



DANIDA

ENVIRONMENT GUIDE

Environmental Assessment for Sustainable Development

3rd Edition

Ministry of Foreign Affairs of Denmark

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Preface

The Danida Environment Guide directs the environmental assessment of Danish development assistance. The guide outlines how Danida collaborates with partner countries to ensure that all development programme support integrate principles of environmental sustainability.

The Environment Guide is the operational tool for implementation of the *Danida Environmental Strategy* (August 2004) and it is part of the *Danida Aid Management Guidelines* (AMG). The Danida Environment Guide replaces the *Environmental Assessment for Sustainable Development* (December 1999) and the *Environmental Screening Good Practice Paper* (June 2004).

According to *Partnership 2000* (2000) the objective of Danish development cooperation is to reduce poverty. In addition, sustainable development is promoted by including environment along with gender equality and good governance as cross-cutting issues. The promotion of environmentally sustainable development is a central goal of Danish development policy and contributes to achieve the Millennium Development Goals. This is reflected in the MDG7, which specifically highlights the need to “... *integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources*”.

Partner country ownership and participation is essential for integrating environmental concerns into development cooperation. The principles of harmonising and aligning development cooperation will therefore be pursued in the environmental assessment process. This is in line with the Paris Declaration which calls for a harmonised approach to environmental assessments, and more specifically for strengthening of the application of EIAs (Environmental Impact Assessments) and deepening of common procedures for SEAs (Strategic Environmental Assessments).

Procedures for environmental assessment of projects are well developed and in most partner countries institutionalised in national legislation and guidelines for EIA and SEA. The shift in donor approaches from stand-alone projects towards support to country sector programmes and budget support (whether general or sector) calls for application of extended efforts for ensuring environmental sustainability. The present updated version of the Danida Environment Guide is closely related to the updated AMG and specifically Guidelines for Programme Management (July 2009), and emphasises the assessment of the country and sector frameworks, as a basis for the specific assessment of risks and opportunities of the programme support in question. It furthermore assists in identifying next steps and tools for the successful integration of environment in Danish development assistance.

Danish Ministry of Foreign Affairs

July 2009

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List of abbreviations

CEA	Country Environmental Analysis
CEP	Country Environmental Profiles
Danida	Danish international development assistance
EA	Environmental Assessment
EIA	Environmental Impact Assessment
ES	Environmental Screening
ESN	Environmental Screening Note
EU	European Union
MDG	Millennium Development Goals
PRS(P)	Poverty Reduction Strategy (Paper)
RAM	Review Aide Memoire
SEA	Strategic Environmental Assessment
TAS	Technical Advisory Service (Danida)



Photo: Klaus Holsting / Danida

1. How to use the Danida Environment Guide?

The Danida Environment Guide is applied to environmental assessment of Danish bilateral programme support. The Environment Guide is the operational part of the Danida Environmental Strategy and is part of the Danida Aid Management Guidelines (AMG).¹

The AMG include amongst others Guideline for Programme Management, which outlines the procedures for the preparation, implementation and monitoring of Danish bilateral development assistance.

The target group for the Danida Environment Guide is Danida staff, particularly Representation staff in partner countries, as well as development cooperation partners, non-governmental organisations and external consultants involved in preparing and implementing Danish bilateral development assistance.

In line with the Guideline for Programme Management the Environment Guide has the following mechanisms for environmental assessment:

- Module 1: Screening of Country and Sector Environmental Framework. This screening is carried out by the Danish Representation for programme support >33 mill. DKK. It takes place no later than 18 months before the appropriation, as part of the development of the Process Action Plan (PAP) for the entire preparation of the programme support. The PAP with the first version of the screening note is forwarded to the Under-Secretary for Development Policy and TAS.
- Module 2: Screening of Environmental Opportunities and Risks. This screening is carried out by the Danish Representation for programme support >33 mill. DKK no later than 12 months before the appropriation as part of the development of the concept note. The concept note with the second version of the screening note is presented to the programme committee at the end of the preparation phase.
- For both Module 1 and 2: Next steps – PAP. The identification of needs for further work, e.g. more detailed assessments, specific EIAs etc., as part of the screening in module 1 and 2 is to be entered in a next step – PAP. This PAP is part of the screening note and integrated in the overall preparation PAP or implementation plan for the programme support. The PAP will as such be a living document to be updated throughout the screening.

Both Module 1 and 2 screening is taking place in the preparation phase. Follow up to the screening will take place throughout the rest of the programme support cycle:

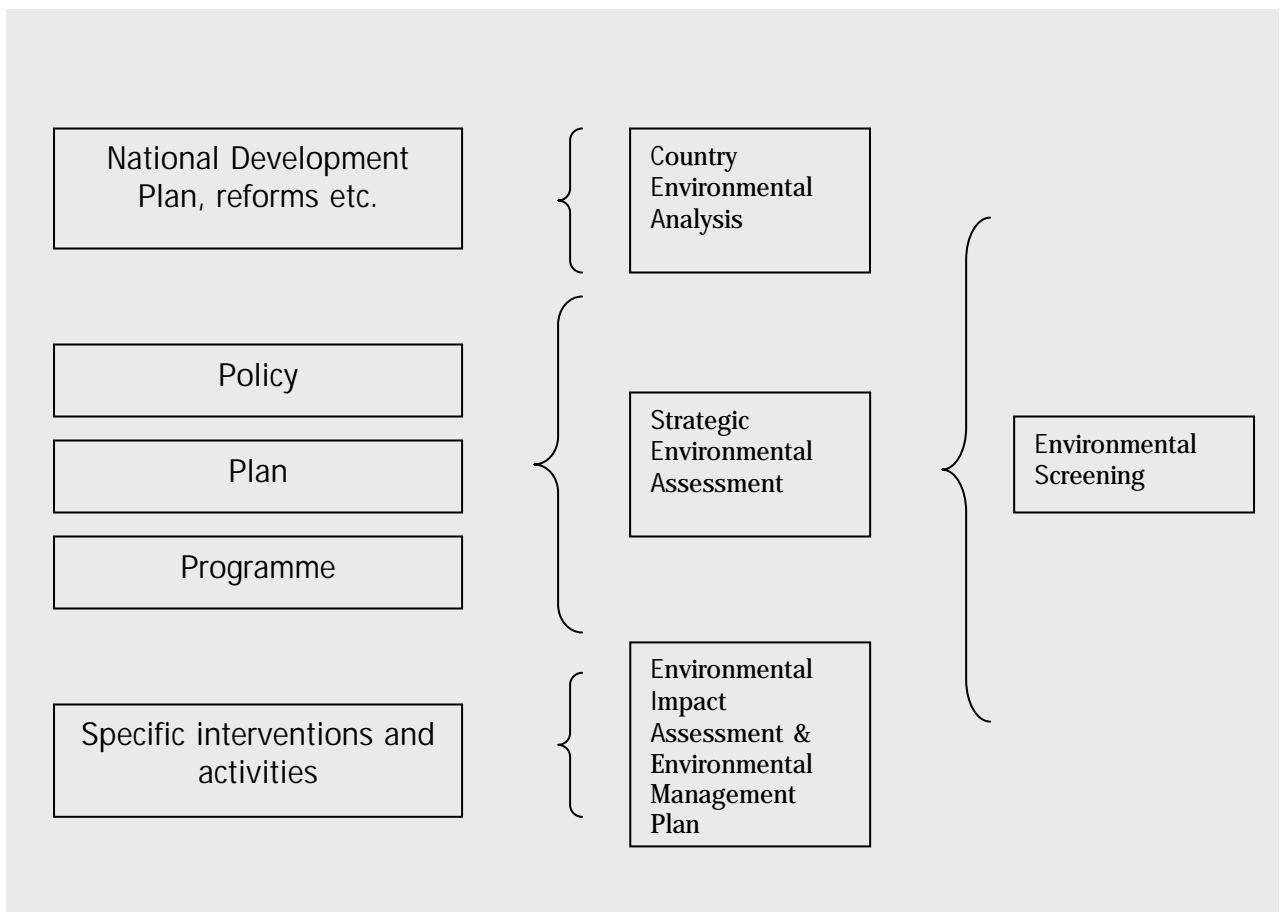
- Formulation and Appraisal phase: The follow-up to actions identified in the environmental screening module 1 and 2 and outlined in the next step - PAP will be addressed and assessed. Some suggestions are assessments of national framework conditions for environment, Strategic Environmental Assessment, Environmental Impact Assessment, but other actions are also possible.
- Review: Any review in the programme support implementation phase shall assess whether environmental management procedures are adequate and

¹ See www.amg.um.dk

according to the assessment during the preparation, formulation and appraisal. It concerns mainly the EIA requirements, but the programme support review will also consider opportunities for a SEA or CEA process. The environmental assessment is documented in the Review Aide Memoire (RAM) and the Assessment of Programme Support (Annex 9 of Guideline for Programme Management)

- High level consultation: The main emphasis will be on any overall environmental aspects, such as environmental issues within national development plans, including considerations for multilateral environmental agreements.
- Completion: In the completion report environmental considerations are reported upon.

