

**Environmental sustainability within the new development agenda:
opportunities and challenges for civil society**

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As always, responsibility for the content of this report rests with the authors alone. In particular, no responsibility for the opinions here expressed should be attributed to WWF, BirdLife International or the RSPB.

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Acronyms

CBD	Convention for Biological Diversity
CBOs	Community Based Organisations
CS	Civil Society
CSOs	Civil Society Organisations
DAC	Development Assistance Committee
DFID	Department For International Development (UK)
DoE	Division of Environment (Tanzania)
DPs	Development Partners
EC	European Commission
EEPA	European External Policy Advisors
EIA	Environmental Impact Assessment
EMA	Environmental Management Act (Tanzania)
EMCA	Environmental Management and Co-ordination Act (Kenya)
EU	European Union
EWG	Environment Working Group
FC	Forestry Commission (Ghana)
FWG	Forest Watch Ghana
GBS	General Budget Support
GDP	Gross domestic product
GEF	Global Environment Facility
G-JAS	Ghana Joint Assistance Strategy
GPRS	Ghana Poverty Reduction Strategy
HAC	Harmonization, Alignment and Coordination
IDGE	Informal Donor Group for the Environment (Tanzania)
IGF	Internally Generated Funds
INGO	International NGO
KFS	Kenya Forest Service
KJAS	Kenya Joint Assistance Strategy
KWS	Kenya Wildlife Service
LGAs	Local Government Authorities
MCA	Millennium Challenge Account
MDBS	Multi-Donor Budget Support
MDG	Millennium Development Goal
MKUKUTA	National Strategy for Growth and Reduction of Poverty (Tanzania)
MOID	Ministry of Infrastructure Development (Tanzania)
MPs	Members of Parliament
MTEF	Medium Term Expenditure Framework
NEC	National Environmental Council (Kenya)
NEMA	National Environmental Management Authority (Kenya)
NEMC	National Environment Management Council (Tanzania)
NEP	National Environmental Policy
NGO	Non-governmental Organisation
N-K	Nature-Kenya
NREG	Natural Resources and Environmental Governance (Ghana)
OECD	Organisation for Economic Co-operation and Development
PAF	Performance Assessment Framework
PFM	Public Finance Management
PRS	Poverty Reduction Strategy
PRSPs	Poverty Reduction Strategy Papers

SEA	Strategic Environment Assessment
SEUs	Sector Environmental Units (Tanzania)
SWAps	Sector Wide Approaches
TI	Transparency International
TUCs	Timber Utilisation Contracts (Ghana)
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme

Summary

The Paris Declaration on Aid Effectiveness is having a major impact on the design and implementation of international development cooperation. A new relationship is slowly emerging between donor countries and aid-receiving countries that acknowledges the primacy of national ownership over the development process. There is also recognition that national ownership needs to go beyond government, with a critical role to be played by civil society. Where do environmental issues fit into this new understanding? This is the question that this study explores.

The study draws on the recent literature on development and the environment to help identify two main sets of issues. First, there are new opportunities for civil society to work towards better environmental outcomes as a result of the focus on improving aid effectiveness. Second, there remain challenges for civil society to secure greater attention on the environment within the new development agenda. By improving understanding of these issues this study aims to contribute to the debate.

Providing the evidence to help strengthen national civil society's engagement with the aid effectiveness agenda is a key issue. Therefore an important part of the study is a preliminary review of experience at country level to bring new empirical evidence to the policy debate. The three country case studies of Ghana, Kenya and Tanzania all provide interesting insights. These countries were chosen on the basis that (i) there is a longstanding, and significant, aid relationship with donors; (ii) there has been a substantial response to the Paris Declaration, including the introduction of budget support; and (iii) there are major environmental challenges to be faced, requiring both government and civil society action.

A key concept introduced in Chapter One concerns the autonomy of civil society organisations, which enables CSOs to hold independent positions from government and development partners. Compared to developed countries there tends to be a lower level of autonomy displayed by CSOs in many aid-receiving countries, which makes them more vulnerable to economic fluctuations and political instability. If civil society is to play the role required of it under the new aid agenda then continuing external support will be necessary for quite some time. How this is to be sourced – beyond traditional donor project funding – is not yet clear.

