Briefing Note

Environmental Mainstreaming - A Key Lever for a Green Economy: Challenges and Approaches [1]

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> **Environmental mainstreaming** is "*the informed inclusion of relevant environmental concerns into the decisions and institutions that drive national, sectoral, city and local development policy, rules, plans, investment and action*".

Why do we need environmental mainstreaming?

The challenge to integrate environment and development has never been more urgent. It is the cornerstone to achieving the goal of a Green Economy. Despite the recent economic crisis, the past two decades have seen rapidly growing economic activity with rising GDP in many countries and increasing foreign direct investment. But, as the Millennium Ecosystem Assessment (2005) clearly showed, this has been accompanied by rising trends for a swathe of other factors, eg population, damming of rivers, consumption of fertilisers and paper, use of water, communication and tourism – all of which have negative environmental impacts. The cumulative effect of such trends is that ecological limits are being breached and there is a clear need respond, quickly and effectively. For example, infrastructure and agriculture must be climate-proofed, industry must become energy-, materials-, and water-efficient, and poor people's environmental deprivations must be tackled. Their environmental rights must be recognised and supported. Environmental institutions need to work more closely together with other institutions – for too many of which the environment is treated as an externality.

To achieve the necessary changes, policy-makers, planners, and decision-takers in government, the private sector and civil society need to understand and be convinced that environmental issues matter, and show the commitment to act and integrate environmental concerns effectively with economic and social ones in reaching decisions. To help, they need to receive the necessary environmental information and analysis in a clear and understandable format, and at the appropriate stages in policy and planning cycles, project design and investment processes.

Drivers and constraints to environmental mainstreaming

Various *drivers* 'catalyse' EM. They may be, for example, advocates, laws, funding sources, projects or specially-constituted mainstreaming initiatives. They may be formal or informal. They may be enduring or rather ephemeral, depending upon changing issues and timing. Recent surveys and learning group

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[1] This briefing Note is based on an Dalal-Clayton and Bass (2009)

processes, coordinated by IIED, of EM experience and stakeholder perspectives in a range of countries[2] have identified those drivers which have been particularly significant in recent years (Table 1).

Table.1: Drivers of environmental mainstreaming

Major drivers
• Increasing stakeholder awareness & demands
• National legislation & regulations
• Values of progressive organisations
• Donor conditions and initiatives
Moderately important drivers
• International commitments
• Major environmental events and disasters (e.g. floods)
• Company/business plans & objectives, regulations / requirements
• Risk management
• Traditional cultural reasons
Other drivers
• Visible 'real' issues
• Link between development/poverty reduction and environment
• Requirements of clients
• EU accession and approximation process
• Membership of international business groups (that embrace EM)
• Desire to address rising poverty and inequality
• Need to protect ecosystems and stem environmental degradation

Whilst there is a general presumption that key laws and 'safeguard' processes such as environmental impact assessment (EIA) and strategic environmental assessment (SEA) are the central drivers of EM (borne out in our country surveys) there is a growing awareness that specific new initiatives around environmental potentials can often be more effective. Many of the latter are international initiatives that provide an opportunity to drive EM if their potential and be harnessed effectively, e.g. climate change adaptation plans, low-carbon investment, and REDD (reduced emissions from deforestation and forest degradation). Several market-based, community-led as well as governmental initiatives have emerged to identify and support environmental values in circumstances where they are threatened or already scarce. Examples include projects to factor environment into poverty reduction strategies, SEAs of proposed policies, and payment schemes for carbon, water and other environmental services. In addition, consumer-based and ethical programmes are beginning to influence public behaviour. Some of these environmental mainstreaming approaches are promoted by external bodies as 'silver bullets'. However, none can really mainstream environment effectively on its own. Many are indeed promising, but most have not been adopted system-wide and, consequently, many big decisions go ahead largely uninformed by environmental considerations.

Yet, whilst there have been some successes in EM, overall, we are still struggling in this endeavour, due to a variety of ***constraints*** (Box 1), primarily governance ones, and change remains slow. Better understanding of these constraints is critical, as in practice they describe and explain the way that the

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[2] several Caribbean islands, Chile, Croatia, Czech Republic, Ghana, India, Kenya, Malawi, Philippines, South Africa, Tanzania, Uganda, Vietnam and Zambia.

