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Working Party on Development Co-operation and Environment

COMPENDIUM OF DONORS' OPERATIONAL PRACTICES IN SUPPORT OF ENVIRONMENTAL GOALS

(Note by the Secretariat)

This document presents the findings of a study commissioned by the DAC Working Party on Development Co-operation and Environment to identify good operational practices for bilateral donors in support of sustainable development.

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List of Abbreviations

AIDAB	Australian International Development Assistance Bureau
AusAID	Australian Agency for International Development
BADC	Belgian Agency for Development Co-operation
CIDA	Canadian International Development Agency
DAC	Development Assistance Committee
DANCED	Danish Co-operation for Environment and Development
DANIDA	Danish International Development Agency
DFID	United Kingdom Department for International Development
EIA	Environmental Impact Assessment
GEF	Global Environment Facility
IDC	Interdepartmental Commission
JICA	Japan International Co-operation Agency
MDB	Multilateral Development Banks
NEDA	Netherlands Development Assistance
NGO	Non Governmental Organisation
NZODA	New Zealand Official Development Assistance
ODA	Overseas Development Administration (United Kingdom), now DFID, Department for International Development
OECD	Organisation for Economic Co-operation and Development
OECF	Overseas Economic Co-operation Fund
Sida	Swedish International Development Co-operation Agency
UNCED	United Nations Conference on Environment and Development
USAID	United States Agency for International Development

COMPENDIUM OF DONORS' OPERATIONAL PRACTICES IN SUPPORT OF ENVIRONMENTAL GOALS

I. INTRODUCTION

A. Relation of this Compendium to the OECD/DAC Survey of DAC Members' Activities in Support of Environmental Goals

1. In 1996, the OECD/DAC commissioned an *Updated Survey of DAC Members' Activities in Support of Environmental Goals* as a follow-up to a first survey conducted in 1989. The overall objectives of the 1996 survey were to:

- i) carry out an in-depth review of the current state of efforts among DAC Members to integrate environmental considerations into donor assisted programmes;
- ii) review the extent of co-operation and co-ordination of DAC Members with other relevant organisations in the field of development co-operation and environment;
- iii) assess the extent to which the UNCED (United Nations Conference on Environment and Development) process and its aftermath had influenced policy, procedure and practice, as well as institutional arrangements;
- iv) assess progress made by DAC Members in the above mentioned areas and describe factors influencing progress made;
- v) identify and describe factors explaining lack of progress in some areas;
- vi) to formulate conclusions and provide recommendations concerning: (i) areas where further improvements are desirable, both in the short and long term; and (ii) methods for achieving improvements, within the constraints and opportunities identified in the study.

2. The updated survey consisted of case studies for each DAC Member as well as a "main report". The present compendium of operational practices, commissioned in 1997 by the DAC Working Party on Development Co-operation and Environment, is based on the findings of those case studies and the main report. Main conclusions from the *Updated Survey* are reproduced in Annex 1.

B. From Policy to Practice

3. As highlighted in the *Updated Survey of DAC Members' Activities in Support of Environmental Goals*, bilateral aid agencies have, since 1989, further stressed the importance they attach to environment as a priority objective of their assistance programmes. By adopting the sustainable development paradigm, aid agencies also acknowledged that development and environment cannot be dealt with in an isolated way. Environment is now considered to be an integral dimension of the development process. It is now a documented priority in almost all the aid agencies reviewed by the *Updated Survey*. However, not all DAC Members have yet designed a specific environmental strategy which describes the envisaged environmental performance of their aid agency and the steps to get there in terms of organisational arrangements and procedures. Aid agencies have responded in different manners to the question of how to operationalise their environmental goals.

4. This report tries to present in a very focused, descriptive and practical way, what has been identified, throughout the bilateral donor community, as good practices in bringing further this operationalisation. It is not a comparison, but rather a collection of operational practices towards operationalisation. The hope is that they can prove instrumental to aid agencies in their continued reflection on what directions and concrete measures they can individually take to further operationalise the policy priority that they already have embraced. Certain practices might be more relevant, in their detail, to agencies of a certain size or another, but they are all presented here in an overall compendium because it was felt that beyond those specific details, they are a valuable source of experience whatever the size of the aid agency.

C. Objective and Structure

5. Given the source of information upon which this compendium was built and the time at which the *Updated Survey* was completed (end of 1996), the present compendium must be seen more as a snapshot of where aid agencies were in the process of operationalising environmentally sustainable development in their aid programmes at that point in time. It should in no way be seen as a perfect reflection of the present situation as this is an ever evolving process in member countries.

6. The objective of this compendium is to provide an overview of efforts towards operationalising environmentally sustainable development in donor agencies. To this end, it presents in one document what have been identified as good practices from different aid agencies in further integrating environmental considerations in development co-operation.

7. As in the case of the *Updated Survey*, this Compendium uses the 'policy implementation cycle' as a structuring axis. This starts with a review of good practices to mainstream the environment at the conceptual and policy level, progressing down through to the monitoring and evaluation level. This progression also includes a review of financing mechanisms, organisational approaches and tools and instruments used by agencies.

D. Methodology

8. The draft compendium was developed through desk studies using as a basis the following information sources:

- i) The country case studies and other reports developed in relation to the 1996 *Updated Survey of DAC Members' Activities in Support of Environmental Goals*.
- ii) Comments and additional information provided by Members.

9. The best practices presented in this compendium were selected on the basis of the following criteria:

- i) Their innovative character with respect to the general practice among donors.
- ii) The advance or state-of-the-art they embedded when compared to normal practices as a way to further the integration of environment in development co-operation programmes.
- iii) The comprehensive nature of the efforts described.
- iv) The diversity of aid agency experiences described.

10. Because of this focus and of the constraints related to updating the information within the mandate of this study, the compendium is not meant to be exhaustive in its review of practices. New practices might have emerged since the survey which are not necessarily reflected here, in particular, in relation to the follow-up on global environmental conventions.

II. INTEGRATION OF ENVIRONMENT IN POLICY FORMULATION, IMPLEMENTATION AND EVALUATION: TRAINING, PROCEDURES, INSTRUMENTS AND FUNDING MECHANISMS

A. MANAGEMENT SYSTEMS FOR SUSTAINABLE DEVELOPMENT

2.1 Environmental Management System in Sida (Sweden)

11. Sida was chosen, as one of 25 Swedish authorities, to participate in a pilot project during 1997 to establish an Environmental Management System covering, in principle, environmental aspects of all activities undertaken by the agency. Sida has therefore carried out an environmental investigation, revised its Policy on Sustainable Development and prepared an Action Plan for integration of environmental concerns in all Sida's activities. A yearly report will be submitted to the government and the Action Plan will be revised in 1999-2000.

12. Sweden is also one of the few countries that has carried out an extensive review of its development co-operation assistance programme in light of UNCED, followed by far-reaching recommendation for change. In that respect, it can be seen as an innovative practice among DAC Members.

13. In 1992, a first overall exercise of follow-up to Agenda 21 was carried out. The various organisations that channel Swedish Official Development Assistance were asked to report on their work to follow-up on Agenda 21. From these reports, three main areas for Swedish efforts were identified:

- a) Promoting the sustainable use of natural resources through research and the development of experience and methodology.
- b) Addressing the problems of poverty and the social dimensions of development, particularly sexual and reproductive health including family planning and the situation of women in poor nations, housing and urban issues, and disasters and environmental refugees.
- c) Promoting capacity building through environmental training and knowledge acquisition, regulations and the establishment of institution, research, development of environmental strategies and technology adapted to the needs of developing countries and based on their environmental, social and economic conditions. In addition, the importance of popular participation through NGOs was stressed as a basis for sustainable development.

14. In 1994, in light of the conclusions from these reports, Sweden undertook a *thorough review of its aid programme against UNCED*. The recommendations from this study range from policy priority issues to such practical aspects as guideline development and organisational setting. It is expected that this

review will play a major role in reshaping Swedish assistance and enhancing its compatibility with the principles and plan of action adopted in Rio.

15. Numerous recommendations came out of this review to further the sustainable nature of Swedish Official Development Assistance in line with the recommendations of Agenda 21. The Ministry of Foreign Affairs has already issued a budgetary instruction to Sida that reporting on progress made towards implementing selected recommendations prescribed in the study will be a requirement in the future.

16. Swedish development co-operation was reorganised in July 1995, when four organisations -- the Swedish International Development Agency (Sida), the Swedish International Enterprise Development Corporation (SwedeCorp), the Swedish Board for Investment and Technical Support (BITS) and the Swedish Agency for Research Co-operation with Developing Countries (SAREC) -- were merged into one. The new organisation is called 'Sida', the Swedish International Development Co-operation Agency.

17. Mainly based on the review carried out in 1994, a Policy on Sustainable Development was adopted and a comprehensive Action Programme was launched in January 1996. In addition, during 1997, Sida initiated the development of an Environmental Management System (EMS). As part of that an overall environmental analysis was carried out in 1997 and the Action Programme was appraised and revised in 1998. Through the EMS the Action programme will be revised yearly or every two years.

18. Sida's Policy and Action Programme assume a broad definition of Sustainable Development, which integrates ecological and environmental issues with economic, social, cultural and political ones. The following principles are stated in the new Policy:

Development co-operation for sustainable development through Sida shall:

- Assist partner countries in identifying and implementing activities which protect and conserve their natural resources and environment.
- Emphasise and support sustainability in a long-term perspective in accordance with the principle that prevention is better than cure.
- Enable partner countries to work with long-term planning horizons.

This carries the following consequences:

- The environmental perspective must be included in Sida's general development analyses as well as in its country, sector and project analyses.
- Sida shall refrain from contributing to projects which obstruct sustainable development.
- Environmental considerations must be integrated into the work of all Sida's departments.

2.2 Integration of Ecologically Sustainable Development in AusAID's System of Evaluation and Review Mechanisms - Introduction of Environmental Audits (Australia)

19. Through the review, AusAID demonstrated one of the most comprehensive and integrated system of evaluation and review mechanisms for environment related policy objectives. Under this system, environmental monitoring of projects is the responsibility of post officers. Some projects may include an Environmental Management Plan as part of the Project Implementation Document. Ex-post evaluations also include environmental assessment. However, environmental monitoring is not only conducted at project level. AusAID has developed an *extensive system of evaluation and review*

mechanisms including *environment audits* through which the effectiveness of the aid programme in general in achieving its environmental objectives is assessed.

AusAID's evaluation and review mechanisms

"Completion reports and project evaluations: project completion reports, which are undertaken for all completed aid projects, address key Ecologically Sustainable Development aspects. Project evaluations are also undertaken following completion of some projects, to provide an assessment of both the impact of the project and the extent to which goals set for the project have been met.

Sectoral and cross-sectoral reviews: these provide an opportunity to examine whether Australia's aid programme has contributed to Ecologically Sustainable Development in a number of sectoral or cross-sectoral areas.

Programme effectiveness reviews: these provide an opportunity for reviewing relatively large components of the aid programme for their contributions to Ecologically Sustainable Development.

Delivery mechanism reviews: reviews of this type assess the contribution of a particular aid mechanism, such as food aid.

Environment audit: this audit provides feedback on the extent to which environmental concerns have been incorporated into aid activities as well as lessons for future practice.

Multilateral agency reviews: the aid programme has a programme of rolling reviews of multilateral agencies, some of which are undertaken in conjunction with other countries. These will continue to focus on the effectiveness of United Nations agencies, multilateral development banks and other international development organisations, including their effectiveness in contributing to Ecologically Sustainable Development.

NGO reviews: the NGO committee for Development Co-operation, in addition to subjecting proposals to a range of screening guidelines, conducts ongoing reviews of organisations and individual projects in both Australia and overseas.

Lessons Learned Database: findings from the above review mechanisms are fed into the AusAID's lessons learned database to ensure that they are taken into account in future activity design".

20. Until 1994, the *Environment audit* was conducted annually, as required by the Government's Interim Policy Statement on Ecologically Sustainable Development of 1991. The scope and methodology of the audit has evolved over the recent years. The first two audits were headed by an independent environmental expert. The next two audits also included representatives from NGOs and the private sector. Rather than being a desk-based audit, the 1994 audit included the environmental impact evaluation of seven projects in two countries. The Australian approach is furthermore unique in that a large number of detailed recommendations are formulated. A Government response to all these recommendations is included in the audit report. Concerned units within AusAID have to respond to these recommendations and the audit for the following year includes a statement on progress in implementing the Government's response. Since 1995, the audit practice has been extended on a three year cycle rather than on an annual cycle. This allows a reasonable time period for the implementation of recommendations from the previous

audit and for their impact to be seen. In each of the intervening years an evaluation of a group of activities within an environmentally significant sector will be carried out. In 1997 the environment section completed the first of these 'cluster evaluations' of four projects in the energy sector. The focus of the 1998 cluster evaluation is food production activities.

2.3 The Interdepartmental Committee for the Follow-up of UNCED: IDC-Rio (Switzerland)

21. With a decision taken on 1 March 1993, the Swiss Federal Council started the follow-up process to the United Nations Conference on Environment and Development (UNCED). This decision concerned the establishment of an interdepartmental Committee (IDC-Rio), which is chaired in turn by the Swiss Agency for Development and Co-operation, the Federal Office of Environment, Forests and Agriculture and the Federal Office for Foreign Economic Affairs. The tasks of this group are:

- interdepartmental actions and co-ordination of sectoral policies with regard to UNCED issues;
- examination of the sustainable development concept and the implications of Agenda 21 for Switzerland, proposal of objectives and measures for operationalisation, determination of priorities;
- harmonisation of the Swiss position taken at various international occasions;
- elaboration of reports for the follow-up of UNCED required by international institutes;
- establishment of relations with the private sector for operationalisation of the sustainable development concept within Switzerland.

22. Furthermore, seven working groups were initiated, focusing on priority areas of sustainable development: forestry, biodiversity, climate, coherence of legislation and subsidies, trade and environment, technology co-operation, and economic instruments and internalisation. These groups report to the IDC-Rio. The main objective of these working groups is the advancement of the translation of the Conventions and decisions of Rio in the policies of Switzerland.

23. The IDC-Rio process has so far resulted in three general documents. The first is: *Components for a concept of sustainable development, April 1995*. This study attempts to put the concept of sustainable development in concrete terms. The study summarises the present knowledge and discusses the different models for sustainable development. Also two of the working groups set up in the process have submitted their report *transfer of technology and coherent legislation and subsidies*. The third document is the report of IDC-Rio entitled *Sustainable Development in Switzerland: State of Implementation (1997)*. The Federal Council charged IDC-Rio with developing a National Action Plan, and thus the Federal Council's Strategy for Sustainable Development in Switzerland was approved by the Parliament in November 1997. The nomination of an independent Council for sustainable development as one of the measures of the Strategy is related to the monitoring of implementation of sustainable development.

B. SECTOR AND PROGRAMME LEVEL

2.4 Shift from the Project Approach to Sector Programme Support (Denmark)

24. DANIDA is at present engaging in a fundamental shift in the way it conducts country programming. DANIDA aims to move from the project approach to the programme approach. It implies moving one step up in the planning process to the programme level and ensuring that environmental issues are integrated in development co-operation from the outset. The programme approach is carried out

through the new Sector Programme Support strategy as outlined in DANIDA's *A Developing World Strategy for Danish Development Policy Towards the Year 2000* for a number of sectors (2-4 sectors) in each partner country. The objective is to establish a new and different approach to development co-operation which maintains the proven virtues of the traditional approach while avoiding the shortcomings of the project concept that has previously been the basis for Danish bilateral co-operation.

25. The main objective of the Sector Programme Support strategy is "to promote effective and sustainable reduction of poverty by emphasising national ownership of development efforts, including donor-assisted development efforts". An interesting feature is that national ownership of development efforts should not only be at the central government level, but also appropriately established at regional and local levels. Civil society and community participation are seen as essential elements of the Sector Programme Support strategy in that they contribute to enhancing sustainability.

