1. INTRODUCTION

Sida works to contribute to a better environment, limited climate impact, and greater resilience to environmental and climate change. Sida supports initiatives focusing on environment as a main objective as well as initiatives with other objectives, where environment is integrated as a cross-cutting issue. This document provides an overview of how Sida integrates environment, including climate change, in its efforts towards furthering development cooperation and eliminating poverty.[1]

The concept of *environment* includes natural resources, climate, biodiversity and ecosystem functions and services, and encompasses aspects related to climate change, resource depletion, environmental degradation and pollution. Climate change is included when *environment* is mentioned, even if it is not always explicitly expressed.

Section 1 gives an introduction to environmental integration at Sida and presents Sida's mandate and organisation for environmental integration. Sida's support tools for environmental integration are presented in section 2. Section 3 provides information on how environmental integration is done at contribution level, while Section 4 focuses on environmental integration at a more strategic level. Finally, Section 5 presents a checklist of some simple measures to improve and enhance environmental integration at Sida.

1.1 PURPOSE
The aim of this document is to contribute to enhanced capacity on environmental integration by *informing* about environmental integration at Sida and thereby improve *knowledge* about requirements, tools, methods, available resources and support functions, as well as *capacity* to identify opportunities for and manage challenges to environmental integration.

The target group is staff at Sida HQ and at Swedish embassies who (will) work with environmental integration, such as programme officers working in other sectors than environment, that need to integrate environment into projects and programmes.

1.2 RATIONALE
Human and economic development over the last centuries has resulted in an increased prosperity at an unprecedented rate. But the development has come at a cost; environmental degradation and unsustainable use of natural resources are now so extensive that they risk altering the Earth's systems.

The environment plays a central role in the lives of all people, and particularly for people living in poverty as they often are directly dependent on ecosystems for their livelihoods, and more exposed and vulnerable to environmental degradation. For more information on the links between environment and different dimensions of poverty, see the Environment – Multidimensional Poverty Analysis (MDPA) brief.

While the challenges are huge, Sida has the opportunity to contribute to a more sustainable development through integrating environment into Swedish development cooperation and, thereby, support a more sustainable development in its partner countries.

1.3 SIDA'S MANDATE FOR ENVIRONMENTAL INTEGRATION
Sida has a strong mandate for environmental integration, for instance:
- The Policy for Global Development: international development cooperation should contribute to equitable and sustainable development.
- Government ordinance and the Policy Framework: Sida's work shall be based on and permeated by i) the perspective of the poor, ii) a rights-based perspective, and the thematic perspectives of iii) environment and climate change, iv) gender equality and women's role in development, and v) conflict.
- The Swedish Regulation on Environmental Management in Government Agencies, requiring Sida to develop and implement an Environmental Management System (EMS) including an environmental policy and quantifiable environmental goals.
- Guidelines for Swedish development cooperation and humanitarian aid strategies: even if environment is not a defined sector in a strategy the Guidelines emphasise that the five perspectives should be integrated into decision making, planning, implementation and follow-up of the Swedish international development cooperation.
- Multi-dimensional poverty analysis (MDPA): poverty is multi-dimensional, and the environment constitutes an important dimension of poverty.

1.4 RESPONSIBILITY FOR ENVIRONMENTAL INTEGRATION
Sida's senior management, through the Director General (DG), has the overall responsibility for ensuring that the environmental perspective is taken into account throughout Sida's work. However, the operational departments and embassies do the main work with environmental integration, and therefore all

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Sida staff plays an important role in making sure that environment is systematically integrated into all Sida's contributions.

1.5 SUPPORT FUNCTIONS FOR ENVIRONMENTAL INTEGRATION

All three of Sida's operational departments have support functions with environmental advisers available for Sida's staff.