Box 1: Key constraints to environmental mainstreaming

Critical constraints
- *The prevailing development paradigm* – eg dominant development models are based on economic growth (considered inviolable) and measured by inadequate indices such as GDP; and policies and associated incentives often keep environment as an externality.
- *Lack of political will* to look at longer-term needs and ensure environmental responsibility in decision-making.
- *Lack of understanding & awareness of environmental issues* – at all levels, which impedes addressing environment in decision-making (whether by governments or more local authorities) and in the actions of non-government actors (small and large companies, natural resource users, citizens, etc).
- *Lack of data/information on environment-development links* – particularly in many developing countries.
- *Lack of skills and institutional capacity* and experience in holistic thinking – particularly demanded for procedurally or technically complex approaches to EM.

Common issues
- Lack of human resources.
- Lack of funding.
- Lack of awareness of available tools.

Less frequently mentioned problems
- Lack of methodologies/tools that work.
- Corruption.
- Dissatisfaction with tools.

Others factors
- Lack of absorption capacity for available financial resources.
- Personal short-term interests.
- Over-complicated environmental legislation.
- Over-regulated environmental protection.
- Too much new legislation.
- Lack of absorption capacity for financial resources.
- Lack of development vision.
- Fragmentation of environmental responsibilities.
- Impediments to civil society engagement.

'mainstream' itself works. More effort needs to be put by environmental interests into understanding this in *specific* countries or markets. With such constraints, it is all the more important to identify '*entry points'* which offer a good chance of tackling them and getting environment on the development agenda, and 'drivers' with the vision, incentives and resources to act. These may be at national, sectoral or decentralised levels. The *'entry points'* are often key points in mainstream policy and planning cycles, particularly those concerning safeguards, prioritization and investment choices. Some of the more effective *'drivers'* may be from within the mainstream itself (finance and planning ministries where these are concerned about critical prioritisation questions of budget and policy), but are increasingly also specific initiatives aimed at better use of the environment (e.g. payments for environmental services, and REDD). Environment institutions on their own are not often effective drivers.

Choosing how to work on mainstreaming

A norm seems to have developed where EM concentrates on the national development plan or equivalent. Such plans do have, in theory, the comprehensive coverage required to handle the range of environmental issues, multi-stakeholder processes, and links to key formal decision-makers. But, even in countries where the national plan is indeed a driver of development, there are several choices that need to be made about mainstreaming:

- To work with government authorities – *or* non-government drivers of development?
- To work with environment authorities with information and interest in mainstreaming – *or* with finance/planning/development authorities who represent the mainstream?
- To address comprehensive range of environment issues – *or* to focus on those that capture the attention of the mainstream e.g. low-carbon growth, rural job creation, and increasing public revenue from natural resources
- To work on the plan or capacity – the machinery of government – *or* 'upstream' on key policy issues – *or* 'downstream' on critical investments and implementation?
- To work with existing 'mainstream' processes (and thus their time-frames and precedents) – *or* to establish special processes (with opportunities for new types of analysis)

The choice is best made following a good, in-depth, in-country assessment of the current drivers of, and antagonists against, mainstreaming – especially to uncover what is currently working for mainstreaming and associated champions, entry points and tools.

At decentralised and sector levels, analogous choices can often be made. The range of entry points and drivers (and associated approaches and skills) is more limited, but EIA and public consultations are becoming a norm for major mainstreaming efforts.

EM is a complex challenge – it addresses multiple issues, has multiple layers and is very context-specific. So it is important to tailor approaches to the country context, to be clear on the specific mainstreaming goal, and to involve the right actor. These factors (Figure 1) are just as important for mainstreaming, perhaps more so in some circumstances, as issues concerning the choice of a precise tool.