26. The Sector Programme Support strategy:

- focuses on broad scale capacity development and a long-term co-operation perspective (10-20 years);
- applies various modalities of support including training, technical assistance, operation and maintenance support, investments, commodity and budget aid;
- offers room for flexibility within an agreed set of objectives, support areas and procedures;
- provides for effective co-ordination by the partner country of support received from various donors. If necessary, the Sector Programme Support can include assistance to increase the aid co-ordination capacity of the national partner.

27. Environment, in the future, will be addressed at the level of projects/components of Sector Programme Support and at the sector level during the preparation and implementation of all sector programmes.

2.5 Country Programming: USAID Country Strategic Plans (United States)

28. USAID is one among aid agencies which has gone the furthest in trying to integrate environmental considerations at the macro level, with the clearly stated objective of enhancing sustainability of development co-operation. The aim is to focus aid management around the objective of sustainable development from the policy level down to the specific project level and to monitor progress in that direction at all levels.

29. The May 1994 *Agency Directive for Setting and Monitoring Program Strategies* formally established *country strategic plans* as the basic framework for programming assistance and reporting results for USAID along sustainable development objectives. The directive requires that all country strategic plans include all USAID assistance to a given country. The plans must represent an integrated agenda of sustainable development activities, exploiting, where possible, the synergies that exist across substantive programme areas. To better take account and make use of the interrelations between the five priority areas identified by USAID in support of a sustainable development objective, USAID highlights the importance of integration of country strategies at the macro level.

30. From Fiscal Year 1995 onwards, country strategic plans should be based on a comprehensive assessment of the environment. To this end, USAID has identified "key factors in the environment" which

indicate severe environmental degradation. Field missions can also identify environmental strategic objectives when severe problems are not existent, such as:

- economic, ecological, and public health significance of undervalued resources;
- public health and ecological implications of trends in urbanisation, industrial development, and population/demographic dynamics;
- priority given to strengthening environmental policies and programmes by local partners, both governmental and non-governmental.

31. USAID's two global environmental priorities, climate change and biodiversity, are also integrated through the country level strategic planning process: country plans should identify *key global environmental factors*. USAID has identified ten key countries or regions in relation to global climate change. On the issue of biodiversity, USAID is in the process of identifying high-priority regions for conservation. This particular relationship to global environmental issues is elaborated on in Chapter III of this Compendium dealing with follow-up to the global environment conventions.

32. Country strategic plans are developed through a collaborative process between the Headquarters and the field missions. The partners from both the partner country and the United States are involved in this strategic development process. The plan is then presented at the USAID Headquarters in Washington where it is reviewed against agency objectives and budgetary resource availability. Throughout this process, consideration is given to the identification of results, intermediate results, required activities and other performance related issues. Each year, the strategic plan for a given country is re-assessed against the expected results and revised if required.

C. ORGANISATIONAL ISSUES

2.6 Training on Environmental Issues in AusAID (Australia)

33. As discussed in the introduction to this compendium, training is a crucial element of an organisational strategy to develop and update competencies, decentralise environmental responsibilities and raise awareness of and commitment to the integration of environmental issues. In that respect, AusAID's efforts have been comprehensive. In addition to the environmental staff, many AusAID officers have had some form of environmental training. Training activities which are provided on a regular basis by the Infrastructure and Environment group include:

- the AusAID Personnel Development Section organises '*induction programmes*' for all new starters, including a module on environment (presented by the Infrastructure and Environment Group);
- *briefing on environmental issues* is provided by staff of the Infrastructure and Environment Group before teams depart on field missions to prepare pre-feasibility and feasibility studies;
- *pre-departure briefing* is provided by the staff of the Infrastructure and Environment Group to AusAID officers going on postings overseas;
- *briefings* to staff engaged in partner countries when they visit Australia.

34. AusAID desk officers must be aware of the *Environmental Assessment Guidelines for Australia's Aid Programme* (the Guidelines) and apply these Guidelines to all aid projects. Training on how to use the Guidelines is, therefore, conducted on a regular basis. A typical information session would cover the history and use of the Guidelines, environmental policy and legislation, and environmental

assessment requirements, as well as Activity Management System markers and codes. Information is also provided on the *World Bank Environmental Assessment Sourcebook*, covering the structure and content and specific sectoral applications, issues and lessons learned. When the Guidelines and Sourcebook were first introduced, AusAID staff were provided with this information in a 3 hour session. This training is also provided to interested consultants and NGOs and is given in Sydney and Melbourne, as well as Canberra, to allow ease of access for these parties. Apart from these activities, additional training activities are organised on an ad-hoc basis, such as:

- a compulsory 2-day training on environmental procedures in 1991/1992;
- a one year environmental course offered to a limited number of staff (four) to develop their environmental expertise and eventually assist AusAID in delegating further environmental responsibilities throughout the agency;
- information sessions on topical environmental issues such as climate change, deforestation, urbanisation, El Niño and water supply and sanitation;
- attendance by AusAID staff at environmental seminars and at relevant university courses.

35. AusAID is currently exploring the possibility of providing environmental training to its locally-recruited staff at relevant overseas posts.

2.7 Environmental Training Programmes in USAID (United States)

36. USAID has developed over the years a comprehensive and integrated training programme in relation to environmental issues which shows a commitment to building its staff capabilities in environment and development and strengthening adherence to existing procedures on environmental assessments of projects. Two main training activities with an environmental focus have been noted over the past years.

37. In 1990, USAID established the 1.5 million dollar *AID Strengthening through Environmental Training* programme to enhance the capacity of Agency officials to understand and respond to environmental issues and develop skills to manage environmental reviews. A series of courses and other training events have been held to increase staff awareness and expertise on a broad range of environmental issues and develop specific skills in environmental impact assessment and environmental economic analysis. This programme provides training to United States and host-country mid- and senior-level officers from the Agency's bureaus and missions. Four core training courses have been developed:

- *Environmental Impact Assessment (EIA)* offered to USAID personnel with direct responsibility for environmental work.
- *Environmental Economics and Sustainable Development* designed for USAID officials with training in economics. The course explores economic theory, methodology and policies relating to environment and development.
- *Environmentally Sound Development Planning* targets a cross section of USAID officials from a wide range of disciplines. Courses provide an overview of the ecological concepts and methodologies that underlie environmentally sound and sustainable development.
- *Intensive one-day seminars* for mission and office directors and deputy directors.

38. Furthermore, the *Development Studies Program* is a seven-week, intensive, graduate-level course designed by the Institute for International Research and the American University for USAID mid-level personnel. The purpose of this annual course on development is to increase the professional

effectiveness of participants and prepare them for increasing responsibilities within the Agency. Environmental concerns are central to this training program, and are fully integrated into the latest Development Studies Programme courses.

39. In addition to these activities, USAID holds a number of *ad-hoc training and awareness-building sessions*. For instance, in late March 1995, USAID held an intensive two-day workshop in Washington DC to explore performance measurement of environmental programmes (see also the section on environmental indicators of the United States).

2.8 Training on Sustainable Development in CIDA (Canada)

40. Since 1992, CIDA has set up a number of training courses with the aim of furthering awareness and knowledge of the Agency's staff on environmental issues and how to go about integrating them with the other facets of sustainable development. This makes it one of the agencies at the forefront of developing an integrated training programme on environment and sustainable development issues.

41. In response to the 1992 Policy for Environmental Sustainability, CIDA introduced two *in-house training courses* between 1992-1993. These stressed the relevance of environmental considerations in international development and the Canadian legal and institutional context within which CIDA operates.

42. At the time of the review, CIDA wanted to incorporate a condensed version of the environment course into the agency's *five-day course on Sustainable Development* which has been running since 1992. According to an internal evaluation, the Sustainable Development course has been well received. However, it was generally felt that attendance by CIDA management was limited due to various reasons (such as "training fatigue"). To respond to this problem, CIDA has developed and implemented in 1995 a three-day course targeted at 90 managers.

43. The Agency then prepared for 1996 a *second generation Sustainable Development course* which is more practical in nature to the extent that it is looking at tools to foster sustainable development approaches in programming.

44. More recently, with the adoption of the Canadian Environmental Assessment Act in parliament, a *3 hour in-house EIA training programme* has been put in place and about 400 people in the Agency were targeted to take this course. Eventually an even more targeted training programme on EIA will be put in place, tailored to the needs of the geographic divisions through appropriate case studies. Electronic job-aids for project officers were also being developed at the time of the review in relation to EIA procedures.

45. CIDA has also held *informal workshops and seminars* to raise staff awareness on such topics as environmental economics, structural adjustment and environment, EIA, and integrating environmental considerations into programming. CIDA's various branches are also putting in place more informal mechanisms and activities to raise environmental awareness within the agency (such as a recent training seminar on the relationship of chaos theory and development planning).

2.9 Formal and Informal Networks (Canada)

46. In large organisations, in addition to training and procedures, networks prove essential to raising awareness, competencies, personal commitment and providing for effective information dissemination. The CIDA experience in that respect is instructive given the variety of networking mechanisms developed

to support the further integration of environmental issues. The environmental units at CIDA have indeed put considerable efforts into developing formal and informal internal networks within the Agency to help disseminate information and co-ordinate work on environment-related issues. At the corporate level, the following networks/groups are operating:

- *Meetings of the agency's environmental specialists.* On a monthly basis, CIDA's environmental specialists hold joint meetings to exchange information, discuss policy and programming issues and co-ordinate on various matters related to the implementation of CIDA's policy for environmental sustainability.
- *The environmental network.* Through this network, CIDA policy advisors and programme managers who have a special responsibility for environment in their respective programmes meet on a regular basis. The network also acts as a conduit through which information is transferred to the various branches. The network operates both as an information channel and as a co-ordination body within the Agency.
- *The environmental assessment co-ordinating committee.* This group acts as an internal co-ordination mechanism on EIA matters at the level of the senior management, on an agency-wide basis.

47. In addition to those mechanisms, various divisions have *internal mechanisms*, which are less formal and where discussions are held in relation to the integration of environmental matters in CIDA's programmes. In general, these internal mechanisms feedback into the decision-making loop. In the CIDA division dealing with co-operation with the private sector and NGOs, for instance, a committee was established at the time of this review to co-ordinate environmental matters relating to Environmental Impact Assessment and the environmental policy for that division. The committee met every three-weeks and involved a representative from the various units of the division, the three environmental specialists as well as professionals from the information management/technology group. One of their concerns at the time of the review, for instance, was to look at how monitoring at the level of the division, on the implementation of CIDA's environmental policy, could be factored into the computerised project information management system to ensure better follow-up and accountability.

D. ENVIRONMENTAL IMPACT ASSESSMENT

2.10 Environmental Impact Assessment (EIA) and Impact Hypotheses (Switzerland)

48. The approach followed in Switzerland is unique in the sense that a process has been started which attempts to avoid the reduction of assessment of environmental impacts to a mechanistic application of standard EIA procedures. The approach adopted aims at encouraging staff to think ahead before something is done. It also envisages a kind of environmental planning which goes beyond trying to avoid negative environmental impacts.

49. In 1989, Switzerland's aid administration approved guidelines on environmental policy to be applied to the activities of both the Federal Office for Foreign Economic Affairs and the Swiss Development Co-operation. The administration required the Swiss Development Co-operation to refine the methodological approaches upon which the review of the environmental aspects of its operations are based, and to commission studies on the environmental impacts of development activities. Swiss Development Co-operation was asked to produce appropriate working instruments that would improve environmental impact assessment procedures carried out in connection with development activities. It was

further stipulated that these instruments should make it possible to avoid miscalculations in planning. Simple, practical instruments of a supportive nature were envisioned in order to meet the needs of individuals responsible for operations at the Agency headquarters and in the field. Highly structured, formal testing procedures were strongly discouraged.

50. It was considered advisable to design instruments whose main purposes would be to stimulate reflection and provide an opportunity for further education. It was expected that the material developed would conform to Swiss Development Co-operation's concept of sustainability while also presenting a more concrete and deeper understanding of the ecological dimensions of sustainable development. One of the outputs of this process was the report: *Impact Hypotheses: Development and its Environmental Impacts, SDC, 1994*. This is a planning tool based on the review of basic hypotheses. These hypotheses are limited in scope and are presented in general terms; they make no claim to be complete. Although they invite examination of the environmental aspects of development, they cannot substitute for thorough studies of the ecological impacts of development programmes and projects. The ecological interactions and the potential risks they discuss in connection with development should be seen as information that needs to be examined and expanded with regard to specific situations and activities. The purpose is to provide an appropriate frame of reference for further stages in the planning of development projects. This in turn makes it easier to undertake additional evaluations and decide whether to consult experts, or whether to adjust the approach and the focus of a project. Users of these hypotheses must determine for themselves the areas where they wish to engage in dialogue with experts or seek additional sources of information. Applying the hypotheses as a working instrument will require users to draw on their own personal experience to enhance and complete the picture of ecological interactions and inter-dependencies that they present. Based on their assessment of specific projects it is up to the staff of the country desks to decide whether a full scale EIA should be carried out for specific projects.

2.11 CIDA's Guidelines for EIA at the Policy and Programme Level (Canada)

51. As mentioned in the introduction to this compendium, more efforts are being made by development agencies to apply Environmental Impact Assessment upstream at the programme and policy level and to further the integrated nature of the assessment, with the aim of better ensuring the sustainability of the eventual project intervention coming out of the development programmes. Canadian efforts in this area have been ongoing for some time now.

52. Extensive work has been conducted by CIDA's central EIA unit to develop policy and programme-level EIA and foster its application to programmes. As a result of this work, CIDA has developed guidelines for EIA at the policy and programme level. It is hoped that in this way, integration of environmental issues in the Agency's activities can be moved further upstream to ensure they are in fact built into the basic design of development programmes and policies. In that respect, EIA is now one of the elements being covered by the Development Policy Frameworks which CIDA develops for a number of countries in which it is active.

53. The guidelines take as a premise that integrating considerations of environmental sustainability into any policy or programme proposal essentially means answering the following question: *Overall, does the proposed policy or programme foster or impede environmental sustainability?*

54. This question is often difficult to answer because policies can have a broad range of direct and indirect effects, and because the term 'sustainable development' has a broad meaning. Breaking this question into more specific questions simplifies the task of determining how a policy or programme may affect environmental sustainability. Each basic question becomes a step in the assessment:

- Step 1: What are the intended goals and objectives of the Policy or Programme?
 Step 2: How do these goals and objectives compare against CIDA's pillars of Sustainable Development?
 Step 3: What is the nature and scope of the outcomes likely to affect environmental sustainability?
 Step 4: What is the significance of these effects?
 Step 5: How can the policy or programme avoid or manage outcomes with potential significance to the environment?

55. The guidelines are developed around a series of modules and helping tools to get the users through those five steps.

2.12 Screening system for EIA (The Netherlands)

56. The Netherlands Development Assistance (NEDA) is now experimenting with an innovative system to assist staff in assessing environmental impacts of planned interventions. Geoplan International and Resource Analysis are presently involved in the development of a computerised decision support tool on Environmental Impact Assessment for NEDA, more specifically for the land & water sector at the Royal Netherlands Embassy in New Delhi. The instrument will, in the future, assist staff members of other Netherlands Embassies involved in development co-operation in:

- determining whether a planned activity requires an environmental impact assessment, based on national legislation or international donor-requirements;
- establishing the potential environmental (and social and economic impacts in as far as possible in relation to the environmental elements) of project activities;
- finding relevant information on EIA procedures and background information on the potential impacts, and data of the project area; and,
- producing draft Terms of Reference for an EIA.

57. The instrument works through a CD-ROM or the Internet and operates through so-called country- and sector-modules. The first module to be developed is the land & water sector module for India.

