

TOWARDS SUSTAINABLE DEVELOPMENT: Mainstreaming Environment and Climate Change into Development

THE PROBLEM

Clean water, clean air, fertile soil. Human existence relies on natural resources for food, for fuel, for well-being. The environment also provides basic services such as natural sea defences against coastal erosion, flood regulation, and pest and disease regulation, as well as aesthetic and cultural services. But environmental degradation and climate change can compromise the availability of these vital products and services. And development—e.g. through pollution, land degradation and over-harvesting of natural resources—can lead to environmental degradation. Climate change exacerbates trends in environmental degradation. The alterations climate change is wreaking on climatic variables—resulting in more intense rainfall, longer and more frequently recurring droughts, shifts in seasons, increased temperatures, glacial melt and sea level rise—often have dire consequences for populations and development.

In low-income countries, natural capital accounts for 30% of total wealth (as opposed to 2% in high-income countries)—greater than the share of produced capital¹. This suggests that **managing natural resources must be a key component of development strategies**. Investment in environmental management can generate significant returns, much of this benefiting poor people², whose livelihoods often depend on the quality and availability of natural resources, and who have less ability to cope with the risks and

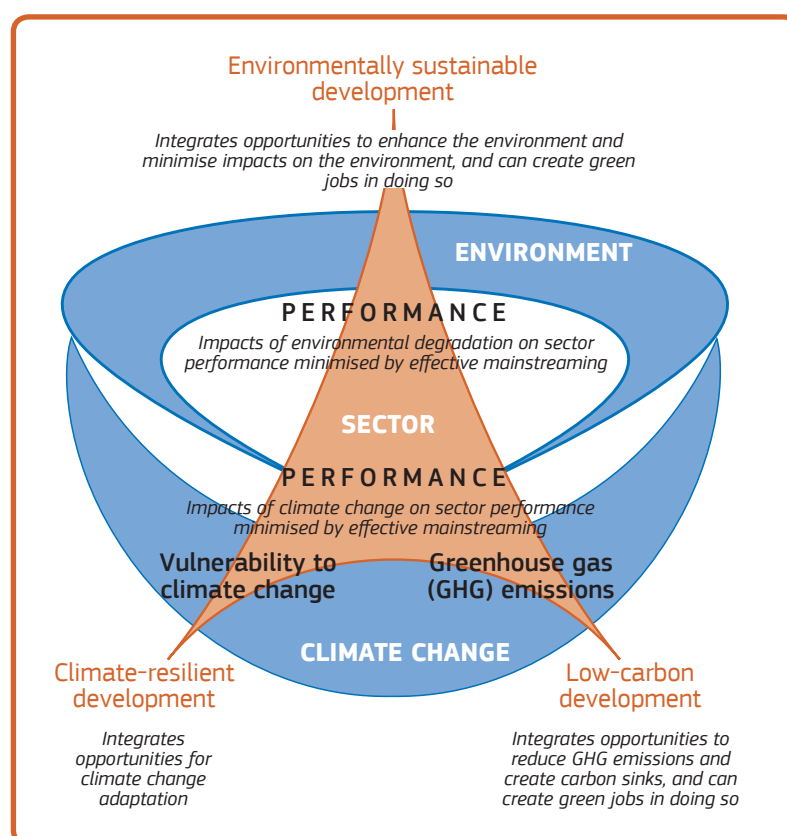
- 1 World Bank, *The changing wealth of nations: measuring sustainable development in the new millennium*, Washington, DC: World Bank, 2011.
- 2 Poverty-Environment Partnership, *Investing in environmental wealth for poverty reduction*, New York: United Nations, 2005.

'The task of environmental integration and mainstreaming is at the forefront of development planning and policy formulation'.

—GLOBAL ENVIRONMENT FACILITY, 'MAINSTREAMING GLOBAL ENVIRONMENT ISSUES INTO DEVELOPMENT'

impacts of environmental and climate change challenges.