Figure 1: Interacting factors that shape strategy for environmental mainstreaming
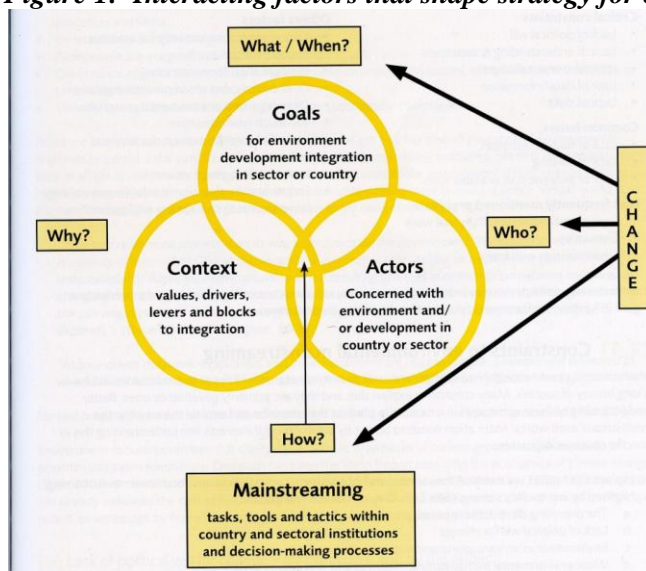
Selecting appropriate operational methods and tools

The tasks associated with integrating environment and development in decision-making differ at each stage of the decision-making process – commonly assessment, case-making, option development, policy-making, strategy development, planning, shaping investments, and building capacity. Such processes tend to be most effective for sustainable development when they are considered together, at least nominally in a cyclical and iterative manner (as in Figure 2). The 'cycle' stages and the mechanisms which drive cycles (e.g. participation and communications) provide opportunities and leverage points for promoting and delivering environmental mainstreaming. Figure 2 indicates selected examples of the kinds of EM tools that are available for the steps in the cycle. Because such cycles follow generally predictable steps, usually the starting and completion dates, lead agencies and key stakeholders, and bodies/points for taking major decisions are known. This helps greatly in planning, in advance, how to engage with institutions and individuals for mainstreaming purposes, and selecting the most appropriate approaches, tools and tactics to promote and support environmental mainstreaming at each of these stages.

Figure 2: ***Linking mainstreaming to the continuous improvement approach to managing policy,***
strategy and planning processes   (Adapted from Dalal-Clayton & Bass, 2002; and UNDP, 2008)
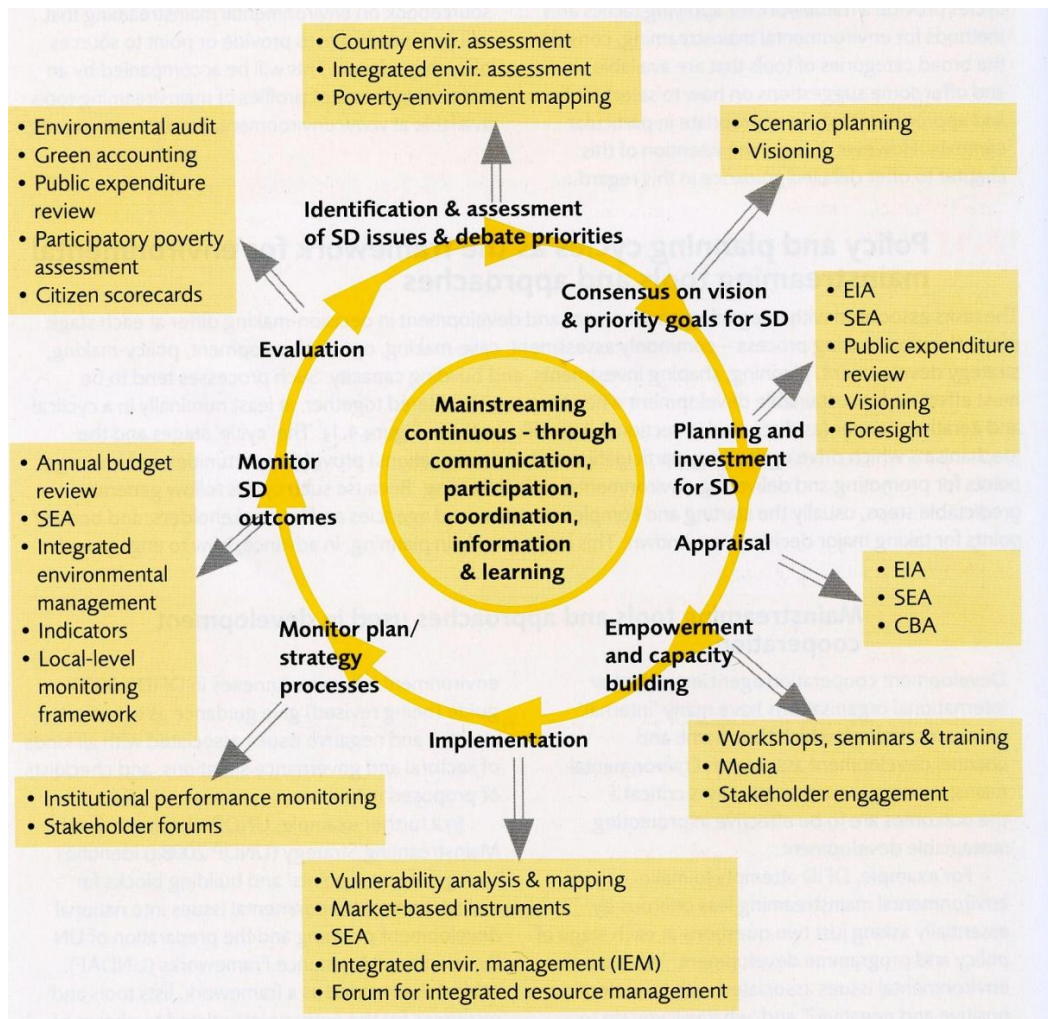
Policy-making, planning and decision-making can also be non-linear, without clear and predictable steps – due, for instance, to the involvement of multiple actors with conflicting goals, or because decision-makers' lack of information on the issue(s) at hand, or because of difficulties in reaching consensus on defining particular concepts. Yet this less organised approach (sometimes termed the 'garbage can model') will still involve consideration of a wide range of issues and options and possible responses and the involvement of many actors/stakeholders who will still involve consideration of a wide range of issues and possible responses and the involvement of many actors/stakeholders who will want the chance to link, discuss and assess those issues and make choices (choice opportunities). Under this model, however, mainstreaming is likely to be more *ad hoc* than planned (to take advantage of such windows of choice as they arise), and choosing the most useful and appropriate tools for mainstreaming will be critical to success.