58. The instrument is intended to support project planners, decision makers, and implementing organisations. It helps in determining the possible environmental impacts of a proposed activity at an early stage of project design. Potential users of the instrument consequently are at least:

- thematic specialists and other staff at embassies responsible for project administration throughout the project cycle;
- staff of local ministries responsible for project planning and design;
- project staff responsible for implementation of impact assessment at project level.

59. The project is monitored by a steering group of scientists and practitioners. The present prototype contains five main steps:

1. File management and information.
2. Problem description and alternative solutions.
3. Project screening for EIA obligations.
4. Activity screening for potential impacts.
5. Output.

2.13 EIA Computer Model (Belgium)

60. The Belgium Agency for Development Co-operation (BADC) is in the process of putting in place an innovative computerised system for EIA. The Belgium approach to EIA is based on the European Union approach which classifies proposed projects according to on their potential environmental impact. The screening of proposed projects indicates in what category the proposed project falls and whether environmental analysis is required.

61. The department of Human Ecology at the Free University of Brussels has developed specifically for BADC a computer programme that is built on a questionnaire to screen projects in a fast and efficient way. The questionnaire covers 16 topics and is intended to assure that no potential impacts are forgotten. The system, which has been experimented since 1994, underwent a final testing phase in 1996. The direct counterpart in BADC for the development of the system has been the Environment Section. Other sections have been involved in the testing of the system. Although at the time of the review the computer system was not yet fully functional, it can be considered as a good example of a tool which attempts to look at EIA in a broader manner than traditional EIA.

62. To arrive at a careful and reliable screening, the application of a checklist is recommended. This checklist will incorporate two types of questions: general questions which can identify environmental themes for which environmental impacts are to be expected, and detailed questions which identify the potential impacts for each specific theme. Some of the characteristics of the proposed checklist which were not observed in checklists of other countries include:

- the checklists can be provided in any language. In the currently available version, the checklists can be provided in Dutch, English and French;
- from the specific scorings, a general impact scoring and a general uncertainty scoring are accounted for the entire project; these scorings are subsequently examined according to the norms which are put into the computer programme. This will lead to a decision to reject or approve the project or to further assess the impacts;
- the computer automatically produces a print-out, which not only includes this decision, but also lists with identified potential impacts, their expected relevance and the stage of the project in which they are situated, a list of information which is still lacking, and a list of suggestions to improve the project regarding its environmental impacts.

2.14 Manual of Environmental Appraisal (United Kingdom)

63. Environmental Impact Assessment (EIA) is an important instrument in the Department for International Development (DFID). A basic framework for DFID officials to consider the environmental aspects of aid has therefore been developed in the form of a manual to guide DFID staff. This manual is an interesting example of a comprehensive and user-friendly tool to assist aid agency staff in ensuring that sound environmental impact assessments are conducted. The manual was first published in 1989 and revised in 1992. At the time of the preparation of this compendium, DFID was engaged in a consultation process with a view to undertaking a major revision of the manual in 1998. The revision will focus on presentational aspects of the manual and support mechanisms, including training. It is likely that DFID will produce a new short 'quick reference' manual for desk officers, and retain technical guidance in its current form for environmental and natural resources advisers. The objective of the manual is: "to guide DFID officials to address environmental issues early in the decision cycle for **all** the projects and programmes they deal with".

64. By following the guidance contained in the manual, DFID believes that the delivery and effectiveness of development co-operation programmes will be improved. The manual is intended to stimulate active involvement of desk officers in the process of Environmental Appraisal.

65. The present manual consists of nine sections, which deal with the following questions:

1. Why is the environment a topic of concern to aid agencies? What are the main considerations for aid policy?
2. What are the opportunities for introducing environmental concerns into British assistance?
3. What steps should aid officials take to examine environmental issues and what information do decision makers need?
4. How much environmental assessment is required in each particular case? Which are the really sensitive cases?
5. Why are certain habitats particularly sensitive to change? What are the major environmental concerns?
6. For each main economic sector what are the principal environmental effects to note, and what can be done about them?
7. What further help can be extended to those entrusted with identifying, appraising, and carrying out aid proposals with an environmental dimension
8. Where a full Environmental Impact Assessment is called for, what should it consist of?
9. What approaches can be used to incorporate environmental economic impacts into decision making?

66. The first version of the manual was extensively tested in the field. In addition NGOs, other bilateral aid agencies and multilateral institutions were also asked to comment and make suggestions.

E. LINKS WITH OTHER CROSS-CUTTING DIMENSIONS OF SUSTAINABLE DEVELOPMENT

2.15 Terms of Reference for Consultants and Modified Logframe Approach (New Zealand)

67. The approach adopted in New Zealand to ensure a better integration of environmental issues in development initiatives is singled out here because it shows an approach which appears particularly well-suited to aid programmes of a smaller size, is comprehensive in its treatment, and provides for an innovative use of the logical framework approach to better integrate environmental issues.

68. During a two-day workshop with desk officers and programme directors, the New Zealand Official Development Assistance programme (NZODA) found that the EIA screening lists in place was questionable in terms of its relevance to the needs of project managers. It was also felt that generic Terms of Reference for consultants, much more than mandatory checklists, addressing the different phases of the project cycle, and integrating environment and social issues were the best way to help project managers in their work. The environment specialists along with a number of professionals from NZODA were involved in developing such Terms of Reference. The pro-forma Terms of Reference are now in place for different studies as part of an integrated step-wise process including: project identification; pre-feasibility; feasibility; design; review. The pro-forma Terms of Reference are believed to be a useful tool, for managers, who can tailor them to their specific needs. The new integrated project appraisal procedures are now applied to all new projects. They are intended to ensure a thorough examination and assessment not only of environmental soundness but also of the objectives, costs, socio-economic desirability, technical feasibility, sustainability and design of each new activity.

69. Now that integration of environmental concerns is more or less a routine practice within NZODA, the challenge revolves around awareness raising of the other actors involved in project planning and implementation for NZODA (consulting firms, government departments, contractors, NGOs and other bodies involved with implementing NZODA policies). The Development Co-operation Division is currently trying to change this through the strict use of the Terms of Reference developed and through monitoring of their consultants' use. It also insists increasingly on the inclusion of a social impact assessment specialist, often from the recipient country, in the study team. The division is also considering providing training to consultants on environmental and social impact assessments and participatory development.

70. The development of the proforma Terms of Reference was made in conjunction with the development of a *modified logframe approach* to planning which includes environmental risk assessment. The design of the logframe provides a methodology to help ensure that all the manageable risks and constraints identified in the logical process are dealt with in the project design. The risks and constraints identified at each level of the hierarchy provide the rationale for working out the project elements at the next or lower levels of the hierarchy.

2.16 Sustainability Checklists Including Cross-Integration of Women and Environment Issues (New Zealand)

71. In addition to the Terms of Reference and the modified Logframe (see previous section), the New Zealand Official Development Assistance programme (NZODA) is considering the development of *sustainability checklists* for each sector in which it is active. This is an interesting example of an innovative approach tested by an aid agency to ensure a better integration of environmental issues with other cross-cutting development issues. It is expected that these checklists would be inspired largely from the European Union checklists. In the end, the goal, by combining and integrating the different tools reviewed in the preceding page, would be to come up with a sustainability appraisal toolkit.

72. Within that framework, it should be noted that *Women and the Environment* has also become a special area of interest in the development of tools. NZODA recognises that women have a special role to play in the protection and management of the environment. The many ways in which women contribute to primary environmental care has to be taken into consideration. In that respect, NZODA has recognised that the arbitrary division of socio-economic desirability and environmental soundness in the former Initial Screening Guide effectively makes sharp distinctions between women and environment issues, thus allowing technical considerations to overshadow how people interact with the environment. The *sustainability checklist* which it is planned to develop will also ensure greater cross-integration of these two cross-cutting issues.

2.17 Pilot and Sector Projects in the Environment (Germany)

73. An example of an original approach to the development of new approaches to improve the quality of development co-operation can be observed in Germany through the *pilot and sector projects*. The so-called *sector projects* (pilot- and supra-regional projects) are not tied to a specific country or region. In general, *pilot projects* are designed to develop new methodological approaches, tools and instruments which ultimately are to be integrated in regular co-operation programmes. *Supra-regional* projects provide a flexible instrument to implement important activities without making use of the heavy machinery of the bilateral development co-operation programmes. As of January 1998, the Environment Department of the German Federal Ministry for Economic Co-operation and Development alone was

responsible for more than 20 pilot or sector projects worth nearly 100 Million DM. Of special importance in terms of the development of new tools and instruments are the following projects:

a) *Pilot project: "Institutional Development in Environment"*

74. The objectives of this project are to:

- develop approaches for co-operation in policy planning and development;
- develop planning and evaluation methodologies for Institutional Development in Environment programmes;
- develop planning and evaluation methodologies for Institutional Development in Environment programmes.

75. A series of documents published by the Pilot Project Institutional Development in Environment also formed an important conceptual input in the work of the Task Force on Capacity Development in the Environment of the OECD/DAC Working Party on Development Co-operation and Environment.

b) *Pilot project: "Natural Resource Management by Self-Help Promotion"*

76. This pilot project aims to strengthen participatory and self-help approaches in natural resource management projects within the scope of German Development Co-operation. Four institutions are active in this project: German Federal Ministry for Economic Co-operation and Development (BMZ), German Agency for Technical Co-operation (GTZ), Kreditanstalt für Wiederaufbau (KfW), and Deutsche Entwicklungsdienst (DED). The Natural Resource Management by Self-Help Promotion approach involves the combined application of instruments and methods of participation and self-help promotion, such as a participatory approach; process orientation; combination of measures producing short- and medium-term impacts; development of local organisations and institutions; and negotiation orientation and conflict management.

c) *Pilot programme: "Promotion of Environmental Management in the Private Sector in Developing Countries"*

77. This pilot programme aims to elaborate an integrated concept for the promotion of environmental management in the private sector and to test it by way of example in selected developing countries. The integrated concept is supposed to be demand-driven and consensus-based. It seeks to enhance environmentally sound production processes and products in developing countries and thus to contribute to the prevention and reduction of negative environmental impact caused by the industrial sector. After a period of five years, for which it has been initially planned, this concept should be integrated into the German system of development co-operation.

F. MONITORING AND EVALUATION

2.18 Management Information System: CIDA's Environmental Markers (Canada)

78. The Canadian International Development Agency's system of environmental markers is one of the most original practice in the donor community in trying to better integrate the monitoring of the implementation of environmental policy priorities at the project level. It encompasses a series of well-defined markers.

79. In 1994-95, the Central Environmental Policy Division developed four main categories of *environmental markers*. They are likely to become the benchmark to monitor the activities of the agency relating to environmental programming. The markers for environment-related projects include:

- i) Environmental conservation: included in this category are projects which aim at the integrated and sustainable management of natural ecosystems. This includes biodiversity conservation projects, projects to combat desertification and projects aimed at the promotion of natural resources management methods which lead to the conservation of natural ecosystems.
- ii) Capacity development in environmental management: this category includes projects which aim at increasing the capacity of individuals, groups, organisations and institutions to soundly manage the environment. Among others, this includes capacity strengthening projects for government departments, NGOs or private sector associations, projects in education and training in the field of environment, and projects supporting the development of environmental policies and legislation.
- iii) Pollution control and prevention: this covers projects aimed at preventing or reducing urban, industrial and agricultural pollution, or the rehabilitation of polluted areas.
- iv) A last category includes projects whose prime objective is not an environmental objective but which nevertheless contribute indirectly to improving the environment, or which include a well-defined environmental component.

80. The classification of projects is determined in the review performed by the relevant environmental specialists. The environmental policy unit has developed a clear definition of environmental projects which is used as the basis for classifying projects. It is expected that in the next classification exercise under this system, environmental components of projects will further be accounted for on the basis of the relevant percentage of the total disbursement for that project. An effort is now underway to ensure a consistent application of this system to the activities of all programme branches.

2.19 Marker System and Computerised Activity Management System (AusAID, Australia)

81. Australia is another country where an innovative approach has been taken to monitor environmental practices in the agency. In Australia's development co-operation practice, the environmental assessment procedure is linked to the use of the marker system. For some years now AusAID has been using a marker system to fulfil six key functions:

- provide a prompt for country desk officers to consider environmental issues and impacts of activities before proceeding;
- ensure that changes to the project design during the project cycle are considered in terms of their environmental impact;

- assist monitoring of activities by marking those projects requiring special attention, e.g. those requiring independent environment assessment;
- allow the production of lists of projects within certain categories;
- assist AusAID in complying with the Environmental Impact Assessment legislation by demonstrating that all activities are assessed for environmental impact;
- allow the application of risk management principles in which more resources are allocated to projects requiring detailed attention to environmental issues.

82. Based on the recommendations of the 1992, 1993 and 1994 audits, AusAID replaced the existing environmental marker system by a new environmental marker system based on assessment of several key considerations. First, a project will be assessed in terms of whether it is to take place in an "environmentally sensitive location" (which is defined as one of six categories of land such as "tropical rainforests and other tropical vegetation" or "areas subject to desertification and other arid and semi-arid lands" etc.) or whether it concerns an "environmentally sensitive sector" (one of six categories such as "mining and energy" or "waste management systems", etc. A second assessment is then made on the basis of whether the activity has the environment as a specific objective; and a third assessment consideration relates to whether environmental monitoring and/or reporting has been built into the project design.

83. AusAID's *computerised Activity Management System* allows staff in the Infrastructure and Environment Group or the Office of Programme Review and Evaluation to specify particular actions which need to be undertaken during project development to ensure adequate attention is given to environmental issues (e.g. specification of terms of reference for feasibility studies; indications of what type of environmental expertise will be required in project implementation; or the timetable for review of environmental aspects of projects). According to the 1994 audit team, any new system adopted must ensure a more satisfactory identification of environmental issues at an early stage in the project development process, but this will happen only if AusAID's own environmental capacity is strengthened through appropriate staff appointments, increased environmental training for AusAID staff, and through the use of external advisers where appropriate.

Activity Management System Environment Markers

Answer 'Yes' or 'No' to the following questions:

1. Is this activity occurring in an environmentally sensitive location or sector?

All activities costing in excess of \$2 million which are in environmentally sensitive locations or sectors must demonstrate that a separate environmental assessment has been undertaken.

Listing of Environmentally Sensitive Locations:

- i) tropical rainforests and other tropical vegetation;
- ii) wetlands, flood plains, lakes, mangrove swamps and coral reefs;
- iii) areas subject to desertification and other arid and semi-arid lands;
- iv) water sources;
- v) steep lands, highlands and mountainous areas; and
- vi) areas affecting national parks, protected areas and locations with high biodiversity value.

Listing of Environmentally Sensitive Sectors:

- i) mining and energy;
- ii) agricultural development including forestry and fisheries production;
- iii) construction of roads, bridges, transmission lines, airports, harbours, wharves, pipelines, railways, and other major infrastructure projects;
- iv) water resources, including water supply systems, irrigation, dams and flood control;
- v) waste management systems;
- vi) industrial plants/factories;
- vii) activities involving monitoring or management of the environment (such as meteorological projects, environmental education, capacity building in environment or planning departments and land-titling/land-use planning projects); and
- viii) natural resource education activities (such as fisheries management training, courses on cleaner technology).

2. Direct environmental impact?

If the answer to question 1 is *Yes*, the environmental impact of the activity may be direct or indirect. If the impact is direct, indicate *Yes*. If it is indirect, indicate *No*. A direct impact is one in which the natural and physical environment is directly affected by the activity (e.g. building a road, establishing a coal diversification plant, an irrigation project, a sanitation project in which waste water discharges impact on river water quality or flora and fauna). Indirect effects are those which occur only indirectly from the project, such as a land titling project or environmental education.

