

**INTEGRATING ENVIRONMENT AS
A CROSS-CUTTING ISSUE IN DANISH
DEVELOPMENT ASSISTANCE**

A REVIEW OF POST-1999 EXPERIENCES

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Abstract

This report reviews post-1999 experiences with integrating environment as a cross-cutting issue in Danish bilateral assistance and offers six recommendations to further strengthen Danida's efforts in this respect. The review was commissioned by Danida.

The review documents how environment has been integrated as a cross-cutting issue in the identification, preparation and approval of 20 cases of sector programme support, selected from four sectors – agriculture, water, transport and decentralization – in 10 different countries in Asia, Africa and Latin America.

The review finds that there is room for improvement with respect to meeting Danida's own current guidelines for the integration of environment as a cross-cutting issue during the identification, preparation and approval of sector programme support. Moreover, it identifies a general need to strengthen the focus on identifying pro-poor environmental opportunities in addition to avoiding or managing environmental risks which hitherto has dominated donor efforts.

I. Introduction

Background

Environment has been a cross-cutting issue in Danish development assistance since the late 1980s. This focus on environment as a cross-cutting issue is reiterated in the Danida's latest environmental strategy (Danida, 2004b) and in the present Danish government's priorities for the Danish environmental efforts in development cooperation (Danida, 2004e). The Danish environmental commitment should be seen in the context of the Millennium Development Goals and the environment related international conventions ratified by Denmark as well as by many of its partner countries.

Integrating environment as a cross-cutting issue is seen as an instrument to ensure a better environment which in turn is seen as the basis for human development in general and poverty reduction in particular. This is the case in the poverty reduction strategies and sustainable development strategies of many of the developing partner countries and the support to the implementation of these strategies provided through the Danish development cooperation.

In October 2004, Danida asked the Department of Development Research at the Danish Institute for International Studies (DIIS) to undertake a review of the post-1999 experiences with integrating environment in Danish bilateral assistance and to suggest ways to further strengthen these efforts. In line with current environmental strategies and priorities for Danish development cooperation, the Terms of Reference for the present review emphasize that "the integration of environment as a cross-cutting issue should be seen in a broader context, i.e. not only as an effort to minimize potentially negative environmental impacts of a given intervention, but also as an attempt to identify and support the options for *pro-active* environmental improvements [win-win options]. At the same time, the Review is motivated by a wish for a renewed focus on the relationship between poverty and the environment in the efforts to achieve sustainable social and economic growth." It is our hope that this review and the resulting recommendations will prove useful in efforts to strengthen the integration of pro-poor environmental issues into Danish bilateral assistance and in the efforts to strengthen the capacities for effective environmental governance in partner countries.

Study team

The review has been conducted by Henrik Egelyng, Kim Raben, Helle Munk Ravnborg (coordinator) and David Andrew Wardell. Henning Nøhr and Hanne Carus, Danida's Technical Advisory Service, have greatly supported the review both in terms of the provision of the documentation upon which the review is based and in terms of valuable inputs provided during our discussions throughout the review.

Materials and methods

The review is based upon an analysis of the way in which environment has been integrated as a cross-cutting issue in the identification, preparation and approval of a sample of 20 cases of sector programme support. These 20 cases of sector programme support have been selected from four sectors, i.e. agriculture, water, transport and decentralization, in 10 different countries (please see Table 1.1).

Table 1.1: Cases of sector programme support selected for the review, *selected programmes by sectors*

Agriculture	Water	Transport	Decentralization
<ul style="list-style-type: none"> • Burkina Faso • Kenya • Mozambique • Nicaragua • Tanzania • Uganda • Vietnam 	<ul style="list-style-type: none"> • Burkina Faso • Ghana • Kenya • Uganda • Vietnam • Zambia 	<ul style="list-style-type: none"> • Nicaragua • Tanzania • Uganda 	<ul style="list-style-type: none"> • Bolivia • Burkina Faso • Nicaragua • Tanzania

The analysis has been carried out as a desk study on the basis of the available documentation of the identification, preparation and approval of sector programme support such as identification reports, concept papers, programme documents, appraisal documents, board submission notes,¹ country programme documents as well as national documents such as poverty reduction strategies and national sustainable development strategies.² The review does *not* include the implementation phase and therefore only sporadically draws upon annual sector reviews etc.

1. Unfortunately, the majority of the board submission notes were made available to the study team so late (late June 2005) that they could not be included in the review. However, Table 3.1, includes an assessment of the extent to which environment as a cross-cutting issue is reflected in the board submission notes.

2. Annex I lists the documentation used as the basis for the review of the 20 selected cases of sector programme support.

Thus, the review does *not* provide an assessment of the integration of environmental concerns in the course of implementation, let alone environmental outcomes or impacts of the sector programme support represented by the 20 selected cases of such support. Rather it has a more restricted – and to some extent technical – scope by assessing how and to which extent environment has been integrated as a cross-cutting issue during the identification, preparation and approval of sector programme support. In other words, the review aims to analyze the adequacy of the organizational and procedural mechanisms which aim to ensure that policies and strategies are reflected in concrete support programmes.

A two-pronged analysis³ of the integration of environmental issues in the 20 cases of sector programme support has been performed, distinguishing between on the one hand, the compliance with *formal* requirements for integrating environmental issues and, on the other hand, the *conceptual* integration of environmental issues.

Outline of the present report

Following a short review of current Danida guidelines for the integration of environment as a cross-cutting issue and their evolution since the late 1990s (Section 2), Section 3 presents a synthesis of the results from the two-pronged analysis of the integration of environment as a cross-cutting issue in the 20 cases of sector programme support. The reviews of each of the cases of sector programme support are compiled in Egelyng *et al.* (2005). Section 4 provides a brief overview of emerging approaches to integrate environment as a cross-cutting issue in the preparation of country as well as a of sector-level assistance among other international donors, in particular the World Bank. Finally, Section 5 provides a set of operational recommendations to Danida for strengthening the integration of environment as a cross-cutting issue in sector programme support.

3. Annex II lists the questions which have guided the analysis of the 20 cases of sector programme support.

2. The post-1999 formal guidelines for integrating environment as a cross-cutting issue in Danish bilateral assistance

Since 2000, the formal instrumental basis for incorporating environment as a cross-cutting issue in Danish bilateral development assistance has been the guidelines published late 1999 on *Environmental Assessment for Sustainable Development* (Danida, 1999). Besides being associated with the transition from project to programme assistance, the guidelines were developed in response to the 1996 evaluation of Danida's Plan of Action for Environment and Development (Danida, 1996). This evaluation examined the extent to which and how environmental considerations had been integrated into Danish overseas development assistance (ODA) since 1988, and concluded that environmental assessments should be undertaken as an integral part of sector programme support identification, preparation, appraisal and approval.

The way in which environmental assessments should be integrated in programme preparation has been slightly modified as part of developing the Guidelines for Programme Management (4th edition) (Danida, 2005b). According to these guidelines, it is now mandatory to prepare an environmental screening note during the programme identification.⁴ The environmental screening note is intended to be included as part of the Concept Paper which the Danish representation should present to the Programme Committee before further programme preparation is initiated (Danida, 2005a). The *Guidelines for The Programme Committee for bilateral and multilateral development Cooperation (ibid.)* state that concept papers for sector programme support which do not fully comply with this and a range of other requirements will not be considered by the Programme Committee (*ibid.*:6).

The purpose⁵ of the environmental screening is presented as threefold:

- to identify and exploit environmental opportunities and benefits;
- to identify and manage environmental risks (categorization and possibly

4. The screening note format (Danida, 2004a) has been adapted from the 1999 Environmental Assessment guidelines (Danida, 1999) and should be included in the concept paper presented to the programme committee meeting held to endorse (or reject) and direct the detailed preparation of the proposed programme support.

5. In describing the purpose of the environmental screening, Danida is strongly inspired by the Dfid Environment Guide from 2003 (Dfid, 2003a).

- subsequent environmental impact assessment); and
- to ensure consistency with national as well as international legislation and agreements (e.g. conventions) (Danida, 2004a:6).

This statement of the purpose of environmental screening reflects the gradual shift in the focus on environment as a cross-cutting issue. From the late 1980s and up through the 1990s, environmental screening was primarily justified based on a concern with identifying and mitigating potentially negative environmental impacts of a specific intervention. Today – at least at the policy/strategic level – environmental screening is equally being argued on the basis of a concern with identifying and exploiting environmental opportunities which positively contribute to pro-poor economic growth and democratization.