IIED's country surveys identified a range of common and popular approaches associated with particular challenges and tasks – see Table 2 which groups these into six categories, the first four (A – D) broadly equating with different cycle tasks.

Table.2: Tools for environmental mainstreaming

(A) INFORMATION TOOLS	(B) PLANNING & ORGANISATION TOOLS
Impact assessment & strategic analysis	**Plans & policies**
Environmental impact assessment (EIA)	Business plans for protected areas
Integrated environmental assessment (IEA)	(National) sustainable development strategies
Integrated impact assessment (IIA)	Conservation plans
Life cycle assessment (LCA)	Economic-cum-environmental planning (ECE)
Poverty & social impact assessment (PSIA)	Environmental (action) plans
Regulatory impact assessment (environmental, fiscal)	Fiscal policy (taxes, incentives, etc)
Social impact assessment (SIA)	Integrated development plans
Strategic environmental assessment (SEA)	Internal environmental policy
Sustainability appraisal	National & District Environmental Action Plans (NEAP / DEAP)
	Physical & land use planning
Economic and financial assessment	Strategic planning (general)
Public environmental expenditure review (PEER)	Spatial development framework
Budgeting	
Cost benefit analysis (CBA)	**Legal**
Eco-budget	Legal tools (general)
Economic analysis (general)	Public interest litigation
Green/Natural resource accounting	Regulatory frameworks/guidelines
Valuation (resource, NR, economic, goods & services)	
	Policy tools
Social surveys and assessments	Policy analysis
Household surveys	Policy guidelines
Participatory poverty assessment	
Spatial data analysis	**Organisation-specific**
Well-being health happiness measurement	Corporate policy & sustainability reporting
	In-house project & programme appraisals
	Planning schedule
Spatial assessment	Work plans
(Participatory) Geographic information system (GIS)	
Geological survey	**Visioning**
Resource maps	Collective/community visioning
Zoning plans	Natural step
	Scenarios
Monitoring and evaluation	
Community-based monitoring	**Other**
Corporate social responsibility (CSR)	Certification
Environmental quality monitoring	
Environmental audits	

Indicators
Monitoring (general)
Multi-sectoral monitoring
State of environment report (SOE)