The opportunities to improve environmental sustainability highlighted in this report provide potential entry points for national civil society to influence the direction and speed of reform in their respective countries. The evidence suggests that national CSOs should be lobbying for:

- More discretionary public spending on the environment
- Greater continuity in external finance for environmental programmes
- Strengthening national budgetary discipline over environmental expenditure
- Securing the new forms of policy dialogue that have arisen in recent years
- Increasing transparency over government and development partner decision making

This represents a broad and ambitious agenda for civil society. In no country are these reforms occurring at the same speed, yet the country evidence described in Chapters Two to Four shows a range of activities are now underway. Although much depends on individual country circumstances, this list provides a menu of options which CSOs can consider in working towards better environmental outcomes. All of them call for a stronger, more resilient civil society better able to question the actions of both government and their international development partners.

Civil society organisations face a number of challenges in securing improved environmental outcomes in a context where the Paris Declaration is driving the agenda for official development assistance. Three key challenges are:

- The continuing difficulty in mainstreaming environmental issues across government and how civil society can influence this process.
- Expanding the aid debate beyond its focus on budget support to government to include the question of how to strengthen national civil society.
- How CSOs can best secure their independence from government and development partners.

As highlighted in the concluding chapter, perhaps the most pressing issue is the need to mainstream the environment across both government and society more generally. The demand for better environmental practices is not yet strongly expressed in any of the countries reviewed, although CSOs are beginning to work with key agents (such as the media) to help develop this demand. A widespread problem identified in all the country case studies is a lack of vertical and horizontal coordination around environmental issues. To secure implementation of better environmental practices on the ground CSOs will need to help strengthen the relationship between central and local government as well as across different ministries. The policy-related forums that have been strengthened by the Paris Declaration agenda offer much opportunity for civil society to work to this end.

The Paris agenda is critically important to improve the overall effectiveness of aid. However, much focus to-date has been on strengthening the systems of national government delivery. Greater attention now needs to be given to the strategic support of civil society organisations.

Chapter 1: Aid effectiveness and civil society

1.1. The aid effectiveness agenda

The way aid is delivered is changing, and environmental civil society organisations need to evaluate how they engage with these changes. A major landmark was the 2005 Paris Declaration on Aid Effectiveness¹, in which developed and developing country governments jointly undertook five key commitments to improve aid effectiveness. These commitments involved supporting national ownership of the development process, promoting donor harmonisation, aligning donor systems with national systems, managing for results and mutual accountability between donor and recipient (Box 1 lists these commitments and the indicators by which progress can be monitored).

These changes provide a new context for environmental organisations to ensure that environmental sustainability is addressed within development planning at national and local levels. Environmental organisations need to identify key influencing points within this changing agenda to ensure positive development and environment outcomes.

Some work has already been undertaken, with DFID being one of the lead donors in setting out new opportunities and challenges from an environmental point of view. This work has focussed on the tools and joint mechanisms available to national governments and donor organisations to bring environmental sustainability into the heart of national planning and budgetary processes (e.g. Lawson and Bird, 2008).

There are clear opportunities provided by the Paris agenda – including more predictable financing and core funding for government functions, including environmental ones. There is also potential to strengthen downwards accountability to national civil society, which would help improve national environmental governance. However, there are also a number of challenges, particularly in national contexts where governance arrangements are weak, where local accountability is deficient, and environmental ministries and departments are under-funded and marginalised.

In the context of rapid biodiversity loss and ecosystem service decline (which impact on the poor first and foremost) and the urgency of addressing climate change challenges, it is crucially important that the Paris agenda contributes rather than undermines a pathway towards environmental sustainability. Civil society organisations (CSOs) working on the environment have an important role to play in ensuring that this is the case, but the approaches and tools they use may differ from those under previous aid arrangements.

The Paris Declaration 2010 Targets

Targets have been agreed for each of the indicators listed in Table 1, to be met by 2010, thus providing an explicit framework for all groups to monitor and assess progress made by national governments and donor agencies with the implementation of the Paris Declaration. A number of these targets are particularly relevant for environmental outcomes:

- At least 75 percent of partner countries should have operational development strategies that have clear strategic priorities linked to a medium-term expenditure framework and reflected in annual budgets.

