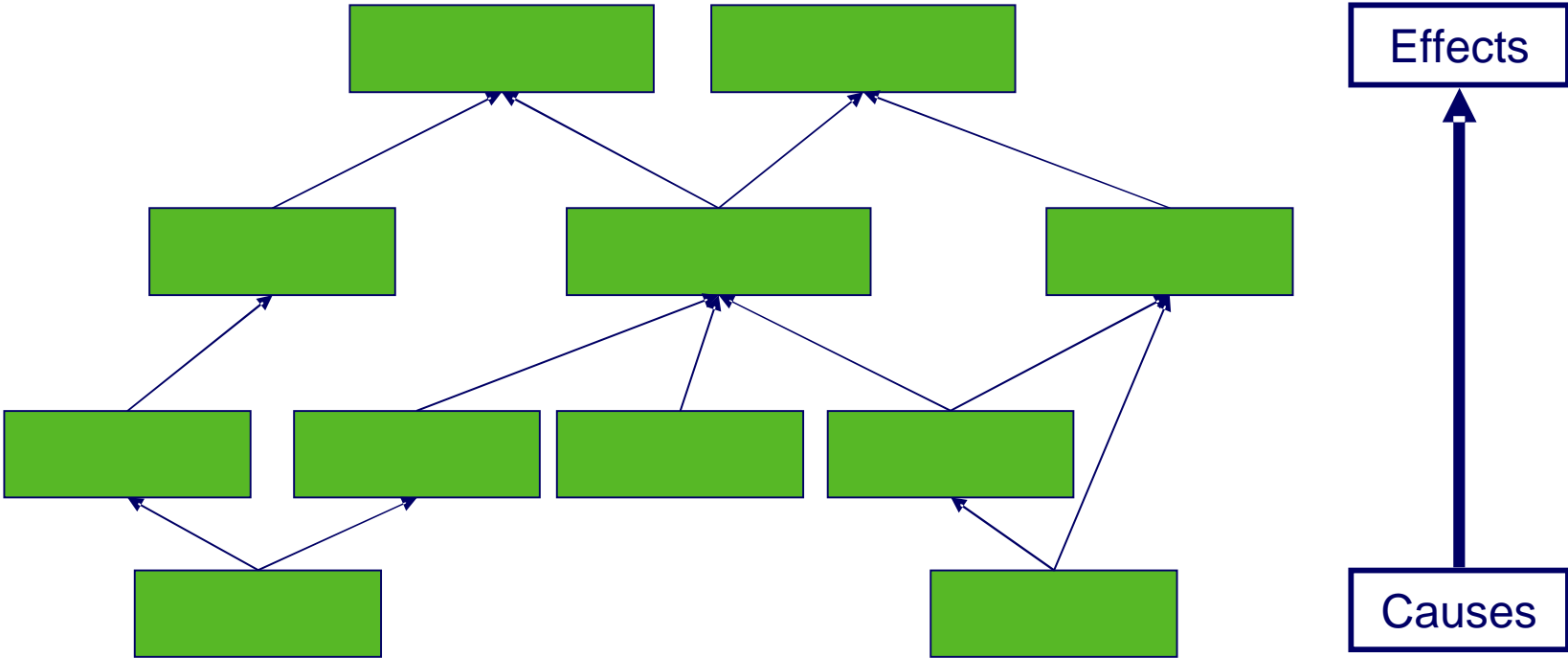
Causes

What kinds of problems ?
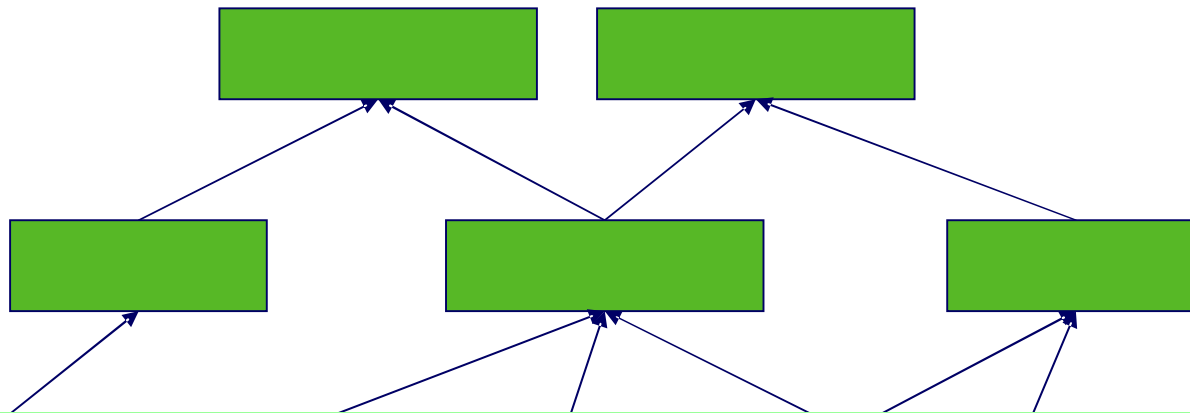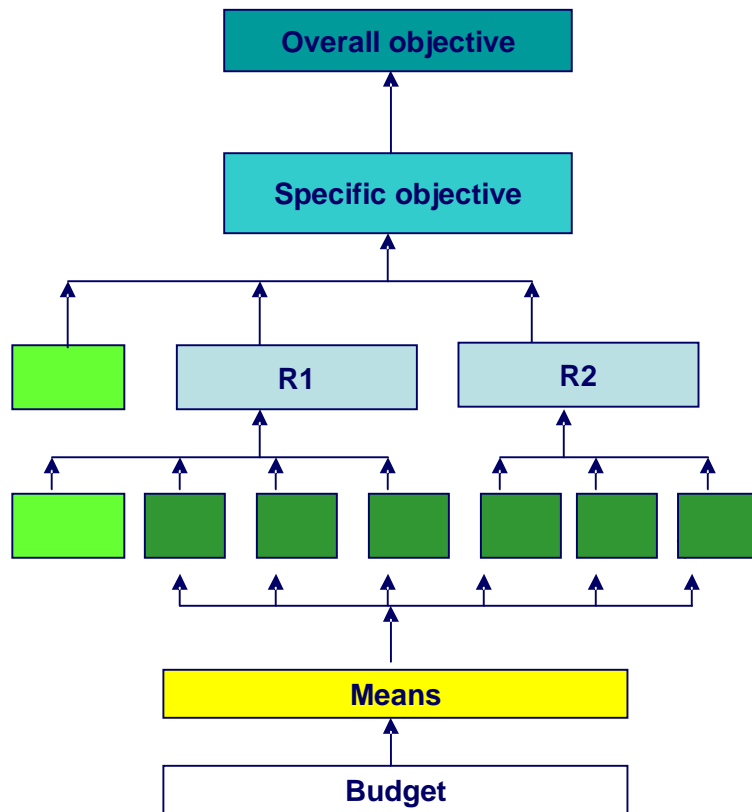
- Trends contributing to future problems?

- Global or external problem contributions?

- Environmental causes of social and economic problems?

Where are the problems?

At the top: future threats and emitted impacts

In the middle: environment deterioration affecting production and well-being

At the bottom: natural constraints, climate change influences, institutional causes

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Building the logical framework

Intervention logic

Logical framework

Overall obj.	OVI	Sources of verification	
Specific obj.			Assumptions
Result 1			
Result 2			
Activity 1.1	Means	Costs	
Activity 1.2			
Activity 1.3			
Activity 1.4			
Activity 1.5			
Activity 1.6			

The "greened" or balanced logframe

- Built on the basis of adequate consideration of environmental issues in stakeholder analysis and problem analysis (and then in objective and strategy analysis)

- Integrates the environmental dimension:

  o In the identification of objectives and expected results

  o but also in the choice of "environmentally sustainable" indicators

  o And in the formulation of the risks and assumptions on which project success depends

- See Annex 6 of the Guidelines

Indicators and environment

- In the logframe, OVIs $^{(*)}$ are variables that allow measurement of the achievement of objectives and results; they are associated with targets (= quantified objectives defined in time)

  $^{(*)}$ Objectively verifiable indicators

- <u>Environmental indicators</u> are selected to measure:

  o the achievement of environmental objectives (if any)

  o the implementation of some environmental requirements linked with other objectives ("mainstreaming-related" indicators)

- When choosing <u>non-environmental indicators</u>, preference should be given to indicators that are not associated with negative environmental pressures or impacts (<u>sustainable development indicators</u>)

Part 2: Environmental screening

Project screening – concept
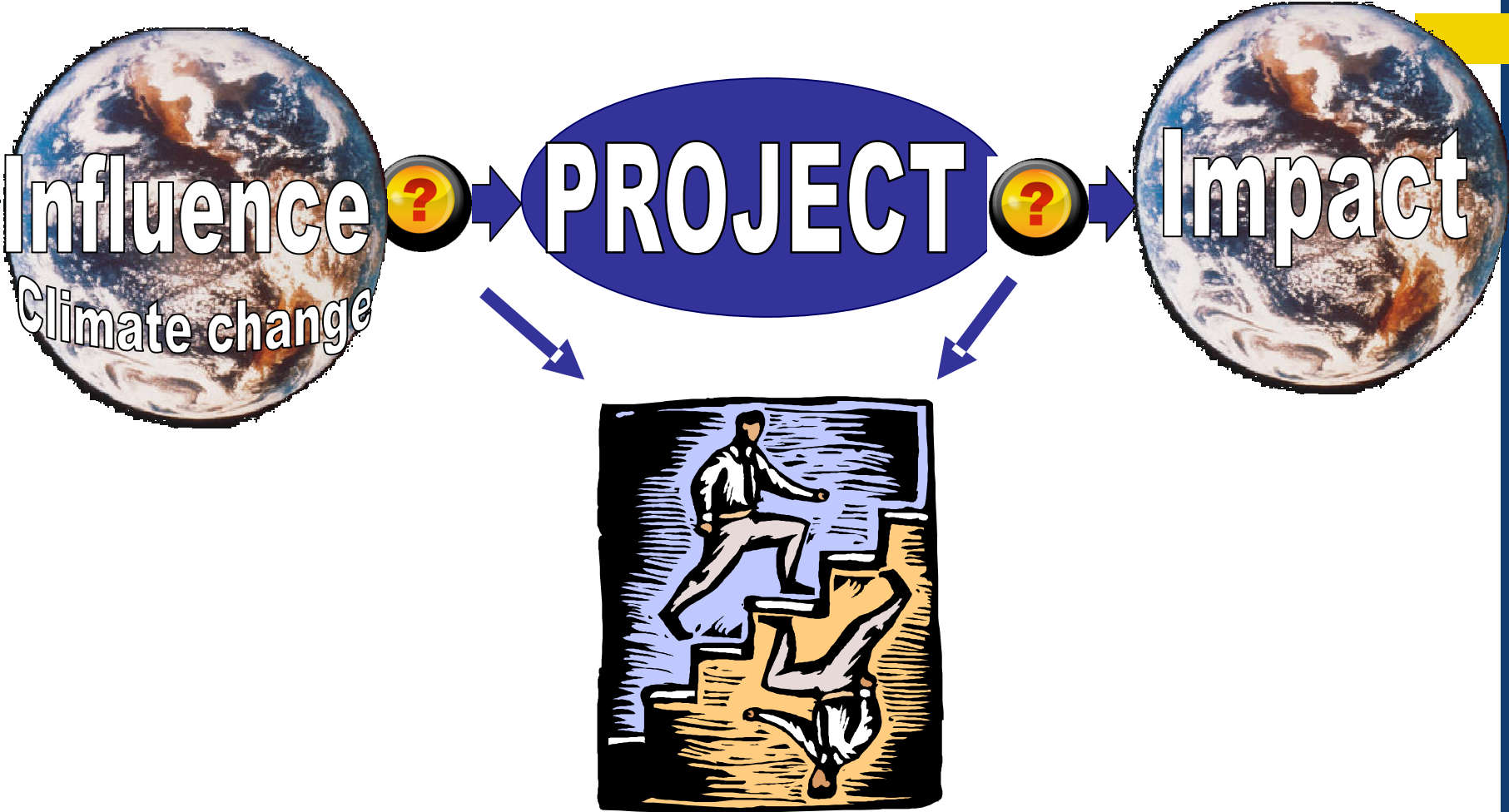
Screening for impact