Other
Cleaner production in-plant assessment
Pre-feasibility studies
Thematic studies (e.g. noise pollution, emissions)

Charters & codes of practice
Cleaner production
Eco-management & audit system (EMAS)
Environmental management system (EMS)
Gantt tables
Internal meetings
ISO standards
Life cycle analysis
Multiple decision criteria analysis
Performance standards, loan/grant conditions
Standards & licensing
Sustainable livelihoods

(C) DELIBERATION & ENGAGEMENT TOOLS

Participation & citizens' action
Citizens jury*
Community-based natural resource management (CBNRM)
Community meetings
Community mobilisation
Conferences
Eco clubs
Environmental tribunal
Internal meetings
Meetings with external actors
Multi-stakeholder consultation/processes
National councils for SD
Participatory mapping
Participatory planning
Participatory rural appraisal
Partnerships (e.g. citizen-city administration)
Private-public committees
Public consultations and hearings
Public participation (general)
Reward systems/motivation/funds augmentation
Stakeholder mapping
Workshops & seminars

Creating demand & awareness
Awareness workshops
Media (campaigns)
Negotiations
Public online databases
Right to Information Act

(D) MANAGEMENT TOOLS

Management planning & control
Alternative dispute resolution
Conflict management/resolution
Energy audits
Environmental compliance audits
Environmental management plans (EMP) & frameworks
Integrated environmental management
Occupational health & safety audits
Performance indicators & benchmarks
Risk assessment

Market-based tools
Business supply chains
Eco-labelling
Green procurement
Payments for environmental services

Institutional governance (general)
Environmental standards & regulations

(E) VOLUNTARY & INDIGENOUS APPROACHES

Analysis of international regulations
Converting Black Economic Empowerment (BEE) to sustainable & equitable empowerment (SEE)
Bhagidari scheme (India)
Informal communication
Quality management systems
Review of national jurisdiction

(F) OTHER APPROACHES

Capacity-building workshops/seminars
Collaborative forest management
Environmental levy
Integrated soil & nutrient management tools
On-farm resource flows

Box 2 suggests ten questions that will help in selecting an appropriate approach or tool for a particular context.

Box 2: Questions to help select the right tool

1. Is the tool *relevant* to the environment-development issues and local/sector conditions?
2. How *easy* is it to use – what technical *capacity, skills, or qualifications* does it demand?
3. What is the demand for *data*, and is this likely to be available or easy to access?
4. How much *time* is required? – is time available realistic for use of the tool?
5. How much will it *cost*, is it economically efficient, and are sufficient funds available?
6. *Where* will it be done – will it involve a desk exercise or will fieldwork be required?
7. How *robust* is the approach – does it deliver quality, reliable, comparable information?
8. How *understandable and acceptable* will the outputs be? What is the political, economic and social climate concerning receptivity towards finds from the use of the tool?
9. How *participatory* is the approach – and can relevant stakeholders readily be engaged?
10. Does it require a degree of *enforcement* and can that be achieved?

Not all of the information needed to answer all of the questions in Box 2 about particular approaches will be readily available, and a decision will need to be made based on advice available (see, eg. www.environmental-mainstreaming.org). Also, experimenting with an approach and testing it, or adapting it to local circumstances, can provide valuable outcomes and lessons.

Tools are not mutually exclusive, and often *a suite of tools* may used together as complements for a particular purpose/process. For example, tools such as social impact assessment, cost-benefit analysis and multi-criteria analysis might also be used when conducting an EIA.

Some approaches have been designed as a *systematic approach combining a number of tools*. For example, Integrated Environmental Assessment and reporting (IEA) is the term that has been adopted by UNEP to promote an assessment and reporting system at the sub-global level based partly on the methods of the Global Environmental Outlook (GEO). The IEA approach combines many processes and conceptual elements that are often considered as separate tools, from stakeholder engagement to monitoring and indicators, policy analysis building on SEA methods and the analysis of policy options based on future scenarios. There is a large and growing number of sub-global IEAs at the regional, country, ecosystem and municipal levels.