Still, however, in the instrument as such – the Danida Environmental Screening Note format (Danida, 2004a:annex I) – emphasis is on identifying environmental risks. For each programme or programme component, the screening checklist asks whether the programme or component is likely to involve environmental risks with respect to a range of issues (see box 2.1). However, it is not clear from the good practice paper (*ibid.*) who decides, and on which basis, whether the environmental screening note should be prepared for the programme as a whole or separately for each component.

Box 2.1: Checklist of issues potentially related to environmental risks to be considered as part of environmental screening

Will the programme and/or component lead to:	
<ul style="list-style-type: none"> • irreversible use of natural resources? • emission and degradation? • displacement of local people; change the way of life of indigenous peoples or other communities in ways which may imply increased pressure on natural resources? • occupational health and safety risks? • environmental health problems? 	<ul style="list-style-type: none"> • policies which may affect the environment? • interventions which may be located in or potentially affect environmentally sensitive or vulnerable areas? • conflicts and/or changes in tenure rights and rights of access to or use of natural resources?

Source: Danida (2004a)

If the programme or component is considered likely to involve any such risks, the format calls for these risks to be addressed separately, either in an environmental impact assessment or as part of the formulation of the programme. In the latter case, these risks should be listed in the Terms of Reference for programme preparation as separate issues to be addressed.

In addition to this detailed specification of environmental risks, the screening note format asks for a combined environmental assessment or categorization of the programme in one of the following three categories:

- 'A' ('black') implying that they are likely to have adverse environmental impacts and therefore require careful environmental management;
- 'B' ('grey') implying that it is likely to have environmental impacts which are less significant and therefore require some degree of environmental management; and
- 'C' ('white') implying that the negative environmental impacts are of little or no concern and have negligible or minimal direct disturbance on the physical setting (Danida, 1999:23).

With respect to the identification of environmental opportunities, the environmental screening note does not contain a checklist but provides an open space for a free-text description of the likely environmental opportunities. Making the transition from focusing on environmental risks towards identifying potential environmental opportunities is conceptually challenging. The guidance provided in the Good Practice Paper (Danida, 2004a) illustrates this challenge in that many of the examples included to illustrate possible environmental opportunities (*ibid.*:7) are in fact examples of environmental risks.⁶

In this context, the instrument included as part of the 1999 guidelines, but not mentioned in the more recent Good Practice Paper, namely the Sector Environmental Study, is interesting. According to the 1999 guidelines, a sector environmental study should be conducted – or a similar study identified – and used as part of sector programme support identification *prior* to the environmental screening and

6. e.g. potentially harmful or environmentally scarce materials chosen for school buildings or trade in out-dated technology and hazardous wastes.

categorization of components. The objective of the sector environmental study is to examine key environmental issues of relevance to the sector programme support and on the basis of existing information, assess the major environmental impacts of the sector programme support at the sectoral level. The guidelines state that it is the responsibility of the Danish representations to commission the sector environmental study with national consultants/specialized national institutions. The focus in the description of the objective of the sector environmental study as well as in the generic Terms of Reference for the sector environmental studies is on identifying environmental problems and risks. Nevertheless, due to its timing early in the programme identification and its explorative character, the sector environmental study provides an opening for also identifying hitherto unknown and thus untapped environmental opportunities.

Finally, with respect to the third objective stated for the environmental screening – ensuring consistency with respect to national and international legislation and agreements – the environmental screening note asks for an “assessment of the adequacy of the legislation, procedures and capacity in environmental management and assessment in the sector” (Danida, 2004a:annex I).⁷

As already indicated, environmental impact assessments are not expected to be carried out for all programmes or components, but only for those where environmental risks are identified early on in the programme identification. However, at least according to the 1999 guidelines, all programme documents were expected to include an environmental management plan. It is, however, unclear whether this is still the intention. According to the Good Practice paper on environmental screening (Danida 2004a), environmental screening is mandatory for each of the approximately 15-20 new programmes and programme phases which are prepared annually, while “on average one environmental management plan may be developed annually.” This is said, however, without specifying whether this is for each programme or for one of the 15-20 programmes prepared annually (*ibid.*:3).

The guidance note on the preparation of submission notes for the Danida board (Danida, 2004d) specifies that submission notes should include a description of how

7. The Country Environmental Analysis proposed by the World Bank as an analytical tool (World Bank, 2003a; 2003b and 2003c – see also section 4 below!) could become a useful source of inspiration with respect to this third objective of the environmental screening, as well as a vehicle for achieving donor harmonization.

the cross-cutting issues, including environment, are integrated in the programme and emphasizes that the description should be concrete rather than general. A short section on the national status with respect to environment as well as the other cross-cutting issues should be included and followed by a description of how the programme will contribute to improve the current situation (Danida, 2004d:12).

Box 2.2 summarizes the formal guidelines for integrating environment as a cross-cutting issue in Danish bilateral development assistance from 1999 to 2004 and from 2004 until today.

Box 2.2: Formal process for incorporating environment as a cross-cutting issue in the preparation of sector programme support, 1999-2004, and 2004 onwards

Sector programme support preparation stage	1999-2004	2004-
SPS identification	General environmental situation - sector environmental study	
	Environmental screening - categorization of programme and components ('A', 'B' and 'C')	
Programme committee discussion and 'go-ahead' for preparation		Environmental screening note submitted as part of concept paper
SPS preparation	Environmental assessments for programme/components categorized as 'A' and 'B'	
	Full-scale environmental impact assessments for 'A' programme/components; partial environmental impact assessments for 'B' programme/components	
SPS appraisal/final SPS document	Environmental management plan (<i>although it is not clear according to Danida (2004a) whether an environmental management plan should be developed for all or only for selected programmes</i>)	
SPS approval	Concrete description of how environmental issues are integrated into the programme should be included in the submission note to the Danida board	

Based on Danida (1999), (2004a) and (2004d).

3. Assessment of post-1999 integration of environment as a cross-cutting issue in Danish bilateral assistance

Our review assesses the extent to which environment has been integrated as a cross-cutting issue in post-1999 sector programme support. In doing so, it is important not *only* to examine the extent to which the formal guidelines described in section 2 above have been complied with, but *also* to examine the extent to which environmental concerns have been incorporated conceptually – in spirit, so to speak – in the identification, preparation and approval of the sector programme support. While providing a helpful and valuable starting point, compliance with formal guidelines is in itself no guarantee for the genuine integration of environmental concerns.

Hence, the following assessment consists of two parts. The first part presents the findings from the assessment of the extent to which the selected 20 cases of sector programme support have complied with the *formal* guidelines for how to address environmental issues in the identification, preparation and approval of sector programme support. The second part presents the findings from the assessment of the extent to which environmental concerns at the *conceptual* level have informed the identification, preparation and approval of sector programme support.

Compliance with formal guidelines for integrating environmental issues

According to the formal guidelines for environmental screening and assessment of sector programme support described in section 2, it is possible to identify a set of individual elements or tasks which should be performed in order to comply with the formal guidelines for how to integrate environmental issues in the identification, preparation and approval of sector programme support. The following five elements⁸ have been identified:

8. Ideally also the inclusion of environment as a cross-cutting issue in the Board submission note should be included. However, the Board submission notes became available to the study team so late that it was not possible to include them among the elements listed in box 3.1.

