

The Country Strategies

– Guidelines for Strategic Environmental and Sustainability Analysis

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Sida

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The production of these guidelines has been led by Sida's Environment Policy Division in consultations with representatives of the regional departments. The text has been produced by Anders Ekbom of the Environmental Economics Unit (EEU) in the Department of Economics, Gothenburg University, in cooperation with other members of staff at EEU's Help Desk function, and Lisa Segnestam of the Stockholm Environment Institute.

These new guidelines for environmental analysis in the preparation of country strategies constitute a further development of the guidelines for strategic environmental analysis that were produced by Sida in March 2000¹. The fact that the revised guidelines are being published only two years after the first guidelines were produced is an indication that much is happening in the field around the world. Among other things, the guidelines have been harmonised with the work being done at the World Bank, OECD, UN and WWF. The guidelines put a greater emphasis than the original guidelines on the points of contact between poverty on the one hand, and the environment and sustainable development on the other. They are mainly based on the experience gained of strategic environmental analysis during recent country strategy processes at Sida.

The Environment Policy Division is grateful for any suggestions for improvements and will be pleased to participate in any discussions on the application of the guidelines.

Programme officers at the regional departments and embassies can also contact Sida's help desk for environmental analysis for advice and points of view on country strategies – see page 24.

¹ The Country Strategies – Guidelines for the Strategic Environment Analysis (Sida. 2000)

The country strategies

Guidelines for strategic environmental and sustainability analysis

“Environment” is not a sector

Since the country strategies are the most important overall instrument for guiding Sweden’s development cooperation, it is necessary to make one form or another of strategic environmental analysis in connection with every country strategy process.

Sida’s mission includes contributing to environmentally sustainable development. Unsustainable environmental development leads in the long run to unsustainable economic and social development.

Unsustainable development is caused by a complex interplay between different driving forces – economic growth or decline, production and consumption patterns, ecological vulnerability, poverty, ill health, population growth, conflicts and inequities.

Poor people are particularly vulnerable to the destruction of the environment. They are dependent on a good environment and the sustainable use of natural resources for making a living and for their welfare. Environmental problems create and reinforce poverty. Poverty can also lead to the destruction of the environment.

A good understanding of the interplay between poverty, vulnerability and the environment – and other factors of central importance for the development of countries – makes an integrated analysis necessary. An economic analysis or poverty analysis of a country that does not give due consideration to the destruction of the environment and the depletion of natural resources is misleading.

There are three principal points of departure:

- It is *always necessary* to make a strategic environmental analysis of one form or another in connection with every country strategy process.
- The analyses will *differ a great deal* from one country to another where their scope and content are concerned – some will be extremely comprehensive.
- The analyses shall be based as far as possible on *existing material*.

These guidelines will help us pose relevant questions in the country strategy process.

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PART I. ANALYSIS OF THE ENVIRONMENT AND SUSTAINABILITY

1. What needs to be done?

The analysis of the environment and sustainability should **consider all issues relating to the environment that are of central importance for the country's development from the perspectives of poverty and sustainability.**

The strategic analysis of the environment and sustainability analysis will differ a great deal in respect of scope and content from one country to another.

The analysis of the environment and sustainability should not be regarded as a special activity or an additional duty. Instead it should primarily be regarded as an instrument to improve the economic and social analysis in the country strategy processes. It shall therefore be specifically linked to the overall objective of poverty reduction as well as to Swedish cooperation in the country in question, and be based on the country's own undertakings and actions. The environmental analysis should be based on each country's specific capacity, and its national strategies and plans of action for the reduction of poverty² and for environmentally sustainable development³.

The analysis of the environment and sustainability should be based primarily on existing material.

The analysis will differ a great deal from one country strategy to another, depending on the size, focus and special assumptions of Swedish development cooperation in each country. The analysis should always be **based on existing written material**. It can be written as a separate document, but its most important conclusions should be integrated into the country strategy.

Why make a strategic analysis of the environment and sustainability?

If its is done well, the environmental and sustainability analysis can improve the quality of other analyses in Sida's country strategies and improve the potential of Swedish support to contribute to reducing poverty and destruction of the environment, and to long-term sustainable economic, social and democratic development. Sida has decided that a strategic environmental analysis shall be made in all country strategies⁴, principally in order to

- understand how aspects of the environment and sustainability are interlinked with other aspects of development,

² In particular the *Poverty Reduction Strategy* (PRS) processes or their equivalent.

³ Mainly in respect of the *National Strategy for Sustainable Development* (NSSD), but also the *National Environmental Action Plan* (NEAP), the *National Conservation Strategy* (NCS) or equivalent.

⁴ Directive (7/98) of Sida's Director General.

- survey the environmental and sustainability aspects that should be taken into consideration when the general orientation of development cooperation is laid down,
- produce information for contributions with an environmental focus, when contributions of this type are in question.

When should the environmental analysis enter the country strategy process?

The analysis of the environment and sustainability should be **started as early as possible** in the country strategy process. It can be done by identifying the most important environmental issues in the *results analysis*, and then placing them, and possibly other new environmental issues, among the development issues that shall be taken up in the *country analysis* and in the discussions in Sida's country strategy project group. Consideration of aspects of the environment and sustainability should be included in the so-called *hypothesis*. This should be done in discussions between the Ministry for Foreign Affairs, Sida and the embassy. The analysis of aspects relating to the environment and sustainability **shall be based on the objective of poverty reduction and the strategies of the partner country**, and should be **integrated as far as possible with other important development issues in the country analysis**. Requisite expertise should be engaged for this purpose.