The main responsibility of Sida´s Policy Support Unit is to strengthen Sida's thematic knowledge management through e.g. managing thematic networks, arranging seminars, communication, analysing global trends, and results analysis. The unit is also responsible for thematic reporting and expert support to the DG, the government offices and multilateral organisations, and provides some support in the process of preparing for and operationalisation of cooperation strategies.

Support can also be attained from Sida's Helpdesk for Environment and Climate Change (the 'Helpdesk' in short). The Helpdesk, available for all Sida and embassy staff, can provide various types of advice on how to integrate environmental issues at policy, strategy, programme, and project level. The Helpdesk can provide support for assignments that cover up to 15 working days. The costs are covered by the Global Programme at Sida, and the support does not require any formal decision or additional fund. Just place a request at contact@sidaenvironmenthelpdesk.se.

2. SYSTEMS, TOOLS AND CHOICES FOR ENVIRONMENTAL INTEGRATION
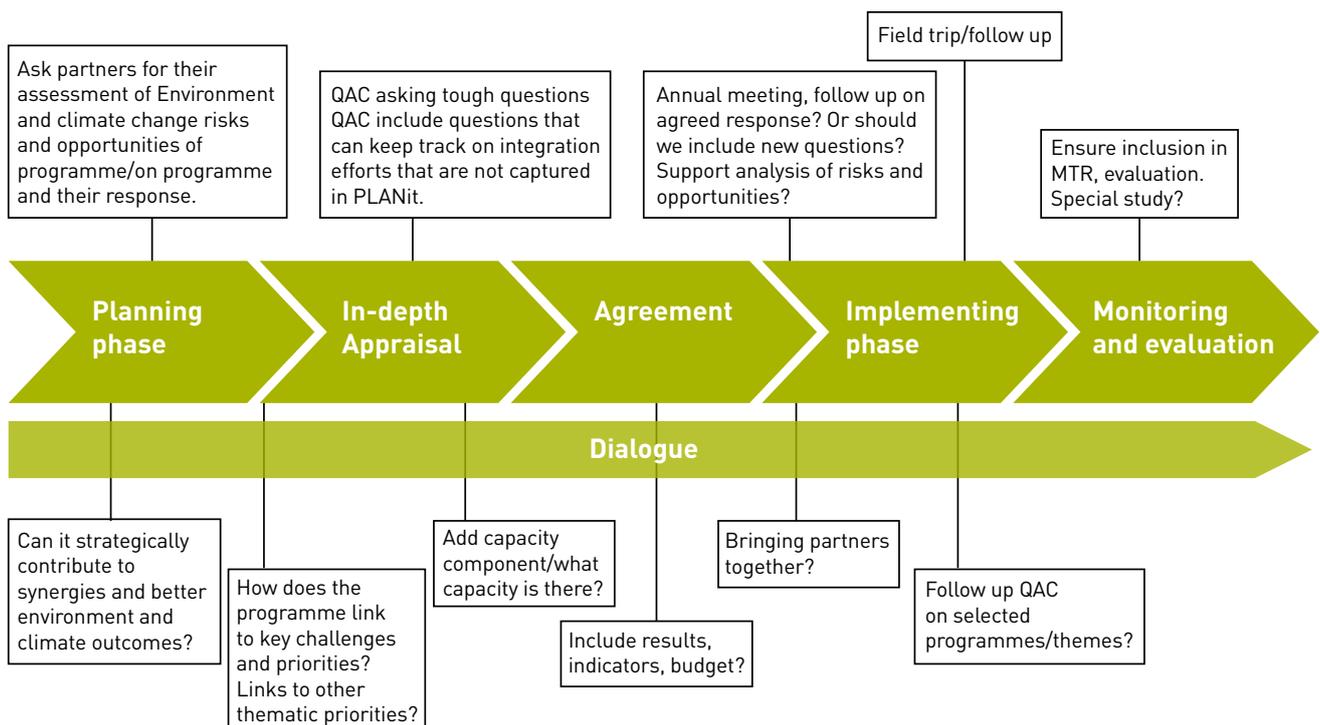
2.1 SIDA'S ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

Sida's Environmental Management System (EMS) is the main tool and overarching umbrella for environmental integration and consists of three components: the environmental policy, an environmental action plan with quantifiable targets, and an annual report.