Box 3.1: Elements to be undertaken to comply with formal guidelines for integrating environment as a cross-cutting issue

Element (variabel name)	Description
SES	preparation of a <i>sector environmental study</i> (valid at least up until 2004, and thus for all but one of the programmes under review)
screening /categorization	undertaking of <i>environmental screening and categorization</i>
design	incorporation of findings from the environmental screening and categorization into the preparation of the sector programme support (<i>simple reflection</i> or in cases of components and programmes categorized as 'A' and 'B', the undertaking of <i>full or partial environmental impact assessment</i>)
EMP	preparation of programme or component specific <i>environmental management plans</i>
appraisal	inclusion of <i>environmental issues as part of the appraisal work</i> , e.g. checking that environmental issues have been adequately incorporated during identification and preparation of sector programme support

Based on a review of the existing documentation⁹ from the 20 selected cases of sector programme support to agriculture, water, transport and decentralization in 10 different countries (please refer to table 1.1), the extent to which these individual elements have been complied with during the identification, preparation and approval of the sector programme support has been recorded according to a 'compliance scale' ranging from '0' to '2'. At this compliance scale, '0' means that a requirement/element of the formal guidelines has not been complied with (or has been complied with to a negligible extent), while the maximum of '2' means that a requirement/element of the formal guidelines has been fully complied with. For some of the formal requirements, intermediate options between 'no' and 'full' compliance are defined with an associated intermediate score (please see box 3.2 for a detailed descriptions of the scoring system). For each programme reviewed, the scores assigned on these individual formal requirements have subsequently

9. Annex I presents a list of the documents used as the basis for the review of the 20 selected sector programmes.

Box 3.2: Formal requirements for environmental screening and assessment, options and scores included into 'compliance score'

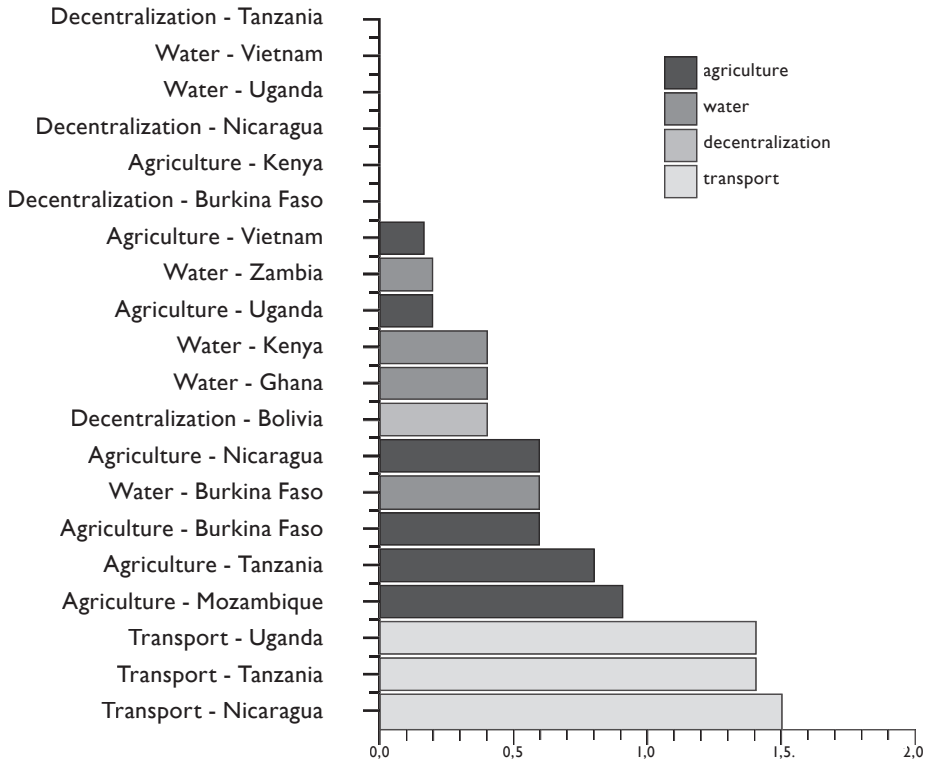
Formal requirement		Option	Score
SES	sector environmental study conducted?	no	0
		yes	2
Screening/ categorization	environmental screening and categorization of programme or components undertaken?	no	0
		yes	2
Design	inclusion of environmental issues identified during initial screening incorporated into design of sector programme support?	no or only very superficially	0
		yes, to some extent	1
		yes, to a large extent	2
EMP	has an environmental management plan been prepared?	no	0
		yes, but a year or more after programme start	0.67
		yes, within the first year from programme start	1.33
		yes, before programme start	2
Appraisal	does appraisal involve environmental issues?	no, or only very superficially	0
		yes, to some extent	1
		yes, to a large extent	2
Compliance score	<i>Calculated as the arithmetic average of valid entries on the above five variables [mean (SES,screening/categorization,design,EMP,appraisal)]</i>		

been combined into a 'compliance score' as the arithmetic average of the scores achieved with respect to the individual requirements (see box 3.2).

Figure 3.1 shows the compliance scores achieved by each of the reviewed sector programmes. The figure shows that none of the programmes received the maximum possible score of 2.0. Furthermore, it shows that a considerable share, namely almost one-third of the reviewed programmes received a score of zero, meaning that none of the formal requirements had been met.

For each of the four sectors chosen for review, figure 3.2 describes the achieved scores for the programmes included. It shows a consistent performance within the transport sector coming close to meeting the formal guidelines for environmental screening and assessment while there is considerable variation as well as room for improvement for sector programme support to agriculture, water and decentralization.

Figure 3.1: Compliance with formal guidelines* for integrating environmental issues into identification, preparation and approval of sector programme support, *possible maximum score = 2.00*

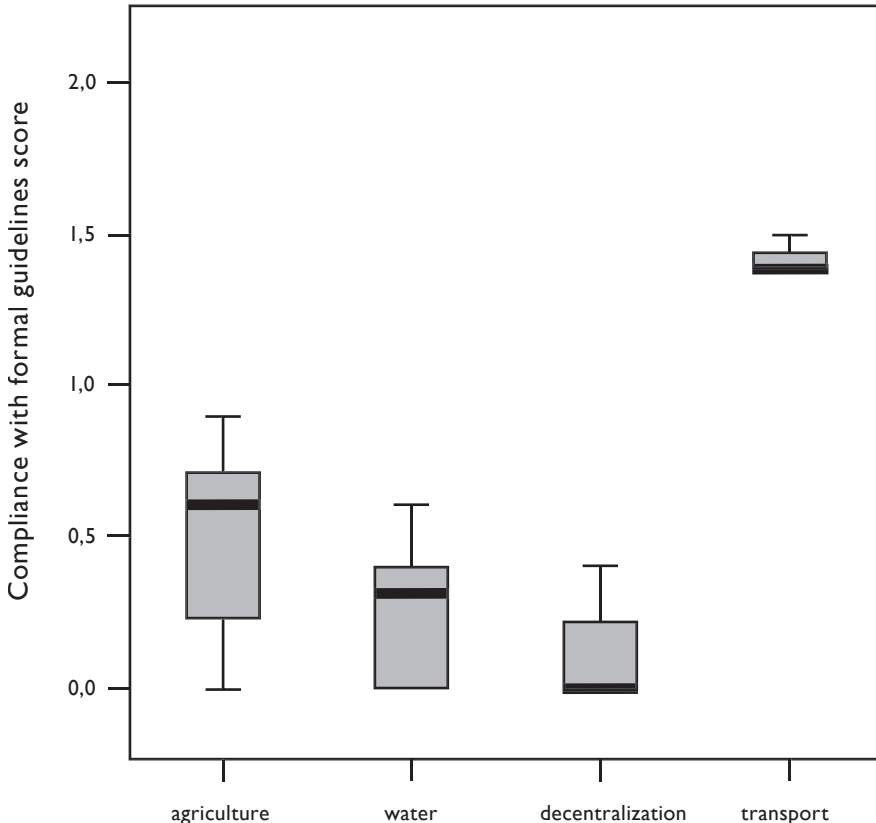


* Please note that compliance with formal guidelines provides no guarantee of genuine integration of environmental concerns in sector programme support and vice versa!

Table 3.1 provides a break-down of the compliance with the formal requirements for environmental screening and categorization into its individual elements. It shows that in none of the programmes, a sector environmental study has been conducted as part of programme identification.¹⁰ All of the remaining environmental requirements have been complied with in the case of support to the transport sector

10. A Sector Environmental Assessment was planned in relation to the agricultural sector programme support to Vietnam, but was apparently never conducted. It should be noted that Sector Environmental Studies have been conducted in relation to programmes which are not included as cases for the present review. These include studies commissioned in relation to energy sector support to Ghana and Mozambique.

Figure 3.2: Compliance with formal guidelines* for integrating environmental issues into identification, preparation and approval of sector programme support by sector; median (black line); minimum and maximum (whiskers); and quartiles (box) by sector



* Please note that compliance with formal guidelines provides no guarantee of genuine integration of environmental concerns in sector programme support and vice versa!

to a partial or full extent. The general picture is, however, one of low compliance with the individual elements of the formal requirements.¹¹ In less than half (45 percent) of the programmes, environmental screening and categorization – a step

11. In 2003, Dfid undertook a similar review to assess compliance with Dfid procedures for mainstreaming environment into its assistance. It found that while 96% of the projects in 2003 claimed to have undertaken the mandatory Initial Environmental Screening (described in Dfid, 2003a), only 32% of the project had documentation to support this claim. These figures, however represented an increase from a base level of 5% in 1997 (Dfid, 2003b).