Aspects relating to the environment and sustainability that are found to be of central importance in the country analysis should also be included in the *country strategy*. If major environmental contributions are being considered, **they should also be included as an area of cooperation in the country strategy**. Undertakings and actions in the environmental field should then be **specified in detail in the proposed country strategy**.

However, environment projects or contributions in the environmental field are not essential for, or a given result of, a good environmental analysis. It is rather the case that a good environmental analysis shall ensure, in the first place, that important environmental aspects are not omitted in the overall country analysis and that Sida does not support a societal development that is environmentally unsustainable.

2. How can it be done?

A limited number of strategic issues are presented in Part II that can be of assistance in the country analysis. With poverty reduction as the overall objective, these questions should be analysed, and an attempt made to answer them, in order to improve understanding of the most important environmental and sustainability issues in the country – with the aim of supporting long-term sustainable development. Some of these questions are:

- what are the most important relationships between:
 - health, poverty, vulnerability and the environment?
 - economic policy and the environment?
 - rights, gender equality and the environment?
 - wars, conflicts, population and the environment, vulnerability and destruction of the environment/scarcity of resources?
- do the country's institutions, policies and legislation contribute to environmentally sustainable development?
- what are the capacity development needs in the environmental field?

As an aid to answer these and other strategic questions, a number of underlying questions are also provided. In other words the intention is not to provide exhaustive answers to all the questions posed in all country strategies, but to facilitate an integrated country analysis that takes aspects of the environment and sustainability into consideration and, at the same time, to improve the political, social and economic analysis. Naturally, the environmental analysis does not have to be limited to the questions contained in these guidelines, but should be based on what is suitable for the country in question. However, the environmental analysis should always be strategic, take long-term aspects into consideration, and improve the information used for decision-making purposes.

For each country strategy, the questions chosen should be those that are most relevant from the perspective of the environment and sustainability.

Swedish support for sustainable development

The overall aim of the environmental analysis is to improve Swedish development cooperation from the perspective of the environment and sustainability. The environmental analysis should therefore contain a discussion of Sweden's role and specific contributions in this connection. One **strategic question** that is therefore natural to analyse is

How shall development cooperation be planned so that it contributes to sustainable development⁵ and poverty reduction in the partner country?

Important underlying questions that can be of assistance in answering this question are:

- How are environmental aspects related to other important development issues, both in the areas in which Sida is active and in the country as a whole? How shall they be taken into consideration in concrete programmes of cooperation?
- Is Sida's support based on the partner country's strategies/plans of action for sustainable development?
- Does Sida's support contribute to preventing or counteracting environmental problems and their causes?
- What major contributions directly related to the environment shall be implemented during the strategy period⁶?
- Should environmental components be added to contributions that have another main purpose⁷?

⁵ Sustainable development is a controversial concept but there is broad international support for the international development objectives (www.oecd.org/dac) that can be said to constitute a major attempt to transform the concept into practice with political objectives, indicators, practical work etc.

⁶ Examples of contributions of this type are projects and programmes that have the primary aim of sustainable use of natural resources, species and ecosystems (which make sustainable economic and social development possible), or support for local environmental organisations, nature conservation agencies, improved environmental legislation, environmental monitoring, imposition of environmental taxes, or programmes of education on the environment.

⁷ Examples of environmental components can be production of environmental economic directives, introduction of environment-friendly technologies in projects/programmes, strategic environmental analysis of a programme of sector support (energy, infrastructure, agriculture) or a review of the macro economic policy from the perspective of the environment.

Considerations of different areas of cooperation should be elucidated and discussed in the country strategy process. Whenever appropriate, the country strategy should clearly and specifically present the areas of cooperation that have a direct impact on issues relating to the environment and sustainability. But, regardless of whether environment-related areas of cooperation or contributions of a direct character are proposed in the strategy or not, Swedish development cooperation shall always have the ambition to fulfil the objective “sustainable use of natural resources and protection of the environment”.

Where can the information be found?

Information that can provide answers to the questions in the environmental analysis should be **based above all on existing material**. Needs of, and access to, (reliable) information for the environmental analysis vary considerably from one country to another. Therefore, information should be sought in different places, from central government agencies, NGOs and academic institutions. Appendix 2 provides references to some important sources of information that can provide in-depth understanding, and contact addresses to some organisations that provide information on the environment and sustainable development.

Indicators

Indicators (for example in respect of GNP, employment, child mortality, and literacy) are used to describe the economic and social development of countries in a simple way. The use of indicators of this type, in combination with knowledge and other information, can improve the country analysis. In the same way, **indicators of the environment and sustainable development be of assistance in the analysis** of aspects of the environment and sustainability in the country analysis. Therefore, in Appendix 1, the guidelines present a number of indicators that can create a picture of the situation in respect of the environment and natural resources in the country, facilitate comparisons with other countries and indicate trends over time, and make possible an integrated analysis of the strategic environmental issues. At best, a good summary and analysis of the indicators can provide guidance for development cooperation in general terms, and identify Sweden’s priorities and contributions in respect of aspects relating to the environment and sustainability.

