

**DONOR ASSISTANCE
TO CAPACITY
DEVELOPMENT
IN
ENVIRONMENT**

**DEVELOPMENT CO-OPERATION
GUIDELINES SERIES**

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)

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The Members of the Development Assistance Committee are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom, the United States and the Commission of the European Communities.

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Foreword

This document is intended to articulate a set of basic orientations which can act as a point of reference for aid donors in forming approaches to aid programming aimed at contributing to the enhancement in developing countries of capacities to address environmental issues in a sustainable manner.

It stems from a body of work undertaken by the Development Assistance Committee (DAC) in response to a mandate issued by the Ministers of Environment and of Development at their joint meeting in December 1991, as well as the agreements reached at the United Nations Conference on Environment and Development in June 1992. It builds on a series of basic principles previously agreed to by DAC Members (*), relating to capacity development in the framework of technical co-operation [*Principles for New Orientations in Technical Co-operation*, OCDE/GD(91)207].

The Development Assistance Committee is the principal body through which the OECD deals with issues related to aid for developing countries. Its mandate is to promote an expansion of the volume of resources to developing countries and to improve the effectiveness of aid provided by Member countries. The Development Assistance Committee seeks in particular, through its Working Party on Development Assistance and Environment, to strengthen the contributions of aid policies and programmes to environmental sustainability and improved natural resource management.

* Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom, the United States and the Commission of the European Communities, together with the International Monetary Fund, the United Nations Development Programme and The World Bank as permanent observers.

Contributing To Sustainable Development: Dac Orientations For Donor Assistance To Capacity Development in Environment

Introduction

1. DAC Members have agreed upon a number of principles relating to capacity development in developing countries, particularly those outlined in the OECD/DAC document *Principles for New Orientations in Technical Co-operation* [OCDE/GD(91)207]. The following orientations are concerned with capacity in the area of the environment, and build on previous work of the DAC. They set out to link with other DAC work so as to enhance synergies and reinforce co-ordination in aid policies.

Links with other DAC work

2. DAC Members recognise that the ways in which they plan, design and deliver technical co-operation greatly affect local capacities and their development. They have therefore adopted a number of principles built around maximising capacity development. These principles, further elaborated in the *Principles for New Orientations in Technical Co-operation*,

- set as strategic objectives of technical co-operation long-term capacity building in developing countries rather than immediate short-term performance improvement;
- put great emphasis on the central role of developing countries in the planning, design and management of technical co-operation;
- stress the importance for effective technical co-operation of improved planning in the context of co-ordinated support for sectoral objectives and policies and, in particular, use of a programme rather than a project-by-project approach.
- encourage "ownership", i.e. responsibility and control of technical co-operation programmes and projects at all stages by the intended beneficiaries through participatory approaches, including local non-governmental organisations (NGOs) participation;
- emphasize the key importance for sustainable development and self-reliance of long-term institution-building, especially in the areas of policy analysis and development management;
- take into account the new recognition of private sector needs for technical co-operation;
- encourage greater use of local expertise and existing structures;
- define objectives in terms of outcomes to be achieved rather than inputs to be provided;

- stress the need to pay greater attention to the costs and cost effectiveness of technical co-operation activities.

3. In addition, DAC Members have emphasized the importance of participatory development and good governance for sustainable development. They have agreed on a common framework toward these ends [*DAC Orientations on Participatory Development and Good Governance*, OCDE/GD(93)191].

4. Good governance, participatory development, human rights and democratisation are closely interlinked. In particular, DAC Members emphasize that participatory development is essential because:

- a) it strengthens civil society by empowering groups, communities and organisations to negotiate with institutions and bureaucracies, thus influencing public policy and providing a check on the power of government; and
- b) it enhances the efficiency, effectiveness and sustainability of development programmes.

5. "Empowerment" is essential to participatory development and to capacity in environment. Empowerment is enhanced when the organisations in which people participate are based on a democratic approach, strengthening the capacity of members to initiate actions on their own or negotiate with more powerful actors. It thus builds up the capacity of people to generate and influence sustainable development at various levels, not least for environmental reasons, increasing their access to and influence over resources and institutions, including by groups hitherto marginalised such as low-income populations and most particularly women.