¹ <http://www1.worldbank.org/harmonization/Paris/FINALPARISDECLARATION.pdf>

- The proportion of aid flows to the government sector not reported within the government's budget should be halved (with at least 85 percent reported 'on-budget').
- A reduction by two-thirds of the stock of parallel project implementation units.
- 66 percent of aid flows should be provided in the context of programme-based approaches².
- All partner countries should have mutual assessment reviews (of progress in implementing agreed commitments of aid effectiveness) in place.

Table 1. The Paris Declaration on Aid Effectiveness

Goal	Increased aid effectiveness	
Criteria	Description	Indicators
Ownership	Partner countries exercise effective leadership over their development policies and strategies, and co-ordinate development actions	Partner countries translate national development strategies into prioritised results-orientated operational programmes as expressed in MTEFs and annual budgets
Alignment	Donors base their overall support on partner countries' national development strategies, institutions and procedures	<p>Partner countries and donors work together to establish mutually agreed frameworks that provide reliable assessments of performance, transparency and accountability of country systems</p> <p>Donors base their overall support on partners' national development strategies and periodic reviews of progress in implementing these strategies</p> <p>Donors align their analytical and financial support with partners' capacity development objectives and strategies</p> <p>Donors rely, to the maximum extent possible, on transparent partner government budget and accounting mechanisms</p> <p>Donors progressively rely on partner country systems for procurement when the country has implemented mutually agreed standards and processes</p> <p>Donors avoid, to the maximum extent possible, creating dedicated structures for day-to-day management and implementation of aid-financed projects and programmes</p> <p>Donors provide reliable indicative commitments of aid over a multi-year framework and disburse aid in a timely and predictable fashion according to agreed schedules</p> <p>DAC donors will continue to make progress on untying official development assistance to the Least Developed Countries</p>
Harmonisation	Donors' actions are more harmonised, transparent and collectively effective	<p>Donors implement, wherever feasible, common arrangements at country level for planning, funding, disbursement, monitoring, evaluating and reporting to government on donor activities and aid flows</p> <p>Donors work together to reduce the number of separate, duplicative missions to the field and diagnostic reviews</p>
Managing for results	Managing resources and improving decision-making for results	Partners countries endeavour to establish results-orientated reporting and assessment frameworks that monitor progress against key dimensions of the national and sector development strategies
Mutual accountability	Donors and partners are accountable for development results	Partner countries and donors jointly assess through existing and increasingly objective country level mechanisms progress in implementing commitments on aid effectiveness

² *Programme-based approaches* involve leadership by the partner country or organisation, one single comprehensive programme and budget framework, a formalised process for donor coordination, and efforts to increase the use of country systems.

The EU (EC and Member States) have committed themselves to a number of additional, more demanding, targets – and they hold themselves accountable for these (EC, 2005):

- Provide all capacity building assistance through coordinated programmes with an increasing use of multi-donor arrangements.
- Channel half of government-to-government assistance through country systems.
- Avoid the establishment of new project implementation units.
- Double the percentage of assistance provided through budget support or sector wide arrangements.
- Reduce the number of uncoordinated missions by half.

Considerable amounts of aid to address environmental protection and natural resource management objectives have been delivered to government agencies through projects, whose expenditure has often been ‘off-budget’³ and hence has had poor linkages to national budgetary systems (including, where they exist, multi-year budgeting processes, such as medium-term expenditure frameworks). These targets therefore represent a considerable challenge in terms of re-aligning the structure of development assistance for the environment and, more broadly, how environmental issues are addressed in aid-receiving countries.

The third High Level Forum on Aid Effectiveness met in Accra in September 2008 to review progress towards the 2010 Paris Declaration targets. A survey on the implementation of the twelve indicators was published and a Ministerial Statement (the Accra Agenda for Action⁴) issued. Recognising that progress to-date has been mixed, there is increasing recognition by donors and national governments of the important role that civil society can play in the development process.