Note that the indicators for the environment, natural resources and sustainability that are presented in Appendix 1 are important for a thorough environmental analysis for a country, *but they are not exhaustive and only offer a menu*. Therefore, they may need to be supplemented with other indicators and other information, and always require interpretation and critical examination to be really useful.

PART II. QUESTIONS THAT CAN BE POSED

1. Poverty and the environment

Poor people are usually those who are most vulnerable to natural disasters and pollution, often caused by others than the poor themselves. Poor people are also most seriously affected by the depletion of natural resources, since their living is greatly dependent on the natural resources close to them. Poor people can also be driven to exploit their immediate environment in an unsustainable manner in order to survive. As a result of their poverty they often lack the power or possibility to protect themselves against environment-related diseases or to move away from the environmental problems, and are thereby particularly vulnerable to environmental degradation. Environmental problems are most often created by the complex interplay *between* different factors. Poverty is often a cause of, a symptom of, and/or a consequence of, environmental problems and vulnerability.

- Most people living in rural areas in Africa are poor and do not have access to clean and safe water (World Bank 2001a).
- 97% of the deaths attributable to the 600 largest natural disasters between 1990 and 1998 occurred in the developing countries (World Bank 2001a).
- 60% of all cases of malaria affect the poorest 20% of the people (World Bank 2001a).

Strategic question:

What are the most important relationships between poverty and the environment in the country?

Important underlying questions that can be of assistance in the environmental analysis:

- How are the poor affected by the destruction of the environment?
- How do the poor contribute to the environmental problems?
- Are there signs that the poor increase the degradation of the environment in which they live?
- Is the use of types of energy such as fuel wood and charcoal increasing among the poor?
- Is access to, and the quality of, clean water improving or deteriorating among the poor?
- Will the environmental work being done by the government agencies benefit the poor? Are the poor participating in this work?
- Are there any initiatives taking place in the country that are analysing and trying to understand these issues?
- How well is poverty reduction and improvements in the environment and use of natural resources integrated in the country's *Poverty Reduction Strategy (PRS)* or equivalent national development plan?

Poverty is also intimately linked with many of the themes that are presented in the sections below. The analysis of these themes should be based on Sida's overall objective for poverty reduction and also be permeated by a poverty reduction perspective.

2. Economic policy and the environment

Economic growth and the prospects of reducing poverty are governed to a great extent by the availability of natural resources and the quality of the environment. Conversely, it is also the case that economic policies affect the environment. For example, deficiencies in the market economy, subsidies, taxes, the country's debt situation etc. can have considerable effects on the environment⁸. GNP growth can also contribute to providing greater protection for the environment but can, like an economic decline, increase both the consumption of natural resources and emissions. The critical factor is usually the content of the economic policy and the activities of specific actors. A review of taxes and subsidies from an environmental perspective can therefore both strengthen the country's treasury and improve the environment.

Every country strategy process should consider the relationships between the economic policy, poverty and the environment and identify the policies that contribute to and work against sustainable development.

- Growth in South-East Asia has been created by, among other things, extensive depletion of the region's rain forests and its mineral, natural gas and oil resources.
- China's GNP grew by approximately 10% per annum during the period 1980–1997. During the same time, emissions of carbon dioxide increased by more than 100%, from 1500 million tons in 1980 to 3600 million tons in 1997 (World Bank 2001a).
- Global fishing subsidies, amounting to approximately USD 50 billion per year, have led to the over-exploitation of the world's fish resources by some 20% (Myers 1997).

Strategic question:

What are the links between economic policies and the environment?

Important underlying questions that can be of assistance in the environmental analysis:

- Is the country's economy based on the unsustainable consumption of raw materials?
- Are there "critical" sectors or actors that are making a considerable contribution to the destruction of the environment?
- Are there any subsidies that lead to considerable emissions or the wasteful use of natural resources?⁹

⁸ Deficiencies in the market economy can have the effect that economic markets do not exist or work properly for vital natural resources and services offered by the ecosystems (water, wetlands, biological diversity etc). There are rarely any charges made for emissions. The price is paid therefore by those who are affected (for example by ill health) rather than by those that cause them. Shortcomings in economic policies are most often due to the lack of ability/will of governments to remedy shortcomings in the market economy, resulting in a wasteful use of natural resources, environmental problems, and disruptions in the economic development. A devalued currency can, for example, accelerate the exploitation of raw materials since it immediately improves the profitability of exports.

⁹ Subsidies in the energy sector or water sector, or excessively generous production quotas in the fisheries, mining and forest sectors often lead to the depletion of natural resources and to considerable emissions. Conversely, sector policies can be used to reduce the wasteful use of resources and emissions (for example by

- Are policy instruments (rules, taxes) used to contribute to sustainable use of natural resources?
- Do quotas, concessions and logging rights contribute to the unsustainable use of natural resources?
- Does the country finance its debts with the aid of unsustainable exploitation and export of natural resources?
- What effects have structural adjustment and economic reforms had on the environment?
- Are there any initiatives taking place in the country that are analysing and trying to understand these issues?

3. Health and the environment

Poor people are often those who have the poorest health, live in the worst environment and are most exposed and vulnerable to pollution, waste, poor air and sanitation, and dirty water. The economy, health and the environment often interact in a vicious circle that exacerbates the situation of the poor. For example, a lack of investment in water and sanitation can give rise to diseases and absence due to sickness from work and school, which leads to a decline in productivity, less growth and lower tax revenues. This diminishes, in turn, the possibilities available for making investments in better health, water supplies, sewage and sanitation.