The screening introduces certain tools to be used throughout the programme support cycle:



- Country environmental analytical work such as the World Bank's CEA (Country Environmental Analysis) or EC's EP (Environmental Profile). This includes assessments of the national state of the environment and environmental priorities for development, assessment of environmental aspects of national development policies and plans, and institutional capacity assessment. Such analyses can be conducted as country owned consultative processes, preferably jointly with other development partners, and results included in relevant programme support documents.

- Strategic Environmental Assessment. SEA as a tool can through a participatory process analyse and integrate environmental (in a balance with social and economic) considerations into policies, plans and programmes. The tool can assist in identifying options and alternatives, and outline sector level opportunities for management of the environment and mitigation of environmental impacts.
- Environmental Impact Assessment. EIA is carried out for specific interventions and activities, which are part of a programme support if the activities are likely to have environmental impacts (category a and b – see later). If the need for environmental impact assessment is identified in Module 2 of the environmental screening, the EIA can be carried out during the formulation and appraisal phase or during the implementation. It shall be assessed whether national EIA regulation and capacity is adequate in Module 2.
- Environmental Management Plan comprises the environmental mitigation, monitoring and institutional measures that are taken during implementation and operation to reduce adverse environmental impacts. The EMP is the follow-up of the recommendations of most EIAs, and/or the EMP can include EIAs to be conducted during the implementation. The EMP is prepared during the formulation and appraisal phase.

Stage	Level	Action and Timing	Responsible
Country Environmental Analysis	National development strategies	Can take place anytime, both as part of a preparation, formulation and appraisal phase, and also without an ongoing programme support development. Key events offering <u>windows of opportunity</u> are for instance the preparation of national development programme/strategy, policy reforms or current dialogue with the Government.	The <u>Representation</u> can contribute actively or act as passive partner in a harmonised effort with other funding agencies and the national partners.
Strategic Environmental Assessment	Policy, Plan, or Programme	Carried out during the <u>preparation or formulation phase</u> , e.g. if the proposed support involves support to implementation of a newly ready sector policy or plan. The outcome of the SEA shall be included in the programme support design (and be presented in the appraisal phase), and if necessary elaborated in an Environmental Management plan.	The <u>Representation</u> is responsible with the <u>National Partner, and other funding agencies</u> to identify needs for SEA and facilitate the actual SEA process. Danida (Representation with TAS support) role can include development of ToR, recruitment of SEA facilitators, participation in SEA process etc.

		Carried out during <u>implementation</u> e.g. if the support goes to development of a new sector policy or plan. Either identified during the environmental screening and included as an activity in the programme support document; or identified as a new requirement during the implementation.	
Environmental Impact Assessment	Specific intervention/activities	Carried out during the <u>formulation</u> phase. The outcome of the EIA shall be included in the programme support design (and be presented in the appraisal phase), and elaborated in an Environmental Management plan. During the <u>implementation</u> phase. Either identified during the environmental screening in the preparation, formulation, and appraisal phase, and included as an activity in the programme support document, or identified as a new requirement during the implementation.	The <u>Representation</u> is responsible for initiating the preparation of the EIA (ToR), or ensuring that the <u>National Partner</u> is taking action. In any case it is preferable to use national systems for EIA.

Further information on the references on environment and development as well as references on the technical tools for environmental assessment, which may be applied during the environmental assessment process can be found at the Danida Environment and Energy website (<http://www.danidadevforum.um.dk/en>).

The screenshot shows the homepage of the Danida Devforum website. At the top, there is a navigation bar with the text 'MINISTRY OF FOREIGN AFFAIRS OF DENMARK TECHNICAL ADVISORY SERVICES' and a search bar. Below this, there are several menu items: 'TOPICS', 'COUNTRIES', 'RESEARCH', 'MONITORING AND INDICATORS', 'PARIS IN PRACTICE', 'EVENTS', and 'ABOUT US'. The main content area is divided into several sections:

- NEWS FROM DEVFORUM:** This section lists several news items, including 'Dialogue meeting on development related educational research January 29, 2009', 'New modalities for support to Water Supply and Sanitation in Ghana January 19, 2009', 'New website on Climate Change Dialogue January 19, 2009', 'Consultative Research Committee for Development Research for 2009-2011 January 15, 2009', 'International Anti-Corruption Day December 9 and New Mapping of Danish Support to Anti-corruption Available December 9, 2008', and 'Support to Decentralisation and Local Governance - overview December 2, 2008'.
- HOTLINE:** This section provides information for those needing professional advice or guidance related to the information at the site or to Danish development cooperation in general, with contact details for devforum@um.dk.
- PUBLICATIONS FROM 2006-2008:** This section is currently empty.
- TOPICS:** This section lists various topics such as Budget Support, Climate Change, Economic Development, Environment and Sustainable Energy, Fragile States, Gender Equality, Good Governance, and Social Development.
- CLIMATE CHANGE SCREENING REPORTS >** This section is currently empty.
- USEFUL LINKS:** This section lists several useful links, including Aid Management Guidelines, The Competence Center, Danida Fellowship Centre, Contract Secretariat, and Danida (In Danish).

Tips for Environmental Assessment

1. Use national environmental assessment procedures e.g. legal requirements. If they do not exist, include development of the national environmental assessment framework as an opportunity in the programme.
2. Use national knowledge and ensure an open and consultative process around the environmental assessment (with public meetings, workshops etc.) starting with the environmental screening.
3. Is there a need for strategic information on the environment in the country? Discuss with national authorities and other donors, e.g. in an Environmental Coordination Group, any need for Country Environmental Analysis (CEA) and/or Strategic Environmental Assessment (SEA).
4. If the need for analytical work is identified, make budgetary allocations for supporting this work, embedded in national institutions and preferably in collaboration with other donors.
5. Carrying out the environmental screening is mandatory for all activities. So is Environmental Impact Assessment (EIA) for category A and B activities identified during the screening process.
6. Even though an environmental screening may categorise activities as not harmful to the environment (category C), try to be innovative with respect to opportunities in the program design that may enhance benefits for the environment. Support for capacity building and awareness raising on environmental issues are of relevance for all sectors.
7. The close linkage between poverty and environment often gives opportunities for enhancing the poverty focus of support programmes through support for improved environmental management. Do not look at the environment as a problem to be solved, but as an opportunity to enhance the quality and poverty focus of development assistance programmes.
8. Remember to be specific and operational when reporting on environmental assessments in programme, component and project documents. Stipulate concrete activities and allocate budgets for any follow-up.
9. Build environmental monitoring on existing data and national systems. Try to relate monitoring and indicators to national PRS and MDG processes, and State of Environment reporting and indicators, if in place.
10. The environmental assessment is not a one-off exercise, but an ongoing process through design as well as implementation of support activities. Environmental assessment should be on the terms of reference for annual programme reviews.

2. Environmental Assessment

2.1 *What is environmental assessment?*

The environmental assessment is a term used for the entire comprehensive approach of integrating environmental considerations in a programme support. It cannot be seen as a single one-stop action during preparation, but it will be an ongoing process that continues during the programme support preparation, formulation and appraisal phase, and implementation cycle.

An environmental assessment of programme support is of a strategic character at the time of Danida grant appropriation. However, environmental assessments can also be of importance at a later stage during implementation, e.g. in case a policy process is supported (SEA of the draft policy, when in place) or in case an overall plan with a later specification of activities is supported (e.g. EIA of school construction, as part of an overall education sector plan).

2.2 *Why conduct an environmental assessment?*

The purpose of the environmental assessment process is:

- to enhance the incentives for pursuing environmental opportunities, and
- to manage environmental impacts and risks through safeguard measures.

The environmental opportunities and benefits of a proposed intervention exist at the policy and institutional levels as well as at the direct implementation level. Based on experiences from around the world, “win-win” options exist that can build better institutions and partnerships with poor people creating more robust livelihoods and healthier environments.