- Is there a legal requirement under national legislation for an EIA to be conducted ?
- Would an EIA be recommended in conformation with a policy commitment?
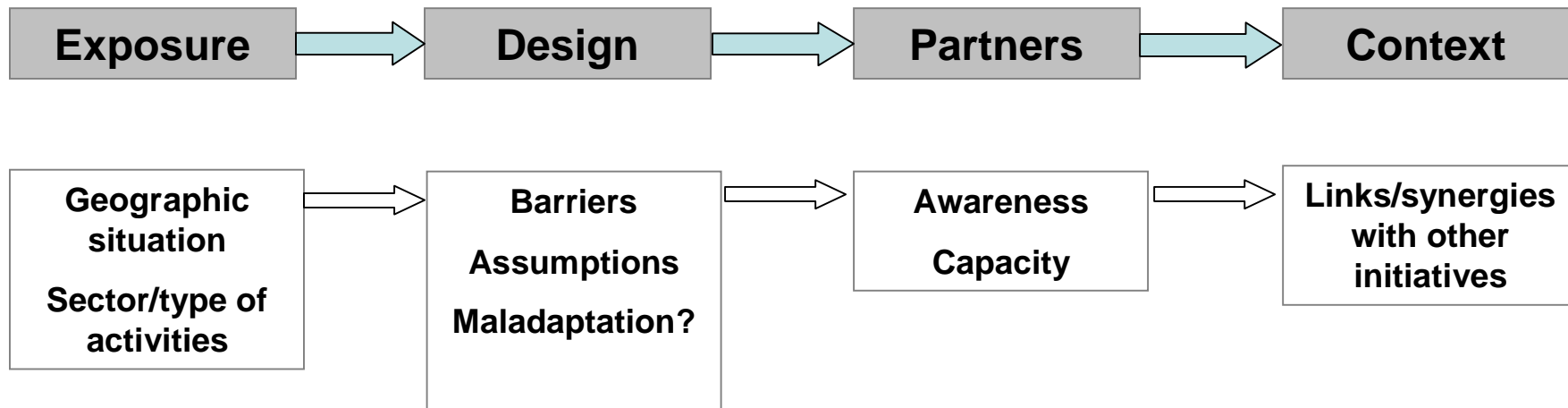
Annex 7 – project lists and questions
Project EIA classes:

- A – significant impacts expected – EIA required
- B – some uncertainty, further analysis necessary to decide if EIA required
- C – no significant impacts expected – EIA not required

Climate screening process

n **Carried out alongside screening for EIA**

n **Guidance in Annex 7**

Exposure	→	Design	→	Partners	→	Context

Geographic situation **Sector/type of activities**	→	**Barriers** **Assumptions** **Maladaptation?**	→	**Awareness** **Capacity**	→	**Links/synergies with other initiatives**

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Project environmental screening: summary

Outcomes of environmental impact screening

| Cat. A | → | EIA required | → | Address impacts in EIA |

| Cat. B | → | No EIA | → | Address impacts in formulation study |

| Cat. C | → | No EIA | → | No further specific action required |
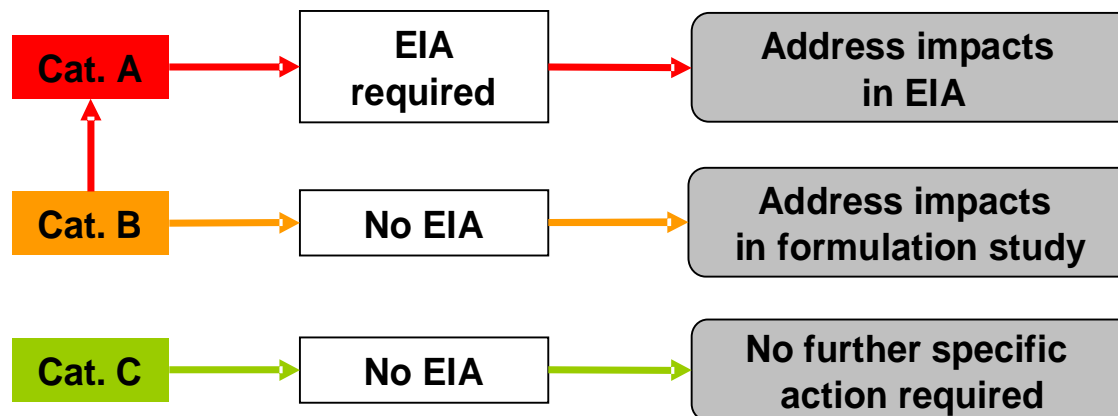
Outcomes of climate risk screening

| Project at risk | → | Address in formulation study (or in EIA) |

| Low or no risk | → | No further specific action required |
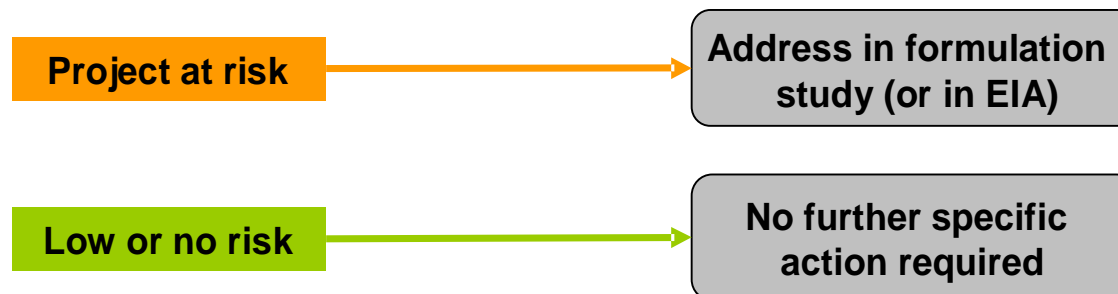
Session 1: Identification Fiche

Identification Fiche: possible entry points for environmental integration

Conclusions resulting from the identification phase

- o Policies/Strategies of partner government
- o Problem analysis/Strategies
- o Lessons learned
- o Stakeholder analysis
- o Assumptions and risks
- o Objectives and expected results
- o Cross-cutting issues/Sustainability
- o Budget
- o Next steps, work plan and time schedule

Env'l policy

Sustainability

Problem tree

Groups affected by env'l/climatic impacts

Climate-related risks

Screening

Resources for env'l measures

EuropeAid

Formulation: reminder

- The formulation phase involves:

  o Confirming the relevance and feasibility of the project proposal presented in the Identification Fiche

  o Preparing a detailed concept of the project, incl. management and coordination arrangements, a financing plan, financial and economic analysis, risk management, monitoring, evaluation and audit arrangements

- This phase of the cycle of operations results in the drafting of an Action Fiche and the preparation of a Financing Agreement

Studies potentially undertaken during the formulation phase

- Technical feasibility study

- Environmental impact assessment

- Possibly, climate risk assessment

- Financial and economic analysis

- or a single "formulation study" covering, with variable focus, these various aspects of the project

Session 2: Projects that do not require an EIA

Projects that do not require an EIA

- The ToR of the <u>feasibility / formulation study</u> should include provisions for the analysis of:

  o Environmental and natural resource-related conditions (positive and negative) that may affect the effectiveness, efficiency, sustainability or impact of the project ("opportunities, risks & constraints")

  o Potential (positive and negative) environmental effects of the project on the environment ("impacts generated")

- Annex 9 of the Guidelines provides guidance on integrating environmental issues in formulation studies, including climate-related risks if any