Environment-related stress, such as drought, soil erosion and floods which cause famine and creates refugees, contributes to impeding the mental and physical development of people (mainly children). Impoverishment of natural resources and loss of biological diversity reduce the availability of food and medicines for the poorest people, who are directly dependent on these resources for their health. Environments that are degraded through emissions and pollution create health problems (bronchial problems, diarrhoea, headache etc.) that lead to absence from school and work due to sickness and higher death rates, particularly among the poor. Investments in a better environment are therefore positive from a health and poverty reduction perspective.

- Each year some 3 million people, mainly poor people, die in developing countries due to water-related diseases such as cholera and diarrhoea. Of these people, one million live in India. (World Bank 2001a).

Strategic question:

What are the (direct and indirect) links between health and the environment?

Important underlying questions that can be of assistance in the environmental analysis:

- What are the greatest environment-related health problems? How do these affect the poor?
- Are people sick as a result of environmental destruction? To what extent and at what cost?
- How does water pollution and the availability of water affect the health of the population?
- How does the quality of air (in the cities) affect the health of the population?
- Are there any emissions/discharges that have directly harmful effects on health, for example emissions of heavy metals?
- Are there any initiatives taking place in the country that are analysing and trying to understand these issues?
- Do mental illnesses and mental stress occur that are caused by environment-related problems such as famine, movements of people, drought, floods, or loss of biological diversity? How are the children affected?

4. Population and the environment

Rapid changes in population structures are taking place as a result of HIV/AIDS, migration to coastal areas, expansion of cities, flows of refugees and internally displaced persons, and rapid population growth. An increase in the global population increases needs for food, energy, water, clothing, materials etc. Therefore, there is also a great risk that the environmental problems of today will spread and intensify, and that the depletion of some natural resources will accelerate. There will be greater pressure on sewage systems and other forms of infrastructure. There is also a risk that pollution in the air, soil and water will increase.

The risk of over-exploitation of natural resources is also increasing, for example through the unsustainable use of finite natural resources such as coal, gas and oil. Water, forests and fish are renewable resources, but only if they are used sustainably and are not consumed faster than their rate of growth. The earth's ecosystems have a limited capacity to absorb or act as a buffer for toxic substances and emissions.

This type of development is by no means predestined, but the risks of population growth are obvious and should be taken into consideration from the perspective of the environment and sustainability in an integrated country analysis.

- Between 1980 and 1999, the global population increased by 1.5 billion people. In 2015 it is estimated that it will have grown by a further billion people. They all need food, fuel, clothing, materials, water etc. for their survival (World Bank, 2001a).
- In Africa farming land per person decreased by 30% from 1980 to 1995 (World Bank 1999).

Where some countries are concerned, serious consideration should be given to how close the population is to the threshold beyond which certain resources and sources of living decline markedly, and how close the environment is to critical stress limits of. The links between population and the environment should be analysed on the basis of the total population as well as on the basis of its growth rate, geographical distribution, and capacity to provide for itself in the long term.

Strategic question

What are the links between changes in the population structure and the environment?

Important underlying questions that can be of assistance in the environmental analysis:

- What proportion of the scarce natural resources (for example drinking water, firewood) does the present population consume?
- How do changes in the population structure affect the future availability of natural resources?
- How does population growth affect access to water, cultivable land and fuel?
- Do movements of people take place that cause/are caused by considerable degradation of the environment?

- Does population growth lead to more intensive farming methods with a greater use of chemicals, irrigation and an increase in salinity, and/or to an increase in deforestation?
- Are there any initiatives taking place in the country that are analysing and trying to understand these issues?

5. Capacity development, institutions, legislation and the environment

To a large extent, the quality of legislation and institutions govern the use of the environment. Good legislation, an effective legal system, and well defined rights for the use and ownership of land pave the way for sustainable use of resources. On the other hand, shortcomings in the legislation, or legislation that is not followed up or observed, weak agencies for the administration of justice, corruption and inadequately defined rights for the use and ownership of land¹⁰ often lead to emissions, pollution and over-exploitation. In these cases it is the poorest people who are the most vulnerable.

- The policy of the Brazilian government contributed to the depletion of more than 500 000 square kilometres of tropical rain forest in the Amazon region between 1980 and 1989 (Mahar 1988; Binswanger 1999).

Capacity development through public administration support in environment-related areas (protection of nature, energy, infrastructure etc.) is an effective method to remedy shortcomings in policies and deficiencies in the market economy.

Strategic questions:

- **How do legislation, government agencies and institutions contribute to environmental problems?**
- **What are the needs for capacity development in environment-related areas?**

Important underlying questions that can be of assistance in the environmental analysis:

- Is the country's political ideology based on the sustainable use of natural resources and protection of the environment?
- Does the country's legislation promote the sustainable use of resources?
- Do the country's institutions show respect for the environment when exercising their powers?
- Does the country's strategy for sustainable development take institutional and legal aspects into consideration?
- Are there any rights for the use and ownership of natural resources that promote sustainable use?
- Does corruption exist (for example in the allocation of licences and quotas for logging) that seriously contributes to environmental problems and the unsustainable exploitation of natural resources?
- Does civil society participate in the process of change towards a sustainable society?
- Are there any initiatives taking place in the country that are analysing and trying to understand these issues?