Examples of areas where poverty-environment outcomes may be improved:

- Integrate poverty-environment issues into national development frameworks including Poverty Reduction Strategies (PRS)
- Integrate environment in major governance reforms such as decentralisation
- Empower civil society, in particular poor and marginalized groups
- Address the gender dimensions of poverty-environment issues
- Strengthen anti-corruption efforts to protect the environment and the poor
- Reduce environment-related conflict
- Strengthen resource rights of the poor, including access to land

The environmental impacts and risks associated with the intervention may occur on overall programme level and/or can be associated to certain activities at detailed component or intervention and activity level. The assessment will ensure that appropriate action is taken through safeguard measures.

Examples of environmental risks at overall programme level:

- Macro-economic reforms overlooking the value of natural resources

- Privatisation reforms resulting in limited access to resources for many and benefits from the resources to a few.
- Trade reforms resulting in powerful external interests overexploiting resources

Environmental risks can be associated to certain activities at intervention level:

- Infrastructure including road construction, port improvements, etc
- Use of agrochemicals
- Coastal Zone Management activities, e.g. tourism development
- Water extraction, e.g. drinking water supply and irrigation
- Business development activities based on use of natural resources

2.3 When (in which cases) is environmental assessment required?

The Danida Environment Guide shall be applied to the environmental assessment of Danida financed bilateral support receiving more than 33 million DKK.

The Danida Environment Guide is an integrated part of the *Danida Aid Management Guidelines*. AMG stipulates that the environmental assessment, and the use of the screening note, is mandatory at certain stages in the programme support cycle.

2.4 Who is responsible for the environmental assessment?

It is the responsibility of the Representation in cooperation with national partners and other development partners to ensure that an adequate environmental assessment – beginning with the environmental screening – is carried out in relation to programme support preparation and implementation. The responsibility may be shared or delegated to other funding agencies or the partner country. The Representation shall ensure that appropriate standards for environmental assessments are used, and that the results are adequate for Danida approval.

It is also the responsibility of the Representation in cooperation with national partners and, if relevant, other donors to ensure that any actions, such as a SEA or specific EIAs, identified during the screening, are taken forward in the formulation and appraisal phase, and to the actual implementation. Specific actions should be reflected in the environmental screening note “next steps – PAP” and later in the programme support documentation, e.g. through an Environmental Management Plan.

After the representation has developed the PAP for the overall preparation, and conducted the first version – Module 1 – of the environmental screening and integrated the results in the PAP, it is the responsibility of the Under-Secretary for Development Policy and TAS to receive and if necessary comment upon these.

The Danida Programme Committee is later responsible for receiving (from the Representation) and commenting upon the concept note and attachments, one of which is the environmental screening note.

During the appraisal phase the Danida Technical Advisory Service (TAS) is responsible for assessing whether follow-up to the environmental screening has taken place and that environmental issues are adequately addressed in the programme support documentation. In appraisals of joint donor arrangements TAS must ensure that adequate environmental assessments are carried out, again preferably using national systems.

The Board for International Development Cooperation will include the environmental considerations in their deliberations, based upon the appropriation note, prepared by the Representation.

For programme support subject to review during the implementation phase, the Review Team (led by TAS or other development partners in case of joint reviews) must assess and report on the follow-up to actions identified during the preparation, formulation and appraisal phase, with regard to environmental assessment and monitoring.



Photo: Jørgen Schytte / Danida

3. Policy background

3.1 Environment and the poor

The quality of the environment is inextricably linked to the quality of life for poor people. The poor often depend directly on a wide range of natural resources and ecosystem services for their livelihoods; they are often those most affected by unclean water, indoor air pollution, and exposure to toxic chemicals; and they are particularly vulnerable to environmental hazards (such as floods, prolonged drought, and attacks by crop pests) and environment-related conflicts. Poor people's perceptions of well-being are strongly related to the environment in terms of their livelihoods, access to natural resources and land, health, vulnerability and empowerment to control their own lives.³

Livelihoods - poor people tend to be most dependent upon the direct use of natural resources and their services for food, medicine, fuel wood, shelter etc., and therefore are the most affected when the environment is degraded or their access to natural resources is limited or denied.

Health - environmental risk factors are a major source of health problems in developing countries and poor people tend to suffer most when water, land, and air are polluted. It is estimated that close to 80% of the diseases regularly reported upon by WHO can be attributed to environmental risks.⁴

Vulnerability - the poor are most often those exposed to environmental hazards (including hazards caused by climate change) and environment-related conflicts. In many cases, they also lack the means to cope when these occur.

While poor people on the one hand are burdened by environmental degradation, on the other hand, their active participation and involvement in environmental management is part of the solution to environmental problems.

Natural capital constitutes an estimated quarter of total wealth in low-income countries, greater than the share of produced capital. This suggests that better management of ecosystems and natural resources is a key to sustaining development and growth while these countries build their infrastructure and human and institutional capital.^{5,6}

Good environmental governance is fundamental to strengthening and consolidating democracy. Experience suggests that interventions to promote sustainable livelihoods among the poor are more successful when they simultaneously promote ecosystem stewardship, land tenure, access rights and democratic governance.

³ Linking Poverty Reduction and Environmental Management. Policy Challenges and Opportunities. DFID, EU, UNDP and the World Bank 2002.

⁴ Mainstreaming poverty-Environment linkages into development planning - A handbook for practitioners, Poverty-Environment initiative, 2008.

⁵ Where is the Wealth of Nations? The World Bank 2006.

⁶ Ensuring Environmental Sustainability. Measuring Progress Towards the 7th Millennium Development Goal. The World Bank 2005.

Good governance and ecosystem management are key building blocks of sustainable livelihoods, and therefore essential elements of effective poverty reduction efforts.⁷

Poverty-environment linkages are dynamic, context-specific, reflecting the geographical location, and economic, social and cultural characteristics of individuals, households, and social groups. Gender and age are key factors influencing poverty-environment links.

Poverty-environment linkages are at the core of efforts to achieve the Millennium Development Goals (MDGs) and related to national poverty eradication and sustainable development objectives. As well as being a goal in its own right, improving environmental sustainability makes a vital contribution to the achievement of the other seven goals (Table 2).

<i>Millennium Development Goal</i>	<i>Examples of links to the environment</i>
1. Eradicate extreme poverty and hunger	Livelihood strategies and food security of the poor often depend directly on healthy ecosystems and the diversity of goods and ecological services they provide.
2. Achieve universal primary education	Time spent collecting water and fuel wood by children, especially girls, can reduce time at school.
3. Promote gender equality and empower women	Poor women are especially exposed to indoor air pollution and the burden of collecting water and fuel wood, and have unequal access to land and other natural resources.
4. Reduce child mortality	Water-related diseases such as diarrhoea and cholera kill an estimated 3 million people a year in developing countries, the majority of which are children under the age of five.
5. Improve maternal health	Indoor air pollution and carrying heavy loads of water and fuel wood adversely affect women's health and can make women less fit for childbirth and at greater risk of complications during pregnancy.
6. Combat major diseases	Up to 80% of the total burden of disease in developing countries may be associated with environmental risk factors – and preventive environmental health measures are as important and at times more cost-effective than health treatment.
7. Ensure environmental sustainability	Current trends in environmental degradation must be reversed in order to sustain the health and productivity of the world's ecosystems.

⁷ The Wealth of the Poor – Managing Ecosystems to Fight Poverty. World Resources Institute 2005.

3.2. *Environment in Danish development policy*

Danida's overall strategy for development cooperation "Partnership 2000"⁸ emphasises the need to promote environmentally, socially and economically sustainable development as a crucial prerequisite for poverty reduction now and in the future.

In order to promote the environmental dimension of sustainable development, environmental issues will be integrated in all aspects of development co-operation.

Box 1: Mainstreaming the environment

Environmental mainstreaming refers to the integration of environmental considerations into core institutional thinking, policies and decision-making.

The environmental mainstreaming approach involves integrating sustainability objectives into poverty reduction practices, capacity development, enhancing environmental sustainability of policies, programmes and operational processes, and improving the quality of environmental programmes in achieving broader socio-economic and human development goals.

Mainstreaming the environment thus implies moving beyond environmental impact mitigation to a more encompassing and strategic approach to achieving sustainability.

The Danish Government is committed to strengthening environmental efforts as a prerequisite for sustainable development and poverty reduction⁹.