Projects without EIA

Formulation study

Formulation study

Project

Impacts generated

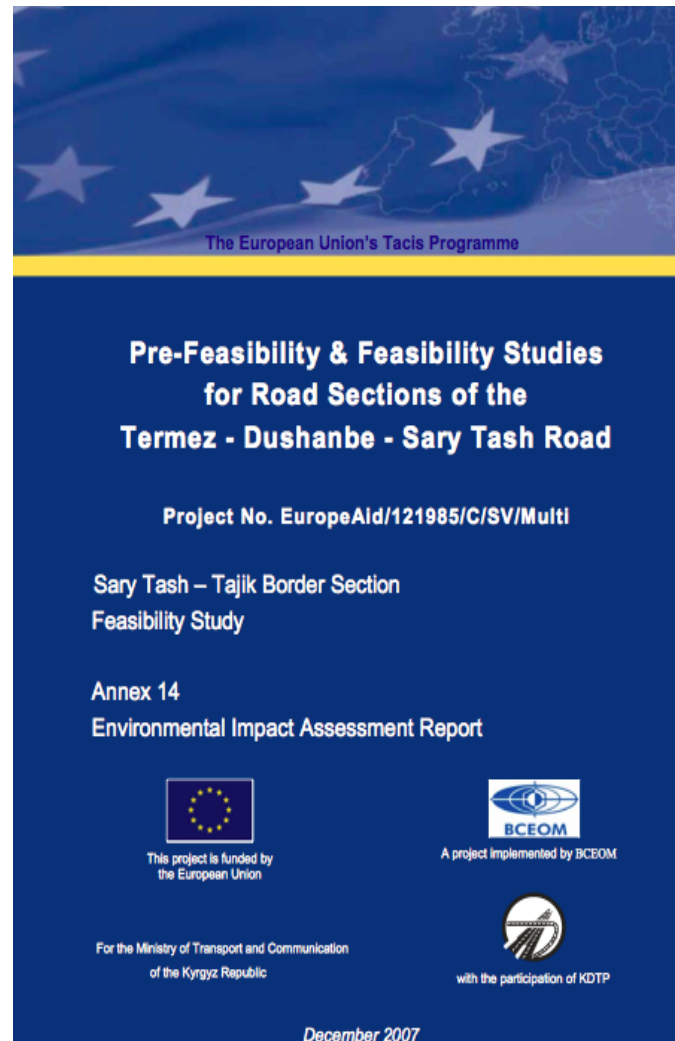**Opp., risks & constraints**
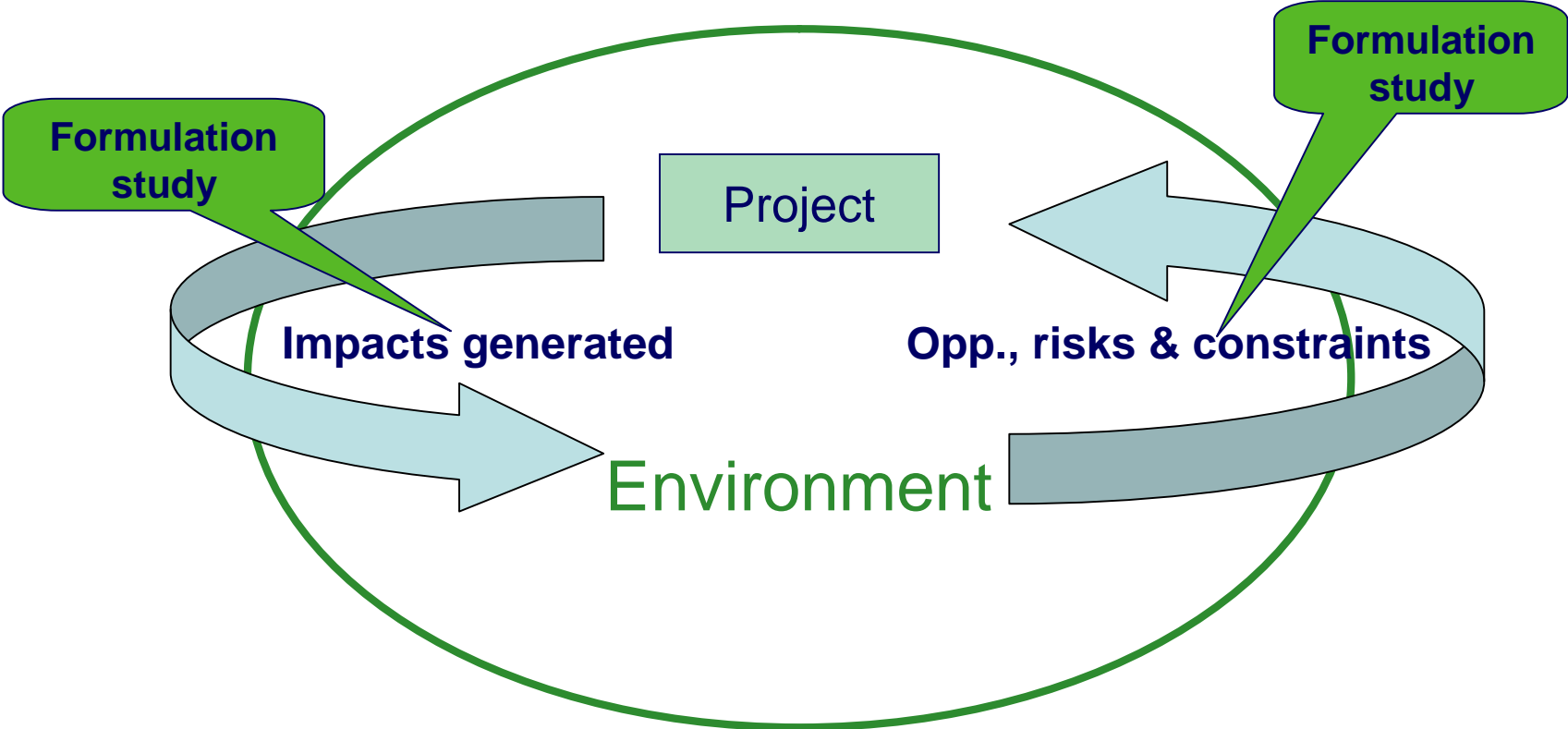
Environment

Session 3: Projects requiring an EIA

Reminder: what is an EIA?

- An ex ante assessment of the environmental impacts of a specific project, in order to:

  o Reduce environmental damage by means of preventive measures

  o And/or optimise positive impacts

- An EIA includes:

  o Technical and scientific studies

  o A process of stakeholder consultation

EIA example : Kyrgyzstan road EIA

The European Union's Tacis Programme

**Pre-Feasibility & Feasibility Studies
for Road Sections of the
Termez - Dushanbe - Sary Tash Road**

Project No. EuropeAid/121985/C/SV/Multi

Sary Tash – Tajik Border Section
Feasibility Study

Annex 14
Environmental Impact Assessment Report

This project is funded by
the European Union

BCEOM
A project implemented by BCEOM

For the Ministry of Transport and Communication
of the Kyrgyz Republic

with the participation of KDTP

December 2007

Projects requiring an EIA

- Traditionally, <u>EIA</u> assesses the potential (positive and negative) environmental impacts of the project on the environment ("impacts generated")

- As a complement, <u>either the EIA or the feasibility/formulation study</u> should include provisions for the analysis of the (positive and negative) environmental and natural resource-related conditions that may affect the effectiveness, efficiency, sustainability or impact of the project ("opportunities, risks & constraints")

- Annex 8 (ToR for EIA) cover these aspects as an option

- Annex 9 of the Guidelines provides guidance on integrating environmental issues in formulation studies

Projects with EIA

Formulation study

EIA

Project

Impacts generated

Opp., risks & constraints

Environment

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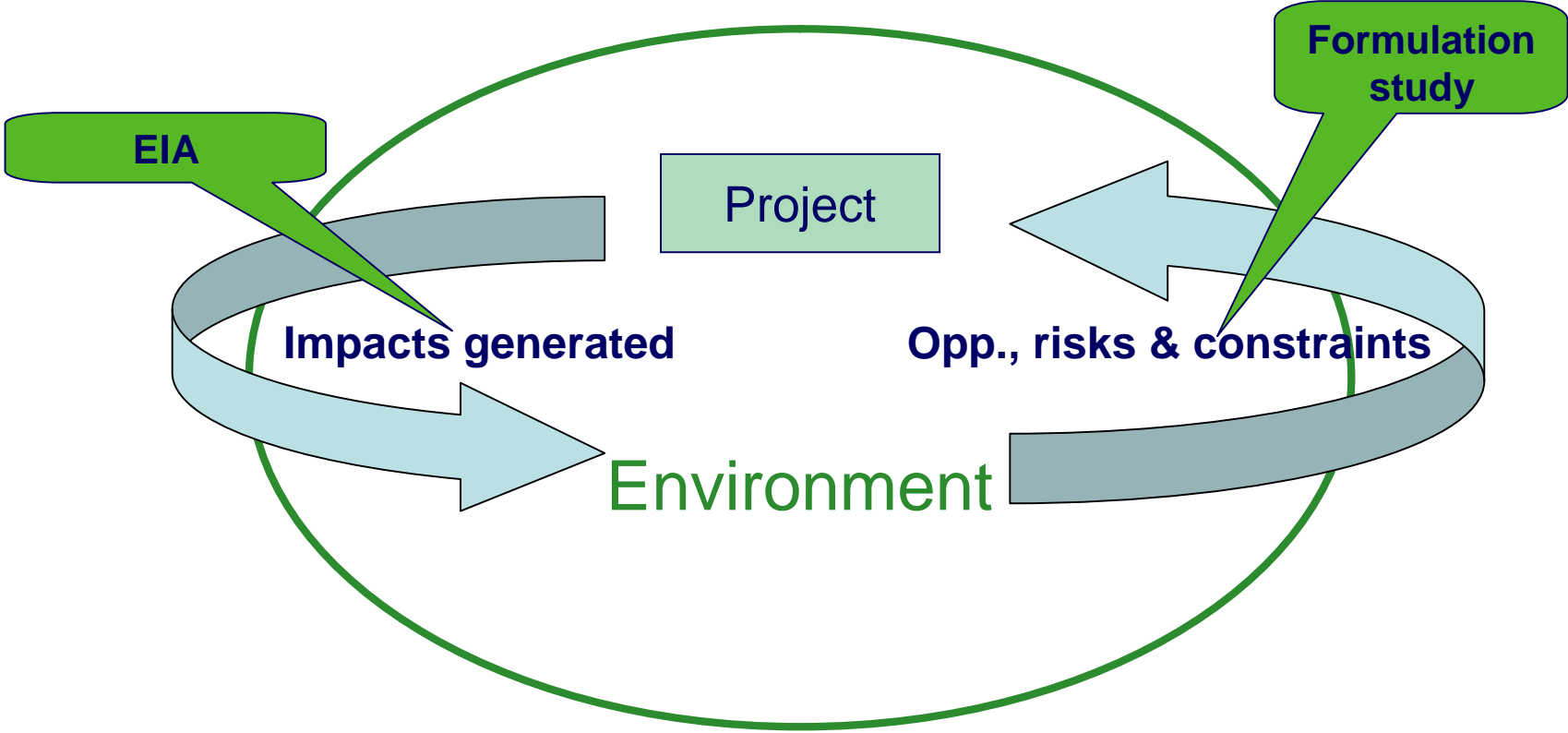
Key stages in an EIA

1. Screening (undertaken during the identification phase)
2. Scoping study
   o Project and its alternatives, constraints, legal and institutional framework, stakeholders, project-environment interactions, scope of the study, methodology, time frame, costs, means
3. EIA study
   o Identification then evaluation of significant environmental impacts (project and possible alternatives)
   o Mitigation/optimisation measures and recommendations, incl. Environmental Management Plan, residual impacts

Stakeholder participation is required.

The competent authority makes the final decision.

Evaluation of project impacts

- Impacts can be characterised using various criteria, e.g.:

  o Direct or indirect impacts

  o Positive or negative impacts

  o Temporary or permanent impacts

  o Short-, medium- or long-term impacts

  o Continuous or sporadic impacts

  o Reversible or irreversible impacts

  o Impacts of various degrees of magnitude

  o Impacts that can or cannot be mitigated …

- The significance of impacts must be appreciated with regard to the local context, taking into account the sensitivity of the environment, the opinions and values of those concerned, etc.