¹⁰ Ownership rights is used here as a generic term and includes the right to use land as well as the ownership rights of private, local/traditional, municipal and government rights of ownership. Secure rights of ownership can be of critical importance for the will of small farmers to invest in afforestation, soil conservation, efficient use of water etc. The degree of ownership, for example of common grazing land, fishing waters, forests and water courses, has a considerable influence on the possibilities and will of the users to use the resources in a sustainable manner.

6. Rights, equality and the environment

Violations of human rights (often based on ethnic affiliations) marginalise people or put individuals or groups to flight, with a resultant unsustainable use of natural resources.¹¹ Poverty also forces many marginalised groups to flee from areas that have poor living environments and that offer few possibilities for the people to support themselves. In the families it is often the women who are most vulnerable and are most severely affected by scarcity of resources (for example through more work to fetch water and firewood).

- Each year, air pollution in the home caused by the use of coal and firewood for cooking and heating is responsible for the deaths of some two million women and children in developing countries (World Bank 2001a).
- The rights of the poor in the environmental field (for example access to clean and safe water and sanitation) are being met to a smaller extent than the rights of those with higher incomes (World Bank 2001a).
- The world has some 25 million environmental refugees (Myers and Kent, 1995).

Power over natural resources determines the possibilities available to the poor to improve their living environment. Inequitable power structures reinforce the uncertainty of the poor in respect of access to grazing land, firewood, biological resources, cultivable land, water etc. Democracy, popular participation, protection of human rights, reductions in inequalities¹² and increases in gender equality are important factors in the ambition to achieve sustainable development.

Strategic question:

What are the most important links between human rights, inequities, gender equality and the environment?

Important underlying questions that can be of assistance in the environmental analysis:

- Does the country receive or “produce” environmental refugees?
- Do violations of human rights in the country contribute to the environmental problems?
- Is there freedom of speech and freedom of the press that strengthens environmental work and environmental organisations?
- Is there legislation or practice that strengthens the rights of weak groups in issues relating to the environment and resources?
- Are human rights respected by the authorities?
- Are there any inequities that result in the unsustainable use of resources (for example the cultivation of marginal land, over-fishing, deforestation) or in slum areas with an unhealthy environment?

¹¹ Due to inequalities in the distribution of land, many small farmers are forced to cultivate land in marginal areas, with deforestation and soil erosion as a consequence. Due to traditional divisions of work, in addition to their farming work many poor women are also forced to clean, cook etc in houses with unhealthy air and a lack of sanitation. Likewise, poor people and child workers are often exposed to unhealthy working environments. An uneven distribution of income can result in slum areas with unhealthy sanitary conditions.

¹² In respect of, for example, income, age and/or ethnic or religious affiliation.

- Who owns/controls the natural resources that the poor depend on?
- Does the existing power structure consolidate poverty and the unsustainable use of natural resources?
- Does the situation in the country in respect of equality (for example in access to land) contribute to environmental problems?
- Are there any initiatives taking place in the country that are analysing and trying to understand these issues?

7. Risks of conflicts, vulnerability and the environment

Poor people are often those who are most exposed to different risks of conflicts and nature-related disasters that can be caused by, or result in, considerable environmental problems. Concurrent rapid population growth, an increase in the scarcity of resources, spread of HIV/AIDS, unemployment and corruption can interact negatively and result in social and economic problems.

A good environmental analysis, closely linked to the poverty analysis or other social, economic or political analyses, can contribute to counteracting or reducing the environmental effects. The environmental analysis should be based on the continuous monitoring of environmental indicators (for example, scarcity of resources, climate change) and be integrated in a risk and vulnerability analysis. Preventive measures and preparedness to meet disasters can prevent or relieve some effects and reduce the vulnerability of different groups to natural disasters or other environment-related shocks.

- Scarcity of resources, such as a lack of cultivable land, was a major contributory factor to the genocide in Rwanda (Ohlsson, 1999).
- The costs of forest fires in Indonesia in 1997 exceeded USD 4 billion (Glover and Jessup, 1999).
- The floods in Mozambique in 2000 cost 6% of the country's GNP (Sharma et al, 2000).
- Climate change caused by El Niño in 1997–1998 caused damage amounting to USD 25–36 billion (World Bank, 2001a).

Strategic questions:

- **Do wars and conflicts function as driving forces for the destruction of the environment and/or environment-related scarcity of resources?**
- **Which groups among the population and which areas are most vulnerable from the environment and sustainability perspective? Why?**

Important underlying questions that can be of assistance in the environmental analysis:

- Is the scarcity of resources (for example cultivable land, water, fuel) increasing in total? For certain groups?
- Are the population, levels of unemployment and scarcity of resources increasing rapidly and simultaneously?
- Have inequities between different income groups increased?
- Are corruption and general social and political dissatisfaction becoming increasingly widespread?
- Are there any signs of an increase in the number of disputes in respect of land ownership?
- How are the risks arising from floods, storms, drought and other nature-related disasters being handled? What preventive action is being taken?
- Are there any initiatives taking place in the country that are analysing and trying to understand these issues?
- What importance does HIV/AIDS have in respect of increasing vulnerability in relation to the use of natural resources?

8. The environmental situation and sustainable development

In order to understand a country's development potential, an analysis needs to be made of its environmental situation, natural resources, consumption of resources, significant environmental trends and international links. Not least the existence of irreversible processes should be discussed.