1.2. Civil society

‘Civil society refers to the arena of uncoerced collective action around shared interests, purposes and values. In theory, its institutional forms are distinct from those of the state, family and market, though in practice, the boundaries between state, civil society, family and market are often complex, blurred and negotiated. Civil society commonly embraces a diversity of spaces, actors and institutional forms, varying in their degree of formality, autonomy and power.’⁵

These three concepts, of formality, autonomy and power, are central to this study. Formality, which often develops gradually, helps to guarantee institutional recognition. Autonomy enables CSOs to hold independent positions from government and the private sector. A position of power then enables CSOs to make an effective contribution to development. Civil Society actors vary considerably regarding these three factors.

Civil Society comprises organisations such as registered charities, development non-governmental organisations, community groups, women’s organisations, faith-based organisations, professional associations, trade unions, self-help groups, social

³ *Off-budget funds*: international funding received by national public agencies that is not fully integrated with national systems of budgetary control effected through the Consolidated Fund under the direction of the Ministry of Finance and appropriated through the legislature.

⁴ See: <http://siteresources.worldbank.org/ACCRAEXT/Resources/4700790-1217425866038/AAA-4-SEPTEMBER-FINAL-16h00.pdf>

⁵ Definition used by the Centre for Civil Society at the London School of Economics.

movements, business associations, coalitions and advocacy groups. The media, the judiciary and parliamentary committees are three groups that may be considered part of civil society depending on the level of their autonomy from the state and the market.

The origins of the concept of 'civil society' are found in the 18th century, but consideration of Civil Society as the Third Sector⁶ (after the state and the market) is a more recent development. Here its primary function is to act as a counterbalance to the power of the state. For example, the Civil Dialogue initiated by the European Commission in the 1990s was the first attempt by the EU to give the institutions of society, and not only governments and businesses, a voice at the policy-making tables in Brussels.

A very broad and generic distinction between developed and developing countries shows that the various actors of civil society tend to have a lower level of formality, autonomy and power in developing countries than in more developed economies. This leaves developing country CSOs more vulnerable to economic fluctuations and political instability. In addition, their role is often not clearly recognised more broadly within society. Table 2 describes the main actors of Civil Society and indicates their level of formality, autonomy and power in developing countries.

The international development part of the NGO category is very broad. Three main groups can be distinguished (Kaldor, 2003):

1. *Northern versus Southern NGOs*: the distinction is between northern NGOs who are external agents, yet who may be closer to the policy-making community and source of funds, and southern NGOs who are more rooted in local society.
2. *Advocacy versus service provision*: Advocacy includes lobbying as well as public mobilisation and campaigning around particular issues like debt relief or protection of forests. Service provision includes providing relief in emergencies, carrying out environmental management, as well as training of other service providers. Service provision has become the dominant mode of activity in many aid receiving countries since the 1990s, as donors have contracted or encouraged NGOs to fill the gaps created by the withdrawal of the state from many public services.
3. *Solidarity versus mutual benefit*: Some NGOs are established to express solidarity with others, such as Oxfam and Amnesty International. These organisations are typically dependent on international funding. In contrast, mutual benefit NGOs are formed for the mutual benefit of members, e.g. SEWA, the Self-employed Women's Association in India. Professional societies are typical mutual benefit organisations. The composition of mutual benefit NGOs tends to reflect the structure of society and change as society changes.

⁶ The 'Third Sector' has a social purpose, is independent of the state and reinvests all financial surpluses into the services offered by the organisations belonging to it (Hudson, 2003).

Table 2. General characteristics of civil society in developing countries

CSO Actor	Formality	Autonomy	Power
NGOs⁷	Variable. Usually a vertical and hierarchical structure. Ranges from bureaucratic and corporate to small-scale and informal. The latter is more widespread.	<i>Financial:</i> variable. Dependent on individual supporters, private foundations and state funding. <i>Political:</i> variable. Often in direct proportion to the level of financial autonomy.	Not very strong. Often neglected by government.
Faith-based organisations	Rigid and hierarchical structure.	<i>Financial:</i> high due to the large number of private donations. <i>Political:</i> high. Action reflects guiding religious beliefs.	Where strong religious beliefs are widespread such organisations can wield considerable power.
Business associations	Ranges from bureaucratic and corporate to small-scale and informal. Local business associations are often small and family run.	<i>Financial and political:</i> variable, often dependent on scale.	Strong in many countries where the business-owning class belong to the political elite.
The Media	Traditional media (newspapers, radio, TV) hierarchical and rigid structure. Modern media (e.g. blogs, internet) more diffuse, lacking formality.	<i>Financial and political:</i> low, with predominance of state-owned media in many countries. However, this is changing through the introduction of the internet.	In authoritative regimes the media is often used as the voice of the government, reflecting its position of power.
The Judiciary	Hierarchical and rigid structure.	Financial and political: variable. Ideally, under the separation of powers there is high autonomy	In some countries has been corrupted by the state. In such circumstances its subordinated role gives it less power
Parliamentary Committees	Less formal than in developed countries.	<i>Financial:</i> various, dependent on the sector. <i>Political:</i> Where there is cross party representation there is some autonomy from government.	Tends to be less than in developed countries.