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Methods used for the EIA

- There are various methods for identifying and evaluating impacts; they can be more or less complex et complementary:

    o Checklists

    o Various types of matrices

    o Network (flow diagram) analysis

    o GIS-based analysis

    o Modelling techniques

    o ...

- The chosen method(s) and the level of complexity must be adapted to the issues addressed and the information available

Translating EIA recommendations

- EIA recommendations must be translated into a concrete action plan for the implementation stage

- This action plan is called the Environmental Management Plan (EMP)

- It includes:
  - Details of the proposed mitigation measures, incl. the stage at which they should be implemented
  - Identification of the parties responsible for their implementation
  - Identification of the parties responsible for their monitoring and control
  - Ideally, cost estimates of the proposed measures

EIA in practice

- Use consultants independent from those in charge of carrying out technical feasibility studies (esp. for large projects)

- The EIA must be based on sufficient technical information (draft technical design)

- EIA results should be used to adapt and finalise the project's technical design

- Ideally, the EIA should precede financial and economic analysis, to allow:

  - Consideration of final project design

  - Inclusion of environmental mitigation costs (in financial analysis)

  - Possibly the valuation of some environmental externalities (in economic analysis)

Social aspects of EIA

- The social effects are important and must be analysed as well as biophysical aspects

- Social and environmental aspects should be considered together because of their interdependence

- Various groups (women, minorities, …) are frequently not equally effected by environmental changes

Session 4: Action Fiche / Technical & administrative provisions

Project Action Fiche (AF) and TAPs

Possible entry points	Environmental aspects
Justification, problem analysis	Environmental issues addressed
Objectives and expected results	Environmental constraints linked to objectives/results
Stakeholder analysis	Stakeholders who may see their environment modified by the project
Assumptions and risks	Environment- and climate-related risks
Cross-cutting issues	Measures to ensure environmental sustainability
Monitoring and evaluation	Environment-related indicators
Annexes to the TAPs	EIA report, EMP, budget for environmental management, …

Implementation: reminder

- The implementation phase involves:

  o Executing an action plan for the purpose of producing the expected results

  o Managing available resources as efficiently as possible

  o Monitoring progress

- This phase of the cycle of operations involves the production of periodic monitoring reports

Implementation: possible entry points for environmental integration

- Execution of action plan

Incl. EMP or equivalent measures

- Monitoring activities:

Minimise pollution-generating consumption

- o Monitoring of activities, consumption, costs,…

- o Monitoring of results (based on indicators)

- o Monitoring of assumptions and risks

Incl. env'l indicators

to be able to respond quickly to new information and changes in the project's environment

- Undertaking environmental performance review is a good management practice

Incl. environment-related ones

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Environmental indicators

- Environmental indicators included in the logframe (if any) must be regularly monitored

  o If the logframe is imperfect, other environmental indicators can possibly be included in the project's monitoring framework

- Environmental indicators may also be included in the Environmental Management Plan (if any)

- The regular monitoring of environmental indicators is useful as a preparation for project evaluation:

  o Basis for the definition of impact indicators

  o Basis for evaluating the effect of external factors on the achievement of project objectives

Environmental performance review

- During implementation aimed at correcting weaknesses in identification/formulation

- Depending on the context and the nature of the project, may focus on:

  - The location of project activities / infrastructure

  - The use of energy and means of transport

  - The use of paper

  - Water consumption

  - The use of chemicals

  - The production and disposal of waste

  - …

- The Eco-Management and Audit Scheme (EMAS) is an EU voluntary instrument which acknowledges organisations that improve their environmental performance on a continuous basis http://ec.europa.eu/environment/emas

- Aidco "Greener Action Plan", April 2008

- Delegation "Green Plans" – Philippines, Thailand, Mauritania, Ghana

Evaluation: reminder

- **The evaluation phase involves:**

    - **undertaking an in-depth analysis of the project**

    - **in order to determine its relevance, effectiveness, efficiency, impact and sustainability**

- **Evaluation should provide credible and useful information to:**

    - **re-orient (if necessary) the second phase of the project, in the case of a mid-term evaluation**

    - **integrate lessons learned in the programming and design of new projects**

Evaluation: environmental integration

- Implementation of the recommendations formulated in the EIA and/or the formulation study?

    - Level of implementation (zero, partial, full)

    - Effectiveness and efficiency (cost-effectiveness) of environmental integration measures

    - Impact and sustainability of these measures

- Impact of environmental integration (or lack thereof) on the project's general performance?

- The classical evaluation criteria can be interpreted from an environmental perspective

Relevance

- Has the project taken into account the environmental issues identified during problem analysis and/or in the Country Environmental Profile?

- Has the project been given environmental objectives, or have environmental constraints been attached to its objectives, so as to properly manage its potential environmental impacts?

Effectiveness

- If the project was effective (i.e. achieved its objectives), was this at the expense of the environment?

- If the project was not effective, was this because some environmental constraints were under-estimated?

- Have the adopted environmental measures (e.g. Environmental Management Plan) produced the expected effects?

Efficiency

- Has the project made an appropriate (limited) use of scarce resources or inputs that damage the environment?

- Were the measures adopted in the context of the Environmental Management Plan (or assimilated measures) cost-effective?

Impact

- What were the project's environmental effects on the outside world? Are they acceptable? How do they compare with the effects predicted in the EIA?

- Overall, has the project contributed to the objective of promoting sustainable development?
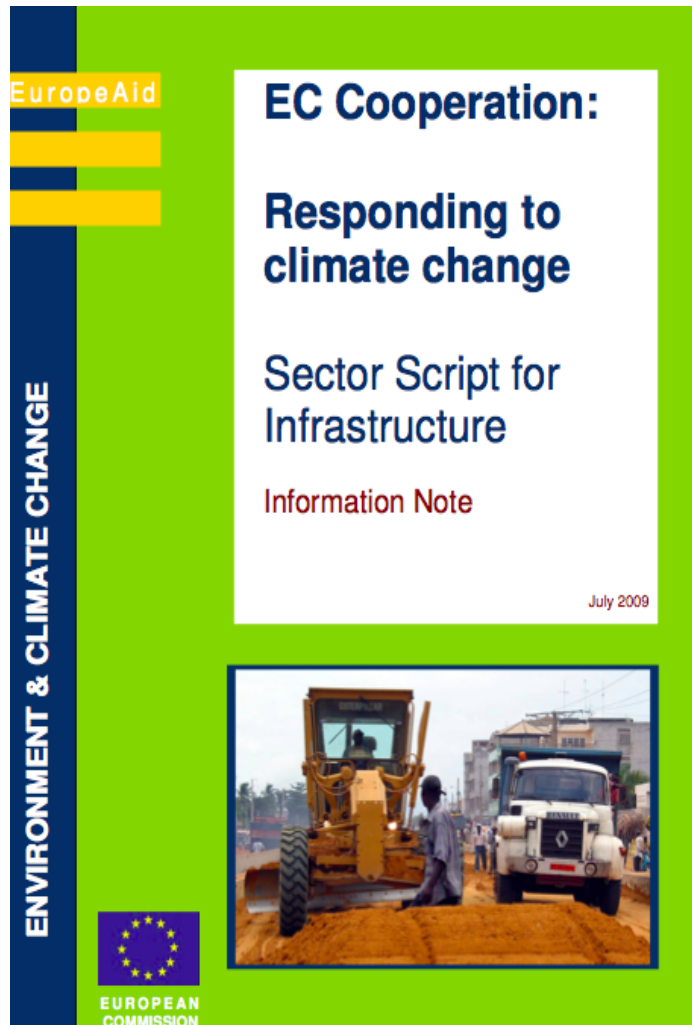
Sustainability

- Are the natural resources on which the project's sustainability depends threatened?

- Does the project itself encourage stakeholders to overexploit their resources?

- If the Environmental Management Plan recommends the adoption of recurrent and long-term mitigation measures, are they financially sustainable?

The ex post EIA

- Usually, an (ex ante) EIA predicts <u>potential</u> impacts

- The ex post EIA determines <u>actual</u> impacts. It aims to:

    o Improve capacities to predict environmental impacts, for use in future EIAs

    o Study in more detail the environmental aspects of project evaluation (impact criterion) so as to draw lessons for future projects

PART 3:
SPSP – Introduction, identification, introduction to SEA
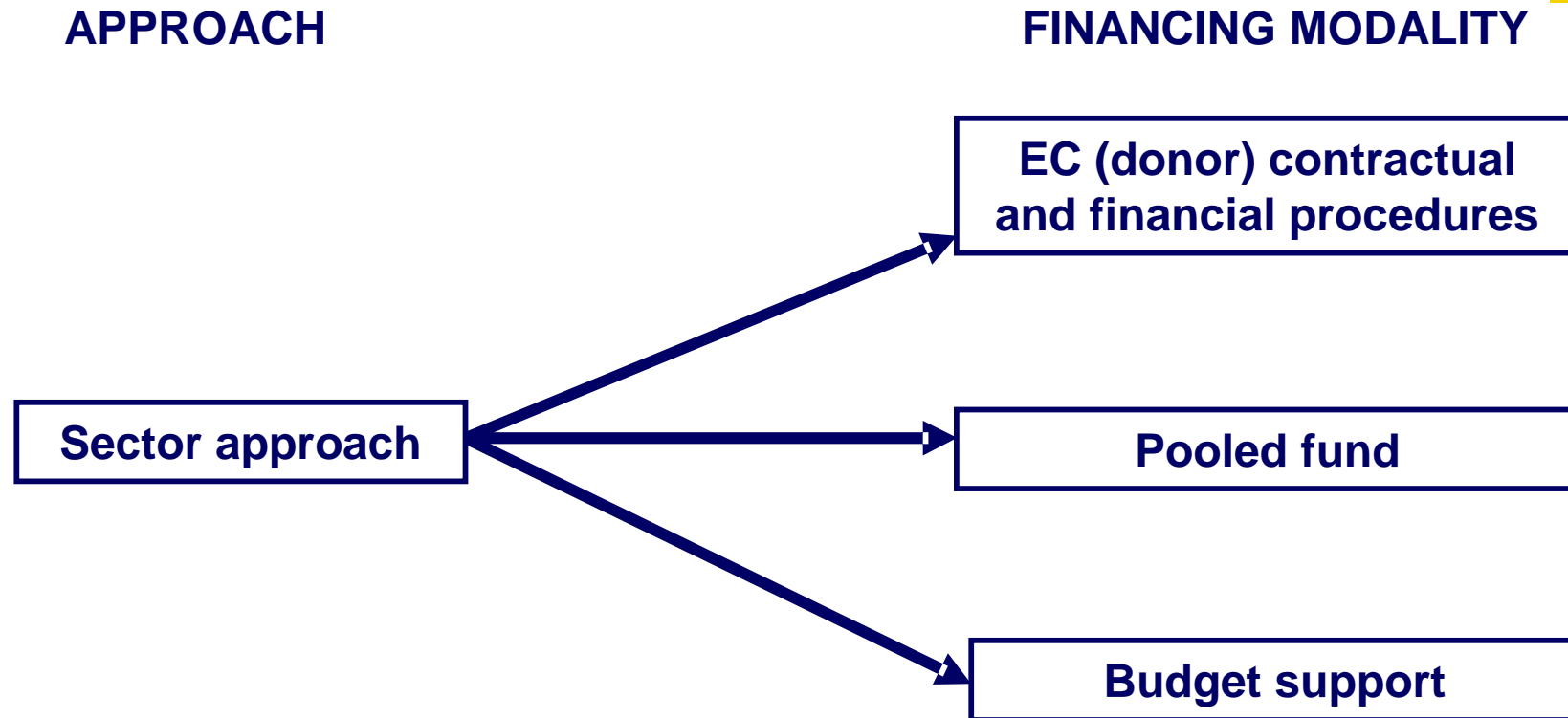
Climate change sector scripts