- Deforestation in Nepal corresponds to more than 10% of the country's GNP (World Bank, 2001a).
- Indonesia's GNP growth is reduced by almost 50% when certain environmental costs are included (Repetto, 1989).
- Officially, Ethiopia saves 2.7% of GNP but its genuine savings¹³ are -11.3% (World Bank, 2001a)
- The 1990s was the warmest decade since 1860. Unless emissions of carbon dioxide are reduced, our present basic living conditions will be put at risk (IPCC, 1999).

Strategic questions:

- **What are the country's most important environmental problems?**
- **How does the country contribute to, and how is it affected by, international environmental problems?**

Important underlying questions that can be of assistance in the environmental analysis:

- How extensive are the environmental problems in physical/economic terms? Are they growing or diminishing?
- Are the environmental problems significant in a international comparison?
- To what extent is the country dependent on its natural resource base?
- Are the country's natural resources being used sustainably? Are the natural resources diminishing (forests, fish, minerals)?
- How large are the country's genuine savings? Have they decreased over time?
- Does the country share important natural resources and ecosystems with other countries?
- Does the country contribute to the greenhouse effect? How is the country affected by climate changes?
- Do environmental problems, such as floods, have international links?
- Is the country part of an internationally important ecosystem (for example a catchment area, coastal zone)?

¹³ Genuine National Savings (GNS) are published regularly by the World Bank in the World Development Indicators report (www.worldbank.org/wdi2001). GNS identifies a country's real savings by including the costs of the depletion of natural resources, emissions of carbon dioxide, depreciation of buildings and infrastructure, and education in the estimates of a country's gross domestic savings. Negative genuine savings indicates that the country is consuming its capital in real terms. If this were to continue over a long period of time, the economic situation of future generations would be undermined. It also provides a strong signal that the country's economic growth is unsustainable. GNS is a useful, but not fully comprehensive, indicator since it does not include the effects of, for example, a loss of biological diversity, air and water pollution. Over-exploitation of fish resources and soil erosion on the savings (for an in-depth description see Kunte et al 1998).

- Does the country have any species threatened with extinction that are of global importance?
- Are there any initiatives taking place in the country that are analysing and trying to understand these issues?

9. The work being done by the partner country for sustainable development

If Sida's partner countries are to develop sustainably, it is essential that they take environmental issues seriously and – with Swedish support – start and support processes for sustainable development. Political determination, national strategies, plans of action¹⁴ and international undertakings and actions are important parts of, and essential for, this work.

- Ghana and Uganda took initiatives of their own at an early stage to make an inventory of their environmental problems, to formulate integrated environmental strategies and to specify actions to be taken. This resulted in extensive financial support and effective environmental work.

Strategic question:

- **Has the country an ongoing process for sustainable development?**

Important underlying questions that can be of assistance in the environmental analysis:

- Does the country have a national strategy/plan of action for sustainable development? Is it linked to a strategy/plan for poverty reduction (for example a *Poverty Reduction Strategy* – PRS)?
- Does the country have concrete plans of action for the sustainable use of different natural resources or ecosystems (for example forests, coastal zones, wetlands)?
- Are the strategies/action plans well supported by a good, strategic environmental analysis?
- Do the strategies/action plans provide good information for establishing priorities and reaching decisions on contributions?
- Has the country undertaken to follow, or has it started implementing, the international environment-related conventions/protocols on climate, desertification, biological diversity or wetlands?
- What demands and requests can be traced from the country's "focal points" for these conventions?
- What efforts are being made to integrate the conventions into development policies and to move the work being done on the conventions closer to the political decision-making process?
- Has the country drawn up natural resource accounts that follow up trends in the country's natural capital?

¹⁴ Primarily in respect of a Poverty Reduction Strategy (PRS) or equivalent, or a so-called national Strategy for Sustainable Development (NSSD), as well as National Environmental Action Plans (NEAPs).

Appendix 1

Indicators for sustainable development – a menu

A menu of indicators is presented below. They concern the environment and sustainable development¹⁵, are specific to each country and follow the themes given in Part II (1–9). They are used and published by several of the largest international organisations¹⁶.

The indicators can be used in different ways and some therefore appear under several headings. The indicators in the menu should be used to supplement the qualitative in-depth environmental analysis, partly since the quality of data is often low and can vary considerably from one country to another, and partly since there is often better information available locally. The reliability of the data should always be followed up, whenever possible.

Poverty and the environment

Poverty:	(% poor people in the population (urban/rural areas)
	http://www.worldbank.org/data/wdi2001/pdfs/tab2_6.pdf
Poverty	(income of less than USD 1 per day)
	http://www.worldbank.org/data/wdi2001/pdfs/tab2_6.pdf
Poverty	(Human Development Index)
	http://www.undp.org
Child mortality	(among children 0–1 year; 1–5 years)
	http://www.worldbank.org/data/wdi/pdfs/tab2_19.pdf
Access to clean and safe water, sanitation	(% of population)
	http://www.worldbank.org/data/wdi/pdfs/tab3_11.pdf
Deforestationkm ² /year	
	http://www.worldbank.org/data/wdi/pdfs/tab3_4.pdf