The largest potential environmental impacts, both positive and negative, derive from Sida's role as financier, analyst and dialogue partner. Hence, the focus of the EMS is on these indirect environmental impacts. However, Sida's direct environmental impacts are also included in the EMS, within the "Green Office" work, where focus is on Sida's own environmental impacts as a result of travels, energy consumption, waste management, food, etc.

Sida's Environmental Policy states that environmental aspects shall be integrated in all Sida's operations and sectors, at strategic level (see section 4) as well as for all contributions and throughout the contribution cycle: during the planning phase, it should inform the design, implementation and monitoring of the contribution (see figure 1 and section 3).

FIGURE 1. ENVIRONMENTAL INTEGRATION IN THE CONTRIBUTION CYCLE
Support from: colleagues, focal points, HQ, Helpdesks, partners, consultants

Ask partners for their assessment of Environment and climate change risks and opportunities of programme/on programme and their response.

QAC asking tough questions QAC include questions that can keep track on integration efforts that are not captured in PLANit.

Annual meeting, follow up on agreed response? Or should we include new questions? Support analysis of risks and opportunities?

Field trip/follow up

Ensure inclusion in MTR, evaluation. Special study?

| Planning phase | In-depth Appraisal | Agreement | Implementing phase | Monitoring and evaluation |

Dialogue

Can it strategically contribute to synergies and better environment and climate outcomes?

How does the programme link to key challenges and priorities? Links to other thematic priorities?

Add capacity component/what capacity is there?

Include results, indicators, budget?

Bringing partners together?

Follow up QAC on selected programmes/themes?

2.2 GREEN TOOLBOX

The Green Toolbox contains a selection of key documents that support integration of the environment and climate change perspective in Sida´s operations in all sectors, for instance:

- **Tools and guidelines:** to facilitate the implementation of the environment and climate change perspective through concrete guidance.
- **Thematic briefs:** highlight areas of special interest for environment in development cooperation.
- **The thematic overviews and in-depth guides:** go deeper and elaborate on areas of particular priority.
- **Sida's environmental management system:** steering documents and information on Sida's EMS, including Sida's instructions from the government, environmental policy and environmental targets.

The Green Toolbox is updated and revised continuously, and therefore it is wise to visit the site regularly.

2.3 TOOL FOR RESULTS MANAGEMENT AND APPRAISAL OF CONTRIBUTIONS, TRAC

The environmental management system is closely integrated with Sida´s internal system for contribution management, Trac (Tool for Results management and Appraisal of Contribution).

Trac does not contain any specific question related to environmental sustainability in the appraisal of a contribution, but the contribution should be assessed in relation to the five perspectives where environment and climate change is one (Trac section 2.3). To help and support the programme officer assess all perspectives in a contribution, Sida has developed comprehensive help-texts for Trac, i.e. texts explaining the questions and steps.

2.4 POLICY MARKERS

Sida uses OECD/DAC sector codes for categorizing interventions, and OECD/DAC policy markers to track its contributions to specific policy objectives. There are five policy markers specially targeting environment: the four Rio markers for desertification (DES), biodiversity and ecosystems (BES), climate change adaptation (CCA), climate change mitigation (CCM), and the policy marker for environment (ENV). There is also a policy marker for disaster risk reduction (DRR).

Contributions are classified using a scale of 0–2, where #2 represents 'principal objective', #1 'significant objective' and #0 'not targeted'. Policy marker #2 for ENV indicates that environment is the overarching aim of the contribution. A contribution classified with #1 for ENV is assumed to be "environmentally integrated" but with another main objective.