Mainstreaming the environment and climate change into development programmes contributes to successful and long-lasting results. By examining the linkages between development, the environment and climate, the challenges the latter pose to development can be addressed head on and their risks minimised (see figure). Mainstreaming provides tools and methods to foster environmentally sustainable, climate-resilient,



low-carbon development by reducing vulnerabilities, building resilience, identifying opportunities for sustainable livelihoods and contributing to the transformation to an inclusive green economy.

THE COMMITMENT

Through an array of policies and platforms (see Annex 1), the international development community has been promoting mainstreaming in support of sustainable development. For example, the European Union (EU) Treaty contains a requirement to integrate the environment in all Community policies and initiatives; the European Consensus on Development defines eradication of poverty in the context of sustainable development as the overarching objective for EU development cooperation; and the EU Biodiversity Strategy to 2020 seeks to ‘biodiversity-proof’ EU development cooperation. EU commitments in this area are, like those of many other organisations, of a financial nature as well as political. Following the 11th meeting of the Convention on Biological Diversity in Hyderabad, India, in 2012, the EU pledged to double its funding of biodiversity activities (based on its average annual funding for 2006–10) by 2015. And in 2014, the EU agreed that at least 20% of its budget for the 2014–20 period should be spent on climate change-related action. The EU uses Rio markers (developed by the Development Assistance Committee of the Organisation for Economic Co-operation and Development) to keep track of financial contributions to biodiversity and climate change (mitigation and adaptation).

Successful development cooperation is environmentally sustainable and climate resilient.

THIS PRODUCT

The five Guidance Notes in this document provide ‘how-to’ information for mainstreaming individual sectors and budget support. This guidance is aligned to international policy commitments and complements the 2011 [Guidelines on the Integration of Environment and Climate Change in Development](#)

[Cooperation](#). The notes aim to help development practitioners strengthen the mainstreaming of environment—including biodiversity—and climate change in development throughout the programme/project cycle, thus contributing to the achievement of EU policy commitments. The sectors covered are:

- Agriculture, food security and rural development
- Energy
- Water and sanitation
- Social protection and employment.

The fifth note provides information on how to mainstream climate change into EU budget support.







Each Guidance Note is comprised of five parts:










1. **Policy Basis**
2. **Why Mainstream?**
3. **How and When to Mainstream**, discussed by programme/project phase
4. **Mainstreaming in Action**, including real-world examples of successful environment and climate change mainstreaming into development programming in the particular sector
5. **Resources**.









The notes are designed as stand-alone references; they are supplemented with a list of international mainstreaming commitments and platforms (Annex 1) and a glossary and list of acronyms beginning on page 6.











QUICK GUIDE






The quick guide that begins on the opposite page provides an overview of the entry points and related key actions and tools for mainstreaming environment and climate change in EU development cooperation. It takes as a starting point the main phases of the cycle of operations for programmes/projects (**programming, identification and formulation, implementation, and evaluation**). Details fleshing out this quick guide are presented in the sector-specific Guidance Notes.

PROGRAMMING		
Entry point		Key Action  or Tool 
1. Country situation analysis		<ul style="list-style-type: none"> • Prepare a Country Environmental Profile (CEP), emphasising analysis of the environmental and climate change dimensions of the sectors likely to be supported. • Engage the government and key stakeholders, including civil society.
2. Drafting of National Indicative Programme (NIP), Multilateral Indicative Programme (MIP)		<ul style="list-style-type: none"> • Ensure the objectives, expected results and indicators under each focal sector in the MIP/NIP address key relevant environmental and climate change concerns: <ul style="list-style-type: none"> – aspects impinging on sector performance; – increasing sector resilience to climate change; – minimising environmental impacts of interventions; – integrating opportunities to enhance the state of the environment; and – contributing to low carbon development. • Highlight key environmental and climate change-related risks and assumptions.
		CEP sample terms of reference are in Annex 2 of the Guidelines.
3. Policy dialogue		Include the environment and climate change as items in the policy dialogue to define focal sectors and support strategies .