Table 3.1: Compliance with formal guidelines* for incorporating environmental issues in the identification, preparation and approval of sector programme support, *percentage of programmes within which individual formal requirements have been met, by sector*

Formal requirement	Sector				All (20 programmes)
	Agriculture (7 programmes)	Water (6 programmes)	Transport (3 programmes)	Decentralisation (4 programmes)	
Sector environmental study (SES) conducted	none	none	none	none	none
Study of similar scope to SES conducted	43%	17%	none	none	20%
Environmental screening and categorization conducted	57%	33%	100%	none	45%
EMP developed prior to programme start	none	none	100%	25%	20%
Environmental screening, EMP or assessment included in preparation	43%	17%	100%	none	35%
Environmental considerations included in appraisal to some extent	67%	20%	50%	none	35%
Environmental considerations included in appraisal to a large extent	none	20%	50%	none	12%
Board submission note includes concrete description of integration of environment – to some extent	60%	67%	67%	50%	56%
Board submission note includes concrete description of integration of environment – to a large extent	20%	33%	33%	none	28%

* Please note that compliance with formal guidelines provides no guarantee of genuine integration of environmental concerns in sector programme support and vice versa!

which in many ways is pivotal to all further inclusion of environmental concerns in preparation and approval of sector programme support – has been conducted. In some of the cases where environmental screening had been conducted, the screening was not conducted as part of identification but at a later stage during preparation (e.g. agricultural sector programme support to Nicaragua). Only one-fifth of the programmes had an environment plan included as part of the

programme document. Most board submission notes include a brief discussion of environment as a cross-cutting issue. However, in the majority of cases, no or only a very superficial description of the national environmental status was provided and the description of how the sector programme support will contribute to improve this situation tend to be general rather than concrete.

The fact that it is all elements rather than just to one particular element of the formal environmental guidelines which are not complied with, suggests that incompliance cannot be blamed solely on the teams of consultants involved in the identification and formulation of the programme support. Rather, it indicates a situation of inadequate enforcement of existing guidelines, e.g. the fact that programme preparation is permitted to begin without the existence of a sector environmental study (responsibility of the Danish representations) or initial environmental screening and categorization (programme committee is responsible for putting further programme preparation on hold until an environmental screening has been undertaken). Hence, environmental guidelines alone without enforcement do not seem capable of ensuring the formal integration of environmental issues in sector programme support.

Conceptual integration of environment as a cross-cutting issue

Environment – not just as a concern with managing environmental risks but also as a concern with seizing environmental opportunities

The change in the understanding of environment as a cross-cutting issue from being primarily a concern with mitigating environmental risks to now also being a concern with seizing environmental opportunities is relatively recent. Thus, from a formal point of view, it is hardly surprising that very few among the cases of sector programme support reviewed bear evidence of having considered potential environmental opportunities. By far the dominating approach to integrate environmental concerns is by considering whether any environmental risks are or can be associated with the proposed programme support. If no major environmental risks are identified, there has – until the publishing of Danida's environmental strategy (Danida, 2004b) and the good practice paper on environmental screening (Danida, 2004a) – been little encouragement to further pursue environmental considerations. However, the experiences with including environment not only as a concern with mitigating environmental risks but also with seizing environmental opportunities are mixed in the few recent cases of sector programme support included in our sample.

This points to the fact that despite common guidance, individual capacities and concerns among Danida staff as well as among the consultants involved in the actual preparation of sector programme support, strongly influence the extent to which environmental as well as other development concerns are integrated into sector programme support. Combined with the current limited role of specialized staff from the technical advisory service (TAS) during programme identification and preparation, this provides little organizational guarantee that environmental expertise is involved during programme identification and preparation. Moreover, in sectors which are usually not associated with environmental risks, e.g. decentralization, it is common that neither environmental risks, nor environmental opportunities are considered as part of the sector programme identification and preparation. In such cases, the appraisal report would typically refer to environmental issues under the generic heading 'cross-cutting issues' stating that cross-cutting issues as a whole, i.e. including as different concerns as gender, democratization, human rights and HIV/Aids, have been adequately addressed and thus meeting their formal obligation of checking for the integration of cross-cutting issues.

Poverty-environment nexus

The concern with seizing environmental opportunities which specifically will contribute to reduce poverty and thus promote pro-poor growth is linked to the broadened focus on environment as a cross-cutting issue to include the identification and seizing of environmental opportunities more generally. Poverty reduction is far from a new concern in Danish development assistance. At the political level, it has been reaffirmed as the primary objective on several occasions, most recently in the document *Security, Growth – Development* (Danida, 2004c). Yet, only few examples are found of programmes where the poverty-environment nexus has been explored at any great depth. One of these is the sector programme support to agriculture in Mozambique. During the preparation of this programme, a number of poverty-environment linkages were identified. These include land tenure security for the poor and poor people's access to environmentally friendly agricultural technologies. How these links have influenced the design of the sector programme support and its implementation is, however, less evident from the programme documents. As another example, poverty-environment linkages have been addressed in the second phase of the agricultural sector support to Uganda. However, besides being only partially addressed, poverty-environment links seem to have been addressed to justify already identified components, rather than as part of an effort to identify and seize pro-poor environmental options broadly within the agricultural sector. The programme document describes how the poor living

in marginal areas, due to their poverty, deplete the soils. Therefore, it concludes, productivity-enhancing and fertility-replenishing technologies are needed. Apart from not being supported by evidence, this account overlooks the fact that far from all the resource degradation taking place in marginal areas is caused by the poor and far from all rural poor people live in marginal areas. Given these omissions, the account provides an incomplete basis for identifying pro-poor environmental opportunities relevant for support to the agricultural sector.

Assessments of environmental risks and opportunities are not integrated into programme identification

With the exception of support to the transport sector, the tendency is that environmental concerns are addressed very late during programme preparation and, in some cases, not until the appraisal stage. A proper sector environmental study had not been undertaken in any of the 20 cases reviewed, and in only a few cases, a study of a similar scope to a sector environmental study had been consulted as part of the identification phase (e.g. agricultural sector support to Burkina Faso, Mozambique and Uganda and water sector support to Vietnam). Likewise, with the exception of the transport sector programme support, it is rare that environmental authorities and organizations (ministries of environment, district environmental authorities or environmental civil society organizations) have been consulted as part of the identification – or preparation for that matter – of sector support options. Hence, there are cases where sector-relevant national policies having environment as an explicit cross-cutting issue have been overlooked (e.g. support to decentralization to Burkina Faso, Nicaragua and Tanzania). Combined with the fact that environmental screening is often not conducted until towards the end of programme preparation,¹² this implies great risks that both environmental risks and opportunities are overlooked or discovered so late in the process of sector programme support preparation that considerable investments in terms of consultancy fees would already have been made and expectations among selected partner institutions already have been created. These investments may be lost and expectations may be disappointed if the design of the sector programme support were to be significantly changed to accommodate such late discoveries. This concern with lost opportunities, misguided investments and disappointed expectations reiterates the need to focus on the efforts and the mechanisms for the enforcement of existing guidelines rather than only on the guidelines themselves.

12. e.g. agricultural sector programme support to Nicaragua

If prepared, environmental management plans tend to be prepared after budgets have been allocated

The fact that environmental management plans, if at all prepared, are prepared so late, i.e. often after programme implementation has started, means that suggestions implying a reallocation of funds or a revision of management or decision-making procedures would only come at some cost and efforts of negotiation. Examples of such extra costs or needs for changes in management could be if an environmental management plan would suggest that allocation and disbursement of funds pledged for local development initiatives¹³ should be made conditional on the undertaking of environmental assessments of proposed activities.

'Cross-cutting issues' as a generic term might be counter-productive

Besides environmental concerns, cross-cutting issues in Danish development assistance comprise as diverse issues as promoting equal rights and opportunities for men and women and promoting democratization and human rights. By lumping such diverse and important issues together under the generic – and, admittedly, often practical – term 'cross-cutting issues', the risk is that none of them receive the attention they merit and that it is up to the discretion and expertise of involved programme officers and consultants to decide which of these issues should be devoted (more) attention. Hence, in the programme documents and appraisal reports, it is common to find sections towards the end of the document with the heading 'cross-cutting issues' containing brief and often undocumented statements such as, 'the programme is foreseen to have limited or only positive impact on gender equality, environment and democratization', or, in the case of appraisal reports, 'that the cross-cutting issues have been adequately addressed'.