The policy markers are used to compile comparable statistics and report on international development cooperation, e.g. to the Swedish Government, the UN (including UN environmental conventions) and OECD DAC. It is important that the policy markers are correct, and each contribution needs to be carefully screened and marked in relation to all policy markers in order to produce reliable statistics for the reporting.

Sida's Statistical Handbook provides information about the criteria for classification of policy markers.

3. HOW TO INTEGRATE ENVIRONMENT AT CONTRIBUTION LEVEL

An environmental assessment shall be undertaken for *all* contributions during the planning phase, and inform the design, implementation and monitoring of the contribution (see figure 1). To ensure this, revisiting the guiding documents in the Green Toolbox during the whole project cycle is advised.

All Sida-financed contributions are subject to an environmental assessment, which constitutes the key tool for environmental integration. The environmental assessment is carried out in five steps (see the Green Toolbox for further guidance):

1. Sida's screening
2. The partner's environmental assessment
3. Sida's appraisal
4. Acting on the environmental assessment
5. Monitoring and evaluation

The **dialogue** is an important tool for Sida to promote Swedish values and universal norms including the perspectives, and the dialogue offers great opportunities to improve the environmental integration throughout the whole contribution cycle. Sida has developed dialogue support tools (available at the Green Toolbox) in different areas.

SIDA'S SCREENING

Sida is responsible for an initial screening, when the potential environmental risks of the contribution are assessed. A contribution with potentially large environmental risks must undertake an Environmental Impact Assessment (EIA), in accordance with national legislation and international good practice. For contributions that are not assessed to have significant environmental risks, a simplified environmental assessment is sufficient. For a large number of Sida contributions, the environmental risks are non-significant, and hence a simplified environmental assessment is acceptable.

PARTNER'S ENVIRONMENTAL ASSESSMENT

Sida shall request all partners to do an environmental assessment.[2] Depending on the outcomes of the screening, some partners will be required to under-

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2 Some partners (such as multilateral organisations, framework organisations, or organisations that receive core-support) are often instead asked to inform Sida about if and how their organisations work with systematic environmental integration.

take a full-scale EIA. However, for most partners a simplified environmental assessment will be sufficient. Instructions for partners are available in the Green Toolbox.

A simplified environmental assessment, which provides a simple but systematic way to integrate environmental aspects in projects and programmes, should contain the following information:
- Opportunities for positive contributions to an environmentally sustainable development.
- Risks for negative (direct and indirect) environmental impacts from the project/programme.
- Vulnerability to and risks from changes in the environment (including climate change) that may affect the ability to reach the objectives of the intervention.
- Do the identified opportunities, risks and vulnerabilities inform the design of the project?
- Is there adequate organisational capacity for environmental integration?

Contributions that have environment as the main focus (policy marker #2 for ENV) can also have negative environmental impacts, unexplored opportunities, or be vulnerable to environmental degradation and climate change, and therefore environmental projects are subject to a simplified environmental assessment as well.

SIDA'S APPRAISAL
It is the responsibility of the Sida or embassy programme officer to appraise the quality and the extent to which the partner has managed to address environment and climate change aspects. The appraisal shall be documented in Trac as part of the overall appraisal. Sida should communicate its views to the partner and, if there are recommendations, request that the partner acts on them.

If there is a need for Sida to appraise a full EIA, advice may be requested from Sida's environment and climate change advisors or the Helpdesk.

When appraising a simplified environmental assessment, Sida shall assess if the partner has analysed and adapted the contribution in order to: (i) enhance opportunities; (ii) avoid or reduce and manage risks and negative impacts on the environment/climate from the contribution; and (iii) make the contribution resilient to existing and projected climate change and environmental degradation. Sida shall appraise if the simplified environmental assessment has informed the project appropriately.