IDENTIFICATION AND FORMULATION		
Entry point		Key Action  or Tool 
1. Problem analysis		Ensure environmental and climate change considerations are explicitly taken into account in the programme/project problem analysis.
2. Environmental and climate risk screenings		<ul style="list-style-type: none"> • Programmes: Conduct strategic environmental assessment (SEA) screening and review national SEA regulations to determine the need for an SEA. • Projects: Conduct project environmental screening—including environmental impact assessment (EIA) screening and climate risk screening—and review national EIA regulations to determine the need for an EIA and/or a climate risk assessment (CRA). • Include a summary of the results of the screenings as an annex to the Identification Fiche.
		<ul style="list-style-type: none"> • SEA screening procedure is in Annex 3 of the Guidelines. • Project environmental screening procedure is in Annex 7 of the Guidelines.
3. Environmental assessments		<ul style="list-style-type: none"> • Programmes: Prepare the SEA (if required), in coordination with the government and other donors. Build national ownership of the SEA process. • Projects: Prepare the EIA and/or the CRA (if required).
		<ul style="list-style-type: none"> • SEA sample terms of reference are in Annex 5 of the Guidelines. • EIA sample terms of reference are in Annex 8 of the Guidelines. • CRA sample terms of reference are in Annex 12 of the Guidelines.
4. Environmental and climate risk analyses		If a detailed SEA, EIA or CRA is not required, analyse the potential environmental and climate change-related impacts and opportunities of the programme/project during formulation.
		<ul style="list-style-type: none"> • Guidance for programmes on integrating environment and climate into sector programme formulation studies is in Annex 4 of the Guidelines. • Guidance for projects on integrating environment and climate into project formulation studies is in Annex 9 of the Guidelines.

IDENTIFICATION AND FORMULATION		
Entry point		Key Action  or Tool 
5. Preparation of action document and technical and administrative provisions		Ensure the programme/project addresses key relevant environmental and climate change concerns as informed by the problem analysis, SEA, EIA and/or CRA.
		<ul style="list-style-type: none"> • SEA • EIA • CRA
6. Budget support: performance assessment framework		Based on SEA findings, work with the government to identify and include key relevant environmental and/or climate change indicators in the performance assessment framework associated with the release of tranches of budget support.
		SEA
7. Policy dialogue		<ul style="list-style-type: none"> • Include environmental and climate change issues in the policy dialogue leading to the identification and formulation of programmes and projects to enhance ownership and government commitment to these issues. • Include the environmental and climate change aspects of budget support indicators in the policy dialogue on formulating indicators associated with the release of tranches, if and as relevant. • Include SEA findings in the policy dialogue to enhance the environmental and climate change performance of government policy.
		SEA

IMPLEMENTATION		
Entry point		Key Action  or Tool 
1. Preparation of contractual agreements		<ul style="list-style-type: none"> • Make sure the environmental mitigation and climate change risk reduction measures recorded in the environmental management plan (EMP) produced during the EIA and/or the climate risk management plan (CRMP) produced during the CRA are reflected in the contractual agreements for project implementation. • If no EIA or CRA was carried out for the project, make sure the contractual agreements reflect any relevant findings from environmental and climate risk analyses undertaken during project formulation.
		<ul style="list-style-type: none"> • EMP • CRMP
2. Monitoring plan		Make sure the programme/project monitoring plan includes relevant environmental and climate change-related indicators .
3. Programme/project monitoring		Ensure that monitoring results are thoroughly discussed so the programme/project can be adapted to address any unexpected environmental impacts and climate change risks, increase contributions to low-carbon development and enhance the state of the environment.
		Monitoring reports
4. Results-oriented monitoring (ROM)		Identify key environmental and climate change aspects of the programme/project that should be addressed in ROM.
5. Environmental and climate change performance review		Conduct an ad hoc review of programme/project environmental and climate change performance to identify further opportunities to minimise environmental and carbon footprints.
6. Policy dialogue		Include environmental and climate change issues in the policy dialogue on programme/project implementation to enhance ownership and government commitment to these issues.

EVALUATION		
Entry point		Key Action  or Tool 
1. Midterm evaluation		<ul style="list-style-type: none"> • Integrate relevant environmental and climate change–related questions in the terms of reference for the midterm evaluation. • Thoroughly discuss the findings of the midterm evaluation in order to adapt the programme/project to increase its environmental and climate change performance.
2. Final evaluation		<ul style="list-style-type: none"> • Integrate relevant environmental and climate change–related questions in the terms of reference for the final evaluation. • Thoroughly discuss the findings of the final evaluation to extract lessons on good environmental and climate change practices.
3. Policy dialogue		<p>Include environmental and climate change issues in the policy dialogue on programme/project evaluation to enhance ownership and government commitment to these issues.</p>

GLOSSARY

Adaptation. Adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities. (Source: United Nations Framework Convention on Climate Change.)