Promoting and upgrading the environment as a cross-cutting issue is emphasised in the "Environmental Strategy" which outlines main priorities and operational targets for Denmark's environmental assistance to developing countries (2004-2008). The strategy pays special attention to the incorporation of environmental issues in national poverty reduction strategies, national strategies for sustainable development and environmental analyses in sector programmes.¹⁰

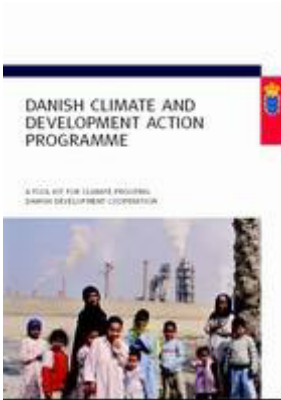
The Strategy further prioritises continued assistance to the implementation of international environmental conventions and agreements – including the plan of action from the World Summit for Sustainable Development in Johannesburg – in development co-operation.



⁸ Denmark's Development Policy: Partnership 2000. Danida 2000.

⁹ In Danida's "Plan of Action for Environment and Development" issued in 1988, the environment was introduced as a cross-cutting issue in Danish development policy.

¹⁰ Environmental Strategy. Strategy for Denmark's environmental assistance to developing countries 2004-2008. Danida 2004.



Linked to the general environmental policies is the Danish 'Climate and Development Action Programme', which has been developed as a response to the need to address adaptation to climate change in the context of development.¹¹

Through the Action Programme climate change concerns will be integrated into Danish development cooperation.

3.3 Harmonisation and alignment of environmental procedures

The effectiveness of integrating environmental issues into development cooperation interventions depends among others on partner country ownership and participation. The principles of harmonising and aligning development assistance will be pursued in the environmental assessment process. This will moreover reduce the pressure on the partner country's institutional capacity and avoid duplication of environmental analyses and assessments.

Box 2: Harmonisation and alignment

Donors have achieved considerable progress in harmonisation around environmental impact assessment (EIA) including relevant health and social issues at the project level. This progress needs to be deepened, including on addressing implications of global environmental issues such as climate change, desertification and loss of biodiversity.

Development agencies and partner countries jointly commit to:

- Strengthen the application of EIAs and deepen common procedures for projects, including consultations with stakeholders; and develop and apply common approaches for "strategic environmental assessment" at the sector and national levels.
- Continue to develop the specialised technical and policy capacity necessary for environmental analysis and for enforcement of legislation.

In the Paris Declaration on Aid Effectiveness (quoted above), development partners have explicitly committed themselves to promote a harmonised approach to environmental assessments. This includes development and application of common approaches for 'Strategic Environmental Assessment' at the sector and national levels and strengthening of common procedures including consultations with stakeholders (box 2).¹³ The recent Accra Agenda for Action confirmed the commitment to the international commitments on cross-cutting issues, incl. environmental sustainability.

¹¹ Danish Climate and Development Action Programme. Danida 2005.

¹³ Paris Declaration on Aid Effectiveness. March 2005. (www.aidharmonization.org)

4. The Environmental Assessment Process

4.1. *Introduction and overview of the process*

The starting point of the environmental assessment is the Environmental Screening (ES) of a programme support during the preparation phase.

The first module of the screening concerns environment at a national and sector level, for example environmental considerations of national development plans and public sector reforms, and sector capacities for integration of environment. In order to assess national environmental aspects, it may be relevant to conduct country environmental analytical work in collaboration with the partner country and other donors. This can be a Country Environmental Analysis (CEA), an approach used by the World Bank, or it can be a Country Environmental Profile (EP), used by EC. The CEA and EP are not sector specific and will be relevant for several sector programmes. Strategic Environmental Assessment (SEA) is an approach for environmental assessment at the sector level, in the case of support to a specific policy, plan and programme.

For well-defined activities (building a road, a landfill or a sewage system etc.) with identified risks (in module 2) resulting in a categorisation as A or B, an Environmental Impact Assessment (EIA) is prepared and the implementation of safeguard measures are defined in an Environmental Management Plan (EMP). The regulation and procedures for EIA is often available in the national legislation and shall be used. If national systems are not available, international standards are to be used and the need for developing national systems will be a relevant issue to address as capacity development support on sector and/or national level.

This Danida approach is elaborated in figure 2 below. On the left hand, the module 1 and 2 screening steps of the preparation phase, and the rest of the programme support cycle (in accordance with AMG) are outlined, while on the right hand relevant tools for the specific step is suggested.

Some tools may already have been used by other donor partners etc., in which case the screening and assessment process can build upon these. Some tools may also be used in different phases e.g. SEA during implementation.

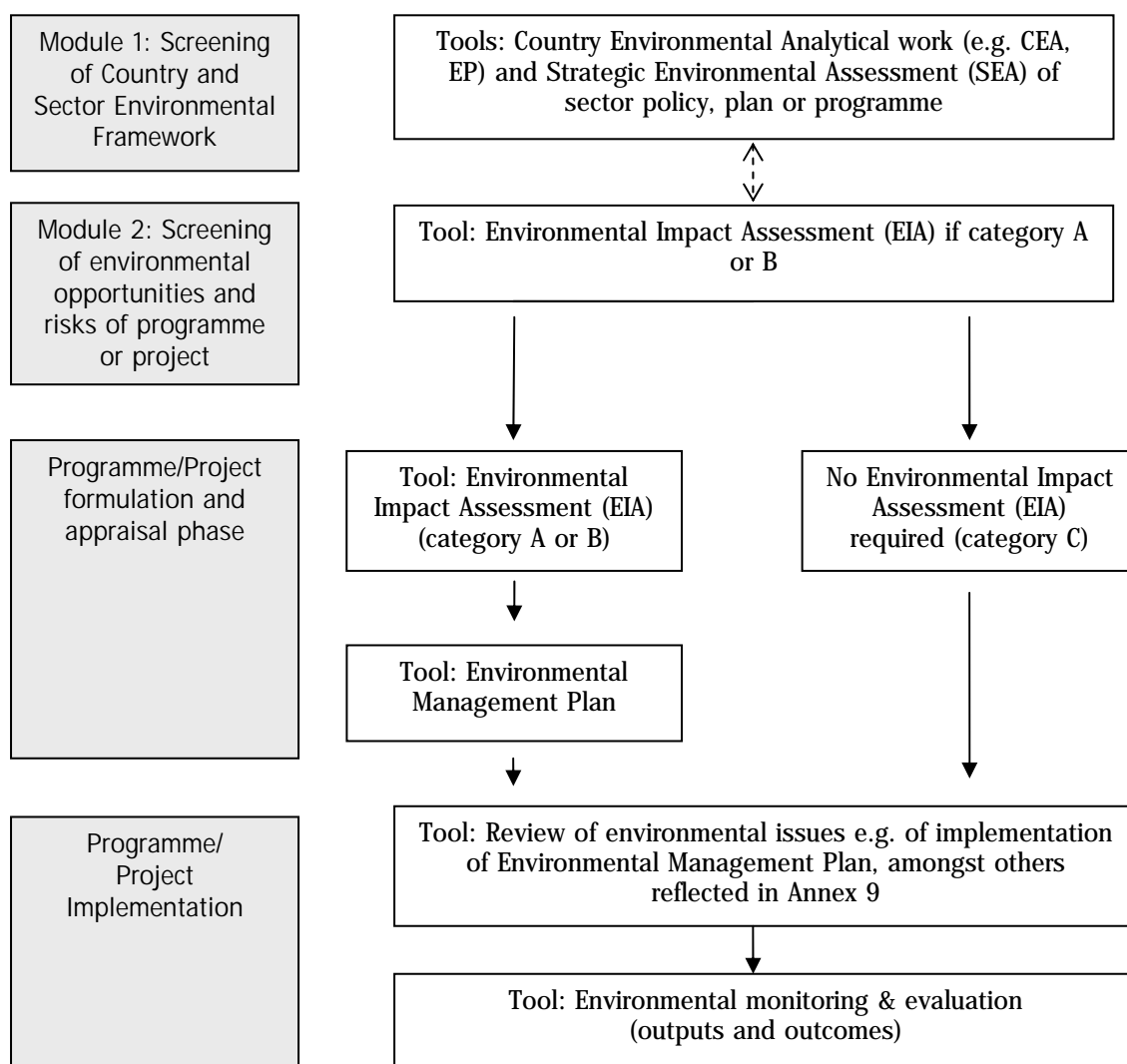


Figure 2: Outline of the Environmental Assessment Process

4.2 *Assessment of environmental issues at country and sector level*

A broad understanding of key environmental issues at country and sector level is required as the basis for assessing the partner country's environmental challenges and the capacities to address these challenges. The first step, module 1, in the screening process consequently includes an assessment of country and sector relevant environmental issues. This includes an assessment of the national policies- and legislative framework for the environment, the institutional set-up etc.