Guiding questions for appraisal are available in the Green Toolbox and relate to:
- Are opportunities, risks and vulnerabilities identified and documented?
- How are they prioritised?
- In what way do they inform the design of the project/

programme (measures to enhance/avoid/mitigate/reduce/manage, etc.)?
- Will environmental and climate aspects be monitored and reported?
- Does the partner have adequate capacity for environmental integration?
- Does the partner organisation work with environment and climate change in a structured manner? Are there e.g. environmental guidelines, policies, audits or wider systems such as an environmental management system (EMS) in place?

ACTING ON THE ENVIRONMENTAL ASSESSMENT
Based on the environmental assessment and Sida's appraisal of it, there may be a need for both the partner and Sida to take measures. The actions taken as a result of the environmental assessment shall be documented in Trac.

If the risks for negative environmental impacts are high and these risks are not easy to avoid, reduce, manage or mitigate, Sida should decline to support the project/programme.

When risks and vulnerabilities are low or possible to manage (avoid, reduce or mitigate) and opportunities relevant, there may be a need to revise the project/programme:
- Ask partners for environmental guidelines, policies, audits or wider systems, such as an environmental management system (EMS) or a safeguard system. The Helpdesk can support to assess partner guidelines.
  – If the partner does not have a systematic approach to environmental integration or environmental management, consider the need to provide support to develop such a system.
- Assess if there is a need for new capacities (systems, staff, skills, etc.) to harness the opportunities and manage the risks and the vulnerabilities, or a need for new measures.
- Is there a need to revise the objectives, the results framework, or is there a need for additional budget?
- Consider the need for further studies, an inception phase or mid-term review (MTR).
- Consider the need for the partner to develop a plan for implementation and monitoring of environmental priorities.
- In the agreement, include relevant wording related to the environmental assessment and monitoring.

MONITORING AND EVALUATION
Sida shall monitor progress on environmental integration and the achievement of environmental objectives as a part of the regular monitoring of the contribution throughout the contribution cycle. Request the partner to monitor and report on the perspectives including environment and climate change. Monitoring and

evaluation is facilitated if the environmental integration outcomes have been envisioned and articulated already in the planning phase, with clear goals and both quantitative and qualitative indicators.

4. ENVIRONMENTAL INTEGRATION AT STRATEGIC LEVEL

Often, upstream decisions and actions will influence the opportunities for environmental integration in Swedish development cooperation. Therefore, Sida has established an organisational structure, analytic methods and capacity development routines, to facilitate environmental integration also at a more strategic level.

NETWORKS, THE HUB AND FOCAL POINTS

The environment and climate change network consists of focal points and environmental and climate change programme officers at Sida HQ and embassies/field offices. The aim of the network is to contribute to knowledge development and collaboration to improve the efficiency and quality of the environmental integration.

The *environmental hub* is a key player for coordination of planning, learning and reporting of the environmental work at the operational departments. The hub has representatives from all Sida's relevant departments appointed by the head of department to represent the department at the hub meetings. They should also contribute to experience-sharing and coherence of the environmental work.

ANALYTIC METHODS AND ENTRY POINTS

A clearly articulated intent in country, regional or global strategies provides a foundation for environmental integration at contribution level. An environmental analysis shall be undertaken as an input to the strategy development process. Sida promotes an integrated approach to the perspectives analysis, and environment constitutes an important part of Sida's Multidimensional Poverty Analysis (MDPA). An information brief describing the linkages between environment and the dimensions of poverty is available in the Poverty Toolbox.

Proper inclusion of environmental aspects in analyses helps to identify opportunities and entry points for environmental integration during the operationalisation of the strategy. All five perspectives, including environmental integration, should be included in the strategy plans and reports. Reviews (such as mid-term reviews) provide good opportunities to reflect on achievements of environmental integration alongside responsibilities and resource allocation.

CAPACITY DEVELOPMENT AND KNOWLEDGE SHARING

As mentioned above, all Sida staff plays an important role in making sure that environment is systematically integrated into all Sida's activities. It is important that Sida staff has adequate capacity related to environmental integration, to be able to appraise, support and monitor environmental integration of a contribution.