3. Environment as a specific objective?

Does this activity have the environment as a specific objective? Mark *Yes* only if the environment is explicitly mentioned as one of the key objectives of the activity (within the first five key objectives).

4. Environmental monitoring/reporting in design?

Has environmental monitoring/reporting been built into the project design? Mark *Yes* only if the environment is explicitly mentioned in the terms of reference for various studies leading up to project commencement or, for a project which has commenced, has environmental monitoring/reports as a component of the project with clear performance indicators. The nature of this monitoring and reporting should be set out in the comments section of this marker.

5. Relevant to International Environment Conventions?

If the answer to the above is *Yes*, please indicate which conventions are met in the Generic Field Section (see the main activity screen).

2.20 Policy Information Marker System (United Kingdom)

84. In 1993, ODA (now DFID) introduced the Policy Information Marker System. This innovative system was introduced to track commitments and expenditure in relation to the priority objectives (of which environment is one) of the aid programme in order to: improve accountability; inform policy debate; and assist project design. The Policy Information Marker System is designed both as a management information and as an operational tool. The system was updated in 1997, resulting in some changes in the markers and the scoring system.

85. Internal uses of the Policy Information Marker System are:

- providing information on projects and associated expenditure/commitments in each policy area for senior management and general use;
- monitoring information for use in monitoring reports on UK aid performance;
- reducing the need for manual data extraction exercises on policy areas;
- assisting in the design of projects focused to a great extent on the aims of UK assistance;
- creating a central repository of project documentation in the Statistics Department.

86. External uses of Policy Information Marker System are:

- allowing requests for data to be answered as accurately and consistently as possible;
- allowing the UK to fulfil its international reporting obligations on, for example, Agenda 21 items, and reporting to DAC and other international bodies without the need for manual data extraction exercises;
- making available to the Treasury public information on UK's aid performance in relation to its published objectives.

87. Environment is one of the nine priority markers under the system. In addition, a number of environment relevant markers are included in the Policy Information Marker System. They are:

- energy efficiency;
- sustainable forest management;
- biodiversity;
- sustainable agriculture;
- desertification, land degradation and drought mitigation.

88. Projects should be marked at the project design stage by spending departments. Marking should be carried out by trained project officers in consultation with appropriate advisers involved in project preparation. A Policy Information Marker System Quality Control Unit in the Statistics Department manages the system, checks markings, refers queries back to desks and monitors UK's aid overall aims. Monitoring departments have been identified for each objective; they are responsible for monitoring policy in their areas, developing Policy Information Marker System definitions and, in association with the Statistics Department, ensuring that projects are marked according to those definitions. An internal review carried out in early 1995 concluded that the Marker System was a workable and valued addition to DFID's management information systems. The OECD/DAC and a number of bilateral donors have shown an interest in it.

2.21 Environmental Indicators (United States)

89. An innovative experiment is the one conducted by USAID in an attempt to develop a set of environmental indicators to monitor progress in achieving its priority objectives, as part of an integrated management system. In March 1995, USAID conducted a two-day agency-wide Workshop on Environmental Performance Measurement. The workshop was the first in a series to serve as a forum for discussion, analysis, selection, and recommendation of performance indicators to strengthen the Agency's efforts to manage its environmental portfolio. Primary objectives of the workshop were to:

- 1) take stock of techniques used to assess the impact of USAID's environmental programmes;
- 2) identify and reach preliminary consensus on a minimum core set of Agency-level environmental performance indicators; and
- 3) share information and improve communication between USAID and its environmental partners.

90. The workshop was organised by staff from the Center for Development Information and Evaluation and the office of sector advisors of the Policy and Programme Co-ordination Bureau and the Center for the Environment of the Global Bureau. Approximately 50 specialists working in all areas of the environment attended this workshop. USAID staff from the Bureau for Policy and Program Co-ordination and its Center for Development Information and Evaluation and the Global Bureau's Center for the Environment were joined by 15 representatives from field Missions in Africa, Asia and the Near East, and Latin America and the Caribbean. USAID/ Washington regional bureau counterparts also attended, as well as others working with USAID to develop, collect and analyse environmental data. The Environmental Protection Agency, the agency responsible for gathering national-level data for the United States, was also represented. An analysis of the Agency-wide database revealed that USAID Missions use more than 400 indicators. After discussions, the workshop group proposed core environmental indicators as candidates for the Agency to gauge its overall performance.

91. In 1995, USAID officially adopted a revised set of environmental performance measurement indicators linked to the Agency's five environmental objectives and based on the workshop's recommendations. Many of the indicators advanced at the workshop were incorporated into the final indicator set. Broad discussion within the Agency about the workshop indicators also helped to take a closer look at USAID's environmental goals and objectives. This eventually led to final approval by the Head of USAID of the Agency's Strategic Framework for the Environment. The workshop is said to have opened doors within USAID and with USAID's developmental partners for systematic discussions about environmental performance measurement. In short, a performance measurement system, using an Agency-wide strategic framework and "measuring for results" indicators, are expected by USAID to allow it to accomplish and communicate its goals more effectively.

Candidate Environmental Indicators

Biodiversity Conservation and Forestry

- * habitat area conserved
- * habitat types prioritised
- * critical species protected
- * area restored (i.e. reforestation)
- * local resource management, stewardship, adoption of "sustainable" practices, economic benefits.

Urban and Industrial Environmental Problems

- * percentage of urban households with access to piped water
- * percentage of urban households with access to sanitation services
- * population benefiting from reduced exposure to SOX, NOX, etc.

Energy

- * energy intensity (commercial energy consumption per unit Gross Domestic Product)

Global Climate Change

- * carbon dioxide emissions per unit Gross Domestic Product
 - energy and industrial emissions
 - emissions changes due to land-use changes

Water Management

- * percentage reduction in harmful compounds
- * percentage of families with access to adequate water supply

Sustainable Agriculture

- * area under improved management
- * number of farmers adopting improved agricultural practices
- * increased incomes from sustainably managed lands
- * improved yields from sustainably managed lands

Coastal and Marine Resources Management

- * percentage of communities implementing integrated coastal Zone management plans
- * coliform bacteria counts in specified areas
- * area of restored coastal habitat (km²)
- * area of protected coastal habitat (indicator species)
- * conversion rate of mangroves to other uses

2.22 Monitoring and Evaluation: Special Assistance for Project Sustainability and for Environmental Impact Assessment (Japan)

92. According to the 1995 OECD/DAC review, few, if any, DAC Members have as strong an institutional capacity as Japan does to follow-up on evaluations and actually to remedy the problems identified. The Japan International Co-operation Agency (JICA) terms this type of practices or activity "aftercare", while the Overseas Economic Co-operation Fund (OECF) has a facility called *Special Assistance for Project Sustainability*. Through these mechanisms, Japan can and often does take remedial action whenever possible, with respect to particular issues or problems raised in evaluations.

93. It is worth noting that the Special Assistance for Project Sustainability is part of the Special Assistance Facility that also includes Special Assistance for Project Formation and Special Assistance for Project Implementation, which along with the Special Assistance for Project Sustainability are administered by OECF. Also, since 1986 OECF has extended rehabilitation loans to repair or renovate ageing social and economic infrastructures which were constructed in the past with assistance from Japan or other donors.

94. With respect to environment in particular, under this facility, OECF is now introducing a new scheme called the *Special Assistance for Environmental Impact Assessment* to assist recipient countries implement EIAs. When an EIA carried out by a recipient country is inadequate because of insufficient resources, OECF can perform a supplementary study under the new scheme. The scheme covers assistance for:

- i) ascertaining the recipient's environmental laws, environmental standards and EIA implementation principles;
- ii) ascertaining EIA implementation mechanism;
- iii) ascertaining existing EIA reports and related reports;
- iv) collection and analysis of data;
- v) field survey, and collection and analysis of samples;
- vi) estimates of future trends and evaluation;
- vii) advice to executing agencies regarding environmental consideration measures.

95. The studies listed here will typically be implemented by environmental specialists employed by OECF. Beyond this special assistance scheme for EIA, environment is now included as an issue to be reviewed under the regular monitoring and evaluation for both OECF and JICA.

2.23 Monitoring through a Log-frame Approach (KfW, Germany)

96. KfW monitors and evaluates the projects under Financial Co-operation with the help of a LogFrame matrix. There is, however, one major change: *KfW monitors* not only the objectives of a project but also its *assumptions by specific indicators with quantity, quality and time characteristics*. This approach is an answer to the perception that *the sustainability is mostly endangered by the framework conditions* within which the project is embedded.

97. After having materialised the objectives and assumptions of a project, *KfW staff judges on the risks* that activities, results and objectives as well as relevant assumptions linked to them do not materialise or *that critical environmental thresholds do not hold or are trespassed during the project's*

life-time. This judgement is done first on a one-by-one basis and – at the end – the individual risks are consolidated within an overall risk assessment.

98. Already during the evaluation of a project these considerations are shared with the local institutions responsible for the future operation of the installations financed under Financial Co-operation. *The involvement of the local partners is necessary* for two reasons: first, they are the owners of the project and should be aware of its risks. Secondly, they have to provide the data that KfW needs for monitoring purposes. Without the conviction on their side that the *data asked for and agreed upon in a side-letter to the Financing Agreement* are valuable for the well-being of the project, KfW cannot be sure about the quality of data received. That is why KfW attempts to design the set of data necessary to monitor the effects of a project as a *nucleus of a management information system*, i.e. hard data really needed to manage the essential features of an investment project.

99. This approach is *applied to every investment project* notwithstanding its nature: infrastructure, production, financial ventures or environment targeted undertakings. Whatever set of monitoring data is used in each specific case it contains a genuine set of relevant environmental data.

G. SPECIAL ENVIRONMENT FUNDS

2.24 The Environment Budget Line (European Commission)

100. The European Commission is one of few organisations that have put in place a specific fund to foster activities in the field of environment. This is presented here as one example of a means that can be used to further environmental integration in development co-operation.

101. The European Commission Environment Budget line (6200) was created in 1982 to support pilot projects and strategic policy studies related to environment in developing countries. This budget line was established with the aim of contributing to the implementation of sustainable development by encouraging the integration of the environment dimension within the development process. Tables 1 and 2 below provide an overview of funding related to this Budget line.

102. An evaluation concluded that the budget line managers have responded effectively to the decisions of the European Parliament by ensuring that the annual funds allocated to the Budget line are fully committed to new projects each year. Although the final report from the evaluation pointed to some problems with the management of the fund, those are to be expected from a fund that essentially deals with pilot initiatives including a significant learning component. These are to be addressed by the Commission in the future management of the fund.

103. A summary of the desk-evaluation of 20 "Budget Line projects" concluded that:

- 20% (5) of the projects evaluated were scored as being of "excellent" quality;
- 80% (16) of the projects evaluated were scored as being either "good" or "excellent";
- (5%) (only one) of the projects evaluated was regarded as being of "poor" quality.

104. The conclusions of the evaluation report (May 1996) were that: "The Budget Line is an instrument that is responsive to the objectives of the European Parliament. It has the flexibility to fund relatively small, innovative and locally oriented projects that are unlikely to be funded through

mainstream (...) channels. It can also be useful for the European Community to support strategic studies and the development of other instruments to ensure the integration of environmental concerns into EC development programmes. Clearly, there are trade-offs between flexibility and consistency, but on balance we would see that there are advantages to have the flexibility to respond to demand-driven proposals from developing country organisations and to changing priorities in the "sustainable development" policy arena. There is also evidence that the Budget Line has achieved a reasonable level of "spill-over" in countries and within the Commission" (p. 52).

Table 1: Annual Funding (ECU) committed to the Environment Budget Line (B7-6200)

Year	Total Budget	Total number of projects
1997	15,100,000	25
1996	15,000,000	30
1995	13,200,000	31
1994	20,000,000	45
1993	24,849,096	52
1992	9,000,000	32
1991	12,900,000	47
1990	8,000,000	54
1989	6,000,000	51

Source: ERM, *Evaluation of the Environmental Performance of EC Programmes in Developing Countries (B7-5091/95)*, revised draft Desk Evaluation Report, Volume II: Main Text, October 1996, p. 88, and Update from DGVIII, March 1998.

Table 2: Percentage of funds committed to the five different priority project themes

	Bio-diversity	Urban	Coastal/ Marine	Land	Sustainable Development Strategy	Capacity Building	Techno- logy
1997	30	4	6	29	18	2	11
1996	6	15	11	45	10	13	0
1995	25	28	7	22	-	-	5
1994	21	14	9	30	-	-	0
1993	16	34	7	20	-	-	0
1992	54	5	15	3	-	-	0
1991	30	1	5	14	-	-	0
1990	32	6	6	42	-	-	0

Source: ERM, *Evaluation of the Environmental Performance of EC Programmes in Developing Countries (B7-5091/95)*, revised draft Desk Evaluation Report, Volume II: Main Text, October 1996, p. 91, and Update from DGVIII, March 1998.

2.25 Special Environmental Allocation (Norway)

105. Norway was among the first countries to put in place an environment specific fund under its development co-operation programme, which has proven instrumental in furthering environment-related activities and better integration with other development issues. In 1984, a *special environmental allocation* was included for the first time in the Norwegian development co-operation budget. It is used to promote environmental efforts both in bilateral development co-operation, administered by NORAD, and in assistance provided through international organisations, administered by the Ministry of Foreign Affairs. Local NORAD offices prepare proposals for the use of their share of the special allocation on the basis of given guidelines. The main purpose of this fund is to promote institutional/capacity development for environmental management in developing countries. Although it accounts for a relatively small proportion of total development aid, this allocation has been used as a catalyst ("seed money") for pilot measures to facilitate the efficient use of other resources. For example, the special allocation has been spent on increasing awareness of environmental issues in international organisations, among public sector workers in the developing countries and among other specially-selected target groups. It is interesting to note that the environmental advisors at NORAD are generally not involved in the selection of the projects to be funded under this allocation.

106. From 1984 to 1994, the total environmental allocation amounted to NOK 500 million, with the annual allocation increasing substantially since its inception. The numbers presented in table 4 below acknowledge the increasing size of this allocation since 1984. The significant increase for 1996, at around 310 million, is attributed to a large extent to the growing political interest for environmental issues in Norwegian development co-operation and, in parallel, to the new priority attached to the environment in the recent review of the Foreign policy. It appears that the rise in this allocation can be largely attributed to the commitment to raise the profile of environment in development co-operation.

107. An independent evaluation of the environmental allocation was conducted in 1992. The main conclusion indicated that the allocation had positively contributed towards changing the priorities of Norwegian development co-operation.

Table 3: Evolution of Environmental Allocation (1984-1996)

Year	Amount in NOK (Norwegian Kroner)
1984	10 million
1987	60 million
1990	80 million
1991	60 million
1995	90 million
1996	310 million

Source: Scanteam International and Nordic Consulting Group, *Evaluation of the special grant for environment and development*, Evaluation Report 5.91, Royal Ministry of Foreign Affairs, April 1992.

2.26 Special Fund for Global Environmental Issues (Switzerland)

108. Under Swiss assistance, a special fund is in place to support the integration of environmental considerations. This covers a category of environmental projects funded by what is called the Global Environmental Programme. This programme is the outcome of extensive lobbying by the NGO community. Based on the Framework Credits for debt relief and global environmental issues, a special programme was launched in 1991 on the occasion of the 700th anniversary of Switzerland in which two main components were incorporated:

- debt relief (Swiss Francs - SF 400 million) managed by the Federal Office for Foreign Economic Affairs;
- global environmental issues (SF 300 million) managed by the Swiss Agency for Development and Co-operation for the bilateral co-operation and by the Federal Office of Environment, Forests and Landscape for the multilateral funds.

109. The global environmental component of the credit is based on four central assumptions:

- a substantial part of the responsibility for the global environmental problems lies with industrialised countries themselves;
- developing countries are particularly affected by the global environmental problems;
- developing countries are key-actors in particular fields, and their emissions are fast increasing;
- developing countries are necessary partners for the implementation of measures.