There may be scope for updating or expanding already existing assessments of environmental issues when developing the sector specific support. Such work should be supported through country owned consultative processes, preferably closely linked to the national Poverty Reduction Strategy process and sector dialogue and preferably carried out jointly with other development partners.

It is never too late to carry out assessments at country and sector level. Assessments at this level during implementation will be important inputs to the ongoing policy dialogue at national and sector level and will be valuable input for strategic considerations, priorities and planning in future support programmes.

Country Environmental Analytical work (CEA and EP)¹⁶ and Strategic Environmental Assessments (SEA)¹⁷ are two important instruments for assessing environmental issues in the early stages of the programming process, e.g. in relation to the Poverty Reduction Strategies and sector strategies and plans and programmes.

The Representation, in co-operation with national partners, is responsible for identifying existing assessments and/or needs for these, and for ensuring that adequate assessment of environmental issues at country and sector levels are carried out or reviewed as a basis for developing the programme support.

Output: The results of the assessment of the country and/or sector environmental framework (module 1) is used when developing the PAP for the overall preparation of the programme support. Identified needs for further assessments are thus included as actions in the PAP (and in the Next Step – PAP of the screening note), and the screening form is forwarded together with the PAP to the Under Secretary of Development Policy and TAS.

4.3 Assessment of environmental opportunities and risks of the proposed support

In module 2, the environmental screening moves from the national and sector level to the level of the proposed support - the specific programme support. In this step opportunities and risks in relation to the support are identified.

The screening can lead to the following conclusions on programme support level:

- Category A: Thorough and careful environmental management is required because the intervention is likely to have adverse environmental impacts that may be sensitive, irreversible and significant in scale and/or scope.
- Category B: Some degree of environmental management is required because the intervention is likely to have negative environmental impacts, but which are less significant, not as sensitive, numerous, major or diverse.
- Category C: No further action is needed; i.e. the environmental risks of the intervention are of little or no concern.

The screening may also point to actions as result of the identification of environmental opportunities of the intervention.

The classification of the programme support in category 'A' or 'B' requires that either a full or partial Environmental Impact Assessment (EIA)¹⁸ is conducted during the formulation and appraisal phase. Category 'A' EIA's are normally

¹⁶ See Annex 2 for outcomes of a Country Environmental Analyses

¹⁷ See Annex 3 for further guidance on Strategic Environmental Assessment

¹⁸ See e.g. www.danida-networks.dk, Environment & Energy or World Bank Procedures 4.01 for further Guidance on Environmental Impact Assessments (EIAs).

carried out and reported as separate exercises. Category 'B' EIA's are usually conducted and reported as an integral part of the programme support formulation (e.g. included in Feasibility Studies). In some cases the need for an EIA may be identified during preparation, whereas the actual EIA will be conducted during the implementation of the programme support.

During the formulation and appraisal phase a draft Environmental Management Plan (EMP)¹⁹ will be prepared as part of the overall plan for programme support classified as category 'A' or 'B'. The EMP is a practical tool to manage environmental issues throughout the implementation of programme support. The consolidated version of the EMP will be presented in the final programme support document and may be updated during implementation (to be assessed during programme support reviews).

Output: Findings from both module 1 and 2 of the screening is incorporated in the Concept Note, and attached as an annex to the Note when forwarded to the Programme Committee. Separate EIA report or EIA findings integrated with programme support documentation and draft Environmental Management Plan for category 'A' and 'B' interventions are made available to the appraisal and future review teams.

4.4 Appraisal and approval of the programme support²⁰

The appraisal phase of the programme support includes an appraisal of environmental considerations at both country and sector level and specific programme support levels. The appraisal will follow-up on the outcome of the environmental screening, that is on the environmental aspects and actions identified in module 1 (in relation to PAP) and module 2 (in relation to Concept Note). If relevant, the appraisal shall assess the CEAs, SEAs, and EIAs and the draft Environmental Management Plan (for category 'A' and 'B' interventions). The team will furthermore pay special attention to the assessment of environmental opportunities.

In the case of joint appraisals the issues and formats have to be negotiated with partners and other donors. However, environmental issues must be considered in all programme support supported by Danida.

The Appropriation Note to the Danida Board must include a summarised statement of how, and to what extent, environmental considerations have been addressed during the preparation of the programme support.

Output: Environmental assessment in the appraisal report; summary of environmental assessment and follow-up in Appropriation Note.

4.5 Implementation and monitoring²¹

During the implementation phase of a Programme support there is a need to provide information with regard to measuring the changes in the magnitude of the environmental challenges, the risks and opportunities identified during screening. All programme support are required to have indicators for cross-cutting issues, thus also environment. Any selection of indicators should pay

¹⁹ See Annex 5 for guidance on how to prepare the Environmental Management Plan.

²⁰ See Annex 6 for check list to be used during the appraisal stage.

²¹ See the Technical Note on "Monitoring and Indicators for Environment and Natural Resources Management", Danida 2005, at www.danidadevforum.dk/en, Indicators & Monitoring.

attention to capturing changes in environmental conditions that most affect the poor. Often environmental indicators will be linked to the national PRS and MDG framework.

Regular programme support reviews will assess the progress with respect to environmental issues and report these in review documentation. For Programme support reviews the Assessment of Programme Support (annex 9) and the annual Assessment of Country Programme are important sources of information for the ongoing assessment of environmental issues.

Environmental aspects are also part of completion reports.

Output: Environmental monitoring as integrated part of programme support monitoring. Assessments of Programme Support (annex 9) during Sector Reviews and annual Assessment of Country Programmes



Photo: Ernst Tobisch / Danida

Annex 1: The Danida Environmental Screening Note

Basic Information			
Programme support title (title of appropriation):			
Sector:			
Country:			
Danida budget:	Million DKK		
Description of the Programme support:			
Dates (expected):	Programme committee:	Appraisal:	
Module 1: Screening of Country and Sector Environmental Framework			
Assessment of the adequacy of the legislation, policies, procedures in Environmental Management and Environmental Assessment in the country and sector. (Click yes or no. If no, comment and further work is required in the right hand column – and to be included in Next Step - PAP section).			
<i>Issue:</i>	<i>Yes</i>	<i>No</i>	<i>Comments and further work to be done:</i>
1. Do national procedures for Strategic Environmental Assessment and Environmental Impact Assessment (e.g. legal framework) exist?	<input type="checkbox"/>	<input type="checkbox"/>	
2. Do operational national environmental action plan(s) or environment sector programme(s) exist?	<input type="checkbox"/>	<input type="checkbox"/>	
3. Do up-to-date state of the environment reports and environmental monitoring systems and indicators exist?	<input type="checkbox"/>	<input type="checkbox"/>	
4. Have sufficient assessments been made of environmental aspects of policy reforms and budget support (and underlying PRSP's or similar)?	<input type="checkbox"/>	<input type="checkbox"/>	
5. Is environmental management sufficiently integrated into sector plans (the sector to be supported)?	<input type="checkbox"/>	<input type="checkbox"/>	
6. Is sufficient institutional capacity for environmental management available to/in the sector (to be supported)?	<input type="checkbox"/>	<input type="checkbox"/>	
7. Are there adequate harmonization, alignment and coordination for environmental management in the sector (to be supported)?	<input type="checkbox"/>	<input type="checkbox"/>	
Summarize the overall impression of the Country and Sector Environmental Framework:			

Module 2: Screening of environmental opportunities and risks of programme support			
Assess the possible environmental impact of the programme support on the following issues in terms of opportunities and risks:			
<i>Will the programme support...</i>	Oppor- tunity:	Risk:	None:
1. ... have an impact on soil, water or air pollution through enmmisions or similar?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. ... lead to changes in land and resource tenure and access rights?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. ... include activities within or adjacent to protected and environmentally sensitive areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. ...result in livelihood changes (including resettlement) that can increase or decrease the pressure on available natural resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. have an impact (direct/indirect) on occupational health and safety?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. ... have an impact (direct/indirect) on environmental health?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. ... include economic and sector policy initiatives with direct or indirect impacts on the use of natural resources and the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Summerize and elaborate on Environmental Opportunities :			
Summerize and elaborate on Environmental Risks :			
Identify requirements for Environmental Impacts Assessment. EIA categories: [A] Full EIA required; [B] Partial EIA required; [C] No EIA required ² .			
<i>Component Name:</i>	<i>Category A, B or C:</i>		
1:	Select category:		
2:	Select category:		
3:	Select category:		
Will activities of the programme support with potential environmental impacts be subject to national regulation and procedures for EIA? – Yes <input type="checkbox"/> - No <input type="checkbox"/>			
When will the EIA be done?			
Next Steps – process action plan (PAP)			
NB! To be attached to module 1, and updated and attached to module 2			
Need for further work (click the box if action is needed during preparation or formulation and appraisal phase, or implementation):			
<i>Suggested activity:</i>	<i>Action needed Comments and elaboration:</i>		

² Category A = Intervention is likely to have adverse environmental impacts that may be sensitive, irreversible, and significant in scale/scope; B = Intervention is likely to have negative impacts, but which are less significant, not as sensitive, numerous, major or diverse; C = The environmental risk of the intervention are of little or no concern.