Obligation to contribute to partner country's ability to meet commitments specified in international environment-related conventions is rarely recognized

Both Denmark and a large part of the 10 countries covered in the present review have ratified several of the environmentally related international conventions.¹⁴ In the context of bilateral assistance, these conventions imply that Danida

13. e.g. agri-business development components in the Kenyan, Nicaraguan or Ugandan agricultural sector programme support or in the Burkina Faso support for decentralization.

14. E.g. the UN Conventions on biological diversity (ratified by Denmark and all 10 case countries); the UN convention to combat desertification (ratified by Denmark and nine of the 10 case countries); the UN framework on climate change (ratified by Denmark and all 10 case countries); the Kyoto Protocol (ratified by Denmark and seven of the 10 case countries); Basel convention on transboundary movements of hazardous wastes and their disposal (ratified only by Denmark); the Stockholm Convention of persistent organic pollutants (ratified by Denmark and all 10 case countries); the Ramsar convention on wetlands of international importance (ratified by Denmark and all 10 case countries).

has an obligation to assist partner countries in meeting their commitments related to the conventions. This obligation was strongly emphasized in Danida's environmental strategy (Danida, 2004b). Nevertheless, reflections on this commitment and its implications are hardly discernible in the sector programmes reviewed.¹⁵

Environmental issues do not feature strongly in policy dialogues and donor harmonization efforts

The sector programmes included in this review bear ample evidence of the efforts to ensure that sector programme support is given within and contribute to the implementation of national policy frameworks such as poverty reduction strategies and sector-specific policies and also to achieve harmonization of approaches and coordination among donors and national institutions. Despite the common acceptance of environment as a cross-cutting issue e.g. in the development of poverty reduction strategies as well as among donor organizations, only few among the reviewed cases of sector programme support indicate that environmental issues form part of these policy dialogues and harmonization efforts. As a possible mechanism for achieving donor harmonization, the paper on *'Modalities for the Management of Danish Bilateral Development Assistance'* (Danida, Undated) suggests joint government working groups for analytical sector work. Also the recent Paris Declaration on Aid Effectiveness¹⁶ highlights the need and opportunities for promoting a harmonized approach to environmental analysis and assessment. However, only in the case of agricultural sector support provided for Burkina Faso, Mozambique and Uganda, joint analytical work addressing environmental issues or environmental studies commissioned by other donors or the country itself had been included as part of the background for the identification and preparation.

Environmental issues tend to be partially integrated in sector programme support to agriculture

In the case of agricultural sector programme support, the general assessment is that environmental issues tend to be *partially* integrated into sector programme support to agriculture through one or more components. Such components tend to be either *thematically* associated with environmental issues, such as IPM

15. The only examples of reflection on international conventions encountered in the 20 selected cases of sector programme support are brief references to the convention to combat desertification in the Burkina Faso agricultural sector programme support document, to the biodiversity convention in the agricultural sector programme support to Mozambique and to the conventions on hazardous chemicals in relation to the agricultural sector programme support to Nicaragua.

16. <http://www1.worldbank.org/harmonization/Paris/FINALPARISDECLARATION.pdf>.

components (e.g. Vietnam and Nicaragua), or support to pesticides control agencies (e.g. Nicaragua), or *geographically* associated with environmental issues due to their focus towards marginal areas, typically as components aiming to improve soil and water conservation in drier or more distant parts of a country (e.g. agricultural support to Kenya). Obviously, this partial integration of environmental issues represents an improvement compared to a situation with only limited consideration of environmental issues dominating during the 1980s. However, the drawback of this partial integration of environmental concerns is that environmental issues tend not to be addressed in components having productivity enhancement, increase of marketed production and private sector engagement as their intermediate objectives. As an example, no environmental assessments are envisaged for proposals for agribusiness development e.g. in Uganda or Kenya, nor are efforts made to encourage the development and presentation of environmentally sound investment plans. Thus, while *presumably* – it is hard to *know* because so few environmental screenings and environmental management plans have been conducted and documented – contributing to environmentally sustainable agricultural development through support to some components, the potential environmental impact of the remaining – and often the major – components is unknown.

Integration of support for water supply and sanitation and water resources management promotes the integration of environmental issues in water sector support

Water sector support is often perceived as environmental support in itself. While this in many cases may be justified, our review indicates that this perception might be responsible for the fact that environmental issues are not explicitly addressed as part of water sector programme support identification and preparation. Obviously, this entails a risk that potential environmental opportunities are not recognized or fully exploited. Historically, support to water supply and sanitation has been separated from support to integrated water resources management. Although efforts are being made in Danida as well as in many of the partner countries to merge the two approaches, the separation is still present in some of the water sector programmes included in this review. The tendency is, however, that the better the integration between on the one hand, water provision and sanitation and, on the other hand, general water resources management, the better the integration of environmental concerns such as consideration of the environmental impact of withdrawal and discharge of water for/from household consumption vis-à-vis other potential productive and environmental uses of water.

Solid progress in the institutionalization of environmental assessments in the transport sector

Among the four sectors selected for the present review, support to the transport sector performs consistently best both in terms of formal compliance with environmental guidelines and in terms of conceptually integrating environmental issues into identification, preparation and approval of sector programme support. General strengthening of the capacity to screen and assess individual infrastructure improvements (or constructions) from an environmental point of view among involved authorities (transport ministries, municipal authorities, etc.) tend to be included – and thus budgeted for – as part of programme design and particular care is taken in the case of infrastructure improvements in protected areas or otherwise environmentally sensitive areas (e.g. Nicaragua).

Support to decentralization represents missed environmental opportunities

As already mentioned, decentralization is a sector which traditionally is not associated with environmental risks. Discussions with programme officers and consultants involved in decentralization programme preparation suggest that they rarely have perceived the need to comply with environmental guidelines, neither formally nor conceptually. However, several of the cases of support to decentralization seem to have reached a stage beyond capacity development towards also including a focus on how to translate improved capacity into better services for citizens, as explicitly stated in the programme document on support to decentralization in Nicaragua. In this context, environmentally related services, such as waste and waste water management, regulation of natural resource use and eco-tourism development constitute some among other options for practicing such ‘translations’ of attained capacities. Thus, these services are good examples of environmental opportunities which presently are overlooked in sector programme support to decentralization due to lack of compliance – formally as well as conceptually – with environmental guidelines.

4. Emerging approaches to integrating environment as a cross-cutting issue in development assistance

Many international donor organizations and national governments consider environment as a cross-cutting issue, in most cases in addition to considering environment as a sector in itself. There also seems to be widespread agreement to the importance of integrating environmental considerations as early as possible both as part of country programme preparation and during sector support preparation (often as an environmental screening). Many donor organizations have developed guidelines,¹⁷ and many national governments have undertaken studies and strategies for the integration of environmental issues into country/national programmes¹⁸ and sector (support) planning.

In 2001, the World Bank undertook a review of the extent to which environmental issues were integrated into the poverty reduction strategies of 40 countries (Bojö & Reddy, 2002).¹⁹ A large part of the poverty reduction strategies included at that time was interim or first generation strategies. The result of the review was that in a few cases, particularly in countries which had recently experienced natural disasters, and thus where the importance of the environment as the basis for – poor – people’s livelihoods, e.g. in Mozambique, Nicaragua and Honduras, had been accentuated, environmental issues were well integrated into the poverty reduction strategy. However, overall environmental issues were not well integrated into poverty reduction strategies. There are indications that environment has become better integrated in full and second generation poverty reduction strategies (PEP meeting, 2003,²⁰ and Bojö and Reddy, 2003).

Following up on these concerns with integrating poverty and environmental concerns and in preparation for the 2002 World Summit on Sustainable Development in Johannesburg, Dfid, the European Commission, UNDP and The World Bank published the study *Linking Poverty Reduction and Environmental Management*.

17. e.g. (e.g. Dfid, 2003a)

18. Please see Segnestam et al. (2003) for a review of international experiences with country-level environmental analysis which include State-of-the-Environment papers, national sustainable development strategies and analyses recommended by donor organizations, including USAID, Sida, SNV and ADB. See also Sida (2002).

