International Stakeholders Panel on Mainstreaming Environment in Development: [1]

Producing a 'User Guide' to effective tools and methods for integrating environment and development

Final Proposal to PEP
(IIED, January 2007)

Summary

The challenge to integrate environment into development has never been more urgent. Infrastructure and agriculture must be climate-proofed. Industry must be energy- and water-efficient. Poor people's environmental deprivations must be tackled in development activity. Their environmental rights must be recognised and supported.

To achieve this, major policy, planning, investment and monitoring institutions need to change. There are many tasks involved in 'environmental mainstreaming' – covering advocacy, analysis, planning, investment, management, and monitoring. Getting them right is not always easy: the environment is usually treated as an externality in major institutions.

Change will be slow without adequate stakeholder pressure and learning from experience of 'what works'. There has been little sharing of experience on conducting 'environmental mainstreaming' tasks between stakeholders. In contrast, there is too much untested guidance on how to go about the tasks.

This is why IIED proposed an independent 'International Stakeholders Panel on Mainstreaming Environment in Development'. The current document elaborates this idea, and the notion of the Panel producing a 'User Guide' to environmental mainstreaming. It is based on earlier discussions at the PEP 2006 Washington meeting, and subsequently with a range of developing country stakeholders and PEP members. IIED's preliminary work has been supported by Irish Aid and DFID.

The Panel will comprise a mix of senior officials, decision-makers and practitioners who are faced with the task of linking environment and development interests. The initial task for this Panel will be to steer and oversee the production of a 'User Guide' to the large array of tools and methods available for 'environmental mainstreaming', building on stakeholders' experiences of the range from technical approaches such as EIA to more political approaches such as citizens' juries.

Environmental mainstreaming capacity will be much stronger if appropriate tools and methods are available to best suit the user. Some of these tools and methods are widely used and others still in development; some are easy to do and others demanding of skills and money; some are effective but others are not. There is not enough 'demand-pull' information from potential users. Rather, too many tools are being 'pushed' by outside interests, and too few locally developed (and more informal, or more inexpensive) approaches are widely known.

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[1] Alternative title given upcoming 'Brundtland+20' focus: *International Stakeholders Panel for reinvigorating SD?*

The Panel will identify which tools work best, for what purpose and for which user. This guidance will be based on evidence submitted through a series of regional stakeholder/user consultations and workshops, and the Panel's own experience.

A core of about 30 such tools will be rated according to common criteria. This will expand the usual set, which is technically/expert-focused, to include tools and methods for civil society/business action. A decision-making 'tree' will be offered to help users select the right approach. And an overview of areas for which tools tend to be weak or missing will also be prepared, to guide further development.

The Panel's work will help people to make more informed choices, whether they are working on internationally recognised initiatives such as MDG-based national strategies, or national budgetary processes, or indigenous planning. It will also inform development assistance agencies, researchers and others who are in the business of tool development and promotion, by offering much-needed 'demand-side' information.

1. Why is a 'Stakeholders Panel on Mainstreaming Environment in Development' needed?

In 2005, the Poverty Environment Partnership (PEP) engaged in a high-profile series of activities for the 2005 UN World Summit.[2] The result was a strong case that:

- *Investment in environmental management* can generate significant returns, much of this benefiting poor people
- *Local organisations* are key drivers of environmental integration into development, and can be highly effective and equitable at the operational level
- *National environment and development authorities* become much more closely linked in their planning and operations
- *Development cooperation agencies* could do much more to support and scale up good practice in integrating environment and development [3]

PEP meetings in Ottawa and Washington, and subsequent discussions, have confirmed that appropriate action on these three conclusions, at a significant scale, is unlikely unless:

a) *Southern governments, businesses and civil society organisations take the lead in environmental mainstreaming.* It was also observed that PEP should consider promoting a Southern equivalent of itself. The proposed *'Stakeholder Panel'* could, in part, contribute to fostering such a forum
b) *Southern stakeholders have the right tools* that equip them to act with a clearer voice, a stronger case on what to do, and robust activities to achieve it. It was observed that PEP's work on methods now needs to face a stronger demand-test. The proposed *'User Guide'* to practical, affordable integration tools and other methods could play such a role – and more.