110. Two funding mechanisms are referred to in relation to the environmental component of the credit line:

- multilateral funds and actions on the international level (such as the Conventions, GEF, Plan Amazone) which account for 40% of the additional funding; and
- bilateral co-operation, consisting of cofinancing of multilateral actions or direct bilateral actions with an integrated programme. 60 % of the additional aid budget of SF 300 million is spent on this bilateral co-operation.

Tables 4 and 5 below give an indication of the type of projects funded through bilateral co-operation.

Table 4: Projects classified by environmental themes (1991-end 1997)

Themes	Commitments	
	in Million SF	Percentage
Climate/Energy	39.402	27%
Biodiversity	68.262	46%
Pollution (air, water); toxic waste; others	40.568	27%
TOTAL	148.232	100%

Table 5: Projects classified by continents and organisations, 1991-end 1997

Projects classified by continents			Projects classified by organisations		
Latin-America	66.551	45%	Internat. Organisations	64.063	43%
Asia	36.182	24%	Private sector	27.714	19%
Africa	18.604	13%	NGO Switzerland	45.546	31%
Non geographic	26.895	18%	Universities	7.046	5%
			Local NGOs	3.863	3%
TOTAL	148.232	100%	TOTAL	148.232	100%

111. An evaluation has been carried out of the projects and programmes of the Framework Credit Global Environment. The following three thematic groups were reviewed: a) the quality of the portfolio; b) handling the portfolio: how were projects selected, who were the main people involved, how was the division of responsibilities; and, c) the criteria used for portfolio management: guidelines, selection criteria, operationalisation strategies and impacts.

112. The objective of the second phase was a critical review of the projects and programmes to provide input for what was called a realistic continuation of the global environmental measures. This included attention to the political/policy dimension and attention to the contents of the programmes and projects. The evaluation focused on the four-year pilot phase of the programme, reviewing 55 projects which were implemented in developing countries. One of the most important questions was whether Switzerland was able to model the programme in such a way that the special demands of the 'Global Environment' and the nature of a pilot phase were encompassed, or in other words: whether Switzerland had, in these four years, been able to come closer to the basic demands of complementarity and innovation for the purpose of the global environment.

113. The overall conclusion of the evaluation was one of praise. The establishment of, and commitments under the programme were seen as a commendable performance of Switzerland. With respect to the political/policy dimension it is felt that through this Global Environment programme, a new way of political thinking is starting to emerge, based on a new awareness. However, this new dimension (and therefore its related potential) is only understood and used by part of the Swiss Development Co-operation and by part of the organisations involved in implementation of the Global Environmental Programme. Therefore, there should be more attention to clarification and awareness-raising.

2.27 Co-operation for Environment and Development (DANCED, Denmark)

114. A unique and innovative instrument for funding of environment related co-operation can be found under Danish development co-operation: the Danish Co-operation for Environment and Development (DANCED). The objective of DANCED, which was established in 1993, is to contribute to restoring the global environment in accordance with the recommendations of UNCED (Agenda 21). More specifically, the key-objectives are:

- actions to remedy serious environmental and natural resource problems in regions and countries not eligible for environmental support under the general Danish development assistance;

- co-operation with environment and natural resources administrations in recipient countries;
- adaptation to recipient countries' own priorities and needs;
- consistency with the Danish foreign and environmental policies;
- contribution to the transfer of know-how and technology in the fields of environment and natural resource conservation.

115. The DANCED programme gives priority to the following areas:

- urban areas, including industries;
- sustainable forest management;
- biological diversity;
- integrated coastal zone management.

116. The programme is managed by the Danish Ministry of Environment and Energy in co-ordination with the Danish Ministry of Foreign Affairs. The Ministry of Environment administers environmental projects in economies in transition and newly industrialised countries, in co-operation with the Ministry of Foreign Affairs and the local Danish representations. The Ministry of Foreign Affairs is in charge of the administration of environmental actions in low-income and least developed countries working in co-operation with and integrating the technical competence of the Ministry of the Environment.

III. CO-ORDINATION WITH MULTILATERAL INSTITUTIONS AND SUPPORT FOR GLOBAL CONVENTIONS

A. CO-ORDINATION WITH MULTILATERAL ORGANISATIONS

3.1 Active Multilateralism (Denmark)

117. The Danish experience with *active multilateralism* is one of the most pro-active approaches by an aid agency to influence the agenda of international organisations, including the treatment and integration of environmental issues. It is in this connection that it is presented here.

118. Active multilateralism is one of the main elements of the Danish development co-operation policy, the *Strategy 2000*, adopted by Parliament in March 1994. Active multilateralism is based on the following overriding principles:

- Denmark will adhere to its substantial multilateral commitment.
- Denmark will seek to influence and strengthen the international system, based on extensive analytical work, in accordance with the objectives of Danish foreign aid policy while respecting the different mandates of the organisations.
- In its efforts to influence the individual organisations, in accordance with the objectives of Danish development aid policy, Denmark will modulate the size of its contributions to individual organisations - including downsizing - than was the case hitherto.

119. The means in active multilateralism include co-operation with like-minded member countries, political and technical dialogue with the organisations, and interaction between bilateral and multilateral

assistance. The Danish multilateral effort concentrates on: the governing bodies of the organisations, the secretariats of the organisations, and their activities at the country level.

3.2 Co-ordination with the World Bank (Norway)

120. The Norwegian experience of collaboration with the World Bank and Regional Banks illustrates one of the most proactive and targeted approaches taken by a country with regards to influencing the agenda and actions of multilateral organisations in the field of the environment.

121. Norway has set out to raise the profile of environmental issues in all of its discussions and actions with the World Bank as well as with the Regional Banks. It uses a number of different channels to push this agenda:

- co-financing;
- discussions at the Board of Executive Directors; and
- meetings with World Bank Management and staff.

122. Norway's Ministry of Foreign Affairs is responsible for dealings with the World Bank and the Regional Banks and has put a mechanism in place to get the technical expertise relevant to the issues being discussed on the Boards of these institutions. This often involves relying on *inputs from environmental advisors at NORAD and external consultants*. The position developed by Norway is then brought up with the other Nordic countries to develop a common consolidated Nordic position. The key focus of Norwegian actions is to see how well the Banks implement the policies and guidelines that have been developed over the past years in the field of environment. This is particularly the case for the World Bank which leads the way in this respect vis-à-vis the Regional Banks.

123. In addition to exerting its influence on the World Bank Board, Norway has allocated *earmarked funds* for various measures to strengthen the Bank's environmental profile. Norwegian funding has been used, among other things, for studies of the environmental consequences of World Bank projects in many low-income countries. At the time of the review, Norway had also contributed towards strengthening the World Bank Environment Department by *financing secondment* for about 4 Norwegian environmental experts to work full-time at the Bank on environmental issues. Norway has also provided funding to the Bank to *support in-house training of staff in environment*. Norway is paying increasing attention to monitoring and evaluation activities at the implementation level, to ensure that the policies, organisational arrangements, procedures and guidelines developed by the Bank are in fact being implemented. To that effect, Norway has been providing co-financing to the Evaluation unit of the Bank. In 1994, NOK 50 million (out of the NOK 145 million co-financing allocations to the Bank) was used for environment related activities. It appears that the portion of the *special environmental allocation* targeted at the Bank and used in co-financing arrangements has had a considerable effect on the institution. A 1992 evaluation of the Norwegian special grant for environment and development concluded that it is probable that the Norwegian environmental allocation has been decisive in promoting increased awareness, acceptance of and priority for environmental considerations in projects and programmes.

3.3 Co-ordination Mechanisms with the World Bank (France)

124. It is the Treasury Department of the Ministry for Economy and Finance which manages France's funding to the World Bank and the Regional Banks. In terms of representation, a mixed delegation is formed of the Ministry for Economy and Finance, the Ministry for Foreign Affairs and the Ministry for Co-

operation. The co-operation on environmental issues between France and the development banks dates back several years. In September 1989 at the Board of Governors of the World Bank, France proposed the creation of a special multilateral fund for the environment, which later became a reality as the Global Environment Facility (GEF). In terms of funding mechanisms, France does not manage trust funds with the banks as is the practice by other countries.

125. In addition to the positions taken in the Board discussions and to the special funding mechanisms in place, the French co-operation programme is collaborating at the practical level with the World Bank. For instance, at the level of the development of management tools, the World Bank Directives on Environmental Impact Assessment played a special role in the development of similar directives for the Agence française de développement (one of the implementing agencies under the French co-operation programme).

126. More recently, in September 1995, a first joint seminar on environmental issues was held between the French co-operation and the World Bank. The discussions which took place then focused on seven themes: environmental planning; environmental impact assessment; environmental information systems; the integration of environment in macro-economic frameworks; strategies, policies and programmes of global and sectoral development; research for development; the relationships between the GEF and the French Fund for the Global Environment; and a discussion of the strategy document on environment and sustainable development prepared by the World Bank. While recognising that the partnership between France and the World Bank is already quite strong with respect to environment and sustainable development, in particular at the operational level, the two parties agreed to expand it in the following fields: development of strategies and methods; training; and research and development. The two parties have also agreed to increase exchanges and dialogue both at the global level between their respective institutions and at the level of the operational divisions for each one of the African countries where French and World Bank assistance is extended. Both parties also agreed to hold joint annual consultations with the aim of reviewing these different elements of their partnership in the field of environment and sustainable development.

3.4 Early Project Notification System: Monitoring Environmental Aspects of Multilateral Development Bank (MDB) Projects (United States)

127. One of the mechanisms instigated by the US administration for follow-up on activities of multilateral development banks (MDB's) at the project level consists of USAID's *Early Project Notification System* which results in reporting to US Congress. Section 537 (h) of Public Law 100-202 and Section 1303 (c) of Public Law 95-118 require this report. These laws direct USAID, in consultation with the Secretaries of Treasury and State, to compile a list of proposed MDB loans likely to have adverse impacts on the environment, natural resources, public health or indigenous peoples (here after: "the list"). The projects in this report serve as a record of USAID monitoring of MDB projects. The report also serves as an indicator to judge the progress made by the MDBs on environmental policies and procedures since 1986 when Congress first expressed concern over these issues.

128. USAID's Office on Environment investigates and reports on environmental problems identified by USAID missions and concerned NGOs. As part of this activity, USAID co-chairs the "Tuesday Group", a monthly meeting of interested NGOs and US government agencies, to discuss environmental issues at the MDBs. USAID further co-ordinates with the Department of Treasury, the State Department, the Environmental Protection Agency and the US Executive Directors' offices at the MDBs to help resolve or clarify environmental issues of selected proposed projects.

129. Through the *Early Project Notification System*, USAID notifies its field missions, desk officers in the regional bureaus, and selected embassies of upcoming projects as each MDB publicly publishes them. The *Early Project Notification System* solicits comments on proposed projects' problems including environmental ones. USAID field missions respond if there is reason to anticipate environmental concerns, and the USAID Office of Donor Co-ordination reviews them. Projects are then investigated further, and placed on "the list" based on available information and the judgement of the US Government.

130. Inclusion on "the list" indicates that the project could have serious impacts. Proper project planning and design should anticipate these impacts. Environmental assessment of the project may lead to its redesign, selection of alternative measures or the introduction of specific mitigation measures. Many concerns identified in the list are being addressed through environmental assessment and project design process, and are noted.

131. The list concentrates on the World Bank, African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development and Inter-American Development Bank. Due to limited resources and lack of USAID presence in many countries, this list does not report on other regional and subregional MDBs.

B. GLOBAL ENVIRONMENTAL CONVENTIONS

3.5 Funding Mechanisms for follow-up on Conventions: French Fund for the Global Environment (Fonds français pour l'environnement mondial, France).

132. A unique bilateral mechanism for the funding of the follow-up to the global environmental conventions was put in place by France in the aftermath of Rio. This mechanism consists in the establishment, in parallel to the GEF, of the French Fund for the Global Environment. This fund is under the management of an inter-ministerial steering committee chaired by the Ministry of Economy and Finance. The Agence française de développement (one of the implementing agencies under the French Co-operation Programme) assumes the normal management functions associated with the fund, through an autonomous structure.

133. For the period 1994-1997, France set the funding level at 440 million FF. The resources of the French Fund for the Global Environment, as those of the GEF, were resources additional to those allocated in the French Official Development Assistance budget. In 1995 alone, the 105 million FF committed have generated additional funding for a value of 1 billion FF.

134. The general eligibility criteria for the fund are similar to those of the GEF (notion of incremental cost, respect of the guidelines established by the international conventions, etc.). In addition, the projects of the French Fund for the Global Environment are also submitted to the GEF council. France tries, through this fund, to finance exemplary projects which are part of broader sustainable development programmes. The emphasis is on strengthening national capacities and on the learning process associated with new techniques and technologies in the recipient country.

135. The four fields of action covered deal with problems related to: climate change, the protection of biodiversity, the ozone layer and international waters. The French Fund for the Global Environment actually acts as a lever for co-financing between bilateral and multilateral assistance.

3.6 Climate Change, Biodiversity and Desertification Conventions (Germany)

136. German assistance is one of the bilateral programmes pursuing a very comprehensive approach to the implementation of the global environmental conventions.

A) *Climate Change Convention*

137. In the light of the Climate Change Convention, German development co-operation considers it important to enable partner countries to play an active role in the protection of the climate. One of the main issues is to assist in the development of an environmentally sound, resource saving, energy supply. The industrialised countries have the opportunity to open new ways for developing countries, especially with regard to the use of renewable energies. The priority of climate-related development co-operation intervention is to improve the economic achievements (e.g. by a reduction of costs induced by a lower use of energy and raw materials) and to reduce emissions and waste thereby minimising negative environmental impacts.

138. Since the UNCED, the federal government supports particular developing countries through 'enabling activities' for the implementation of the convention, including the elaboration of country strategies and country reports, support for the analysis of greenhouse gas emissions and potential counter measures. Up to 1996, 10 million DM were committed to these activities. The energy sector is the first target for mitigation measures. This includes: industry, agriculture, and transport which are the main causes of greenhouse-gas emissions, especially of CO₂ in developing countries. Countries which have high emission levels receive the highest priority. These are especially the more advanced developing countries of Asia, such as: China, Indonesia, the Philippines, Thailand, Pakistan and Vietnam. Further enabling activities are supported in Zambia and Colombia. Country profiles on climate change are established by local institutions, in co-ordination with GTZ, in order to ensure that the quality of the studies complies with international required standards and that local experts are further trained.

139. The Federal Ministry for Development Co-operation (BMZ) has further determined, in co-ordination with partner governments in developing countries, a wide spectrum of measures, which will result in a contribution to the prevention and alleviation of climate change. The strategies are directed towards the energy, transport, industry, agriculture and forestry sectors, which are, according to Article 4.1c of the Convention, of special importance in the struggle against climate change. The federal government assistance is focused on three groups of developing and transition countries:

- 1) more advanced developing countries such as China, India, Indonesia, Thailand, Brazil, Mexico, which all go through a rapid industrialisation process, and thereby have a high level of CO₂ emissions;
- 2) countries with a high level of energy use per person;
- 3) countries with a large population having a high emission level in agriculture which is related to cattle breeding and rice cultivation.