19. This paper has later been updated to include a total of 50 poverty reduction strategy papers (Bojö and Reddy, 2003).

20. Poverty and Environment Partnership, meeting held June 2003 (<http://europa.eu.int/comm/development/body/theme/environment/docs/Summary%20report%204th%20meeting.doc>).

Policy challenges and opportunities. This report marks the introduction of the focus on environmental opportunities rather than only on environmental risks into the thinking on poverty-environment relationships and hence, into the thinking about environment as a cross-cutting issue in general. The report describes the challenge to ensure poverty-oriented environmental management as a “the need to ensure secure and equitable access by the poor to environmental assets and the benefits that they can provide in order to expand people’s livelihood opportunities, protect their health and capacity to work, and reduce their vulnerability to environment-related risks” (Dfid *et al.*, 2002:10).

In order to meet these overall challenges, the report identifies a number of options for policy and development intervention such as i) improving governance, and in particular *environmental* governance; ii) enhancing the assets of the poor; iii) reforming international and industrial-country policies; and iv) improving the quality of growth to include poverty-environment issues (*ibid.*:26). Hence, this study could provide an important source of inspiration for efforts to facilitate the thinking on environmental opportunities.

In 2003, the World Bank proposed the Country Environmental Analysis as an analytical instrument to evaluate the environmental implications of broader development policies and programmes and thus integrate environmental issues into the country policy dialogue, e.g. with respect to poverty reduction strategies. Also in this context, the argument is that the country environmental analysis should be carried out at the earliest stage of decision-making, i.e. prior to the preparation of the poverty reduction strategies, development policy reviews, etc. (World Bank, 2003a). In order to enhance country ownership and avoid duplication of efforts, government officials, local experts and institutions should be involved in the preparation, and mechanisms to promote donor harmonization should be exploited.

The main elements of the proposed country environmental analysis are:

- *environmental priorities for development* – based upon existing national environmental action plans, state of the environment documents etc.;
- *policy analysis* – identification of environmental implications of macro-economic or sector policies and reforms; and
- *capacity and performance assessment* – institutional and organizational capacity assessment, environmental assessment capacity and environmental public expenditure review (Segnestam *et al.*, 2003:2).

A full scale country environmental analysis is expected to cost approximately USD 200,000. Judging from the World Bank homepage, only three country environmental analyses have been completed (Belarus and Serbia-Montenegro both in 2003, and Tunisia in 2004) while more are planned.

The most recent approach within the World Bank is to test the use of country environmental and social safeguard systems, i.e. national, sub-national or sectoral implementing institutions, and applicable laws, regulations, rules, and procedures, in World Bank supported activities (World Bank, 2005). The underlying rationale is that 'the development community can enhance country ownership and project sustainability if it works more directly with the institutions and mechanisms the country already has in place, including supporting efforts to strengthen them (World Bank, 2005:1), in line with the 2005 Paris Declaration on Harmonization.²¹

A key concept in this country systems approach is the concept of *equivalence*. Point of departure is taken in the World Bank's safeguard policy framework consisting of 10 policies²² of which eight address environmental and social aspects (Box 4.1 summarizes the World Bank safeguard policy on Environmental Assessments). Before deciding whether to use country safeguard systems, the World Bank assesses whether a country's environmental and social safeguard systems are *equivalent* to its own, i.e. whether the country's systems are designed to achieve the same objectives and adhere to the same operational principles as those of the World Bank. In addition, the World Bank would assess the acceptability of the country's implementation practices, track record and capacity (*ibid.*:iii-iv). Thus, in order to undertake project implementation through the use of country systems, the country would be responsible for achieving and maintaining equivalence as well as acceptable implementation practices, track record and capacity in accordance with World Bank's assessment (*ibid.*:iv). Within this framework, and in particular to undertake the assessment of equivalence between country and World Bank environmental safeguard systems, country environmental analyses, (strategic) environmental assessments, environmental screenings, etc. undertaken by country itself, local experts or civil society organizations as well as by the World Bank and other donor organizations are seen to provide important inputs.

21. <http://www1.worldbank.org/harmonization/Paris/FINALPARISDECLARATION.pdf>.

22. These are Environmental Assessment; Natural Habitats; Pest Management; Involuntary Resettlement; Indigenous Peoples; Forests; Cultural Property; Safety of Dams; Projects on International Waterways; and Projects in Disputed Areas. The latter two are not regarded as environmental and social safeguard policies (World Bank, 2005).

Box 4.1: Objectives and Operational Principles of World Bank policy on Environmental Assessment (OP/BP 4.01)

Objectives	Operational principles
<p>To help ensure the environmental and social soundness and sustainability of investment projects</p> <p>To support integration of environmental and social aspects of projects into the decision making process</p>	<ol style="list-style-type: none"> 1. Screen as early as possible to define scope and scale of environmental assessment. Use sectoral or regional environmental assessments when appropriate. 2. Assess in environmental assessments potential impacts to physical, biological, socioeconomic and physical cultural resources from the proposed project. 3. Assess adequacy of the applicable legal and institutional framework. 4. Provide for assessment of feasible investment, technical, and location alternatives, including the “no action” alternative. 5. Where applicable to the type of project being supported, normally apply the Pollution Prevention and Abatement Handbook (PPAH). Justify deviations, when alternatives to measures set forth in the PPAH are selected. 6. Prevent and, where not possible to prevent, at least minimize, or compensate for adverse project impacts and enhance positive impacts through environmental planning and management that includes the proposed mitigation measures, monitoring, institutional capacity development and training measures, an implementation schedule, and cost estimates. 7. Involve stakeholders, including project-affected groups and local non-governmental organizations, as early as possible, in the preparation process and ensure that their views and concerns are made known to decision makers and taken into account. Continue consultations throughout project implementation as necessary to address environmental assessment related issues that affect them. 8. Use independent expertise in the preparation of environmental assessments where appropriate. Use independent advisory panels during preparation and implementation of projects that are highly risky or contentious or that involve serious and multi-dimensional environmental and/or social concerns. 9. Provide measures to link the environmental assessment process and findings with studies of economic, financial, institutional, social and technical analyses of a proposed project. 10. Provide for application of these principles to sub-projects under investment and financial intermediary activities. 11. Disclose draft environmental assessments in a timely manner, before appraisal formally begins, in an accessible place and in a form and language understandable to key stakeholders.

Source: World Bank (2005: Table 1).

5. Recommendations

Recommendation 1:

Strengthen enforcement of existing guidelines

As documented in section 3, the extent to which environmental guidelines are followed, formally as well as conceptually leaves considerable room for improvement. For any organization, the absence of enforcement of existing guidelines and the absence of sanctions in cases of non-compliance undermine not only the authority of the guidelines and the institution formally backing them but also the importance of their subject. If contributing to managing environmental risks and seizing of environmental opportunities is considered an important aspect of pro-poor development as Danida's environmental strategy signals (Danida, 2004b) and Danida consequently chooses to have guidelines for environmental screening and assessment, these guidelines should be carefully enforced. The responsibility for such effective enforcement is distributed among the

- *Danish representations* – most importantly for integrating environmental issues during programme identification and undertaking environmental screenings of initial proposals and for ensuring that the submission note presented to Danida's board includes concrete description of how environment is integrated into the programme;
- *programme committee* – most importantly for ensuring that proper environmental screenings have been conducted as part of programme identification and are attached to the concept paper and for guiding programme preparation so that identified environmental risks and opportunities are integrated into programme preparation;
- *appraisal team* – most importantly for ensuring that the sector-relevant environmental status, including the national environmental legislation and regulation is analyzed and that the issues and recommendations resulting from the environmental screening have been addressed as part of programme design;
- *Danida's board* – most importantly for ensuring that only submission notes which adequately address environmental issues are approved.

Recommendation 2:**Revise the Good Practice paper on Environmental Screening to require that environmental screening notes be prepared for each component**

While the 1999 Environmental Assessment guidelines clearly specified that environmental screening should be undertaken for each component of a sector support programme, the Good Practice paper on environmental screening is less clear as to whether environmental screening should be undertaken at programme or at component level. Given the finding that in many programmes, in this review particularly within agricultural and water sectors, environmental issues are well integrated into some components while not so well into others, programme-level environmental screenings provide insufficient guarantee that environmental risks and opportunities as well as national environmental legislation and regulation have been explored and integrated in *all* programme activities. Thus, it is recommended that the Good Practice paper on environmental screening is revised so that it specifies that environmental screening should be undertaken for each component of sector programme support.