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[2] PEP is a group of donor agencies, multilaterals and some research-focused INGOs. See http://www.povertyenvironment.net/pep/ for some information on the PEP and http://www.undp.org/pei/peppapers.html for the papers produced by the PEP.
[3] This is now acknowledged in the OECD Development and Environment Ministers' 'Framework for Common Action Around Shared Goals' (OECD: Paris, 4 April 2006)

2. Why is a 'User Guide' needed?

A 'User Guide' is needed to help people make smart decisions on how to link environment and development. Given increasing water insecurity, climate change, the growth in ecosystem markets, the rapid expansion of biofuels, etc, such decisions cannot afford to be poorly made – or taken too late.

There is a surfeit of mammoth 'manuals', 'toolkits' and labyrinthine websites describing tools, methodologies, protocols, and services for integrating environment into development. These have their own utility. But there is also a strong flavour of 'supply push' behind much of this. Most environmental integration tools are produced by planners and experts for use within their own disciplines/activities – yet there are many other actors who need to be involved in integrating environmental concerns. Many tools are promoted by donors and other external agencies, e.g. EIA, SEA, CBA, wealth accounts, genuine savings, poverty monitoring, etc – sometimes as conditionalities. Where some organisations use the same term for different approaches or, conversely, different terms for the same approach, this only adds to confusion.

Without good information on such 'tools', potential users in developing countries face a number of risks, e.g.:

- Not understanding their often significant *resource implications* – finance, skills, and time requirements for using the approach effectively. Sometimes, resource-intensive approaches are employed when a quick, simple decision-making framework would help – or vice versa
- Using approaches that are not well *proven* – many tools are still at the research or experimental stage, but are nonetheless heavily promoted
- Using approaches that are not *appropriate to local users and conditions* – some have been developed in the North and are now being promoted for use in the South where they may not necessarily help (at least not in their original format), e.g. Strategic Environmental Assessment (SEA)
- Ignoring *'home-grown' tools and resources* that may suit the local institutional context better
- Successively applying *clashing/duplicating tools* to meet the changing requirements of several external agencies – creating inefficient, unharmonised outcomes
- *Asking too much of any one tool*, e.g. poverty and social impact assessment (PSIA) is dominant in the development of PRSPs but takes little account of the environment – another tool is needed for this
- Adopting an *overly technocratic approach* to environmental integration, which is in large part a political and governance issue
- Inadequate *transparency* on environmental mainstreaming [4]

If there is to be more effective 'demand-pull' from Southern groups, better information is needed on what is actually offered by the different tools, frameworks and other approaches. We need to know how well they work in practice. How can we compare them, select them, and mix them effectively?

3. Who would be the main users of the Guide?

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[4] Several international trends suggest that governments will need to be as transparent on their environmental mainstreaming performance as on e.g. their support to human rights.

National and local organisations in developing countries and countries in transition:
The immediate target is the large number of national and local groups who will need
to ensure that 'MDG-based' national plans, PRSPs, their local equivalents, sector
strategies, climate change plans, and associated investments both mainstream
environment and are country-led.

Multilateral and bilateral agencies: A key secondary target is those agencies which
are currently in the process of putting together, or revising, 'tool kits' variously for
MDG-based national plans (e.g. UNDP), climate-proofing national development plans
(UNEP), integrated ecosystems assessment (e.g. UNEP), or developing 'country
systems' for environmental appraisal and scrutiny (e.g. World Bank). [5] This would
meet the need identified by OECD environment and development ministers in their
'Framework for Common Action Around Shared Goals' (2006) to promote good-
practice mainstreaming instruments.