Table 6: Activities carried out by GTZ at country level

Country	Activities
Peoples Republic of China	On-going activities centre on the provinces of Zhejiang, Jiangsu and Shanghai. Assistance covers updating the Green House Gases (GHG) inventory and investigation of the technical options to reduce GHG in the energy sector.
Colombia	In the only Latin-American country supported in the scope of the promotion programme to date, activities are limited to a GHG inventory study.
Indonesia	The national CO ₂ inventory has been updated. In addition to technology-based approaches to reducing emissions, including regional energy planning projects, policy strategies have been worked out to apply these reduction measures.
Pakistan	A national GHG inventory is being implemented in co-operation with the Asian Least Cost Greenhouse Gas Abatement Strategy Project of the GEF.
Philippines	The existing CO ₂ inventory was revised in order to assess technological options for abatement. An evaluation system has been drawn up to rate the advantages of CO ₂ reduction measures and test a monitoring system to register CO ₂ emissions and examine energy efficiency in power plants and industries.
Tanzania	Technological options on GHG abatement policies were investigated on the basis of the existing inventory.
Thailand	Activities identified and assessed technological options to reduce GHG emissions in the commercial and industrial sectors.
Zambia	A national inventory was drawn up and technological GHG abatement options were assessed. Political strategies to apply the pertinent CO ₂ reduction measures were also identified.

140. The sector strategies in these country groups concentrate on:

- efficient use of resources;
- technology transfer;
- strengthening of indigenous personnel and institutional capacities.

B) Biodiversity Convention

141. GTZ has established an interdisciplinary working group responsible for co-ordination of biodiversity issues. The Group is responsible for setting-up and maintaining smooth and effective communication and exchange of experiences between relevant projects and departments. In addition, at the time of the review, two German sector projects dealt with biodiversity:

1. Support Programme for Tropical Ecology

142. The tropical ecological support programme (TöB) provides support for the design and analysis of projects with a view to contributing to ecological sustainability and serves the development of innovative instruments for planning and steering of development co-operation projects and programmes.

143. Since 1992, the TöB has supported more than 70 projects/programmes in 30 partner countries of German development co-operation. Until now, five fields have been defined within the programme: soil fertility; ecology of tropical forest systems; ecology and flora protection; biodiversity; and ecological economy. Especially within the latter two fields, a large number of studies are highly relevant to the theme of biodiversity.

144. The field of ecological economy includes applied analyses with the following priorities:

- development of adjusted forms of valuation of natural resources as alternative/complementary income sources;
- identification and testing of indicators for the assessment of the sustainability of resource use;
- development and testing of practical economic incentives and compensation systems aimed at ensuring a sustainable management of cultivated areas and of natural reserves;
- valuation of traditional/indigenous 'user systems' according to their impact on natural resources and the applicability of particular elements in modern protection, utilisation and management concepts.

2) *Implementation of the Biodiversity Convention*

145. In the framework of bilateral agreements, several individual projects are supported by the interregional sector project: operationalization of the Biodiversity Convention. Fundamental scientific research is only considered as a minor component in this project.

146. The need for broader support in the operationalization of the objectives of the Convention has revealed itself in the 50 running project proposals. The project proposals pay special attention to various ecosystems such as: tropical rainforest, wetlands and lakes, river ecosystems, coastal areas, savannas and steppes.

147. Various activities are involved in these projects, such as:

- development of national strategies;
- direct preservation of species;
- concepts for sustainable use of biological resources;
- biodiversity surveys, mapping and monitoring of ecosystems;
- design of protection areas and other protection measures;
- research and education;
- contribution to clarification and awareness raising, environmental educational activities.

C) *Convention to Combat Desertification*

148. After ratification by more than 50 countries, the International Convention to Combat Desertification (CCD) entered into force on December 26, 1996. The CCD builds upon past experience. It documents the current understanding of desertification, its causes and effects and outlines approaches for fighting it. The Convention is the first international agreement to define the desertification problem and the principles, objectives and key focuses of co-ordinated global action.

149. Since the mid-1980s, German bilateral development co-operation has provided substantial support to projects designed to combat desertification. Almost 250 ongoing projects backed by total commitments of some DM 2.3 billion have gathered widespread experience which can prove valuable for other Technical and Financial Co-operation measures. Following the Convention, which puts the main stress on Africa, more than 60 percent of the projects are located in Africa. Asia and Latin America each receive about one fifth of total assistance funds.

3.7 Climate Change and Biodiversity Conventions (United States)

A) *Biodiversity Convention*

150. Although it took some time for the United States to ratify the convention on biodiversity, USAID has been acting as one of the parties to the convention and has its own Strategy for Biodiversity Conservation. The US development programme has shown a strong commitment to placing biodiversity at the forefront of its development agenda.

151. At the policy level, USAID has been involved in the development of inter-agency positions providing technical assistance to the State Department which has the lead role on convention negotiations. USAID's goals in the area of biodiversity conservation and sustainable use are to:

- facilitate the setting of conservation priorities that respect the rights and needs of all peoples and the local, national and regional levels;
- support the development and implementation of laws and policies that provide a framework for the conservation and sustainable use of biodiversity;
- strengthen national and local capacity for the management and conservation of biodiverse areas, including parks and protected areas;
- support innovative conservation efforts and research programmes, including ex-situ approaches;
- develop sustainable economic uses of biological resources;
- encourage the involvement of NGOs and local peoples at every stage of decision making;
- employ innovative funding mechanisms, such as endorsements and debt-for-nature swaps;
- co-ordinate efforts with other agencies and organisations to achieve sustainable results.

152. Biodiversity has been a major concern of USAID activities for a number of years and is well integrated into normal programming. Since the Agency established its biodiversity conservation programme in 1987, a growing number of programmes have supported activities to stem the loss of biological diversity. USAID's biodiversity conservation programme has in fact expanded in recent years in response to increasing concerns about the environmental and human consequences of the loss of forests and other habitats world-wide. At the time of the review, in dollar terms, the Agency supported the largest biodiversity conservation effort of any bilateral donor. Its funding for the sector rose from US \$4.9 million in FY 1987 to US \$93.5 million in FY 1995. The Agency has launched biodiversity conservation activities in more than 60 countries over the past eight years. Most programmes are located in Latin America and Africa, followed by Asia and Europe. Biodiversity objectives fall under three mutually supporting approaches: (i) improving management of protected areas (13 country programmes); (ii) promoting sustainable use of biological resources (24 programmes) and (iii) supporting ex-situ conservation of genetic diversity (1 programme).

153. To complement these approaches and support the United Nations Convention on Biological Diversity, the Agency has formulated a biodiversity strategy to systematically target assistance to the world's most biologically diverse and endangered habitats.

154. A recent USAID field assessment of selected protected-areas management projects carried out between 1980 and 1992 found that the Agency had made important contributions toward safeguarding biological diversity, particularly in improving the management of protected areas and strengthening national conservation policies. USAID claims to have made significant gains in establishing new conservation institutions, improving capacity to manage protected areas, fostering innovative public-private partnerships, and establishing mechanisms for long-term conservation financing.

155. At the same time, according to a USAID assessment, the Agency had only limited success during the 1980s in its integrated conservation and development projects. These projects aimed to introduce income-generating activities in the buffer zones surrounding protected areas as a way to decrease community dependence on fragile, often declining biological resources. The assessment's findings concur with evaluations of other integrated conservation and development projects conducted by the World Bank and the Biodiversity Support Program. According to these studies, several factors, led to the mixed success of integrated conservation and development projects, including unfavourable land tenure and scarce credit for communities living outside a cash economy, remote project sites that limited market access for sustainably harvested products and ecotourism development, and inadequate linkage between development and conservation objectives.

156. Having learned from experience, the Agency has recently sought to strengthen its integrated conservation and development projects and other community based efforts and has begun to achieve demonstrable payoffs and successes in linking sustainable development with conservation.

157. The following are some of the activities funded by the USAID that have had a positive stated impact on the knowledge and protection of biodiversity:

- species and ecosystem conservation;
- support for protected areas;
- sustainable forestry and forest conservation;
- environmental education and training in agriculture and natural resource management; and,
- policy planning and analysis.

158. Finally, USAID insists on measurable results from its biodiversity programmes. The Agency is developing detailed performance criteria for biodiversity conservation in consultation with experts and interested parties. USAID asks the following types of questions of the biodiversity programmes it supports:

- Has biodiversity in ecosystems and representative geographic areas been maintained?
- Have conservation plans and strategies been implemented for these areas, including protection of parks and sensitive areas and support for sustainable economic activities for inhabitants of these areas?
- Have these plans been developed through a participatory process? Do they enjoy local support and meet local needs, so that they can be sustained over time?
- Have national and regional biodiversity strategies that address relevant social and economic forces been developed and implemented?

- Have economic policy distortions that encourage unsustainable exploitation of natural resources been reformed?

B) *Convention on Climate Change*

159. Following Rio, USAID has been involved in the inter-agency discussions on the implementation of the Climate Change Convention and developed in 1994 its Global Climate Change Strategy.

160. The Global Climate Change Strategy is designed to contribute to world-wide efforts to stabilise greenhouse gas (GHG) emissions. The primary components of the strategy are: 1) reducing GHG emissions related to the energy sector; 2) increasing sinks of GHGs through improved natural resources management; and 3) improving information collection and dissemination on improved policies and technologies for addressing global climate change. Since signing the Framework Convention on Climate Change, USAID funding for Global Climate Change issues has been estimated at around US \$200 million to US \$230 million per year, making it one of USAID's largest sectors. This includes multilateral activities. For instance, through the Global Environment Facility, USAID is supporting the Greenhouse Gas Pollution Prevention project. It will directly supplant fossil energy systems with high-efficiency and renewable alternatives.

161. USAID's objective of mitigating climate change involves reducing net greenhouse gas emissions from energy systems and land use. Energy and land use account for most of the world's greenhouse gas emissions, although within countries their relative importance can differ greatly. These differences have critical implications for programme design. In Brazil, for example, where net emissions arise principally from deforestation in the Amazon basin, USAID works to stabilise land use. In India, where inefficient and heavily polluting energy production is the problem, the Agency targets the energy sector.

162. In addition to its work in Brazil and India, USAID is responding to the imperative of the climate change threats by targeting programmes to mitigate climate change in central Africa and seven other key climate change countries: Indonesia, Kazakhstan, Mexico, Poland, the Philippines, Russia and Ukraine. These countries (along with Brazil and India) were identified in the Agency's 1994 Global Climate Change Strategy as being the largest current or potential contributors of greenhouse gas emissions world-wide. They now account for 25 percent of global emissions, a share likely to rise steeply if appropriate steps are not taken. Indeed, developing countries as a whole are expected to make up about 70 percent of greenhouse gas emissions by 2025.

163. All climate change activities are designed to be fully justifiable based on their sustainable development benefits. Similarly, programmes pursued under other environmental objectives also contribute to mitigating climate change. Many of the Agency's climate change programmes are still in early stages of implementation and have produced few documented results. The earliest of these programmes were launched in 1990, and many of them did not specifically quantify reductions of greenhouse gas emissions because they were add-on activities to existing forestry and energy programmes. Programs launched since 1994 under this objective have improved the monitoring of results, their conversion to CO₂ emissions saved and the effects on greenhouse gas emissions.

164. In addition to these bilateral programmes, USAID has also been supporting two US initiatives: (i) US country study programme for assistance to 55 countries on a mission-inventory in studies, (ii) US initiative on joint-implementation designed to provide information to countries that could lead into the negotiation on implementation of the convention. This involves closely NGOs and US private sector.

3.8 Climate Change and Biodiversity Conventions (New Zealand)

165. New Zealand is an interesting example of a country with a relatively small aid programme which has shown a strong commitment to supporting the implementation of the conventions through its aid activities.

A) *Climate Change*

166. At the time of this review, the Ministry of Foreign Affairs was actively preparing a programme to assist countries of the South-Pacific in the management of coastal zones which are affected by climate change. In terms of integration of climate change concerns in the bilateral assistance programme as such, the potential impact of sea level rise is of great concern to small Pacific Island nations and New Zealand's capacity building efforts are concentrated in this region. For instance, New Zealand provides financial and technical support, as well as training, to assist meteorological services in a number of these countries, including Fiji, the Cook Islands, and Tuvalu. The emphasis has is on training, partly through the provision of specific technical assistance. As well as providing weather forecasts, these national meteorological services make climate observations and provide climate change advice to their governments. Recently, a New Zealand scientist participated in a World Meteorological Organisation review of climate monitoring and impacts in the South-West Pacific. New Zealand also funded a computer based climate archiving inventory project through the South Pacific Regional Environment Programme.

167. New Zealand also allocates a significant proportion of its Official Development Assistance to forestry activities, primarily focusing on planted forests. The protection of existing indigenous forests and the planting of forests on previously logged land helps to protect the atmosphere by providing CO₂ sinks. As outlined in the 1995 New Zealand Report to the Commission for Sustainable Development, over NZ \$ 5.5 million per year is allocated to forestry activities in the Pacific and Asia.

168. New Zealand's Official Development Assistance programme also provides support for activities to reduce greenhouse gas emissions through the development of alternative and more efficient energy sources.

169. Although the South Pacific countries are relatively minor emitters of greenhouse gases, it is nevertheless important for these countries to develop more efficient energy generating systems. On a regional level, NZODA provides assistance to the Forum Secretariat Energy Division to help island member countries develop energy policy and to encourage the use of alternative energy sources and reduce dependence on petroleum. This programme provides funds for small projects which utilise new energy techniques as well as for training of staff. New Zealand has also supported activities of the South Pacific Regional Environment Programme and has given assistance to facilitate the participation of several Pacific countries in international climate negotiations.

170. On a bilateral basis, NZODA provides assistance for energy development in two of the smaller countries: the outer islands of the Cook Islands as well as the Tokelau islands. The purpose of these projects is to improve the efficiency and sustainability of power supplies in these remote islands.

B) *Biodiversity Convention*

171. New Zealand recognises biodiversity as of critical importance and was actively involved in the technical working groups surrounding this convention. This is especially relevant to the situation in the Pacific Ocean where a wide variety of indigenous species exists.

172. In comparison to the larger bilateral and multilateral donor agencies, NZODA contributions to biodiversity conservation are relatively small. However, in the South Pacific, the NZODA contribution is significant in terms of bilateral support for projects and for regional organisations such as the South Pacific Regional Environment Programme. A number of NZODA projects also contribute indirectly to biodiversity conservation. These include the forestry projects which, by providing alternative sources of wood products, help relieve pressure on native forests. Alternative income generating activities and rural development programmes, such as the Marovo Lagoon World Heritage Project and the beekeeping projects in the Solomons, also help to conserve forests by providing landowners with alternative income sources.

173. In the South Pacific, NZODA contributes over NZ \$2 million to regional and national environment and biodiversity programmes and projects. Projects that specifically have a biodiversity component include:

- *Fiji* - support for community based eco-tourism projects in Taveuni Island and Mt Evan National Park, both areas of high biodiversity value with unique stands of indigenous forests and fauna.
- *Solomon Islands* - support for communities in the proposed world heritage sites of Rennel Island and Marovo Lagoon to develop their resources in a sustainable manner through the development of alternative income sources such as eco-tourism, beekeeping, handicrafts and non-timber forest resources.
- *Western Samoa* - technical support for the Division of Environment and Conservation through the provision of a biodiversity advisor to assist in training local staff.
- *Indonesia* - capacity building for staff at the Ujong Kulon National park, the largest and oldest of all national parks on the island of Java, one of the most densely populated islands in the world. Ujong Kulon is listed by the World Conservation Union as a World Heritage Site.

3.9 Climate Change and Technology Transfer (United Kingdom)

174. The United Kingdom is one of the countries that has been at the forefront in supporting a number of initiatives in the field of technology transfer to assist developing countries in combating climate change. The United Kingdom is taking a number of steps to promote, facilitate and finance technology transfer and support indigenous capacity, as required by Article 4.5 of the Climate Change Convention. In addition to technology transfer in the context of the aid programme, for example through DFID's major energy efficiency programme, examples are the Technology Partnership Initiative (see box below) and the Greenhouse Gas Technology Exchange (GREENTIE). GREENTIE is being piloted by the International Energy Agency and the OECD to give interested users access to information on technologies and practices which help reduce greenhouse gas emissions, and help developing countries to locate information on greenhouse gas abatement technologies.