Recommendation 3:**Clarify when environmental management plans should be developed and develop a Good Practice Paper on Environmental Management Plans**

Likewise, while the 1999 Environmental Assessment guidelines required that an environmental management plan should be included as part of the programme document for all programmes, the Good Practice paper on environmental screening is less clear in this respect. It is therefore recommended to develop an environmental assessment guide which provides an updated description of the entire environmental assessment process. Thus, it should be clarified whether the environmental management plan is mandatory for all sector support programmes and whether environmental management plans should be developed as part of programme preparation or could be developed as an inception phase activity provided that a budget allocation is made for its implementation. Finally, it is recommended that a separate good practice paper is developed on environmental management plans to clarify the purpose, the possible contents and how the implementation of environmental management plans is incorporated into sector programme support budgets.

Recommendation 4:**Promote environmental consultations with environmental civil society organizations, researchers and environmental authorities in the partner countries**

Reiterating the statement from Danida's good practice paper on environmental screening (Danida, 2004a), it is 'never too early' to start the integration of environmental concerns in the identification of options for supporting a given sector. One of the basic ideas of conducting a sector environmental study was exactly to provide basic knowledge of sector-relevant environmental issues as well as sector relevant environmental legislation and governance and thereby inform programme identification at an early stage. Very few sector environmental studies have, however, been conducted. Even if the World Bank proposal to periodically conduct country environmental analyses is accepted, these will not necessarily meet the sector-specific environmental knowledge and information needs associated with providing the basis for policy dialogue and development as well as with the identification and formulation of sector programme support.

To supplement such analyses as well as national state-of-the-environment reports and environmental action plans (when existing), it is recommended that Danish representations in coordination with relevant national authorities as well as other donor organizations²³ should encourage that regular (e.g. every second year) sector-specific environmental consultations are held with environmental civil society organizations, researchers and environmental authorities in the partner countries. In an effort to promote harmonization and coordination, many partner countries have established sector-specific working groups in which government institutions, donor organizations and often also civil society organizations participate. In countries where such sector-specific working groups exist, the Danish representation should encourage that the recommended regular consultations with environmental civil society organizations, researchers and authorities be hosted by the sector-specific working group. In cases where such sector-specific working groups do not exist, the Danish representations are recommended (in addition to encouraging the establishment of sector-specific working groups) to undertake such consultation as part of the identification of opportunities for sector programme support.

23. This recommendation is in line with the operational principles related to the World Bank policy on Environmental Assessment encouraging the involvement of stakeholders and the use of independent expertise in environmental assessment.

The objective of these sector-specific environmental consultations should be to tap into the constantly evolving environmental knowledge and information base which emerge when bringing a partner country's environmental resource base together and soliciting their views and experiences with respect to sector-specific environmental opportunities and risks. In line with international commitments to the Millennium Development Goals as well as to international environmental conventions, particular attention should be devoted in the consultations to the following two generic issues:

- which pro-poor environmental opportunities exist for sector-relevant support;
- which opportunities exist for contributing to the strengthening the country's sector-specific environmental regulation and its ability to meet its commitments towards sector-relevant international environmental conventions.

The consultation is envisaged as a half-day event with environmental civil society organizations, researchers and national environmental authorities to identify environmental opportunities and risks related to support to a given sector. Minutes should be taken from such consultations and the programme officer should be responsible for commenting upon the implications for Danish sector support, both with respect to points of agreement that are recommended to be further pursued as part of Danish sector support and with respect to points of disagreement for which no further action is recommended. These consultations and the issues raised should be reflected in the environmental screening notes attached to the concept paper.

Recommendation 5:

Further develop the training component on the integration of environment as a cross-cutting issue to be included into the training course on Aid Management Guidelines at Danida's Centre for Competence Development

Apart from insufficient enforcement of existing guidelines for the integration of environment as a cross-cutting issue into Danish bilateral assistance, lack of awareness of environmental issues and in particular, lack of experience with the identification of environmental *opportunities* as opposed to *risks* diminish the encouragement to comprehensively address environmental issues during sector programme identification and preparation. Efforts to facilitate the conceptual shift among programme officers and technical advisors from focusing mainly upon identifying and mitigating environmental risks towards an exploration of poverty-oriented environmental opportunities and options for supporting nationally based, sector-relevant environmental governance are therefore needed.

In addition to strengthened enforcement of existing guidelines for the integration of environment as a cross-cutting issue – *the stick* – it is recommended to develop a training component – *the carrot* – to be included into the training course on Aid Management Guidelines at the Danida's Centre for Competence Development. This training component should contain concrete examples of actual poverty-oriented gains from the early exploration of sector relevant environmental opportunities and review the resources (such as State-of-the-Environment reports, useful organizations, national as well as international, and web-sites, etc.) and instruments which can support the exploration of environmental opportunities and risks.²⁴ Moreover, it is recommended to make this course on aid management guidelines, including the environmental training component, compulsory.

**Recommendation 6:
Develop sector-specific environmental screening guidelines
which encourage and guide the process of considering
environmental opportunities**

Existing environmental screening guidelines e.g. those developed by Danida (1999 and 2004a) and Dfid (2003a)²⁵ all contain general formats and then sector specific checklists of issues to consider. In addition to the recommendation of making a consultation among the partner country's environmental resource base and the preparation of annotated minutes from this consultation a compulsory part of the identification of sector programme support, it is recommended that these sector-specific checklists are incorporated into the environmental screening note format. In this way, each sector would have its own sector-specific environmental screening note format which should be attached to the Terms of Reference for the sector programme support identification. In particular, these sector-specific environmental screening note formats should facilitate the identification of environmental opportunities and options for strengthening sector-relevant environmental legislation and regulation. Such sector-specific environmental screening note checklists should be updated regularly by Danida's technical advisory service to accommodate new insights gained by Danida as well as among its partner countries and fellow donor organizations.

24. Inspiration for the preparation of such a training component might be available from Dfid which has developed a half-day environment training associated with their Environment Guide (Dfid, 2003b).

25. Which again is based upon the joint Dfid, EU, UNDP and World Bank publication *Linking Poverty Reduction and Environmental Management. Policy Challenges and Opportunities* (Dfid et al., 2002).

Annex I – Documents used for the sector programme support review

Agricultural Sector Programme Support to Burkina Faso, 2000-2004

- [1] Danida 1996. Note de Reflexion sur les Grandes Contraintes de l’Agriculture au Burkina Faso, April 1996, Copenhagen: Ministry of Foreign Affairs.
- [2] Tahita *et al* 1997. Etude des Impacts du Programme National de Gestion des Terroirs (PNGT), June-July 1997 (IBRD), Copenhagen: Ministry of Foreign Affairs.
- [3] Danida 1999. Identification d’une Province pour un projet de Gestion des Ressources Naturelle, July 1999, Copenhagen: Ministry of Foreign Affairs.
- [4] Danida 1999. 7th Burkina Faso Policy Framework Paper 2000-2002, 20 August 1999 (IBRD), Copenhagen: Ministry of Foreign Affairs.
- [5] Danida 1999. Appraisal of Agricultural SPS Burkina, TSA.1, October 1999, Copenhagen: Ministry of Foreign Affairs.
- [6] Danida 1999. Document du Programme d’Appui au Secteur Agricole Burkina Faso (Volume 1), November 1999, Copenhagen: Ministry of Foreign Affairs.
- [7] Danida. Effets environnementaux des composantes du Programme d’Appui au Secteur Agricole, Burkina Faso (Annex 1 in 6), Copenhagen: Ministry of Foreign Affairs.
- [8] Danida 2000. Convention de Financement, 25 February 2000, Copenhagen: Ministry of Foreign Affairs.
- [9] Danida 2000. Sub-component A.3 “Projet de Développement Local dans la Komdandjari”, September 2000, Copenhagen: Ministry of Foreign Affairs.
- [10] Danida 2000. Etude d’Impact sur l’Environnement et établissement d’un Plan de Gestion de la Retenue d’Eau de Gayéri (G.E.RAM.HY, October 2000), Copenhagen: Ministry of Foreign Affairs.
- [11] Danida 2000. Sub-component A.4 “Appui au Suivi et Evaluation du PNGT-2”, December 2000, Copenhagen: Ministry of Foreign Affairs.
- [12] Danida. Minutes of five (5) Annual Sector Reviews conducted during the period October 2000 and November 2004, Copenhagen: Ministry of Foreign Affairs (N.B. Three annual reviews of ADDAB were also

