



‘Mainstreaming’ environment:

Challenges, good practice, and key questions

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Steve Bass, IIED

Challenges to integrating env & dev in LICs *and* aid agencies...

- **Env. and dev. institutions are separate** – env. externality
- **OECD views on env dominate** (‘cut consumption’) – not Southern (poor people’s needs) – and they keep changing...
- **Env. language, frameworks and targets (MDG7) confuse** – goods or bads? science or values? now or next century?
- **Finance dominates dev** (\$/day, 0.7% aid, budget support) – ignoring env assets and deprivations
- **Env. is political & economic** – but is treated as technical and driven by technical people



Good practice in integrating env & dev





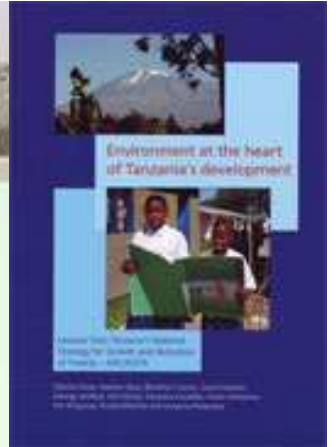
a. Understand country env+dev context

Key choices needed on how to promote env e.g. focus on...

- *govt, or non-govt (business, watchdogs)?*
- *env authorities, or development authorities?*
- *env sector, or cross-cutting, or one issue e.g. biodiversity?*
- *plan (e.g. PRS common entry point), or big policy debate/reform (upstream) or action (downstream)?*
- *existing process, or special one?*

Therefore deep country assessment of env+DEV integration:

- **e.g. IIED in-country Env Learning Groups explore:**
- **Env/dev 'outcomes' > drivers/antagonists > integrating processes/initiatives > entry points > cases made...?**



e.g. IIED Tanzania Env Group

Env+dev integration is working because:

- **Central coordination** – pov+env both under Vice-President
- **Outcome focus in national plan** – not ‘priority sectors’
 - Env contributions to outcomes can be demonstrated
- **Min. Finance** – review public env expenditure; link PRS to budget
- **Consultative planning** – 168 villages gave evidence on pov+env
- **Devt monitoring and census** – pov+env indicators integrated
- **Multiple, continuing tracks** – not a 1-off project

Now need:

- Reconcile PRS approach to env (‘can-do’) with Env Act (‘can’t-do’)



b. Support LIC capacity for env+dev

- **Key entry points:**
 - **Planning/finance authorities – more than env**
 - **PRS process and budgeting – more than NEAP, NBSAP**
 - **LIC public sector reform – more than ‘env capacity building’**
- **Key ingredients:**
 - **env/dev criteria/indicators +**
 - **incentives to meet criteria +**
 - **accountability mechanisms +**
 - **poor people’s rights +**
 - **Integration instruments**



3. Promote/apply integration instruments

These approaches work in many countries:

- a) **Strategic Env Assessments** of policy/programs
- b) **Public Expenditure Review** on environment
- c) **National wealth accounts** including env assets
- d) **Env investments** that pass cost:benefit test
- e) **Env fiscal reform; payments for env services**
and other economic instruments

NB ecosystem assessments not influential yet?

3. Key questions for aid to consider

Q1 What are effective entry points in aid?

Low-carbon economy?

Post-MDGs initiative design?

Reducing bail-out-humanitarian relief ?

REDD and other 'hot' schemes/funds?

Rural jobs?

Natural resource revenue?

> *Domestic policy coherence*

> **NGO partnerships**

> **Risk management/safeguards**

> Planning, multi-stakeholder process

Q2 What are likely trajectories for aid?

US\$ 2.3 trillion in aid since 1950:

1950s – infrastructure

1960s - economic growth

1970s – basic needs

1980s – economic structure

1990s – livelihoods

2000s – poverty and aid effectiveness (MDGs/Paris)

2010s – long-term, balanced approach and sustainability?

Addendum: Typical steps for effective environmental mainstreaming

1. *Scope governance and political economy affecting env & dev*
2. *Convene multi-stakeholder group to steer mainstreaming process*
3. *Identify links between env & dev, both positive and negative*
4. *Propose desirable outcomes for env & dev links*
5. *Map current institutional roles for links*
6. *Identify institutional changes required for outcomes*
7. *Identify entry points for env mainstreaming in decision-making*
8. *Conduct expenditure reviews and make 'business' case for env*
9. *Reflect agreed changes in mainstream policy, plan and budget docs*
10. *Promote key investments in env & dev links*
11. *Install criteria and accountability mechanisms for env/dev integration*
12. *Thus develop capacities, systems and skills needed*