Economic policy and the environment

Growth	(GNP per capita)
	http://www.worldbank.org/data/wdi2001/pdfs/tab1_1.pdf
Energy consumption (net)	(oil, coal, natural gas; % of GNP/year)
	http://www.worldbank.org/data/wdi/pdfs/tab3_15.pdf
Electricity consumption	(consumption kWh/capita/year)
	http://www.worldbank.org/data/wdi/pdfs/tab5_9.pdf
Mineral consumption	(% of GNP/year)
	http://www.worldbank.org/data/wdi/pdfs/tab3_15.pdf
Consumption of forest resources	(commercial timber; % of GNP/year)
	http://www.worldbank.org/data/wdi/pdfs/tab3_15.pdf
Consumption of natural resources	(% of GNP/year)
	http://www.worldbank.org/data/wdi/pdfs/tab3_15.pdf
Genuine national savings	(USD million; % of GNP)
	http://www.worldbank.org/data/wdi/pdfs/tab3_15.pdf

¹⁵ The indicators given in the menu are not completely comprehensive. It is therefore a good idea to keep an eye open for other indicators (for example in respect of indoor air pollution as a health-environment indicator) in the country, in the literature or on the Internet and which provides better information for the environmental analysis than the information provided by the major international organisations.

¹⁶ Chiefly the World Bank, UN Commission for Sustainable Development (UNCSD), OECD's Development Assistance Committee (DAC), World Resources Institute (WRI), International Institute for Sustainable Development (IISD), UN's Environmental Programme (UNEP) and the Food and Agriculture Organisation (FAO).

Health and the environment

Infant mortality	(per 1000 births)
http://www.worldbank.org/data/wdi2001/pdfs/tab2_18.pdf	
Smoking	(% of adult women/men)
http://www.worldbank.org/data/wdi2001/pdfs/tab2_18.pdf	
Child health	(mortality, wrong nutrition etc per 1000 inh.)
http://www.oecd.org/dac/indicators/htm/cpc_u5m.htm	
Access to clean water	(% of population)
http://www.worldbank.org/data/wdi/pdfs/tab2_16.pdf	
http://www.oecd.org/dac/indicators/htm/cpc_asw.htm	
Access to urban sanitation	(% of urban population)
http://www.worldbank.org/data/wdi/pdfs/tab3_10.pdf	
Discharges of organic substances into water	(ton/year)
http://www.worldbank.org/data/wdi/pdfs/tab3_6.pdf	
Population of cities	(number of inhabitants)
http://www.worldbank.org/data/wdi2001/pdfs/tab3_13.pdf	
Emissions in cities	(sulphur dioxide/nitrogen dioxide, mg/m ³)
http://www.worldbank.org/data/wdi2001/pdfs/tab3_13.pdf	
Public health	(expenditure: USD per capita)
http://www.worldbank.org/data/wdi2001/pdfs/tab2_15.pdf	

Population and the environment

Population density	(persons/km ²)
http://www.worldbank.org/data/wdi2001/pdfs/tab1_1.pdf	
Population growth	(% year, 1999-2015)
http://www.worldbank.org/data/wdi2001/pdfs/tab2_18.pdf	
Population density in rural areas	(persons/km ²)
http://www.worldbank.org/data/wdi2001/pdfs/tab3_1.pdf	
Urbanisation	(numbers; % of population)
http://www.worldbank.org/data/wdi/pdfs/tab3_10.pdf	
Cultivable area per capita	(ha/capita)
http://www.worldbank.org/data/wdi/home.html	

Capacity development, institutions, legislation and the environment

Freedom, democracy	(index)
http://www.freedomhouse.org/ratings/index.htm	
Environmental legislation	(yes/no; year)
Environmental strategy/action plan	(yes/no; year)
http://www.worldbank.org/data/wdi2001/pdfs/tab3_14.pdf	
Ratification of convention on biological diversity	(yes/no; year)
http://www.worldbank.org/data/wdi2001/pdfs/tab3_14.pdf	
Protected areas	(% of total land surface area)
http://www.worldbank.org/data/wdi2001/pdfs/tab3_4.pdf	
Ratification of climate convention	(yes/no; year)
http://www.worldbank.org/data/wdi2001/pdfs/tab3_14.pdf	
Ratification of desertification convention	(yes/no; status)
http://www.unccd.int/convention/ratif/doiif.php	

Rights, gender equality and the environment

Freedom, democracy	(index)
http://www.freedomhouse.org/ratings/index.htm	
Income distribution	(Gini index)
http://www.worldbank.org/data/wdi2001/pdfs/tab2_8.pdf	
Gender equality	(national legislation)
http://www.natlex.ilo.org/scripts/natlexcgi.exe?lang=E	
Corruption	(index)
http://www.transparency.org/documents/annual-report/ar_2000/ti2000.html	

Risks of conflict, vulnerability and the environment

Access to cultivable land	(ha/capita; population on marginal land)
http://www.worldbank.org/data/wdi2001/pdfs/tab3_2.pdf	
Access to drinking water	(% of population)
http://www.worldbank.org/data/wdi/pdfs/tab2_16.pdf	
Scarcity of water	(m ³ /person/year)
http://www.wri.org/wr-00-01/pdf/fw3n_2000.pdf	
Food security	(grain production, imports etc)
http://apps.fao.org/page/collections?subset=nutrition	
http://www.wri.org/wr-00-01/pdf/af3n_2000.pdf	
Food/disaster relief	(type, time)
http://apps.fao.org/lm500/wrap.pl?FoodAid&Domain=FoodAid&Language=emglish	
Refugees	(international/national)
http://www.unhcr.ch/statist/2000provisional/main.htm	
Unemployment	(% of labour force)
http://www.worldbank.org/data/wdi2001/pdfs/tab2_4.pdf	
Natural disasters	(Frequency, victims, cost)
http://www.notes.reliefweb.int/	