Technology Partnership Initiative

The initiative, which was launched by UK's Prime Minister in 1993, aims at improving conditions for successful transfers of environmental technologies to developing countries on a commercial basis, primarily through improving direct contacts between businesses in developing countries and the UK through increased dissemination of information on best practice. Technologies covered by the Initiative include those which can be used to increase energy efficiency and promote renewable energy. The Initiative has five main elements:

- a guide to UK sources of environmental technology, which lists over 400 British companies offering environmental technology;
- bulletins on specific solutions to industrial environmental problems in developing countries;
- information on best environmental practice;
- assistance to UK companies to provide "hands on" training to key business executives from developing countries; and
- a technology co-operation network designed to maximise the flow of information about environmental problems and solutions, including feedback from developing country business about local needs and difficulties.

IV. CO-ORDINATION AND COHERENCE IN DONOR COUNTRIES

A. GOVERNMENT CO-ORDINATION

4.1 **Inter-governmental Committee on Ecologically Sustainable Development and Government Sector Linkages Programme (Australia)**

175. The Australian Aid programme is among the bilateral aid programmes which have shown a proactive approach towards co-operation with other government departments in relation to environmental issues in development

176. Co-ordination with other departments/agencies mainly occurs with Environment Australia and the Department of Foreign Affairs and Trade but is increasingly occurring with other line departments, including the Department of Primary Industries and Energy. According to AusAID representatives, the co-ordination established with Environment Australia is functioning well. It is taking place at various levels.

177. There are various forums for co-ordinating within the Australian States. The *Inter-governmental Committee on Ecologically Sustainable Development* provides a forum for exchanging information on international environment issues among the States. Another mechanism for collaboration is an interdepartmental committee which is co-chaired by Environment Australia and the Department of Foreign Affairs and Trade. This committee has been instrumental in ensuring better co-ordination in the follow-up to Rio.

178. Another mechanism for collaboration of AusAID with Environment Australia and with other line ministries is the *Government Sector Linkages Programem*. This programme involves the attribution of development co-operation funds to other Departments/Agencies for the joint development and implementation of projects in the field. For example, under this programme Environment Australia was recently guaranteed A\$200,000 a year for two years for collaboration with the Government of Indonesia. Environment Australia is now developing agreements with approximately 25 other governments for co-operation in the field of environment, although funds for these new agreements have not yet been attributed.

4.2 Collaboration with the Ministry of Environment and other Departments (Canada)

179. Canada is an example of a country which has shown a relatively high level of co-ordination among the different government departments with a stake in development and environment issues at several levels.

A) *Collaboration with the Ministry of Environment*

180. At Environment Canada, the international Affairs Division of the Environment Ministry is the co-ordinating body for policy level collaboration with CIDA. It is also this division that provides corporate representation at the United Nations Environment Programme, UN Commission for Sustainable Development and the OECD Environment Committee. The group, consists of 9 professionals, down from 22 people three years ago. With this decrease, the group has clearly focused its mandate on policy level issues and advisory functions. The various technical divisions of Environment Canada also play an advisory role in specific activities undertaken by CIDA where their expertise is required. Increasingly, programme implementation at the international level (both for development assistance and other matters) is being directed to the private sector.

181. To that extent, the role of the Ministry of Environment in CIDA's projects and programmes is being more and more consolidated as one of advisor rather than implementor. The main areas of collaboration at the implementation level are related to capacity development initiatives (environmental education, environmental management programmes and environmental assessment training programmes). An example of such involvement with the Ministry of Environment, includes a workshop on water quality programmes in the Philippines which was conducted just before this review. There are also examples where provincial Ministries of Environment have been involved in planning and implementing capacity development projects for CIDA.

182. In policy level discussions, the Ministry of Environment has been extensively involved in a number of initiatives, one of which was the drafting of CIDA's 1992 Policy for Environmental Sustainability. At the level of development of procedures and guidelines, the Ministry of Environment has also been involved in the on-going development of regional strategies with CIDA.

183. The Ministry of Environment has also played a role in the preparation of the Canadian positions to the meeting of the OECD/DAC Working Party on Development Co-operation and Environment and the development of the guidelines published by this group. Its involvement has been part of a routine established in order to integrate the positions of the various federal departments into the consolidated Canadian position to those meetings.

184. Some staff of Environment Canada were also seconded to CIDA a few years ago to help develop the EIA expertise and systems of the Agency. This has been considered a success story as it has led to the further involvement of those seconded employees in development assistance management. It has also contributed to developing strong informal relationships between the two Departments.

185. CIDA is also working closely with the Ministry of Environment and the Ministry of Industry in setting the agenda and mechanisms to further support the development of the Canadian environmental industry.

B) Collaboration with other Departments

186. Formal and ad-hoc collaboration with other departments is also common practice for the Agency. For instance, CIDA is part of an inter-ministerial group looking at trade and environment. Other examples of inter-departmental co-ordination networks include, in CIDA's Americas Branch, a working group on environmental issues within the North American Free Trade Agreement framework where the following departments and agencies are represented with CIDA: Agriculture, Environment, Foreign Affairs, Heritage, Fisheries, Natural Resources and Transport Canada.

187. The Agency is also involved in the inter-ministerial committee working on the drafting of the federal framework for sustainable development. At the time of the review, it was expected that as an offspring of this work, the legislation pertaining to the office of the Canadian Auditor General would be modified so that a Commissary for the environment and sustainable development would be attached to his office. Following this change at Audit Canada, all federal departments including CIDA, will be required to develop strategies for sustainable development and report on their implementation

B. CO-ORDINATION WITH NGOS

4.3 NGO Forum and AusAID-NGO Co-operation Programme (Australia)

188. Co-ordination with NGOs is an important element in Australia's development co-operation practices and provides a good example of a mechanism for such in-country collaboration. Co-ordination with NGOs is repeatedly mentioned and stressed in policy papers, and put in practice through different mechanisms, such as:

- funding for NGO projects through the AusAID/NGO Co-operation Programme;
- involvement of NGOs in the implementation of other parts of the programme, in policy making and in the relations with international organisations, such as the World Bank;
- participation of NGOs in environmental audits and input sought in environment-related evaluations;
- environmental assessment and policy training provided to NGOs.

189. At the policy level, the Australian Government's *Non-Government Organisation Forum* is the principal means for consultation between the Government and the NGO community on a range of international environment issues. Meetings are held twice a year, or more often if deemed necessary. Working groups may be established to address specific issues. The Department of the Foreign Affairs and Trade provides the Secretariat for the Committee.

190. AusAID convenes three consultations per year to consider environment and development matters with NGOs which are concerned with overseas development. AusAID provides core funding for a body representing development NGOs, the Australian Council for Overseas Aid. Funding has also been provided to NGOs to support participation in GEF meetings and ensure their policy level input in the multilateral mechanism.

191. The *AusAID-NGO Co-operation Programme* is administered by AusAID in consultation with the NGO community. This programme provides subsidies for projects initiated by NGOs themselves. Through this programme, the Australian Government wants to assist those agencies with a capacity for implementing sound development projects which demonstrate a significant level of community support in Australia.

4.4 Collaboration with NGOs to Implement the Biodiversity Support Programme (United States)

192. NGOs are very active in the US aid programme and rely on a very strong constituency. Grants by NGOs are substantial compared to the DAC average and as related to Gross National Product. At US \$ 2,567 million in 1993, aid funds generated by US NGOs are by far the largest among DAC countries in terms of volume. The 0.04 per cent in terms of Gross National Product places the US NGOs in the sixth position among DAC Members. USAID channels a high level of Official Development Assistance through these organisations. This review revealed that at present about 40% of US bilateral development assistance activities are channelled through NGOs and Private Voluntary Organisations.

193. At the policy level, USAID guidance has been developed in collaboration with US non-government organisations and the academic community, as well as co-operating institutions and government agencies in developing countries. In the field of biological diversity in particular, USAID increasingly emphasises activities that build on the recognition that local participation is a critical prerequisite for conserving biodiversity. Often, NGOs are considered best able to catalyse such participation, and thus collaboration with them has become an important component of USAID environmental assistance. For example, the Biodiversity Support Programme, with more than 300 activities in 60 countries, helps local institutions and NGOs test new approaches, answer critical research questions, and build indigenous capacity to enhance biodiversity conservation initiatives world-wide. In Papua New Guinea, the Biodiversity Support Programme conducted a 15-month conservation needs assessment as part of the country's Tropical Forest Plan. The assessment is helping to identify conservation priorities and implementation plans and promote dialogue among Papua New Guinea landowners, who have strong customary, economic and legal incentives to use and conserve natural resources sustainably.

194. The Biodiversity Support Programme is implemented through a consortium of NGOs consisting of the World Wildlife Fund, Nature Conservancy and the World Resources Institute. It is geared at tapping the strengths of these various organisations under one programme and give USAID quick access to a large variety of technical biodiversity expertise. Such consortia are emerging as one of the ways to foster collaboration with the development program.

195. USAID also seeks the broader perspective of key regional scientists and policy makers. For example, USAID has provided support to the African Biodiversity Consultative Group, an organisation of African Development and conservation experts representing East, West, Southern and Central Africa, to incorporate African input on USAID strategies for biodiversity conservation. The group worked closely with the Biodiversity Support Programme to produce a strategy report for USAID's Africa Bureau. This

strategy is a biodiversity policy statement which reflects significant African perspectives and concerns, as well as technical input.

196. In Asia, the Biodiversity Conservation Network under the US-Asia Environmental Partnership helps foster innovative partnerships in order to increase the economic value of biological resources in threatened habitats and to make their use more sustainable in the long term. The project is also developing a regional network to exchange conservation information and identify lessons learned.

197. Collaboration with research institutions is another traditional way of tapping the expertise and energies of civil society for the benefit of development co-operation in environment. Examples include the Collaborative Research Support Programs, which form a global community of active research partnerships of US and developing country scientists, Government Departments and Ministries of Agriculture, public and private research institutions and organisations, small-scale farm families, local entrepreneurs and rural and urban consumers. The programmes were created in 1975 in response to Title XII of the Foreign Assistance Act, which was enacted to strengthen the role of land grant and other US universities in programmes of sustainable agriculture and natural resource management.

198. The Collaborative Research Support Program model focuses on developing mutual beneficial collaborative research between US and foreign institutions. The programmes are funded by USAID with major financial and in-kind contributions from over 25 US institutions and twenty seven developing countries. Further, collaboration with specific universities also exists at the project level through co-operation agreement with such institutions as Harvard University. In this case, the university provides to recipient countries regulatory advice, sets up think tanks for advice, etc. It is considered a very effective means for relationship building in the host country.

4.5 Collaboration with NGOs (Sweden)

199. Sweden is another example of a country which has demonstrated a sustained and expanding collaboration with NGOs in its aid programme, at various levels.

200. *At the policy level*, the Ministry of Foreign Affairs is increasingly involving Swedish NGOs and research institutions in discussing matters related to the GEF and to World Bank operations. For instance, the Stockholm Environment Institute participated in the official delegation to the last GEF council. In relation to the World Bank, the World Bank NGO forum - a group of NGOs providing advisory input to the Government in the development of its official position towards this institution - is another good example of the increasing role these organisations are called on to play at the policy level in Sweden.

201. *At the level of development of instruments and procedures*, the involvement of the NGO community appears limited. However, Sida's new guidelines for aid through NGOs include a general requirement that these organisations carry out environmental analysis and EIA before accepting projects. It was recommended in the 1994 review of Swedish assistance that staff of these organisations should have proper training and develop activities in light of UNCED. Sida's agreement with the Swedish Society for Nature Conservation includes a commitment by the Society for such training.

202. *At the planning and implementation level*, Sweden channels a large amount of its overall Official Development Assistance via NGOs. In fact, at the time of the review, more than 300 NGOs received contributions through Sida for some 600 development projects in 95 developing countries or information projects in Sweden, sending some 700 volunteers to the field. Swedish Official Development Assistance recognises that the concept of sustainable development interpreted in operational aid terms often is more

easily achieved through small scale, locally-based activities and NGOs can play an important role as a delivery channel of development assistance.

203. In the field of environment and development specifically, Sida supports Environmental NGOs through the Swedish Society for Nature Conservation in their efforts to raise public awareness. This society in turn supports 40 organisations around the world.

C. COLLABORATION WITH THE PRIVATE SECTOR

4.6 The Initiative for Environmental Technology, and the US-Asia Environmental Partnership (United States)

204. USAID belongs to the group of aid agencies at the forefront in involving the private sector in environment related development activities. In addition to making extensive use of the expertise available in the consulting business at various levels (from policy level advice to project monitoring and evaluation functions), USAID is more and more involving the private sector in the implementation of environment related development activities. This is particularly clear in relation to the implementation of the Climate Change Convention through USAID programmes, given the high level of technology transfer involved (especially under Joint Implementation Schemes).

205. To further foster collaboration with the private sector for environmental management, USAID has, for instance, supported the *Initiative for Environmental Technology*. The Initiative emphasises international collaboration with small and medium-sized US companies and aims to increase their role in addressing developing country environmental priorities. Through programmes that provide small grants to encourage market entry, build collaborative linkages with municipal leaders, promote joint venture partnerships and facilitate information flow regarding environment-sector investment opportunities, the Initiative for Environmental Technology aims to engage the US private sector more fully in the process of development, orient US investment towards meeting Latin American priorities, and build markets for environmental technology. This initiative is undertaken with several partners including the Environmental Export Council, the National Association of State Development Associations Grants Programs and the Environmental Technology Network for the Americas. In addition to launching these new programmes focused on Latin America, the Initiative for Environmental Technology will help co-ordinate globally US efforts to promote clean energy technologies, improve urban infrastructure and prevent industrial pollution.

206. Similar activities as the Initiative for Environmental Technology are also taking place in Asia through private sector partnership programmes developed by the USAID Asia bureau. The *US-Asia Environmental Partnership* was established in 1992 as a ten-year effort with core funding of \$100 million to sustain development and protect the environment in Asia and the Pacific. Devised to establish increasingly efficient and less polluting industrial processes throughout Asia, the US-Asia Environmental Partnership's "clean revolution" links the US private and public sectors with those of 35 Asian and Pacific countries by mobilising US environmental experience, technology, and practice. By pairing US experts with representatives of host governments, businesses and local communities, the US-Asia Environmental Partnership helps the economies of East and Southeast Asia accommodate both development and

environmental conservation. Concurrently, it promotes investment opportunities, particularly in environmental enterprises, for US industries throughout the region.

4.7 Private Sector Involvement and Technology Transfer (Japan)

207. Japan maintains a close relationship is maintained between Official Development Assistance, direct investment and trade, so that those three components can work coherently to promote economic development in partner countries. For this purpose, Official Development Assistance is closely linked to and is supportive of economic co-operation in the private sector through trade insurance and such organisations as the Export-Import Bank of Japan. In implementing environmental assistance, in particular, Japan tries to make the best use of its technology and know-how, which it has acquired in the process of working towards making environmental conservation and economic development compatible realities at home. In transferring technology and know-how, Japan makes active use of those possessed by the Japanese private sector (as well as by the Japanese government), and provides support for technological co-operation by the private sector. This is a privileged channel for the active involvement of the private sector in environmental programming under Japanese assistance.

208. In Japan, many of the environment conservation technologies, such as environmental pollution systems, have been developed by private corporations in response to regulations and guidance of the government, and rising public awareness. They are also increasingly playing a significant role in the transfer of technology, including direct investments in developing countries. According to the 1993 report *Quality of the Environment in Japan*, more than 40% of personnel sent overseas by Japanese companies are engaged in work concerned in one way or another with technology transfer, and nearly half of them provide information concerning measures to combat environmental pollution in the areas where they are stationed.