Making environmental mainstreaming effective

Where EM has been successful in a country, sector or institution, a number of **outcomes** can be expected which range across a spectrum - from 'upstream' to 'downstream' changes:

1) Greater participation and interaction between environment and development stakeholders;
2) Integrated environment-development policy and associated political will / leadership;
3) Inclusion of development-environment linkages in national and sector plans;
4) Inclusion of development-environment linkages in budgets and fiscal instruments;
5) Strengthened institutions and capacities to mainstream environment;
6) Improved domestic and foreign resource mobilization for environmental investments;
7) Sustained behavioural change by individuals, institutions, and society, in both public and private domains – production, consumption and waste treatment processes improve;

8) Ultimate impacts of these outcomes on human and ecosystem wellbeing
9) Sustained behavioural change by individuals, institutions, and society, in both public and private domains – production, consumption and waste treatment processes improve;
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EM processes will depend very much upon context and approaches will differ. But, EM is likely to be effective if a number of **clear principles** are followed:

a) Leadership – the mobilisation and creation of political will, engaging with 'champions';
b) Integration – where environment and development approaches are integrated;
c) Key sectors – a strong focus on economic sectors;
d) Dialogue – a wide range of means for making voices heard and for cooperation;
e) Ownership – mainstreaming process managed by the country or locality in question;
f) Subsidiarity – decisions taken at the lowest possible level of public authority;
g) Use mainstream processes – existing analytical/planning process where possible;
h) Transparency and accountability – information on issues, decisions made and reasons.

Although mainstreaming is not a standardised, technical process carried out in a neat sequence, we can still identify **typical steps** that commonly characterise effective environmental mainstreaming, from good practice to date.

1. Scope the political economy and governance affecting environment and development;
2. Convene a multi-stakeholder group to steer the mainstreaming process;
3. Identify links between development and environment, both positive and negative;
4. Propose desirable environment-development outcomes;
5. Map institutional roles and responsibilities for each of the links and desirable outcomes;
6. Identify associated institutional, governance and capacity – and changes required;
7. Identify entry points for environmental mainstreaming in key decision-making processes;
8. Conduct expenditure reviews and make the 'business' case for environmental inclusion;
9. Establish or use existing forums and mechanisms for debate and consensus;
10. Reflect agreed changes in key mainstream policy, plan and budget documentation;
11. Promote key investments in development-environment links;
12. Develop integrated institutional systems and associated capacities;
13. Install criteria/indicators and accountability mechanisms to ensure monitoring and continuous improvement in environment-development integration.

These steps will gradually develop the capacities, systems and skills needed to mainstream environment on a continuing basis.

Environmental mainstream is pivotal to the green economy goal

As the world emerges from recession, it is clear that 'business as usual' is not working. The '**green economy'** concept has emerged as a powerful new paradigm - providing a vision for change, suggesting creative solutions to multiple global challenges by linking people, planet and prosperity.
The green economy movement is gathering momentum: for example, the UN has launched the Green Economy Initiative (GEI), the OECD is developing a Green Growth Strategy, and The Green Economy Coalition (GEC) is bringing together environment, development, trade union, consumer and business sectors, North and South, to foster a common understanding of green economy themes, and promotes learning, creativity and innovation across sectors (www.greeneconomycolaition.org).

The innovations or building blocks- social and technological – already exist, or are being developed. They include:

- Low-carbon energy, infrastructure and transport;
- Sustainable systems of food production, water and sanitation, and waste;
- Ways of protecting and sustainably using biodiversity;
- Green jobs, decent work, sustainable lifestyles and livelihoods that ensure social justice and equity, and set real measures for progress and wellbeing;
- Investment in green sectors, environmental 'accounting' and the introduction of new business models.
- Policy reform.

The challenge to integrate environment, social and economic considerations in policy development and in planning and decision-taking processes for development and investment has never been a more demanding one. It lies at the core of sustainable development and will be a fundamental element of advancing the green economy ideal, and is a key need to realise the MDGs. But central to the whole endeavour is ensuring an understanding of the pivotal role of the environment in underpinning our survival through the services it provides; and building genuine political commitment to taking the environment seriously so that that environmental concerns are fully integrated in development institutions and decisions. There is an increasingly clear understanding of how environmental mainstreaming can be driven forward and what the constraints are. Are our leaders, planners, decision-makers and institutions up to the challenge?

References

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For more information on environmental mainstreaming, see: **www.environmental-mainstreaming.org**