1. Assessment of Environmental Management in sector development plan.	<input type="checkbox"/>
2. Assessment of capacity for Environmental Management in the sector.	<input type="checkbox"/>
3. Prepare ToR for and conduct Country Analytical Work.	<input type="checkbox"/>
4. Prepare ToR for and conduct SEA(s) of sector policies or plans.	<input type="checkbox"/>
5. Prepare ToR for and conduct EIA(s) for programme support activities.	<input type="checkbox"/>
6. Initiate donor harmonisation in the sector on environmental assessment and management.	<input type="checkbox"/>
7. Other...?	

Signing of the Environmental Screening Note

Place, date

.....
(name)

Danish Representation in

Annex 2: Elaboration of screening note

Module 1: Screening of Country and Sector Environmental Framework

The purpose of the section is to assess the framework for integration of environmental concerns in national development strategies, sector policies and sector programmes. This concerns both the legal framework for environmental management and the actual capacity to implement this. It moreover includes the monitoring capacity, and the degree of harmonization and alignment.

The questions concern the *existence* of assessments and the level of environmental integration and -capacity. If assessments do not exist or integration and capacity is not sufficiently in place, the response in module 1 is no, and more work is required during the preparation phase, and possibly in the programme support design. This can consist of assessments to inform the preparation and/or capacity building initiatives etc. during the programme support implementation. The assessment work should be included in the next steps-PAP and in the overall PAP for the programme support preparation. If assessments and integration and capacity are in place, these should be elaborated in the programme support documentation.

Module 1 ends with a request for a summary of the overall impression of the country and sector environmental framework.

Module 2: Screening of environmental opportunities and risks

The purpose of this section is to assess the environmental risks and opportunities of the programme support in question.

Opportunities: This is an option to address 'win-win' ('no-cost' or 'low cost') opportunities that can be introduced and make a difference due to scale or replication. It can, for example, be the improved use of renewable energy from fuel wood, the reduced use of pesticides in an agricultural sector programme, use of building codes and good practices, and inclusion of sound resources use in non-environmental sector programmes, e.g. use of building materials and fuel sources in school and hospital buildings.

Risks: It will be required briefly to summarise the key environmental risks that are identified as part of the programme support. These will be addressed in EIAs. In addition to the ranking (A, B and C) of the components it should be clarified (for A and B rankings): (i) whether there are adequate EIA regulation and capacity to implement the EIA as part of the national system, and (ii) whether the EIA is done during the formulation and appraisal phase or during the implementation.

For inspiration, below is an outline of possibilities under the various questions 1-7 in module 2:

1. **Soil, water and air pollution:** The environmental risks include the generation and handling of waste as a result of the intervention, e.g. waste from the health sector, and the emission of pollutants in large amounts and hazardous pollutants in smaller amounts as a direct or indirect consequence. Mitigation can be use of clean technology, energy efficiency and actions to reduce emission from vehicles in urban areas, ambient environmental monitoring, and re-location of industrial zones in relation to urban areas and water surfaces. It also involves the use of domestic or imported energy sources.

2. **Tenure and access:** Rights and access to use natural resources and land can be altered with a programme support. Occasionally there is an improved clarification of tenure, for example in

land management component with issuing of land titles. Often there are unnoticed changes as a result of programme support because traditional rights and uses are different from the law. Mitigation actions include participatory consultations with people potentially affected by programme support activities.

3. Protected and environmentally sensitive areas: All activities in or near protected areas require particular attention regarding the potential impacts. This in particular includes the establishment of infrastructure like roads and transmission lines. It also includes activities that improve access and use, for example tourism projects. The mitigation options include management plans and zoning with buffers around core areas or along coastal zones.

4. Livelihood changes and opportunities: The support shall improve livelihoods. The screening shall ensure that the changes in access to environmental resources or impacts from changes in the environment do not deprive the livelihoods of the poor. Impacts that result in migration or changes for indigenous peoples are a particular concern. One example is community forestry which on paper may provide de jure legal rights but de facto can be a stop to a previous informal use.

5. Occupational health and safety: The working conditions for staff employed, for example, in infra-structure projects, should meet labour standards, including safety. It can also be farmers who get access to agricultural inputs but are unaware of the safe use of pesticides. The working conditions for suppliers of equipment can also be considered, e.g. at ship yards supplying ferries for a transport sector programme support. The mitigation action is to enforce standards for occupational health and safety in all tenders.

6. Environmental health: The impacts on environmental health are related to the emissions of pollutants and workers health including use of toxic substances in farming and industry. It also includes domestic respiratory diseases due to choice of fuel for indoor cooking and heating. Toilet facilities in urban slum areas and as part of school projects in education programme support can improve health. The mitigation options include cutting emissions that cause health problems, improved sanitation and awareness.

7. Economic and sector policy initiatives: The environmental impacts of economic and sector policies are often indirect. Regulations for trade and tax breaks can shift the incentives towards a less sustainable use of the environment. One example is the use of subsidised fossil energy, which may lead to excess use, but a removal can increase the pressure on fuel wood sources. There are options to apply economic instruments and policy initiatives to improve the environment.

Next Steps – process action plan

This section summarises the results of the screening in module 1 and 2, and assists in developing a Process Action Plan for follow up. Some examples of possible follow up actions are given, but others could be identified through the screening and listed here.

Annex 3: Further advice on how to conduct the environmental screening

- **What?** The purpose of the environmental screening is to address relevant concerns at an early point in the design of a programme and its components or a project and to ensure that actions to mitigate environmental impacts or enhance environmental opportunities are integrated in the design and are sufficiently budgeted for.
- **How?** The environmental screening is a simple exercise normally requiring few resources. It is about taking stock in time to avoid losing later opportunities.
- **When?** The environmental screening is prepared during the preparation phase of a new programme/project or during the transition into a new programme phase. Follow up actions may be conducted later in the programme or project cycle. The assessment of environmental aspects is an on-going exercise.
- **Who?** The environmental screening will be undertaken by the Representation, in cooperation with national partners, with assistance from national and/or international consultants where necessary, while other stakeholders, e.g. the programme committee, TAS etc. have responsibilities for other elements of the assessment.

Guidance on environmental screening ²³

- Begin as early as possible. Screening should go hand in hand with programme support concept development during the preparation phase. This way environmental opportunities and risks can be appropriately integrated into subsequent design stages, rather than being brought in at the last minute.
- Consider indirect effects. Some important environmental effects may be secondary or indirect – for example changes in government policy on taxation may have far-reaching but not immediately obvious environmental implications. Indirect effects can often result from unforeseen responses to a change provided by the project, for example forest encroachment due to the access provided by a new road.
- Consider existing causes of environmental change. Interventions which directly or indirectly touch upon underlying causes of environmental degradation may include increased risk: market and policy failures, weak institutions, or unclear property rights. How will the intervention contribute to or reduce these causes?
- Consider gender aspects of environmental concerns. Women living in rural areas are often more vulnerable to environmental degradation, due to existing inequality in access to land, natural and productive resources, training, credit, and development programmes. Women in urban and in low-income areas can be particularly vulnerable to environmental risks at home and their workplace. On the other hand, women are resourceful when it comes to adaptation to environmental changes and to innovative and sustainable utilisation of natural resources.

²³ Adapted from DFID Environmental Guidelines (2003)

- Consider impacts on different social groups. Different groups in society feel positive and negative impacts of environmental issues differently. Varying socio-economic circumstances mean that there are winners and losers from different interventions.
- Screening is the beginning of a process and not the final outcome. Key results from all stages of environmental screening must be integrated into the programme support design. The actions taken can be assessed during the appraisal and be monitored and reviewed at sector reviews.