209. Beyond the project implementation level, collaboration with the private sector also exists at a more strategic and policy level through various channels. For instance, discussions with the Overseas Environmental Co-operation Center are a way of seeking private sector views on development co-operation in the field of environment. The Overseas Environmental Co-operation Center is a non-profit organisation established in 1989 with the support of the Environment Agency of Japan to promote international co-operation and to assist developing countries in their efforts to protect the environment. The membership of the Center is largely private sector-based with a large share of sector-based, with a large portion of environmental consulting companies. The Center organises meetings on environmental issues with JICA, the Environment Agency and others, where discussions are held on bilateral and multilateral matters of interest to its constituency.

4.8 Role of the Private Sector (New Zealand)

210. Recognising the crucial role of the private sector in achieving sustainable development, the Official Development Assistance programme supports a wide range of initiatives directed towards assisting the private sector. These include support for development banks, the Pacific Islands Industrial Development Scheme, the Trade and Investment Promotion Programme and assistance to smallholders through forestry and agricultural projects.

211. In addition, the New Zealand Official Development Assistance (NZODA) makes extensive use of consulting services and private sector firms specialised in the field of environment. Since the passage of the New Zealand Natural Resources Management Act, in particular, numerous requirements have emerged

for environmental analyses in New Zealand. This has been an opportunity for the New Zealand private sector to develop expertise that now contributes to the development programme itself.

212. New Zealand in fact uses consultants to help identify, appraise and design new Official Development Assistance projects, to provide technical assistance (including training and provision of technical expertise to partner governments), to manage project implementation and to help provide independent evaluations. They are employed as Management Service Consultants to manage New Zealand inputs into projects, to monitor performance and management of the implementation risks. Consultants are also recruited from the public sector: educational institutions, government departments and state owned enterprises. NZODA staff pointed during this review to the imperative need to foster more awareness raising and development knowledge in the consulting community on environmental issues and their relationship to development programming. This was believed to be critical to ensuring the implementation of NZODA's environment and sustainable development priorities given the critical involvement of consultants in the management of the aid programme as such.

213. In addition to consultants from New Zealand, consultants from partner countries play an active part in NZODA, particularly by contributing to appraisal, review and evaluation assignments in their home countries.

214. At the time of the review there were over 640 companies and over 900 individuals listed on the Consultants' Register maintained by the Development Co-operation programme. The Register is used to identify firms, individuals and other organisations with the expertise for particular assignments.

215. Beyond its involvement in project management as such, the private sector is also believed to have a key role to play in technology co-operation under NZODA. Much of the technical know-how needed for environmentally sustainable development is held within the private sector. The NZODA programme recognises this by providing assistance to enterprises in New Zealand to develop partnerships with the private sector in bilateral countries. NZODA assistance to these programmes has increased from NZ\$1 million in 1992/93 to over NZ\$6.3 million in 1995/96.

216. The major programmes which promote the sharing of environmentally sound technologies between the private sector in New Zealand and in developing countries include:

- The Asia Development Assistance Facility - promotes the involvement of New Zealand enterprises in activities which promote sustainable economic and social progress and justice in specified developing countries in Asia. There is a strong emphasis on training and technology transfer, with funding provided for project preparation and pre-investment studies. The Asia Development Assistance Facility has increased from NZ\$600,000 in 1992/93 to NZ\$ 5.5 million in 1995/96. All activities must meet development criteria.
- The South Pacific Development Assistance Facility - promotes the development of the private sector in Pacific Island countries through the promotion of training linkages between the private sectors in New Zealand and Pacific island countries. The Pacific Asia Development Assistance Facility commenced in 1993/94 and the allocation for 1995/96 is \$350,000.
- The Pacific Islands Industrial Development Scheme - promotes the development of the private sector in Pacific Forum Island countries by providing funding for new and expanded businesses. The focus is on developing partnerships with New Zealand enterprises so as to foster technology co-operation. The Pacific Islands Industrial Development Scheme has increased from an allocation of \$400,000 in 1992/93 to \$500,000 in 1995/96.

ANNEX 1

MAIN FINDINGS OF THE UPDATED SURVEY¹

1. This section is meant to review the conclusions reached by the Updated Survey regarding the trends in terms of practices in DAC Member countries towards the integration of environmental issues in development assistance.
2. Most aid agencies have adopted sustainable development as a guiding principle at the policy level, which has been an important evolution. However, operationalising this concept has sometimes proved difficult. Constraints include: a) insufficient knowledge about the interlinkages between the environment and the economic and social dimensions of sustainable development in the context of agency priorities; b) a lack of appropriate instruments, especially at policy and programme levels; and, c) persistent sectoral thinking in both developed and developing countries.
3. At the country and project level there has been a more integrated approach. The sectoral approach has not disappeared altogether, but the way in which sectors are defined has changed.

1.1 The growing institutionalisation of environmental expertise

4. All aid agencies have an environmental unit or some form of resident environmental expertise, usually situated in a central advisory unit of the agency. The mandates of environmental units are wide-ranging. They often include policy and instrument development, provision of environmental advice regarding both bilateral and multilateral programmes and projects, and participation in or co-ordination of aid agency input in global environmental issues. After several growth years the number of staff with specific environmental expertise appears to have levelled out. However, the number of activities under their responsibility continues to expand.
5. Environmental units facing capacity problems tend to concentrate more and more on day-to-day issues, leaving less scope to invest in the development of policies or tools, or to review the environmental objectives of the agency. Capacity limitations also make it difficult to set up environment-oriented training. Judicious strategic planning and priority setting will be required in future to ensure that resources are allocated in such a way that environmental units can contribute effectively to the overall policy objective of sustainable development.
6. In a number of cases environmental units are responsible for the administration of special environmental funds. These special funds have been established to act as a catalyst in the efforts of aid agencies to arrive at a comprehensive set of environmental goals and instruments, as well as to develop innovative programmes and approaches ensuring the ultimate integration of environmental considerations into all aspects of the bilateral and multilateral development assistance. Initial results indicate that the special funds have been successful, but in several cases they have not been comprehensively evaluated.

¹ This section is adapted from OECD Development Assistance Committee (DAC), *DAC Members' Activities in Support of Environmental Goal*, prepared for the Working Party on Development Assistance and Environment, pp. 6-11, Paris. 1997.

1.2 *The next challenge: decentralisation*

7. One area which merits closer attention by agencies is the extent to which environmental expertise still remains concentrated in central environmental units. The majority of donor agencies could give greater importance to strengthening environmental expertise agency-wide as well. With the exception of a few agencies, the development of appropriate training programmes has a low priority. Failure to do this can result in limited pro-activity on environmental matters in other parts of the system. This makes for low levels of participation in the formulation of environmental strategies, a lack of consistency in the implementation of environmental policies, and difficulties with the application of environmental tools and instruments. Environmental monitoring and evaluation often receive insufficient attention.

8. Training programmes can play a large part in countering these trends and can help to improve commitment to environmental goals in geographic branches, advisory units, and among management and field staff. The agencies that are at the forefront of setting up comprehensive environmental training programmes also tend to be ahead in strengthening the environmental dimension throughout their development assistance programmes. Decentralisation of staff with environmental expertise to geographic programmes and to the field level is also something which more agencies could consider.

1.3 *The added value of performance review*

9. Agencies are increasingly recognising the importance of monitoring and evaluation of environmental goals at the project, agency and country level. A limited number of aid agencies regularly review progress towards achieving environmental goals, and have set high standards in this area. A greater number have undertaken ad-hoc reviews. Three important lessons can be drawn from these experiences with environmental policy reviews and evaluations: (a) there must be a recurrent character to the reviews; (b) it is important that clear operational recommendations are formulated; and (c) feed-back mechanisms need to be established.

10. Progress has been made in developing Management Information Systems (MIS) in which environment is one of the issues included. The majority of agencies, however, have had problems in assembling conclusive information on specific levels of funding allocated to environment-related programmes and projects. As a result, it is difficult to establish trends in shifts in the composition of environmental programme and project portfolios in most aid agencies. The difficulty is often related to conceptual confusion on what constitutes an environmental project, compounded by the different statistical categories used by various agencies.

1.4 *New instruments: the quest for integration*

11. In the past five years, most aid agencies have devoted considerable energy to the development or refinement of procedures, instruments and guidelines to support the integration of environmental issues in development programming. However, planning instruments and procedures are still biased in favour of essentially project-oriented approaches to development programming. This is reflected, among other things, by the relatively large emphasis placed by aid agencies on the further development of Environmental Impact Assessment (EIA), which primarily focuses on the prevention of negative impacts of development projects. On a positive note, however, the new generation of environmental assessment tends to be increasingly geared towards an integrated perspective.

12. A number of aid agencies have started developing and experimenting with new instruments offering good prospects for shifting emphasis from project approaches to programme and more pronounced cross-sectoral approaches. In addition some aid agencies are in the process of modifying existing instruments, such as country-level planning tools, to ensure that they reflect the agency's sustainable development objectives.

1.5 Integration of environmental concerns in multilateral development co-operation

13. Multilateral channels are considered by bilateral aid agencies as an important means of implementing environmental policies. Through their representation at those organisations and targeted funding mechanisms, DAC Members have made a sustained effort to advocate greater integration of environmental considerations in the programming of multilateral institutions, aid agencies view experiences gained in their own bilateral programmes as pertinent also to multilateral institutions. At the same time, the progress made by multilateral agencies, notably the World Bank, in integrating environmental considerations, and in the development of environmental tools and instruments, has resulted in the increasing use by bilateral agencies of multilateral studies and publications on environment-related topics.

1.6 The emergence of global environmental issues on the development agenda

14. Bilateral aid agencies have followed up on UNCED in different ways. Many countries have carried out reviews to determine the compatibility of their programmes with Agenda 21. However, this has not entailed any critical review of the programmes themselves. As a consequence of UNCED, countries have committed themselves to drawing up national strategies for sustainable development. In general, development co-operation issues do not figure prominently in these strategies. In some countries, however, separate response strategies have been formulated for the development assistance programme.

15. Almost all DAC Members have signed and ratified the three global environmental conventions on biodiversity, climate change and desertification. However, the degree of integration of global environmental issues in bilateral development programming varies considerably across agencies. In some agencies, global issues are only integrated to a limited extent in environmental impact assessment guidelines. On the other hand, a substantial number of aid agencies have reviewed programmes and developed strategies in response to the Biodiversity Convention. There are also sufficient mechanisms in place to ensure that the recently-adopted Desertification Convention will be well integrated into regular official development assistance programming, especially of those agencies with a strong focus on Africa.

1.7 Aid agencies and ministries of environment: emerging partnerships

16. The maturing of the environment as a priority policy area is well demonstrated by the growing inter-agency co-ordination which can be observed in most Member countries. Co-ordination between aid agencies and Ministries of Environment has increased in most of the countries surveyed. This focuses on policy co-ordination concerning the follow-up of Agenda 21 and the contribution towards implementing Global Environment Conventions. In a number of cases, it also involves participation in the development of instruments (e.g. EIA) and the planning and implementation of training courses. In a more limited number of countries the Ministry of Environment is also involved at the implementation level, especially in type programmes and projects focussing on capacity development in environment (CDE).

1.8 Non-governmental organisations involvement and its limitations

17. In recent years, co-ordination between aid agencies and non-governmental organisations (NGOs) involved in environment has intensified. An important contributing factor has been the acknowledgement of the potential role of environmental NGOs in the wake of UNCED and the global conventions, both domestically and in developing countries. While concerned about the still-limited implementation capacity of environmental NGOs, aid agencies are nevertheless giving significant support to a number of key international NGOs active in environment and development issues. These NGOs are especially valued for their contribution to the further operationalisation of sustainable development and their activities in networking and information sharing. However, the overall impact of NGO involvement in policy discussions, policy evaluations and the development of consolidated country positions is limited, due to lack of familiarity on the part of NGOs with the operational procedures in donor agencies, limited organisational capacity of NGOs, and in certain cases a lack of specific environmental expertise.

1.9 The private sector, development co-operation and environment: new approaches

18. The increased importance accorded to the role of the private sector in development co-operation and environment is relatively new. In addition to its role as a partner in the execution of projects, the private sector in a number of the countries surveyed is also becoming involved in policy discussions on issues related to environment and development co-operation. Furthermore, the growing number of technology co-operation programmes, including co-operation in cleaner production technology, illustrate the importance given by aid agencies to the potential role of the private sector in building up an indigenous environmental management capacity in developing countries.

19. In terms of financial volume, private capital flowing to developing countries overshadows Official Development Assistance. Notwithstanding a trend towards integration of development co-operation and trade policy, there is no overview in DAC Member countries of what share of private capital flow is environment-related or to what extent private investment programmes from the North are submitted to Environmental Impact Assessment.

1.10 Research organisations: collaboration in the search for alternatives

20. Some aid agencies have started to acknowledge research organisations as important sources of knowledge and expertise. Their contribution is being sought both in the process of operationalisation of sustainable development, and in the development of innovative programme and project approaches. In most aid agencies there is, however, scope to further involve research organisations in the development of alternatives to traditional approaches to development assistance and environmental management.

ANNEX 2

SOURCES BY COUNTRY:

II. INTEGRATION OF ENVIRONMENT IN POLICY FORMULATION, IMPLEMENTATION AND EVALUATION: TRAINING, PROCEDURES, INSTRUMENTS AND FUNDING MECHANISMS

A. MANAGEMENT SYSTEMS FOR SUSTAINABLEW DEVELOPMENT

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Ministry of Foreign Affairs. 1994a. Sustainable Aid: Swedish Development Assistance After UNCED. Report from the Working Group on Sustainable Aid. (Excerpt from the Government Report Ds 1994:132)/ Sida, Environment Policy division. Comments on the draft Compendium, March 1998. Sida's comments received on draft compendium, June 1998.

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Ministry of Foreign Affairs, DANIDA, *A Developing World: Strategy for Danish Development Policy towards the Year 2000*, summary of strategy paper presented by the Danish Government, Copenhagen, March 1994.

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Canada:

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Swiss Agency for Development and Co-operation, *Impact Hypotheses: Development and its Environmental Impact.* Bern, July 1994.

Canada:

Canadian International Development Agency (CIDA), *Guide to Integrating Environmental Considerations*, 1995.

The Netherlands:

Comments received on draft compendium, June 1998. *For more information:* contact: NEDA, Environment and Development Department.

Belgium:

More information available at:

- The University of Gent, Faculty Political and Social Sciences, Division Third World Studies, Universiteitsstraat 8, 9000 Gent, Belgium, tel: 09/264.69.15 / fax: 09/264.69.97 or:
- Free University Brussel, Faculty Medicins and Pharmacy, Human Ecology Unit, Laarbeeklaan 103, 1090 Brussels, tel: 02/477.42.81/ fax: 02/477.49.64.

United Kingdom:

- ODA, Manual of environmental appraisal, revised and updated. April 1992, London.
- DfID, Comments received on draft Compendium, April 1998.

E. LINKS WITH OTHER CROSS-CUTTING DIMENSIONS

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Germany:

Kreditanstalt für Wiederaufbau, Frankfurt (KfW).

G. SPECIAL ENVIRONMENT FUNDS

Switzerland:

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- SDC. Comments received on draft compendium. March 1998

Denmark:

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III. CO-ORDINATION WITH MULTILATERAL INSTITUTIONS AND SUPPORT FOR GLOBAL CONVENTIONS

A. CO-ORDINATION WITH MULTILATERAL ORGANISATIONS

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Ministry of Foreign Affairs, *Plan of Action for Active Multilateralism*, Copenhagen, 1996.

Norway:

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France:

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Caisse française de développement, *Le fonds français pour l'environnement mondial*. Pochette d'information préparée par la Caisse française de développement sur les activités du Fonds français pour l'environnement mondial, Paris.

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United Kingdom

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New Zealand:

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