Policy/research groups: Development of the guide would also provide essential 'user'
information to enrich the further development of tools, e.g. IIED's own planned work
to develop and test a framework for sustainability appraisal.[6]

To meet the needs of these diverse stakeholders, the Guide will be:

- *independent* of the agencies that promote particular tools
- based as far as possible on real *experience* of different 'users' of the tools, as
  well as independent technical experts
- suitable for the various *purposes and contexts* faced in resource-poor, time-short,
  capacity-short developing countries and countries in transition
- inclusive of *informal or traditional* approaches and *private sector and voluntary*
  innovations (not only governmental or regulatory)
- therefore *focused on the ultimate use of the tools* (e.g. clean air and water)
- concise and *easy to use*

4. What guidance would the 'User Guide' offer?

The Guide would describe the range of tools and tactics (section 4.1) in ways which
help people in different situations to select the right tool and use it appropriately
(section 4.2). It would present a range of practical existing approaches, rather than
(as is normally the case) proposing an ideal, brand new approach – although it would
point to new and upcoming initiatives. It would summarise each approach from a user
perspective, and provide references and links, but it would not itself comprise a
'toolkit'.

4.1 A catalogue of integration 'tools'. The word 'tool' does not always find favour,
as it tends to imply a highly technocratic approach, which will not always be
appropriate where the task is more of a political one. We use it here merely to
summarise the wide spectrum of approaches – from highly technical methodologies
to highly political tactics – for *analysis, debate, planning and decision-making* (rather

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[5] The proposed work could, therefore, overtly address one or more of these current institutional needs,
without losing its independent, user-engaged character.
[6] IIED defines sustainability appraisal as a generic process that provides for (a) some form of integrative
analysis of the economic, environmental and social aspects of development actions, and (b) an
evaluation of their effects with regard to agreed aims, principles or criteria of sustainable development.

than environmental management in the field). An annotated list would be produced covering e.g. *integration through…* [7]

Information tools:
- *Economic assessment:* cost-benefit analysis, partial equilibrium modelling, public environmental expenditure review, 'green accounting', wealth accounts, genuine savings assessment, etc
- *Impact assessment and strategic analysis:* EIA, SEA, PSIA, Limits of Acceptable Change, – and corporate approaches such as ecological 'footprinting', Natural Step and Equator Principles
- *Spatial assessment:* poverty mapping, GIS, etc
- *Resource assessment:* Environmental Wealth Diagnostic, etc
- *Monitoring and evaluation:* SD indicators, census and household surveys, government audits and administrative reporting

Deliberative tools and tools for engaging:
- *Participation:* participatory learning and action (PLA), participatory budgeting, citizens' juries, community scorecards, multi-stakeholder fora and processes, consultation methods
- *Political analysis and action:* lobbying methods, discourse-shaping, coalition-forming, tactics for making a case, watchdogs
- *Barrier-breaking:* conflict management, linking discourses and communities of practice, etc

Planning and organising tools:
- *Policy analysis:* institutional and policy mapping, etc
- *Comprehensive strategies:* PRSs, NSDSs, etc
- *Decision support tools:* logframes, cost-benefit analysis, critical path analysis, multi-criteria analysis, risk assessment, and other means of prioritisation
- *Visioning:* horizon-scanning, scenario development, etc

Management tools:
- *Financial assessment and fiscal regimes:* triple-bottom line assessment, environmental budgets and expenditure reviews, environmental taxes
- *Management planning and control:* QMS, EMS, environmental codes of practice, environmental units and liaison committees, etc

Conceptual frameworks:
- Millennium Ecosystem Assessment, Agenda 21, sustainable livelihoods

The catalogue would comprise a core of about 30 tools. Most would be readily available and commonly used – if not always considered amongst the toolkits offered, which have tended to be too technical in focus. Some would be generic tools with special value to the tasks of environmental mainstreaming, e.g. many deliberative tools, whereas others would be environment-specific e.g. EIA. Some may be 'indigenous' to only a few contexts, having been 'surfaced' through Panel work.[8] It would point to promising new approaches e.g. the upcoming Ecosystem Assessment Manual.