EC Cooperation:

Responding to climate change

Sector Script for Infrastructure

Information Note

July 2009

EUROPEAN COMMISSION

ENVIRONMENT & CLIMATE CHANGE

- **Agriculture and rural development**
- **Ecosystems and biodiversity management**
- **Education**
- **Energy supply**
- **Health**
- **Infrastructure**
- **Solid waste management**
- **Trade and investment**
- **Water supply and sanitation**

EuropeAid/E6 Intranet pages

Terminology

- Sector approach = a way of working shared by a government, development partners and other stakeholders; aimed at developing a sector in a holistic manner, based on a continuous process

- Sector programme = the result of a sector approach; includes:

  o A sector policy and strategy

  o A sector budget

  o A sector coordination framework

- Sector Policy Support Programme (SPSP) = the EC instrument to support the (national) sector programme

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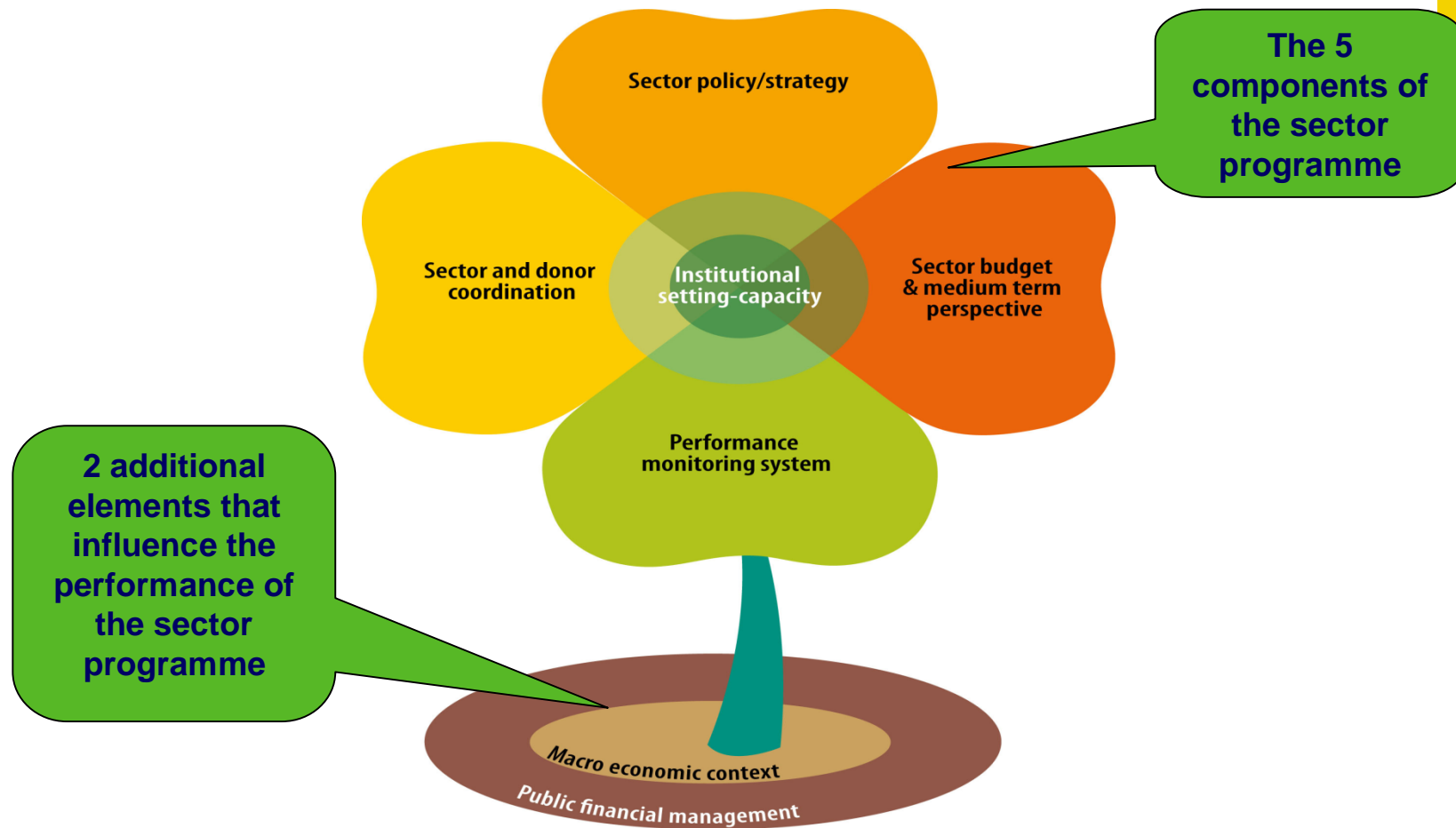# Reminder: three possible financing modalities for SPSPs

APPROACH

FINANCING MODALITY

EC (donor) contractual and financial procedures

Sector approach

Pooled fund

Budget support

Identification: environmental integration

1. Take account of environmental issues in the seven assessment areas

2. Screen the programme for SEA

3. Integrate the main outcomes of environmental integration in the SPSP's Identification Fiche

Key elements of a sector programme

Sector policy/strategy

Sector and donor coordination

Institutional setting-capacity

Sector budget & medium term perspective

Performance monitoring system

Macro economic context

Public financial management

The 5 components of the sector programme

2 additional elements that influence the performance of the sector programme

The 7 key assessment areas: possible entry points for environmental integration

Both identification and formulation are based on the assessment of 7 areas corresponding to the 7 key elements:

1. Sector policy and strategy
2. Sector budget and its medium-term perspective
3. Sector and donor coordination
4. Institutional and capacity issues
5. Performance monitoring systems
6. Macroeconomic framework
7. Public financial management

SEA of sector policy / strategy?

Effects of expenditure on env.t? Resources allocated to the env.t?

"Environment" working group?

**Capacities for the prevention / monitoring of env'l impacts?**

Indicators relevant from an env'l perspective?

What is a Strategic Environmental Assessment (SEA)?

- A study aimed at analysing the (positive and negative) environmental consequences of proposed policies, programmes and major strategic interventions

- Compared with the EIA (instrument for individual projects), applied at a higher decision-making level

- Ensures that environmental considerations are taken into account, alongside social and economic considerations, as early as possible in the policy and planning process

Policy, plan, programme

Strategic environmental assessment
SEA

© Bruno Locatelli

Environmental impact assessment
EIA

Project
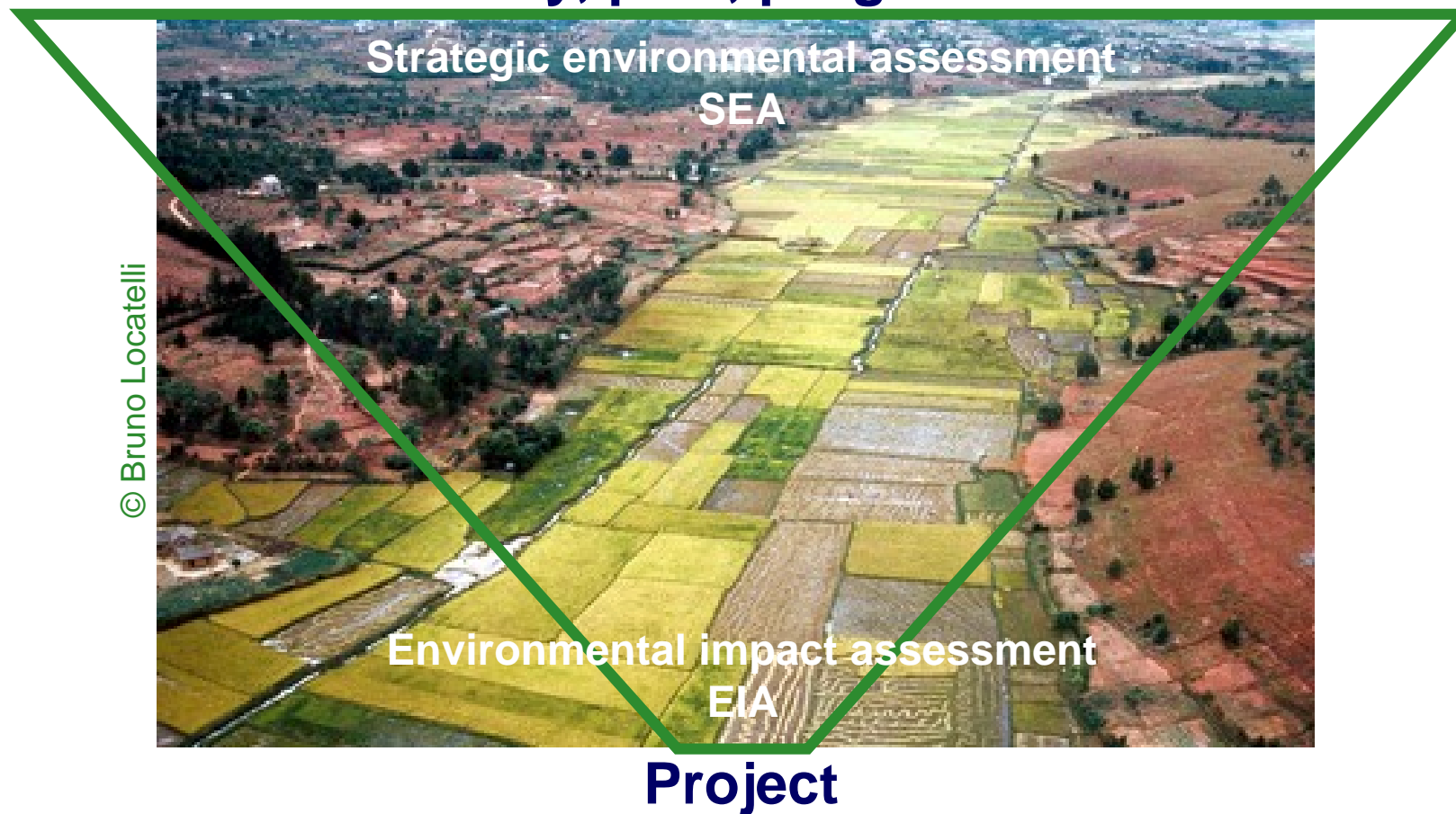
Added value of SEA

- SEA "has the potential to make the world a greener and more liveable place".