Sida offers a variety of capacity development opportunities for environmental integration:
• Basic training course on environment
• Context specific training for units and departments
• Regular brown-bag lunches and thematic seminars on environment/climate change
• Environmental integration workshops offered to embassy staff and partners on demand

Access to information is also important. Therefore, information related to the environmental management system, the Green Toolbox and activities of Sida's Environment and Climate Change Network, are published on Sida's intranet Inside.

5. WHAT YOU CAN DO TO IMPROVE ENVIRONMENTAL INTEGRATION

5.1 STRATEGIC/PORTFOLIO LEVEL

Make sure that an environmental analysis is performed and informs the process of developing and operationalising the strategy and portfolio.
• Develop an *environmental and climate change policy brief* or similar, as a preparation for developing a strategy proposal. An environmental policy brief generally does not focus on the project level but takes more of a helicopter view and highlights key trends, challenges and opportunities for an environmentally sustainable development. The policy brief can provide input to a discussion and may offer entry points to environmental integration also at project level. It may also provide valuable information to Sida staff not working directly with environment and climate change. The Helpdesk can support development of such policy briefs.
• Carry out a *MDPA* and integrate environmental aspects in the analysis.
• Treat environment as a *cross-cutting issue* rather than a sector and assess its relevance to hinder or contribute to fulfilment of the strategy.
• *Start slow*: identify a few focus areas/sectors/interventions where it would be relevant and possible to integrate environment. The Helpdesk can provide support.

- Consider if it would be relevant to contract a *local monitoring consultant* to provide continuous monitoring of the level of environmental integration in the portfolio or in selected contributions.

5.2 CONTRIBUTION LEVEL
- At an early stage in the contribution cycle, refresh your knowledge *about Sida's requirements* for environmental integration by revisiting the Guidelines for Environmental Integration and Sida's Statistical Handbook.
- Look through the *Green Toolbox* for relevant thematic briefs or in-depth guides.
- Consider if it would be relevant and beneficial to request support from the *Helpdesk*.
- Ask the partner to conduct a (simplified) *environmental assessment*.
- Make sure to *share the information* in the Green Toolbox with partners and that Sida's requirements are understood.
- *Ask the partner* if they have an environmental management system, or if they have guidelines, an environmental policy or similar for environmental integration.
- Make sure to respond to the recommendations related to environmental integration at the *Quality Assurance Committee* meeting and document the response.
- Make sure to *respond to all questions* related to environmental integration in Trac: has an environmental assessment been performed? Are opportunities, risks and vulnerabilities identified and prioritised? Does the assessment inform the design of the intervention? Does the partner have adequate capacity? Etc.
- Include writings related to the environmental assessment, monitoring and reporting of environmental integration in the *agreement*.

- Make sure to request information from the partner related to environmental integration, that the partner *monitors* and *reports* on aspects related to environmental integration; identify priority areas to include in the *dialogue* and document it.
- Assess if you have *adequate capacity* to appraise the environmental assessment, monitor implementation and conduct a dialogue with the partner. Contact the Helpdesk for support whenever relevant.

5.3 REVIEWS AND EVALUATIONS
- Identify upcoming appraisals, mid-term reviews, etc. in order to *identify entry points* for improved environmental integration. Support can easily be obtained from the Helpdesk.
- Identify *learning opportunities*, for instance from evaluations of environmental integration.

5.4 CAPACITY DEVELOPMENT
- Take part in environmental *trainings* offered at Sida (in person or via video link).
- Discuss needs and opportunities for further training, e.g. for the unit or department, with the environmental advisers.

5.5 GREEN OFFICE
- Be a forerunner and *set goals* related to greening the office, for instance related to emissions of greenhouse gases from travels, offering vegetarian food at workshops and meetings, utilising video conference/travel-free meetings, source separation of waste, etc.

5.6 PLAN AND FOLLOW-UP
- Make an annual *plan* based on relevant parts of the above. Monitor the plan.