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[7] The Millennium Ecosystem Assessment tool categories are used here. Another option would be to present tools according to their stage in the policy/implementation 'cycle'
[8] In William Easterly's terms, what tools are used by 'searchers' (as opposed to 'planners')? PEP members have already surfaced some, such as the work of Calabash in Southern Africa

4.2 User and technical assessment of the catalogue of 'tools'. There will be three parts to this assessment:

a) Asking a wide range of users to identify the 'top five tools' they believe have been most effective in environmental mainstreaming and why they are effective; as well as the 'top five problems' associated with tools in general
b) From this, identifying candidate tools to describe, as well as the 'user criteria' for describing selected tools
c) Conducting the assessment of individual tools

Tentatively, therefore, each significant tool would be assessed according to its ability to *perform a given use* and *suit a specific type of user*, with testimonials solicited, e.g:

a) What *task(s)* is the named tool best suited for, or poor at? By stage in 'the 'cycle' of awareness-raising, policy-making, investment appraisals, reporting, etc
b) How far does the tool address the social, economic, environmental and institutional *'pillars' of sustainability*? (1 pillar, 2 pillars, 3 pillars, 4 pillars…)
c) What is the *political economy* associated with the tool? e.g.
   - Who are the typical *promoters* of the tool?
   - Is the tool closely *linked to* (inter)national legal requirements or policy commitments, or key aid instruments, research groups, or community groups?
   - What *'user', 'entry point' and level* (national to local) is the tool most suited to? e.g. community planning or national treasuries
d) What are the *tool's demands on* skills, finances, data, time, political will, and organisational capacity?
e) What *prerequisites* or *complements* help to make this effective e.g. what other tools is the specific tool sometimes/often used with (in combination or parallel)?
f) How *flexible/adaptable* has the tool proven to be?
g) *Overall ranking.* Perhaps by simple 'pros and cons'; or 'included best-practice features'; or 'user feedback on effectiveness'; or 'must-have' / 'nice-to-have' / 'waste of time'. [The Panel will need to agree where ranking is both relevant and legitimate, how such ranking might best be presented, and citing evidence used]

Three further questions could be asked about the set of tools as a whole:
- How to decide which tool to use for a specific purpose/context e.g. *decision tree*
- How to put different tools *together* into a system e.g. for an MDG-based strategy[9]
- What key tools seem to be *weak or missing*, but also correspond to real demand, suggesting further development could be valuable?

5. How will the 'Stakeholder Panel on Mainstreaming Environment in Development' and its 'User Guide' be put together?

5.1 International Working Group Meeting

A meeting is planned at IIED for March 28-29 to consider both the composition of the Panel and the scope of the Guide. Invitees will include people involved in development from government at national and local levels, NGOs, private sector and donors/development banks. They will include both users and developers of environmental integration approaches, whether with a technical, a political or an institutional focus. They will come from developing countries, developed countries and the CIT. In this way, they will mirror the likely profile of both the Panel and potential users of the guide.

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[9] This is one of the aims of IIED's planned work to develop a framework for sustainability appraisal.

The meeting will consider:

- Purpose of the Panel, the Guide, and other possible products
- Possible membership of the Panel
- Associated work plans
- How the project can best link to PEP, as well as ways to build on other initiatives and to influence them
- Governance of the Panel and the User Guide project

The following notes are tentative, contingent on that meeting:

5.2 Setting up the International Stakeholder Panel on Mainstreaming Environment in Development'

We will approach and appoint a Panel of around 10-12 experienced development stakeholders. Its first meeting would address two related issues, at the same time as building ownership of the initiative:

- The general role and *modus operandi* of the Panel. It will be most effective if it has a strong sense of purpose. Some may be motivated by the opportunities for a broad environment-development learning group; others by the effort to identify and promote effective mainstreaming tools that have not had much 'airing' to date
- The specific task of the Guide, scoping the 'tools' to be included, a framework against which Panel should assess the tools, and roles – including that of IIED

Its second meeting would review the draft guide (5.4 below) and consider follow-up work. [10]

Apart from two meetings, we will adopt a 'low-carbon' way of working through email and video conferencing (where possible).

5.3 Consulting the stakeholders and making the assessment

The Panel will then oversee the assessment of individual tools, assisted by IIED and local consultants where necessary. The following tasks are tentative:

- *Framework of questions* developed for guiding diagnostics and dialogues to identify top tools and top problems with tools.