- "It also has the potential to be a dreary and resource- intensive formality, applied in a grudging minimalist fashion by people who just hate having to do it, adding further to some great useless administrative burden"

Source: R. Therivel (2004) - *SEA in Action*, Earthscan

Session 1:
SPSP – Appreciation of an SEA

SEA example

European Commission
EuropeAid Co-Operations Office

NIRAS

Framework contract Beneficiaries
LOT 6 - Environment

Trinidad & Tobago

Strategic Environmental Assessment (SEA)
of the Implementation of the National Sugar
Adaptation Strategy for Trinidad & Tobago
EU Ref. No. 110860/C/SV/Multi
(Request for services no. 2008/165287)
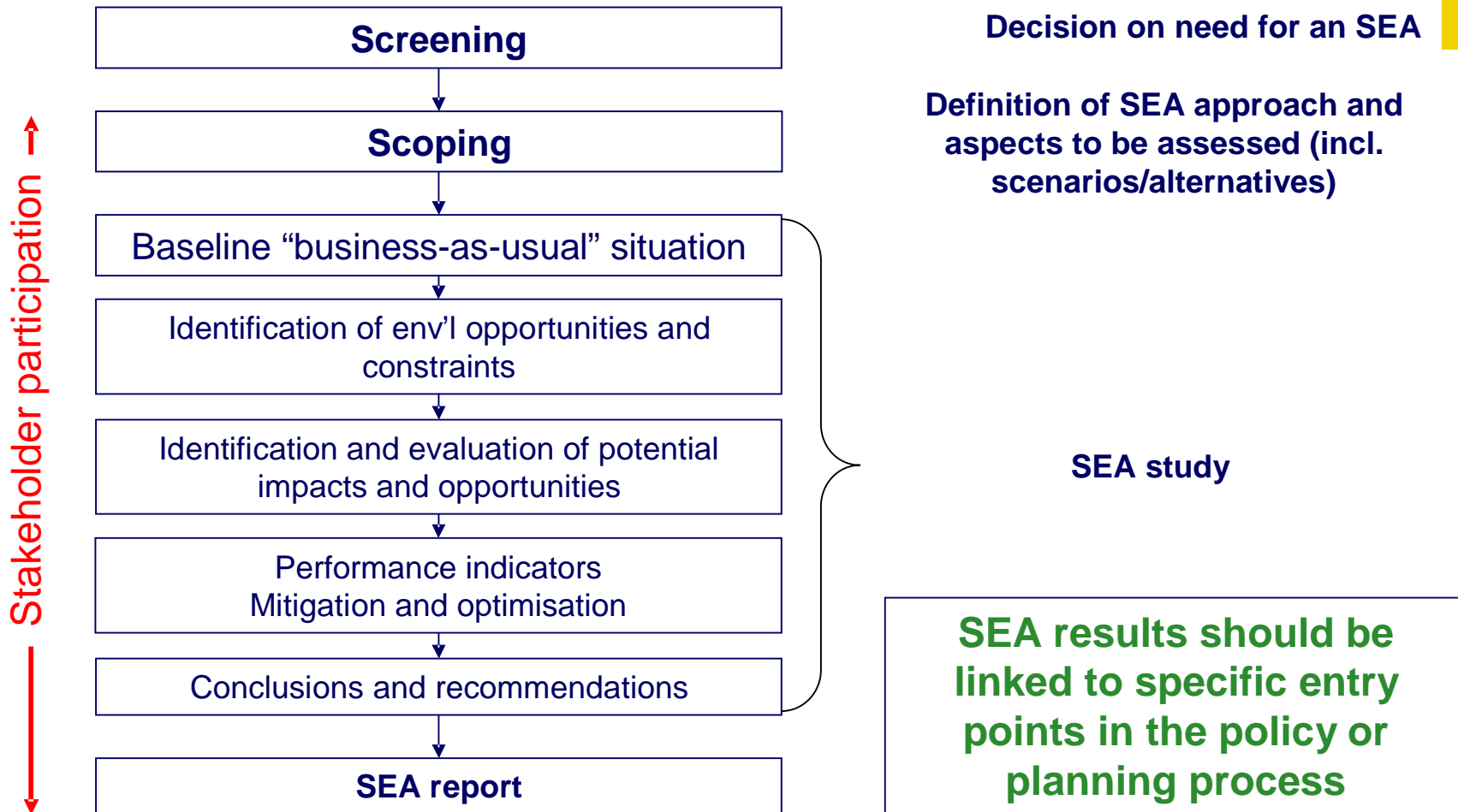
Draft Strategic Environmental
Assessment

2009

NIRAS
Consulting Engineers and Planners A/S, Denmark

PINSISI Consortium Partners

Key stages in an SEA

Stakeholder participation →

Screening — Decision on need for an SEA

Scoping — Definition of SEA approach and aspects to be assessed (incl. scenarios/alternatives)

Baseline "business-as-usual" situation

Identification of env'l opportunities and constraints

Identification and evaluation of potential impacts and opportunities — SEA study

Performance indicators
Mitigation and optimisation

Conclusions and recommendations

SEA report

SEA results should be linked to specific entry points in the policy or planning process

Applications of SEA: some examples

- <u>'Macro' policies</u> : e.g. poverty reduction strategies; agricultural subsidy reforms; public sector reforms; privatisation policies; trade policies

- <u>Sector strategies and programmes</u> : e.g. water sector; waste management; transport infrastructure; rural development

- <u>Sub-national strategies</u> : e.g. coastal zone management; urban development plans; regional development plans

SEA: a more recent tool than EIA

- EU directive of 2001 (vs. 1985 for EIA)

- Not all partner countries have adopted SEA legislation

- EC development aid: limited experience
    - Maldives – regional development strategy (2006)
    - Mauritius, Tanzania, Belize, Jamaica, Trinidad & Tobago – sugar sector reform
    - Mali – transport sector programme (2008)
    - Ghana – transport sector programme (under way)
    - Guyana – sea defences

In practice: when and how to undertake an SEA?

- After adoption of the programme concerned

  - Results usable to improve the programme next time it is revised, and to formulate the SPSP

- In parallel with the design of the concerned programme

  - Integration of SEA results a function of the degree of collaboration between the various teams involved

- As an integral part of the formulation of the programme

  - Continuous interaction between the technical team, the environmental team, the authorities concerned and other stakeholders => good integration of SEA results is ensured

- A model of ToR is included in Annex 5 of the Guidelines

Screening for SEA

- Process of deciding if an SEA would add value

- An SEA is recommended if the sector is environmentally "sensitive"

- List of sensitive sectors, plus questionnaire

Sensitive sectors?

- SEA recommended if the sector is environmentally "sensitive":

  - Infrastructure (incl. transport)

  - Water & sanitation

  - Energy

  - Waste

  - Agriculture, food security and rural development

  - Regional and land use planning

  - Environment and sustainable management of natural resources

- See screening questionnaire in Annex 3 of the Guidelines

Identification Fiche: possible entry points for environmental integration

- Conclusions of the identification phase
  - Description of sector strategy/program
  - Issues and state of play in the 7 assessment areas
  - Strategic response incl. cross-cutting issues
  - Implementation issues
  - Assumptions and risks
  - Next steps, work plan and time schedule

Env.t- & climate-related stakes/issues?

See specific entry points

Env'l sustainability, contribution to sustainable dvpt?

Dvpt of env'l mngt capacities?

SEA screening

Climate-related risks, availability of nat. resources?