Make the 'environmental screening' more effective and work more simple by preparing the documentation.

The environmental screening is prepared as a tool to make the environmental assessment more systematic and effective without making it complicated. It is the intention to save time and effort for the Representation, while at the same time to enable a delivery of a good quality and process output.

With the help of a facilitator the screening can probably be conducted over some days in a couple of stages, amongst others involving a brief workshop with key stakeholders.

The 'environmental screening note', consisting of module 1 and 2 and a PAP, is also a process document that can be a valuable reference as a check list for programme support design. It is an effective way to document 'environment' as a cross cutting theme for the programme support and for Danida, and to identify the prescribed environmental indicator for each programme support.

The 'environmental screening note' should be used as a cross-reference in the appraisal. The purpose is to assess whether the initial assumptions still hold at a later stage in the process, as there may have been shifts in the balance of the environmental risks and opportunities.

Environmental challenges and opportunities in Danida supported sector programme support

In infrastructure programme support, and other types of physical investments, environmental risks are more easily identified. These sectors, which are used to conduct risk analysis and feasibility studies etc., perform reasonable well in terms of integration of environmental aspects, according to several reviews of Danida, while other sectors have more difficulties in addressing environmental aspects. In some programme support, for example in the social sector and in sectors dealing with economic policies and public sector reform, environmental impacts may be limited and opportunities are not easily visible. The challenge is therefore to identify these environmental opportunities, i.e. enhance the positive environmental effects of the programme support. This also applies for environmental sector programme support.

Below are some examples of environmental issues to be addressed during the environmental screening in sectors:

- Fiscal Reform and public sector management: Fiscal changes (e.g. subsidies or incentives) may encourage over-use of natural resources and environmental damage.
- Direct Budget Support: Budget support is linked to poverty reduction strategies (PRSs) or national development plans. Appropriate poverty-environment targets from the PRS should be included in the budget support monitoring framework.
- Trade and foreign direct investment: Trade in out-dated technology and hazardous waste (e.g. in obsolete pesticides) can include environmental risks.
- Health: Access to safe water and sanitation brings environmental health benefits, particularly when combined with environmental health training and

awareness. Slum upgrading in urban areas will also contribute to health and environmental improvements.

- Water Resource Management and health: Water Resources ought to be managed as a scarce resource with a view to the general ecosystem it is part of.
- Education: The construction of school buildings may use materials that are sourced with concern for resource depletion, sensitive sites or potential environmental and socio-economic consequences. Introducing environmental issues into curricula, school design and facilities can improve educational outcomes and have wider livelihoods and health benefits.
- Decentralisation: Clarifying jurisdictions and eliminating overlap increase the capacity at the level of local government to conduct physical/spatial planning in a sustainable manner and implement measures governing the sustainable use of resources. It is always important to identify the lowest appropriate level of management of the environment.
- Infrastructure: Building the capacity of relevant ministries and agencies to institutionalise the EIA procedures is an example of indirect support. This can be in the form of an environment unit in a Ministry or similar.
- Good governance: Sustainable management of the environment and natural resources for the benefit of the poor is an example of good governance due to the 'common property or public goods feature of the environment.
- Civil society: Environmental aspects have often been a reason for the emerging voice of civil society, e.g. if there are health risks from industrial development or loss of natural resources due to hydropower development for example.

Indirect environmental impacts

Some sectors require paying more attention to mitigating environmental impact than others. But all programme support can influence the environment, e.g. through procurement, construction of infrastructure such as houses and small roads, use of energy and water, etc. For instance, it is an option to equip field stations with solar energy or to require 'green procurement' of equipment, vehicles and office supplies.

Address possible indirect impacts from all programme supported interventions

- Waste generated and environmental contamination.
- Use of energy (sources), e.g. consider solar panels on field stations.
- Logistics, for example the demand for transportation.
- Infrastructure (capital investments, for example in buildings).
- Operations ('green' procurement) could develop local sensitisation to environmental concerns.
- Occupational health and safety.

As a minimum, programme support implementation must meet national legislation and standards, e.g. for building codes. There may also be opportunities to foster sound environmental practices and awareness within the programme support implementation unit (e.g. starting with switching off lights and equipment when not in use).



Photo: Klaus Holsting / Danida

Further information

Selected Information on Environmental Screening:

There is a large amount of information available on the environment in development. The references below are intended to cover needs for the 'environmental screening':

- Danida (www.danidadevforum.um.dk)
- Danish Development Research Network (incl. environment) (www.DDRN.dk).
- SIDA Environmental guidelines (2002): A useful guide to environmental assessment. (<http://www.sida.se>)
- DFID Environmental guidelines (2003): This guide is to help the process of developing environmental screening notes for DFID programs and projects. (www.dfid.gov.uk/pubs)
- OECD/DAC SEA Guidance (<http://www.seataskteam.net/>)
- World Bank SEA guidelines (<http://go.worldbank.org/J7MK6QBU40>)

Annex 4: How to conduct Strategic Environmental Assessment (SEA) ²⁴

The following definition of Strategic Environmental Assessment (SEA) is derived from the OECD-DAC good practice guidance for SEA:

SEA is a range of analytical and participatory approaches that aim to integrate environmental considerations into policies, plans and programmes and evaluate the inter linkages with economic and social considerations

Legal, procedural, institutional and political factors in different circumstances and countries will generally determine the way in which SEA is defined and applied in practice. The availability of data, level of definition of the policy, plan or programme to be considered, knowledge of direct and indirect impacts, and available time frame for the SEA, will also help determine the approach taken and the corresponding tools used (see Box).

Some examples of tools that could be used in SEA

- Tools for ensuring full stakeholder engagement., e.g.
 - stakeholder analysis to identify those affected and involved in the decision;
 - consultation surveys;
 - consensus-building processes.
- Tools for predicting environmental and socio-economic effects, e.g.
 - modelling or forecasting of direct environmental effects;
 - matrices and network analysis;
 - participatory or consultative techniques;
 - geographical information systems as a tool to organize and present information.
- Tools for analysing and comparing options, e.g.
 - scenario analysis and multi-criteria analysis;
 - risk analysis or assessment;
 - cost benefit analysis;
 - opinion surveys to identify priorities.

As a consequence SEA can be applied in various ways to suit particular needs. For example, some SEAs:

- are “stand-alone” processes running *parallel* to core planning processes, while others are *integrated* into the planning, policy/decision-making processes;
- may focus on environmental impacts; others integrate all three dimensions of sustainability: environment, social and economic;

²⁴ OECD/DAC Guidelines for Strategic Environmental Assessments, 2006. See www.seataskteam.net

- may be applied to evaluate existing policies, plans and programmes, or one that is about to be revised, to ascertain its environmental consequences; or be used to provide inputs into the development of policies, plans and programmes - to support, facilitate and improve the development (or revision) so that environmental dimensions are effectively addressed.
- may engage a broad range of stakeholders or be limited to expert policy analysts;
- can be conducted in a short time frame or over a long period;
- may consist of a quick analysis while others require detailed analysis;
- could be a finite, output-based activity (e.g. a report) or a more continuous process that is integrated into decision-making that is focused on outcomes and strengthens institutional capacity.

The appropriate SEA process will always be very context specific and the rigour, detail and type of follow-up will depend of the type of activity analysed. For concrete investment projects an SEA may be similar to an EIA with emphasis on impacts, but with broader scope in time and focus (more emphasis on down-stream effects on society and environment), while for macroeconomic policy it will focus on processes and institutional issues ensuring that relevant environmental aspects are taken into account during decision-making.²⁵

The OECD-DAC network on environment, ENVIRONET, has a task team on Strategic Environmental Assessment. The task team are currently producing supplementary short guides, associated to the overall SEA good practice guide, linking specific issues to SEA. Four guidelines on Climate Change, Post-Conflict situations, Disaster Reduction and Management, and Ecosystem services have been produced, while others are underway. (<http://www.seataskteam.net/>)



Photo: Jørgen Schytte / Danida

²⁵ See also: Strategic Environmental Analysis at www.worldbank.org.