- *Background surveys in 10 countries* on environmental integration 'tools', to identify the 'top five tools' they believe have been most effective in environmental mainstreaming and why they are effective; as well as the 'top five problems' associated with tools. Comprising semi-structured interviews and literature review (using the above framework) by a local consultant/team. Countries will be selected based on geographical spread and governance type.. Additional surveys

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[10] PEP has already identified several further activities that could flow from this work (or into it), noting its programmatic nature e.g.:
- Developing missing/weak tools or frameworks, such as IIED's Sustainability Assessment framework proposal discussed with the EC
- Setting up a more permanent User Guide process (following feedback)
- The Stakeholder Panel taking on more of an advocacy/quality control role
- Capacity development programmes e.g., South-South mentoring

might be undertaken by PEP members, e.g. in PEI focal countries, by IUCN Regional or Country Offices or through PEP members' other initiatives. [11]

- *Identification of candidate tools to profile*, as well as the 'user criteria' for assessing selected tools.

- *Series of regional assessment workshops* (a) in countries actively developing PRSs and/or MDG-based strategies, or with active National Councils for Sustainable Development, and/or (b) internationally - with key environment and/or development 'user' communities e.g. IUCN members.

- *Supplementary mechanisms for 'stakeholders' to offer insight* on tools, propose further tools that work, and give examples of their use, e.g.

  o professional associations for the various environmental and development disciplines (such as IAIA),
  o Southern multi-stakeholder networks for key user groups (such as the Ring for policy),
  o regional governmental fora for environment and development policy (such as NEPAD for Africa),
  o development assistance e.g. through PEP and the OECD DAC Environet as well as in-house (such as DFID's planned environmental mainstreaming guidance for country offices),
  o 'tool kit' assemblers (such as UNDP, UNEP, UN regional commissions and others who aim to support MDG-based strategies),
  o environment/development networks (such as IIED International Fellows and LEAD Fellows), and
  o research groups reviewing tool use and developing upcoming 'improved' tools (such as WRI, IIED and others).

- *Literature assessment.* Identify and assess similar/overlapping products, such as UNEP's work on a manual of 'integrating' tools; tool kits of various multilaterals, professional associations, etc, both published and web-based.

5.4 Producing the guide

- The draft guide is developed by Panel with IIED facilitation, based on consultations above
- 'Expert witnesses' are called upon to give evidence on selected tools
- Draft guide is reviewed by PEP, PEP associates, volunteers from wider reference group of 'users', and 'experts' (identified through regional and international consultations 5.3 above), and then revised [12]
- Second Panel meeting to (a) identify responses to users' recommendations on missing/weak tools; and (b) determine how to finalise guide
- Production and dissemination of User Guide (below)

5.4 Presenting the 'User Guide'

Presentation: A website, CD and short book would be structured around:

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[11] Such as UK Sustainable Development Dialogue countries Brazil, India, China, South Africa, Mexico
[12] The PEP working group at the Washington meeting (June 2006) suggested a programmatic approach, which can build on PEP members' existing in-country activities.

- A *standard format* to present the information on tool type (4.1) and user assessment (4.2), to enable some comparison between tools where viable.
- *No more than two pages* per tool (i.e. we will *not* be offering a 'tool kit' full of instructions on how to use each tool [13]
- *Two pages each* also on decision-tree, system development, and missing tools
- *Examples* and testimonies of key successful cases of a tool's use
- Links to *references/resources* describing how to use the tool, i.e. pointing to tool kits rather than offering a new one

(A very tentative illustration is offered at Annex 1 – to come)

6. Resource requirements

IIED is convinced of the potential of this work and has committed strategic programme resources from DFID and Irish Aid support, which together provide 2/3rds of the required funding. IIED welcomes IUCN's interest in facilitating regional reviews (IUCN Senegal in the first instance) and WRI's interest in helping to service the Panel. The interest of UNDP/UNEP in helping convene country reviews in some PEI countries, as well as regional meetings, is also welcomed. The budget is at Annex 2 – to come.

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[13] Except for some complex processes (eg SEA, NSDS), where a further 2 pages on options may apply