# Formulation: environmental integration

1. The sector programme <u>does not</u> require an SEA

2. The sector programme <u>does</u> require an SEA

3. In both cases: Action Fiche (+ Technical and administrative provisions to be attached to the Financing Agreement)

Session 2: Programmes that do not require an SEA

Programmes without SEA

Formulation study

Formulation study

Programme

Impacts generated

Opp., risks & constraints
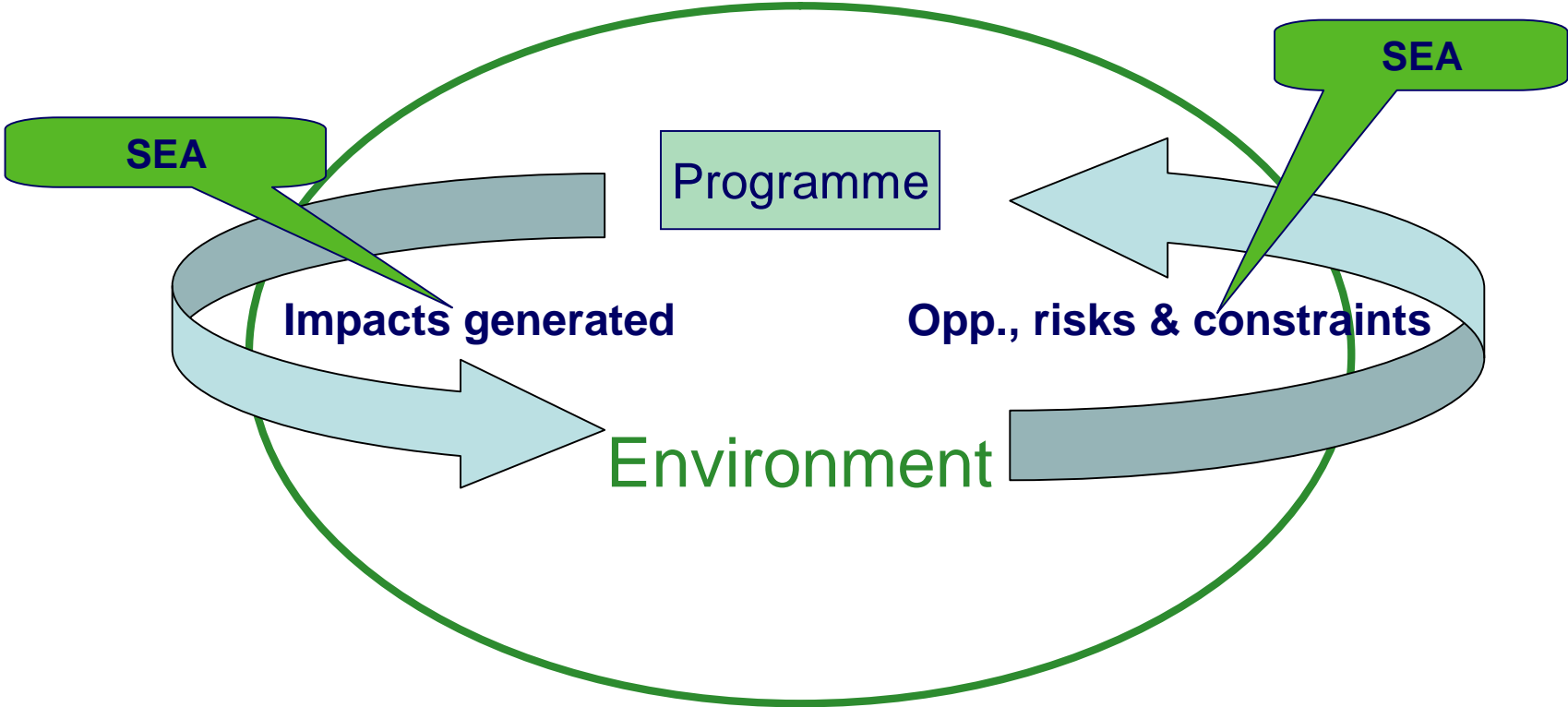
Environment
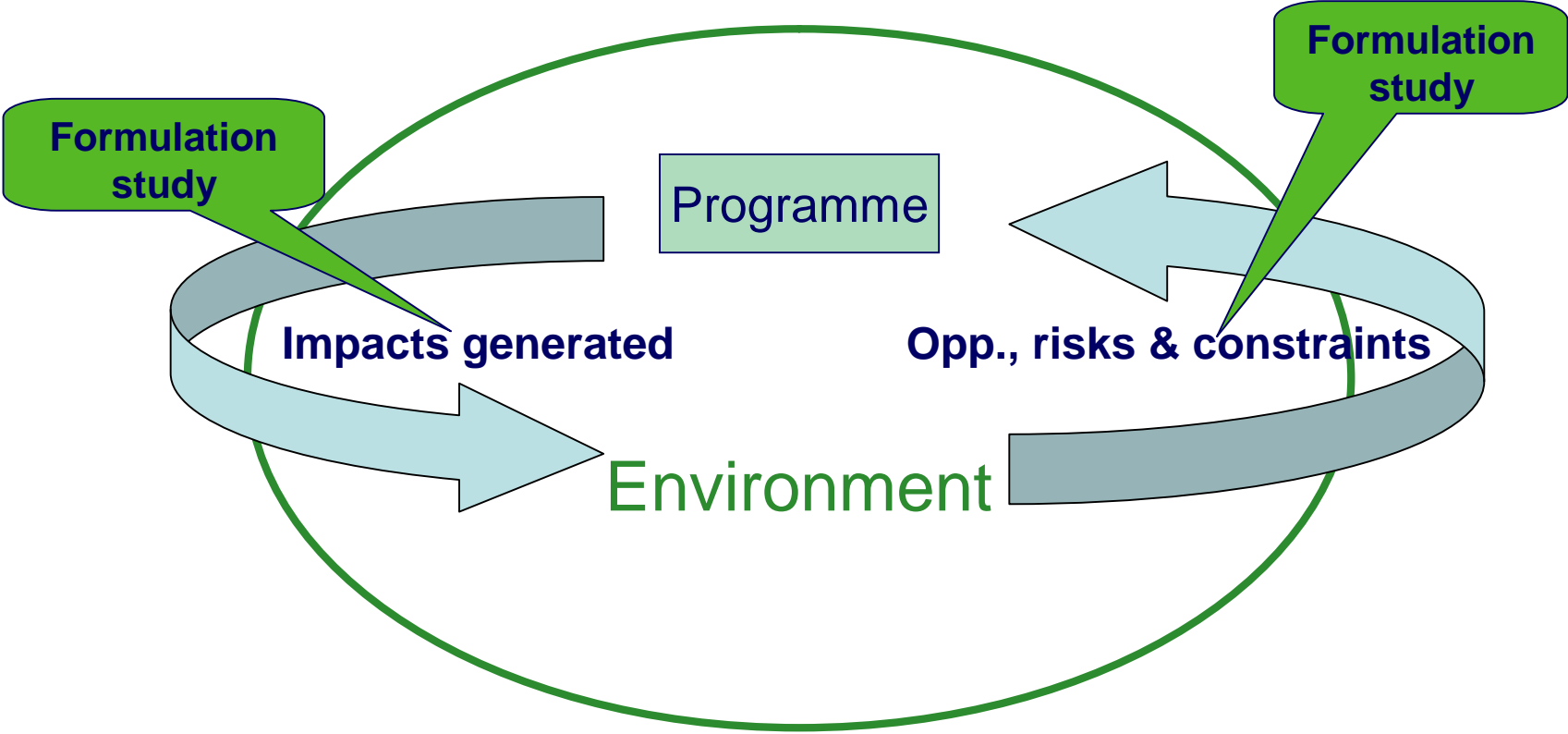
Sector programmes that do not require an SEA

- The ToR of the <u>feasibility/formulation study</u> should include provisions for the analysis of:
    - ○ Env'l and natural resource-related conditions (positive and negative) that may affect the effectiveness, efficiency, sustainability or impact of the progr. ("opportunities, risks & constraints")
    - ○ Potential (positive and negative) environmental effects of the programme on the environment ("impacts generated")
- These elements must allow a more in-depth analysis of the environmental aspects of the <u>seven key assessment areas</u>
- Annex 4 of the Guidelines identifies the environmental issues to be considered in SPSP formulation studies

Session 3: Programmes requiring an SEA

Programmes with SEA

SEA

SEA

Programme

Impacts generated

Opp., risks & constraints

Environment

Programmes requiring an SEA

- Unlike the EIA, the <u>SEA</u> can study both:

  o The potential (positive and negative) impacts of the programme (or policy, or plan) on the environment ("impacts generated")

  o The (positive and negative) environmental conditions that may affect the effectiveness, efficiency, sustainability or impact of the programme (or policy, or plan) ("opportunities, risks & constraints")

SEA of a sector programme: main results

- Identification of <u>environmental opportunities, risks and constraints</u> (incl. those originating from other sectors / policies)
- Identification and evaluation of the sector programme's <u>main environmental impacts</u>:
  - incl. alternatives
  - incl. the socio-economic dimension of environmental impacts
- Analysis of the sector programme's <u>performance indicators</u>
- Evaluation of <u>institutional capacities</u> to manage environmental issues
- <u>Recommendations</u>:
  - for sector programme improvement
  - for SPSP formulation

Using SEA results

- SEA results and recommendations should allow:

  o Analysing in more depth the environmental aspects of the <u>seven key assessment areas</u>

  o Choosing the SPSP <u>financing option</u> that is most likely to contribute to the sustainable development of the sector

  o Identifying possible institutional and <u>capacity building measures</u> to be supported

  o Choosing the SPSP <u>monitoring and evaluation indicators</u> on a better informed basis

  o If relevant, choosing on a better informed basis the <u>indicators, targets and performance criteria</u> that will condition the disbursement of variable tranches of budget support

Implementation: possible entry points for environmental integration

- Sector performance monitoring
  - Evolution of sector performance indicato...
  - Qualitative reports (working groups, studies, annual review...)
  - Implementation of institutional support measures

- Participation in sector dialogue

- If SBS: tranche disbursement
  - Evolution of environmental indicators and/or indicators associated with environmental trends
  - If relevant, implementation of conditions related to environmental / natural resource management

Env'l indicators (or ind. associated w/ env'l trends)

Environment-related aspects

Building up of env'l mngt capacities

Dialogue on env'l aspects

Evaluation: possible entry points for environmental integration

- Sector performance evaluation
    - o Evolution of sector performance indicat
    - o Qualitative reports (working groups, studies, annual review...)
    - o Institutional reforms

- Evaluation of the contribution of the SPSP to the sustainable development of:
    - o the sector
    - o the country

Env'l indicators (or ind. associated w/ env'l trends)

Environment-related aspects

Building up of env'l management capacities

Relevance, effectiveness, efficiency, impacts and sustainability of env'l integration measures

Part 4:
General Budget Support

Session 1: Identification of a GBS programme

Identification: 7 assessment areas

Identification is focused on eligibility conditions and the 7 assessment areas (see SPSPs):

1. National development/reform po...
2. Macroeconomic context
3. Budget and medium-term expenditure framework (MTEF)
4. Public financial management
5. Donor coordination
6. Performance monitoring
7. Institutional framework and capacit...

Priority granted to env'l and nat. res. mngt?

Env'l impacts of ME policies?

Resources allocated to env.t? Env'l fiscal reform?

Public env'l expenditure review?

Capacities for env'l mngt?

Indicators relevant from an env'l perspective?

"Environment" working group?

Identification Fiche: possible entry points for environmental integration

Conclusions of the identification phase
- o Consistency with EC policies & the programming framework
- o National development policy/strategy
- o Budget & MTEF
- o Performance evaluation
- o Institutional setting and capacities
- o Assumptions & risks
- o Implementation issues
- o Next steps, action plan & work programme

Env'l & climate-related stakes/issues?

See entry points for the 7 assess.t areas

Climate-related risks, availability of natural resources?

Needs for further env'l or climate-related assess.t?

Dvpt of capacities for env'l management?