1.3. The changing role of Civil Society in the post Paris Declaration period

Focusing on the role of civil society in the post-Paris Declaration period, and particularly concerning environmental issues, there are a number of challenges that civil society can be expected to face. The first of these relates to how national ownership of the development process is defined and subsequently developed. By integrating community-based knowledge into national planning CSOs can help to close the gap between government policies and the needs of communities. These needs include respect for the environment and the management of natural resources. CSOs also have a role to play in lobbying for greater openness by government, improving the transparency of natural resource allocation decision-making processes.

Increasingly, technical skills are required of CSOs to further their engagement in

⁷ The term NGO includes those organisations that are typically considered NGOs (including international NGOs, INGOs), that are organised around a particular cause. But it also includes professional societies and self-help groups, like trade unions, advocacy groups, coalitions, sporting groups, or women or refugee organisations.

national environment policy processes. For example, the application of Strategic Environment Assessment (SEA) as well as the monitoring of national budgetary estimates and actual expenditure on specific programmatic areas of policy all require specialist skills. Such tools and skills are required to develop the arguments that will help convince government of the need to increase public expenditure on the environment.

Acting as both service providers and environmental watchdogs are fundamental roles for CSOs, which may co-exist in a complementary way. However, the current situation in many developing countries suggests that the critical watchdog role is not well developed, especially in the case of authoritarian regimes where such criticism is not welcomed. In this regard, donors and governments are driven by their own agendas with respect to CSOs. The government typically views CSOs as a vehicle for service delivery, while donors may also regard them as an instrument to check the actions of government. The strain of these agendas can create confusion or the possibility of co-option of CSOs (Wamugo and Pedersen, 2007).

1.4. Opportunities brought about by the focus on aid effectiveness

The recent literature on the environment and aid effectiveness (see references) suggests a number of opportunities to improve environmental sustainability. These provide potential entry points for civil society to influence the direction and speed of reform. They include:

- Increased discretionary public spending on the environment
- Greater continuity in the financing of environmental programmes
- Strengthened national budgetary discipline
- New forms of policy dialogue between all development actors
- Increased transparency over government decision making

Increasing discretionary spending by government

The role of the national government administration is critical to the delivery of environmental outcomes through the setting of policy and regulatory frameworks, as well as planning and compliance monitoring. The increasing use by donors of budget support as an aid instrument, bringing with it the prospect of greater discretionary spending through the national budget, offers environmental ministries/agencies a new way of working that goes beyond their current dependence on donor project funding. At the same time, the commitment made by donors to align their support behind partner countries' systems and procedures should lead to a reduction in the number of projects being managed by environmental agencies. This presents an opportunity for these agencies to devote greater attention to their statutory functions of national planning, environmental monitoring, management and protection, and regulation.

Budget support also provides an opportunity for civil society organisations to lobby for an increase in government recurrent expenditure on the environment. Government spending on environmental protection is universally low, being between 1% and 2.5% of public spending in many countries (Lawson and Bird, 2008). This limited allocation of the national budget means that environmental agencies are often under-funded with insufficient resources to fulfil their statutory functions.

Greater continuity of financing

Greater continuity of government environmental programmes can be expected as national budgetary processes move beyond the annual budget cycle towards multi-year systems, such as medium-term expenditure frameworks (MTEFs). Policy prioritisation, sequencing and implementation is an inherently medium to long-term exercise and

therefore the medium-term perspective offered by the introduction of MTEFs has much to offer environmental programmes (which themselves are often long-term in nature).