Clean Development Mechanism (CDM). A mechanism under the Kyoto Protocol through which developed countries may finance greenhouse-gas emission reduction or removal projects in developing countries, and receive credits for doing so which they may apply towards meeting mandatory limits on their own emissions. (Source: United Nations Framework Convention on Climate Change.)

Cleaner production. The continuous application of an integrated preventive environmental strategy to processes and products so as to reduce risks to humans and the environment. (Source: United Nations Environment Programme.)

Climate change. A change in the state of the climate that can be identified (e.g. by using statistical tests) by changes in the mean and/or the variability of its properties, and that persists for an extended period, typically decades or longer. (Source: Intergovernmental Panel on Climate Change.)

Climate-proofing. Adapting the design of a programme or project such that it will be resilient to climate change.

Climate risk assessment (CRA). A study that assists in the identification and assessment of potential climate change-related risks that may be associated with a development initiative. A CRA also helps those developing and implementing such initiatives to address these risks through the incorporation of adaptation measures and measures to increase resilience.

Climate risk management plan (CRMP). One of the products of a CRA, which identifies the actions needed to implement the recommendations of the CRA in the form of an operational plan.

Climate risk screening. A process used to appraise the degree of exposure and sensitivity of a project to

climate change, in order to determine the need for a climate risk assessment (CRA).

Country Environmental Profile (CEP). An analytical report prepared to inform the programming process. It contains a description of the country's environmental situation, including the implications of increasing climate variability and climate change, current policies, institutional capacities and environmental cooperation experience including recommendations for the integration of the environment and climate-related aspects during programming. (Source: European Commission.)

Environmental impact assessment (EIA). An analytical study to identify and evaluate the potential environmental impacts of a project and the identification of actions to avoid and/or avoid such impacts.

Environmental impact assessment (EIA) screening. A process used to decide if a project has potential significant impacts on the environment, and would thus require an EIA.

Environmental management plan (EMP). A plan that indicates how the mitigation actions identified in an environmental impact assessment will be implemented and monitored. The EMP should be incorporated into the project contractual documents.

Green economy. Green economy is one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. In its simplest expression, a green economy can be thought of as one which is low carbon, resource efficient and socially inclusive. (Source: United Nations Environment Programme.)

Green jobs. Green jobs are decent jobs that contribute to preserving and restoring the environment, be they in traditional sectors such as manufacturing and construction, or in new, emerging sectors such as renewable energy and energy efficiency. Green jobs reduce consumption of energy and raw materials; limit greenhouse gas emissions; minimise waste and pollution; protect and restore ecosystems; and enable enterprises and communities adapt to climate change. (Source: International Labour Organization.)

Mitigation. In the context of climate change, a human intervention to reduce the sources or enhance the sinks of greenhouse gases. (*Source:* United Nations Framework Convention on Climate Change.)

Payments for ecosystem services (PES). An economic instrument under which managers or owners of ecosystems are paid to undertake actions that increase the levels of desired ecosystem services (e.g. forest cover).

Resilience. The ability of an individual, a household, a community, a country or a region to withstand, to adapt, and to quickly recover from stresses and shocks.

Strategic environmental assessment (SEA). A systematic process for evaluating the environmental consequences of proposed policy, plan or programme initiatives to ensure they are fully included and appropriately addressed at the earliest stages of decision-making, on a par with economic and social considerations.

Strategic environmental assessment (SEA) screening. A process used to decide if a policy, plan or programme is environmentally sensitive and would thus require an SEA.

ACRONYMS

CEP	Country Environmental Profile
CRMP	climate risk management plan
EIA	environmental impact assessment
EMP	environmental management plan
EU	European Union
ROM	results-oriented monitoring
SEA	strategic environmental assessment