6. The DAC, through its Working Party on Development Assistance and Environment, contributes towards reflecting these common positions in questions of environment. The results of the work on capacity development in environment, having emerged from a process of consensus building that was in itself participatory involving donor and recipient expertise, have reinforced the value of this approach. The DAC approach to capacity development in environment brings together previously adopted positions of the DAC and the results of the discrete work on capacity in environment into one common approach.

Definition

7. Capacity in the environment represents the ability of individuals, groups, organisations and institutions in a given context to address environmental issues as part of a range of efforts to achieve sustainable development. The term **capacity development in the environment (CDE)** describes the process by which capacity in environment and appropriate institutional structures is enhanced.

8. Capacity development in environment is recognised as an essential element in implementing the conclusions of the UN Conference on Environment and Development (UNCED, June 1992).

Basic orientations for capacity development in environment

9. The DAC sets out the basic orientations for the CDE approach within the framework of development co-operation as follows:

- CDE is based on promoting sound **environmental considerations and criteria** in the development process. These include maintaining and restoring biological and habitat diversity, the maintenance of essential environmental processes, the reduction of environmental pollution and damage, and the sustainable use of renewable resources. The CDE approach puts an emphasis on the cross-sectoral relationships between all environmental media and not one in particular.
- **CDE is an integrative approach.** It is designed to assist development for human needs and economic progress, achieving both long-term environmental quality and productivity. It sets out to reinforce processes that lead to self-reliance, equity and justice in ways that enhance environmental management.
- **CDE is a multi-faceted process.** It includes, in a given context, consideration of the ethics, norms and culture that apply, including those generated by the various economic and technological sectors, the different public and private processes and functions that operate; the formal and informal institutions and organisations that exist; the different stakeholders in a particular environmental issue and the resources (human, economic, and natural) that are in play.
- **CDE is process oriented rather than product oriented.** It includes calling for a better balance between process and product, interactive or learning cycles, consultation with and participation of affected groups, adaptation to changing circumstances and great flexibility.
- **CDE is a systemic approach.** Any particular intervention will need to take account of the relationships and interactions that prevail in a given task. These may relate to the various actors involved, the functions they perform and the positions in an organisational hierarchy at macro, meso and micro levels. This should not imply a uniform approach to all problems but a consistent and synergistic approach.
- **The process of CDE belongs to and is driven by the community in which it is based.** Any external support involved will need to respect that jurisdictional framework. The process attempts to enhance collaborative behaviour and create new dialogues toward desired objectives rather than avoid them.
- **CDE strengthens institutional pluralism in civil society** through, for example, supporting professional associations, academics, advocacy groups, the media, entrepreneurs, trade unions, etc., as well as the various levels of government.
- **CDE must take gender issues fully into account** in all aspects and levels of development and implementation, recognising the specific role that women play in environmental resource management.

- **CDE must actively seek to develop** appropriate approaches to include all disadvantaged groups in society.
- **CDE is comprehensive** in terms of modalities. It will involve a variety of management techniques, analytical tools, incentives, and organisational structures for achieving a given policy objective.

10. The CDE approach extends to most fields of activity in a given community which include:

- Strengthening and improving governmental and non-governmental organisations in the field of the environment through:
 - support for institutions at the community level in cross-sectoral planning, decision-making and information systems;
 - support for decentralised integrated environmental planning and action-oriented approaches;
 - support for applied and basic environmental research;
 - organisational development and training of NGOs, including improved networking capacity.
- Supporting environmental policy formulation, legislation and implementation and enforcement mechanisms at all levels.
- Advising the appropriate institutions in the design and handling of environmental instruments such as:
 - defining critical norms and standards;
 - formulating legal instruments, sanctions and their enforcement;
 - making use of planning tools such as environmental impact assessment;
 - introducing economic incentives;
 - developing systems of resource accounting and the economic valuation of environmental goods and variables.
- Supporting information and monitoring systems for the environment, including:
 - the collection, analysis and review of relevant environmental data;
 - environmental auditing;
 - environmental profiles based on indigenous knowledge;
 - monitoring of quality of water, soil, air and emissions.
- Integrating environmental aspects into sector policies including:
 - the application of national strategies for sustainable development;
 - facilitating access to information and increased transparency;
 - institutionalising co-ordination procedures;
 - developing appropriate technologies.