This national process needs to be further strengthened by greater long-term aid predictability, as highlighted by the Paris Declaration. The proposed introduction of MDG contracts for the EC's European Development Fund, with secure funding over a six-year year period for those countries eligible for budget support and with a well defined national development strategy, is clearly an initiative to increase the predictability of aid funds (EEPA, 2007).

Strengthened national budgetary discipline

Underpinning much of the present budget support dialogue is an intent to help strengthen budgetary discipline of sector agencies, with heightened oversight of department spending plans by ministries of finance. This increased discipline over spending can be expected to lead to greater national ownership of environmental spending plans, a major objective of the Paris agenda.

The drive towards tighter fiscal controls offers considerable opportunity for the implementation of a number of analytical tools that have remained relatively undeveloped to-date. The implementation of public environment expenditure reviews (Swanson and Lunde, 2003) and the application of Strategic Environmental Assessments (OECD, 2006) to government policies, programmes and plans would lead to a stronger factual and analytical basis for dialogue on environmental budgeting and policy issues. There is no reason why civil society organisations could not play a role in such analysis. There is also opportunity for CSOs to strengthen independent budget tracking and the monitoring of expenditure on environmental policy priorities.

New forms of policy dialogue

Sector working groups (including those sectors dealing with the environment), which have been established under budget support arrangements, present a significant new forum for policy discussion and analysis. Securing the necessary political engagement to ensure that these groups have the required policy influence and do not represent another 'talking-shop' is something that requires careful attention, especially at the point when they are being established when working group dynamics are being settled. The balance of representation between government, donors and civil society is one sensitive issue that will determine the outcome of such dialogue.

Increased transparency of decision making

Increased involvement of the legislature over executive decisions offers the prospect of greater transparency concerning national environmental programmes. The move towards output-related budgeting also provides the potential for increased transparency of government decision-making, as when spending plans are subject to parliamentary scrutiny. The publication of both budgetary estimates and actual expenditures on specific programmatic areas of policy – in a digestible manner – needs to be called for by civil society to promote greater public accountability and allow for civil society engagement. Equally, there is an onus on donors to ensure transparency of donor plans, programming tools and monitoring procedures to facilitate participation and empowerment - for example, by taking forward the International Aid Transparency Initiative⁸ as agreed in Accra 2008.

⁸ <http://aidtransparency.net/>

1.5. Challenges set by the new aid agenda

Civil society and other stakeholders face a number of challenges in securing improved environmental outcomes in a context where the Paris Declaration is driving the agenda for official development assistance. Six main challenges can be highlighted:

- Mainstreaming of environmental issues across government
- Defining the role of government with regard to environmental stewardship
- Challenging the status quo over benefits accruing from environmental assets
- Moving the aid debate beyond budget support
- Moving beyond policy conditionality to national accountability
- Monitoring progress

Mainstreaming of environmental issues across government

The move towards budget support has heightened reliance on the mainstreaming of environmental issues across government programmes. However, defining how this can best be done in practice is a considerable challenge (Hanrahan and Green, 2007). An evaluation of budget support carried out by IDD and Associates in 2006 highlighted the limited integration of cross-cutting issues such as environment into Poverty Reduction Strategy Papers (PRSPs). Even when such issues are integrated there is often little follow-up in budget allocation and associated budget support arrangements. Attention by donors and civil society therefore needs to shift away from a focus on policy processes to give greater attention to (i) the underlying regulatory framework and (ii) the institutional architecture of national environmental governance and management.

Defining the role of government

With regard to the institutional architecture for national environmental governance, Ministries of the Environment and their departments largely remain on the margins of the public administration, lacking the political clout to coordinate environmental actions across government. However, a common response to this situation - that of creating semi-autonomous agencies to provide greater managerial flexibility, has tended to disengage these organisations from the national budget. With an emphasis on the internal generation of funds, activities that tend not to bring in funds have been ignored in favour of those that do. As one example, national forestry authorities tend to spend considerable resources on the collection of timber harvesting fees and leave forest protection activities undone. This calls for greater clarity of organisational mandates. Civil society has a role to play here; one early focus might be through highlighting conflicting institutional functions that undermine environmental protection by government agencies.