Formulation: possible entry points for environmental integration

See points already mentioned

- More in-depth investigation of the 7 key assessment areas
- Choice of indicators, targets and other performance criteria linked to tranche disbursement
- SEA of the national policy/strategy supported by GBS
  - o If one exists: use results for formulation
  - o If not: discuss the possibility of undertaking one, in the context of policy dialogue and in coordination with other donors
- Action Fiche (+ Technical and administrative provisions to be attached to the Financing Agreement)

Prefer sustainable dvpt indicators

Results of env'l integration efforts

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Use of indicators in budget support operations

- Both sector and general budget support use indicators for <u>performance monitoring</u>:
  - of the sector
  - of the PRSP or reform programme

- In the framework of a results-based approach, performance indicators and associated targets are also included in the financing agreement as <u>conditions for the disbursement of tranches</u>

- In principle, these indicators and targets must come from the performance assessment framework (PAF) of the programme being supported (<u>alignment</u> and <u>ownership</u> principles)

Indicators and environment

- Environmental indicators should reflect environmental issues and concerns

- Non-environmental indicators associated with other objectives should be selected keeping in mind the possibility of adverse environmental impacts: ideally, indicators typically associated with environmental damage should not be used for the monitoring and evaluation of an SPSP or GBS programme (<u>sustainable development approach</u>)

Environmental indicators

- Various classifications exist, of which the DPSIR classification:

  o Drivers: the forces underlying environmental pressures

  o Pressures: human activities that generate impacts

  o State: situation and/or trends in resources and environmental parameters

  o Impacts: consequences for human well-being, ecosystems and artificial capital

  o Response: measures adopted to respond to environmental challenges

- For more information on indicators: see Annex 10 of the Guidelines

For info: Indicators related to MDG no. 7

- Land area covered by forest (% of territory)

- CO_2 emissions (total, per cap., per $ GDP)

- Consumption of ozone-depleting substances

- Fish stocks within safe biological limits (%)

- Water resources used / total resources (%)

- Terrestrial and marine areas protected (% of territory)

- Species threatened with extinction (%)

- Access to safe drinking water (% of pop.)

- Access to sanitation (% of pop.)

- Population living in slums (% of urban pop.)

Implementation: possible entry points for environmental integration

- Performance monitoring of supported policy/strategy
  - Evolution of performance indicators
  - Qualitative reports (working groups, studies, annual review…)
  - Implementation of institutional support measures

- Participation in policy dialogue

- Tranche disbursement
  - Evolution of environmental indicators and/or indicators associated with environmental trends
  - If relevant, implementation of conditions related to environmental / natural resource management

Env'l indicators (or ind. associated w/ env'l trends)

Environment-related aspects

Building up of env'l mngt capacities

Dialogue on env'l aspects

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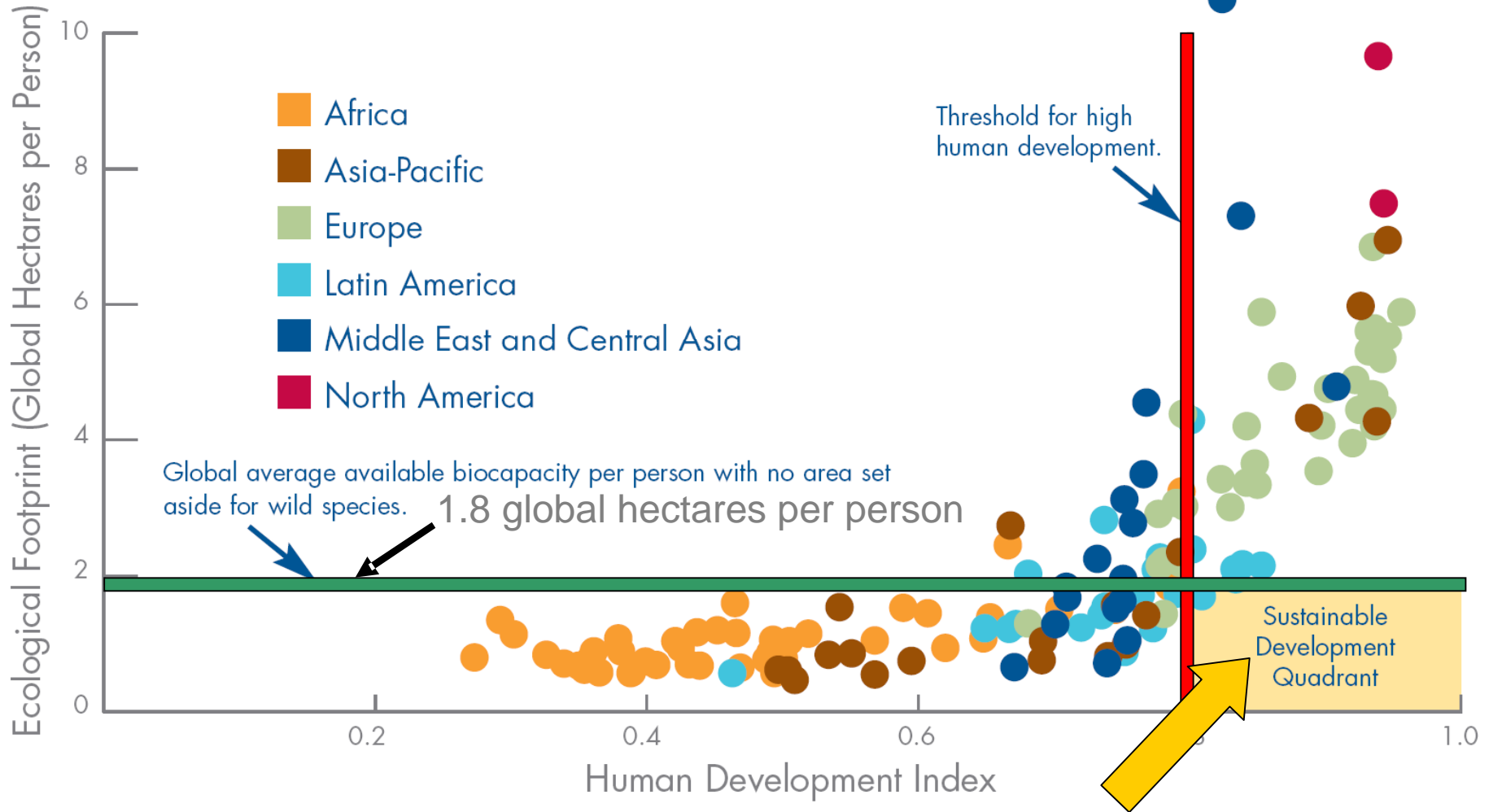# Evaluation: possible entry points for environmental integration

- Performance evaluation of support to policy/strategy

  o Evolution of performance indicators

  o Qualitative reports (working annual review…)

  o Institutional reforms

- Evaluation of the contribution to sustainable development

Env'l indicators (or ind. associated w/ env'l trends)

Environment-related aspects

Building up of env'l management capacities

Relevance, effectiveness, efficiency, impacts and sustainability of env'l integration measures
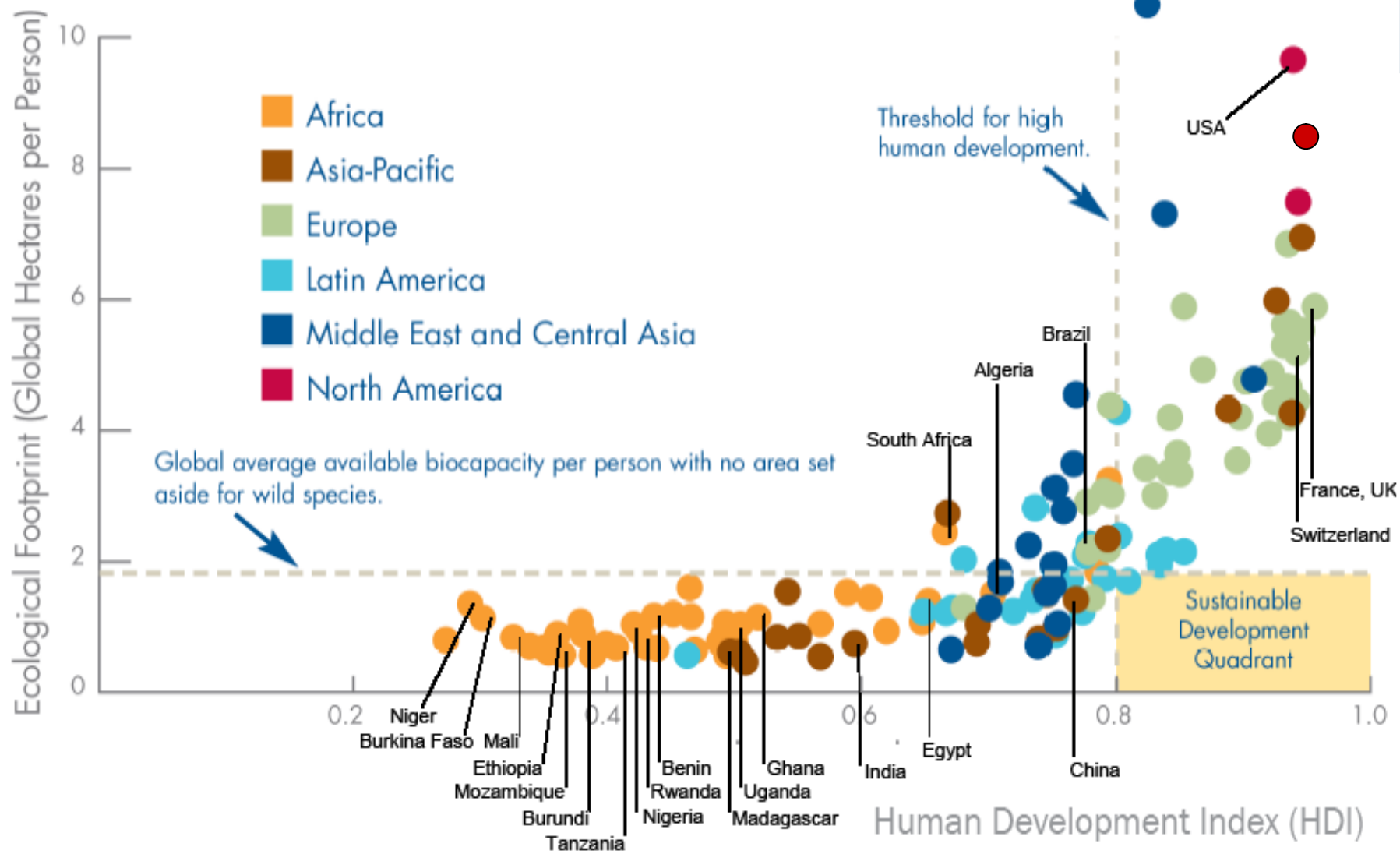
A bigger picture

- **Human Development Index:**

  – Composite index incl. a measure of GDP/capita, literacy rate, access to education and life expectancy

- **Ecological footprint**

  – An estimation of the surface of earth and water a human population needs to sustainably produce the resources needed for its subsistence and to absorb its wastes, depending on its standards of living

SUSTAINABLE DEVELOPMENT: WHERE ARE WE TODAY?

Human Development Index and Ecological Footprint of Nations

Threshold for high human development.

Global average available biocapacity per person with no area set aside for wild species.

1.8 global hectares per person

Sustainable Development Quadrant

Ecological Footprint (Global Hectares per Person)

Human Development Index

Legend:
- Africa
- Asia-Pacific
- Europe
- Latin America
- Middle East and Central Asia
- North America

Source: Mathis Wackernagel, Global Footprint Network, 2007

Source: Mathis Wackernagel, Global Footprint Network, 2007