Applying SEA in Ghana

In Ghana, Strategic Environmental Assessment (SEA) has been successfully introduced in the water and sanitation sector. The SEA activities were designed to be an integral part of two components of the Water and Sanitation Sector Programme Support, and consisted of three outputs:

1. *Capacity building to apply SEA tools in promoting environmental sustainability principles in water policies and programmes.*

Initiated in the Ministry of Water Resources, Works and Housing in January 2005. It contained among other things an environmental sustainability test of the draft National Water Policy with all important stakeholders in Ghana and development of specific SEA tools to be collected in a manual for the sector, including a tool for cost-benefit analyses. It will also provide training of relevant staff in the ministry and water sector institutions.

2. *Integration of the SEA principles and process tools in water and sanitation planning*

Implemented in the Ministry of Local Government and Rural Development and consisted of training of staff in the ministry, regions and districts. Furthermore, tools for integrating health data in the district water and sanitation planning were prepared. In addition, the National Environmental Sanitation Policy was tested for environmental sustainability at a seminar with high ministerial officials and representatives from regions and districts.

3. *Introduction of SEA principles in the Integrated Water Resources Management Planning process.*

Again sustainability tests and cost-benefit analyses was applied. The outcome was an outline on how to fully integrate economic analysis in the planning of the Densu River Basin.

Annex 5: How to conduct country environmental analytical work

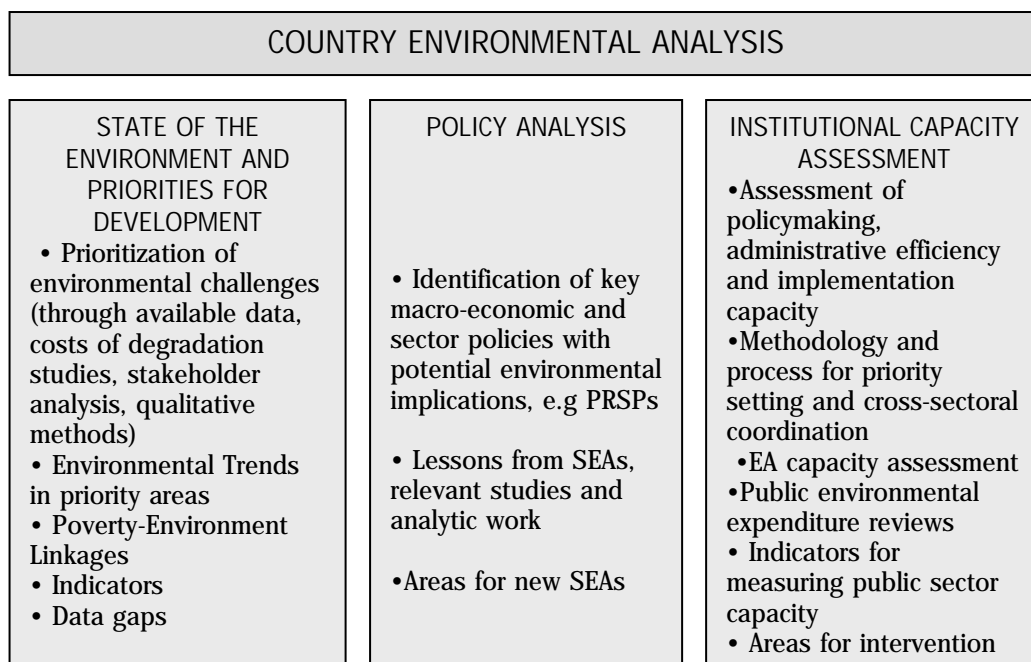
To ensure a proper knowledge and analytical basis for support to partner countries it is important to evaluate the state-of-environment, the environmental priorities of development, the environmental implications of key policies, and countries' capacity to address their priorities.

These analyses can take various shapes and magnitudes depending on the support programme in question and the existing knowledge on environmental issues. First step in country environmental analytical work will always be to get a picture of existing knowledge, such as State of the Environment Reports, National Environmental Action Plans (NEAPs) and National Strategies for Sustainable Development (NSSDs), analyses and lessons learned within the environment and sustainable development in the country concerned. The country analytical work will synthesize information about important environmental issues. This "lessons learned" study may often be initiated in collaboration with other development partners.

If there is a need for a more systematic approach to these environmental analyses, there are various tools and approaches available in the international arena, e.g. the Country Environmental Analysis (CEA) tool developed by the World Bank and the Country Environmental Profile (CEP) by EU. Both are analytical tools developed to underpin country assistance strategies of the two organizations but the approaches and methods are applicable in general to identify environmental concerns at an early stage in the preparation of support programmes.

Country environmental analytical work will supplement other environmental assessments, including strategic environmental assessments (SEAs). It will focus on the country as a whole while SEAs are usually undertaken at the sectoral, programme or plan level, and it will supplement and draw on existing SEAs and highlight areas in which further SEAs are needed.

The World Bank CEA is a flexible tool composed of three broad building blocks²⁷



²⁷ Adapted from Country Environmental Analysis (CEA), Concept Note 2005 at www.worldbank.org. The building blocks of World Bank CEAs are currently under reform.

The preparation of a CEA will include a proactive effort, through workshops, seminars, and dialogue with country teams, not least to integrate the relevant findings of the CEA into broader development strategies. An important means of enhancing country ownership of the CEA and its findings is to involve government officials, local experts, and institutions in CEA preparation and to make dialogue with key stakeholders an integral part of the process.

When relatively quick delivery is needed, a rapid CEA can be prepared. These will be based primarily on desk review and some field analysis. As needed, they can include a snapshot view of two or more building blocks.

The World Bank CEAs are initiated on a demand basis (demand expressed by World Bank country office to World Bank HQ). Currently Danida is supporting a trust fund in World Bank to finance CEA processes. In the context of OECD-DAC ENVIRONET efforts to share, harmonise, and align country environmental analytical work are underway.

Annex 6: How to develop an Environmental Management Plan

An environmental management plan (EMP) consists of the set of mitigation, monitoring, and institutional measures to be taken during implementation and operation of a programme support to mitigate adverse environmental impacts and seek environmental opportunities.

TAn Environmental Management Plan (EMP) must be developed if the initial screening places the programme support in category 'A' or 'B'. he EMP is not a standard document, however certain requirements of the content exist. The EMP comprises the measures and actions planned for:

- i) Mitigating the adverse environmental impacts of the given intervention,
- ii) Monitoring the mitigation activities, and
- iii) Institutional measures to be taken during implementation.

For all three aspects (mitigation, monitoring and capacity development), the EMP provides (a) an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall implementation plans; an (b) the capital and recurrent cost estimates and sources of funds for implementing the EMP.²⁷

Regarding i) Mitigating actions are often technical in nature. The EIA will detail the type of impact the mitigation is supposed to address, if more impacts, more mitigation actions. The actions may affect the design, the equipment to be used, the operating procedures or other aspect.

Regarding ii) Each impact and mitigation action should be monitored. The outline of the monitoring should detail baselines and institutional responsibilities (and capacities, if relevant), and should as far as possible align with national monitoring systems. The link to the Annual Reviews should also be touched upon.

Regarding iii) Plans for improvement of the capacity for environmental management, which can include establishment of environmental units, competence development in the field of environment, procurement of environmental equipment, should be agreed upon.



Photo: Jørgen Schytte / Danida

²⁷ Further information: See e.g. World Bank Operational Guidelines 4.01, Environmental Management Plan (OP 4.01, Annex c

Annex 7: A checklist for appraisal and annual programme support reviews

The following generic questions are to guide Danida's internal review of the process and associated documents at all stages of preparation, formulation, and appraisal and review process.

Guiding Questions in Reviewing the Environmental Assessment Process

1. Have existing information and analyses of the environmental situation in the country been adequately utilised during the EA process?
2. Have knowledge gaps on environmental issues been addressed, e.g. through support for a CEA or SEA process?
3. Have relevant stakeholders been involved in the EA process and have their interests been adequately taken into consideration?
4. Has the outcome of the environmental screening been followed up during the formulation and appraisal phase?
5. Has the potential for positive environmental impacts been analysed and followed up? Will the proposed activities lead to improvements in environmental conditions?
6. Have any environmental issues, impacts or areas of uncertainty and risk been identified after the screening and have any follow-up actions been taken?
7. Is the budget adequate to implement any proposed measures for mitigation of environmental impacts?
8. Has an analysis of alternative approaches been undertaken in relation to the choice of organisational partners, location, technology and design?
9. Have the proposed institutional arrangements to address prioritised environmental issues been adequately defined at central and/or local government and community levels?
10. Have indicators been identified, sources of baseline data been specified, and are environmental monitoring activities adequately described?
11. Will the proposed activities support Capacity Development in Environment amongst partner institutions?