The environmental situation and sustainable development

Emissions of carbon dioxide	(ton per year; per capita)
http://www.wri.org/wr-00-01/pdf/ac1n_2000.pdf	
Emissions of sulphur dioxide/nitrogen dioxide	(mg SO _x /NO _x per m ³)
http://www.wri.org/wr-00-01/pdf/ac2n_2000.pdf	
Discharges of organic substances into water	(tons per year)
http://www.worldbank.org/data/wdi/pdfs/tab3_6.pdf	
Use of pesticides in agriculture	(tons per year)
http://www.wri.org/wr-00-01/pdf/af2n_2000.pdf	
Threatened species	(number)
http://www.worldbank.org/data/wdi2001/pdfs/tab3_4.pdf	
Fresh water	(resources, annual consumption)
http://www.worldbank.org/data/wdi/pdfs/tab3_5.pdf	
Forests	(resources, deforestation ha/year)
http://www.worldbank.org/data/wdi2001/pdfs/tab3_4.pdf	
Protected marine areas	('000 ha)
http://www.unep.ch/earthw/statepl.htm	
Fish and marine resources	(catches, production per year)
http://apps.fao.org/page/collections?subset=fisheries	
Dependence on natural resources	(% of export: GNP/year)
Sustainable development	(index)
http://www.unep.ch/earthwindicat.htm	

The work done in the partner countries for sustainable development

Environmental strategy/plan of action	(yes/no; year)
http://www.worldbank.org/data/wdi2001/pdfs/tab3_14.pdf	
http://www.sedac.ciesin.org/entri/summaries-menu.html	
Strategy for biological diversity	(yes/no; year)
http://www.worldbank.org/data/wdi2001/pdfs/tab3_14.pdf	
Commitment to implement convention on biological diversity	(yes/no)
http://www.biodiv.org/world/parties.asp?lg=0	
Commitment to implement climate convention	(yes/no; year)
http://www.unfccc.de/resource//conv/ratlist.pdf	
Commitment to implement Kyoto protocol (1999)	(yes/no; year)
http://www.wri.org/wr-00-01/pdf/ac1n_2000.pdf	
Commitment to implement desertification convention	(yes/no; status)
http://www.unccd.int/convention/ratif/doiif.php	
Commitment to implement convention on international trade in threatened species (CITES)	(yes/no; status)
http://www.cites.org/eng/parties/alphabet.shtml	
Health	(Action costs)
http://filestore.who.int/who/whr/2000/en/pdf/AnnexTable08.pdf	
Genuine savings	(% of GNP)
http://www-esd.worldbank.org/eei/	
Sustainable development	(index)
http://www.unep.ch/earthw/indicat.htm	

Appendix 2

Sources of information and contact addresses

DFID (Department for International Development)	www.dfid.gov.uk
FAO (Food and Agriculture Organisation)	www.fao.org
United Nations	
– Division for Sustainable Development	www.un.org/esa
– Development Programme	www.undp.org
– Environment Programme	www.unep.org
IFAD (International Fund for Agricultural Development)	www.ifad.org
IISD (international Institute for Sustainable Development)	http:// iisd.iisd.ca
IUCN (World Conservation Union)	www.iucn.org
IWMI (International Water Management Institute)	www.cgiar.org/iwmi
OECD/DAC (Development Assistance Committee)	www.oecd.org/env/soe
World Health Organisation	www.who.org
World Bank	www.worldbank.org
World Resources Institute	www.wri.org
World Watch Institute	www.worldwatch.org

Appendix 3

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Appendix 4

Help Desk for strategic environmental analyses



EEU/Gothenburg University



Sida's Environmental Policy Division and the Environmental Economics Unit at Gothenburg University have concluded an agreement on a **help desk function for environmental analysis in the country strategies**. The idea is that the Environmental Economics Unit can now also function as an **extra resource** in the process of developing Sida's country strategies, with the aim of improving the analyses and the integration of aspects of the environment and sustainability into the analyses.

The Help Desk is mainly intended for **programme officers at the regional departments and embassies**, who are responsible for the production of the country strategies.

The services offered by the Help Desk are:

- ✓ **Advice** – written and/or oral comments can be provided on draft versions of the environmental analyses (when they are written as separate documents), performance analyses, country analyses, and (proposals for) country strategies from the perspective of the environment and sustainability.
- ✓ **Training** – the Environmental Economics Unit offers courses in how to make a good environmental analysis, based on *Guidelines for Strategic Environmental Analysis (Sida, 2000)*. The scope and focus of courses will be determined in consultation with Environmental Policy Division and the Environmental Economics Unit.
- ✓ **Resource persons** – the Environmental Economics Unit can, whenever necessary, supply resource persons at different stages of the country strategy process, in order to improve understanding of how the environmental analysis can be done in the country strategy concerned.
- ✓ **Idea papers** – the Environmental Economics Unit can write short discussion papers on aspects of the environment and sustainability that are relevant for inclusion in the country strategy process.

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