- Furthering environmental awareness, education and communication through, inter alia:
 - environmental resource centres;
 - public relations and the mass media;
 - environmental curricula;
 - environmental training modules;
 - state of environment reports.
- Supporting the improvement of inter- and intra-institutional co-operation, conflict management and mediation by way of, inter alia:
 - policy dialogue at all levels;
 - conflict resolution;
 - participatory communication and problem-solving techniques;
 - the development of procedures and instruments to balance interests;
 - action research and participatory enquiry.
- Supporting the application of environmentally sensitive technologies.
- Supporting the private sector in their endeavours to incorporate environmental externalities into their business affairs.

The role of donors

11. DAC Members acknowledge that the role of donors in the process of CDE is limited. Only those who directly hold a stake in the environment in a given circumstance can make processes sustainable. Developing countries themselves are ultimately responsible for determining and implementing development programmes and policies and for their impact on their economies and people. In order to be effective, donors must respect the processes of the recipient country toward strengthening local capacities and not replace them. Donors can contribute, however, to catalysing and reinforcing change conducive to better environmental management.

12. Donors involved in CDE will be sharing in a programme approach. This may incorporate individual projects but all will be a part of a common framework. Such programme assistance requires strongly co-ordinated approaches among the recipient country actors, bilateral donors and the relevant multilateral institutions.

13. DAC Members have agreed that there are a number of prerequisites to achieve sustainable development. These apply equally to CDE. They include:

- a government whose legitimacy is derived from the consent of those who are governed;
- the accountability of the political and official elements of government for their actions;

- the competence of government to formulate appropriate policies, make timely decisions and implement them effectively;
- respect for human rights and the rule of law to allow and encourage individuals to participate;
- the full involvement of local communities for effective management of the environment and natural resources.

14. In order to implement the basic orientations for CDE as outlined, donors need to address the major challenges ahead. These include increased efforts at policy coherence across a wide range of policy areas as well as implications for the conceptual, organisational and financial modalities of aid. More specifically, these include:

- **programmatic approaches** which would embed projects into a country-driven CDE approach and thus integrate them in a multi-stakeholder process;
- **broadening financial mechanism** of donor support to include more flexibility, longer-term financial commitments, programmatic approaches to funding, and support for mechanisms such as trust funds and umbrella agreements;
- **programme funding** that necessarily involves fewer clear cut outputs and less easily monitorable and quantifiable targets;
- **acquiring and developing** new tools and techniques to build on existing initiatives such as the National Sustainable Development Plans, Environmental Impact Assessment procedures, etc., as well as revision, adaptation and new design of instruments for technical co-operation and integration of these into existing administrative procedures;
- **greater adaptability** to local conditions, allowing for high levels of delegation and decentralisation to the local level;
- **longer and more flexible time horizons** to accommodate the process oriented character of CDE;
- **enhancement of** internal donor capacity through training and broadening the range of skills of agency staff to include skills in brokerage, facilitation and mediation and to involve more disciplines ranging from law, the social sciences and environmental economics to public administration, the natural sciences and communications as well as familiarisation of all actors with the approach, including third party consultants, to ensure their working consistently with the approach;
- **devising** new indicators and evaluation criteria to reflect quantitative, qualitative and process elements of CDE and to measure efficiency and efficacy;
- **multi-recipient** strategies which imply that donors must seek ways to create partnerships with and support for a variety of recipients in the country ranging across governmental and non-

governmental agencies, profit and not-for-profit organisations, formal and informal institutions and organisations.

Donor co-ordination

15. DAC Members agree that it is essential for all donors to pursue a consistent and co-ordinated approach to CDE. The principles and modalities of such co-ordination are well established through the work of the DAC: DAC Members therefore reconfirm their support for improved aid co-ordination with particular emphasis on the role of operational staff in local aid co-ordination, arrangements on support for larger sectoral programmes, objectives and policies, and on assisting recipient countries to strengthen their own capacities in this area. More specifically, DAC Members emphasize:

- The success of external support for CDE is dependent on the degree of donor co-ordination (multilateral and bilateral) led by the recipient country. In that sense donors have specific responsibility to support the recipient country role in co-ordinating external aid.
- Co-ordination should involve more than the official donors only. Ways should be sought to encourage non-governmental organisations and private sector representatives to become associated with efforts to co-ordinate CDE.