- carried out during 1997-1999).
- [13] Danida 2001. Danish-Burkinabé Development Co-operation Summary of Evaluation No. 2001/4, Copenhagen: Ministry of Foreign Affairs.
 - [14] Danida 2003. Analyse de l'Etude d'Impact sur l'Environnement de SGS Enviro./SOCREGE pour Ashanti Goldfields Burkina Faso SARL, 18 March 2003, Copenhagen: Ministry of Foreign Affairs.
 - [15] Danida 2003. Etude sur la securité des conditions de vie de ménage dans la Province de Komondjari, Burkina Faso, April 2003, Copenhagen: Ministry of Foreign Affairs.
 - [16] Danida 2003. Rapport de Capitalisation du PADDAB I, November 2003, Copenhagen: Ministry of Foreign Affairs.
 - [17] Danida 2004. Agreed minutes on the country programme in Burkina Faso. Meeting between the Head of Bilateral Affairs and the Embassy in Ouagadougou, 28-30 April 2004, Copenhagen. Ministry of Foreign Affairs.
 - [18] Danida 1997. Landstrategi for Burkina Faso, maj 1997, Copenhagen: Ministry of Foreign Affairs.
 - [19] Danida 2004. Strategi for Danmarks Udviklingsamarbejde med Burkina Faso 2005-2009, juli 2004, Copenhagen: Ministry of Foreign Affairs.
 - [20] Ministère de l'Economie et du Développement 2003. Burkina Faso Cadre Stratégique de Lutte contre la Pauvreté, septembre 2003.

Agricultural Sector Programme Support to Kenya, Phase I, 2005-2010

- [1] Danida 2004. Kenya ASPS Pre-Appraisal Report dated 8 July 2004, Copenhagen: Ministry of Foreign Affairs.
- [2] Danida 2004. Identification/Preparation Report ASPS 2005-2010 Kenya, March 2004, Copenhagen: Ministry of Foreign Affairs.
- [3] Danida. ASPS 2005-2010 Kenya DRAFT Concept Paper, undated, Copenhagen: Ministry of Foreign Affairs.
- [4] Danida 2001. Project Document ASP in the ASAL Districts, Phase II, 2001-2004, Kenya, dated July 2001, Copenhagen: Ministry of Foreign Affairs.
- [5] Danida. Danish Country Strategy for Kenya 2005-2009, Copenhagen: Ministry of Foreign Affairs.
- [6] Danida 2005. Landbrugssektorprogram, fase I (ASPS I), Kenya. Danida Board Meeting on 13. april 2005. 104. Kenya.805.

Agricultural Sector Programme Support to Mozambique, Phase II, 2005-2009

- [1] Danida 2000. Landestrategi for Mozambique. Strategi for Dansk Udviklingssamarbejde med Mozambique. Udenrigsministeriet. København.
- [2] Danida 2004. CONCEPT PAPER. 2nd Phase of AGRICULTURAL SECTOR PROGRAMME SUPPORT MOZAMBIQUE, ASPS II, Copenhagen: Ministry of Foreign Affairs.
- [3] Danida 2004. DRAFT REPORT OF THE EVALUATION MISSION ON THE PROAGRI II, STRATEGY DOCUMENT (ASPS II), Copenhagen: Ministry of Foreign Affairs.
- [4] Danida 1999. Agricultural Sector Programme Support – Mozambique: Appraisal. (ASPS I), Copenhagen: Ministry of Foreign Affairs.
- [5] Danida 1999. Agricultural Sector Programme Support, Main Document for Mozambique (ASPS I), Copenhagen: Ministry of Foreign Affairs.
- [6] Danida 2001. Annual Sector Review Agreement: ASPS (ASPS I), Copenhagen: Ministry of Foreign Affairs.

Agricultural Sector Programme Support to Nicaragua, Phase 2, 2004-2009

- [1] _ 2003. “Debriefing Note. Formulation mission for Second Phase of Danish Support for the Agricultural Sector in Nicaragua, PASA II”. March 2003.
- [2] _ 2003. “Agricultural Sector Programme Support to Nicaragua, 2004-2008. Concept Paper”.
- [3] _ Annex 2 “Environmental Management Plan”, Draft, September 2003.
- [4] Danida/MFA 2003. “PASA II. Danida Agricultural Sector Support Programme Phase II. Nicaragua. Appraisal Report”. Ref. No. 104. Nicaragua.805.
- [5] Danida/MFA 2004a. “Styrelsesnotits – MELA j.nr. 104.Nicaragua.805”.
- [6] Danida/MFA 2004b. “Nicaragua. Agricultural Sector Programme Support, Phase II. PASA II Sectoral Support Programme Document – Volume I”. Danida Ref. no. 104.Nicaragua.805.1²⁶
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26. Despite several efforts, it has not been possible to obtain copies of Volume II of the Programme Document containing the Annexes 1-6. Thus the draft version of Annex 2 (Environmental Management Plan) [3] has been included as the basis for the review.

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Annex II – Guide for sector programme review

Sector programme support preparation stage	Conceptual level	Conceptual level
SPS identification	<ul style="list-style-type: none"> ● To which extent does the general sector <i>programme justification</i> address environmental issues/concerns? ● To which extent are specific sector programme <i>components</i> justified on the basis of environmental issues/concerns ● To which extent have environmental concerns been important for the <i>choice</i> to support a given sector (cf. the latest Danida country programme) ● To which extent and how have options for integrating poverty and environmental concerns been explored as the basis for the identification of sector programme support options? ● Is a description of the general environmental situation included? ● Are the country's PRSP and National Sustainable Development Strategy genuinely used as part of the justification for the identified sector programme support options? 	<ul style="list-style-type: none"> ● Which types of assessments are made? ● Which types of assessments are not made? ● Which types of assessments have been <i>considered</i>? ● Have sector environmental studies been carried out/commissioned by Danida? ● In case such sector environmental studies have not been carried out, is this decision justified in the sector programme documentation? I.e. with reference to existing studies of similar scope? ● Does the identification report bear witness of having seriously explored and considered alternatives (see e.g. 1999 guideline, page 24, box 6, part 2). ● Has an environmental screening been undertaken?
Programme committee discussion and 'go-ahead' decision	<ul style="list-style-type: none"> ● Has a national environmental ministry or agency been involved in the dialogue on SPS formulation? 	<ul style="list-style-type: none"> ● Is the environmental screening attached to and/or integrated into the programme concept paper? ● Were environmental concerns addressed during the programme committee discussions?
SPS preparation	<ul style="list-style-type: none"> ● Have ways of enhancing the assets of the poor, e.g. by strengthening their resource rights, by expanding their access to environmentally sound technology, etc., been explored? And if yes, how? 	<ul style="list-style-type: none"> ● Has the programme (components) been categorized as 'A', 'B' or 'C' and has a full or partial environmental impact assessment been made for any 'A' or 'B' components? <p style="text-align: right;">>></p>

Sector programme support preparation stage	Conceptual level	Formal level
	<ul style="list-style-type: none"> • Have ways of changing/improving the quality of growth been addressed, i.e. by aiming to integrate poverty-environment issues into economic policy reform or by contributing to increasing the use of environmental valuation? And if yes, how? • Has the need for environmental indicators been considered? • Evidence of analysis on how the SPS may meet poverty/environment concerns? 	
SPS appraisal/final SPS document	<ul style="list-style-type: none"> • Does the appraisal check for analysis of environmental (sustainability) challenges or national environmental plan documents? • Does the appraisal check for/contain separate sections constituting environmental analysis, including environment-poverty links? 	<ul style="list-style-type: none"> • Is an EMP annexed to the appraisal report? • Does the appraisal make reference to the 1999 checklist on (page 17, box 3, part 2 on) how to review the EA process and documents or the use of checklist (on page 20, box 4, part 2) of questions to guide SPS component screening?
SPS approval	<ul style="list-style-type: none"> • Have environmental concerns been addressed and in which way? 	<ul style="list-style-type: none"> • Has the extent to which environmental guidelines been followed been checked?

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