Challenging the status quo

One challenge to be faced in improving environmental governance is the likelihood that elite groups will lose out from any strengthening of the governance regime and will therefore seek to block reforms. This applies particularly in countries rich in natural resources, where significant revenue can be obtained from sectors such as logging and mining. There is increasing understanding of the political economy of natural resource extraction, but this remains a significant hurdle in securing sustainable patterns of resource use.

Civil society can meet this challenge by questioning the resource use arrangements (particularly on public lands) and calling for greater transparency in resource allocation decisions. National demand for improved environmental governance needs to be better informed - this should include engaging with the media to generate such demand.

Moving beyond budget support

There is a danger that with donor attention very much on the Paris Agenda, and the aid modalities that are seen to support it, the international debate will lose sight of the fact that budget support is a government to government aid delivery method. External support directed at strengthening CSOs and CBOs requires a different aid instrument. To-date, the main alternative has been project activity, but this comes with considerable transaction costs at a time when development agencies are trying to reduce these to a minimum. There is probably scope for innovative types of support, such as the use of programmatic funding, although this appears to remain a relatively undeveloped area of the aid architecture.

Moving beyond policy conditionality to national accountability

There is evidence that policy conditionality within aid relationships does not work (e.g. Killick, 2004). For the international community to assert how environmental issues should be tackled in aid-receiving countries is therefore a strategy that offers limited prospect of success. However, in many such countries there are now clear statements of environmental policy in place. This policy framework is often supported by a regulatory regime that has undergone extensive revision in recent years to ensure that it reflects the goals set by national policy. Yet, implementation of these policies on the ground remains incomplete. Therefore there is less reason to focus on policy goals, but considerably more attention is needed to ensure that these national goals are met. There is a role for civil society to hold governments to account for the policy positions they adopt.

In addition, many countries are signatories to various multilateral environmental agreements⁹ that set obligations on national governments with regard the stewardship of environmental assets within their national territory. Progress with national implementation of treaty obligations are periodically reported at Conference of the Parties meetings, yet national reviews of these documents, by wider publication in-country and national debate on progress, remain undeveloped.

Monitoring progress

The Performance Assessment Framework (PAF) is the set of policy reform milestones that provides the basis for the assessment of progress under budget support arrangements. These frameworks consist of indicators that highlight key areas of reform that the government considers part of their development agenda. There is good reason for environmental issues to be included within such frameworks given the centrality of environmental sustainability to development. Where both donors and government agree on the inclusion of such indicators then the annual monitoring process provides a framework to assess progress that can be monitored by civil society.

There are calls for additional, independent monitoring and evaluation of the development impact of aid, with such evaluation being seen as central to the Paris Declaration principles (IDC, 2008). Yet to-date this remains a poorly developed field, with limited data available at the national level to track trends in key environmental attributes. Much still needs to be done to improve the quality of environmental information on which such monitoring depends.

1.6. The country context

Having identified these general themes from the literature, the next three chapters will explore how they play out in specific country contexts. The selected country case

⁹ E.g. The UN Convention on Biological Diversity, the UN Framework Convention on Climate Change, the UN Convention to Combat Desertification.

studies all share several characteristics: (i) there is a longstanding, and significant, aid relationship with donors; (ii) there has been a substantial response to the Paris Declaration, including the introduction of budget support; and (iii) there are major environmental challenges to be faced, requiring both government and civil society action. The three countries are all low income Sub-Saharan African countries: Ghana, Kenya and Tanzania, where the current level of aid funding is of the order of US\$ one billion (or more) per annum (Table 3). Budget support is most developed as a financing instrument in Tanzania, yet even there the majority of aid continues to be delivered by different modalities. Hence, despite the rhetoric, budget support arrangements and the associated change to relying on country systems are clearly in their formative stages.

Table 3. Selected economic, social and aid statistics of the case study countries

	Ghana	Kenya	Tanzania
Population (2005, millions) ¹⁰	22	36	39
GDP per capita (2005, PPP US\$) ¹⁰	2,480	1,240	744
UNDP Human Development Index (2005) ¹⁰	135/177	148/177	159/177
Total Aid (2006, US\$ millions) ¹¹	1,176	943	1,825
Aid per capita (2006, US\$)	52	27	46
Budget support as percentage of total overseas aid (2005, percentage, various sources)	27%	18%	38%

Country socio-political profiles

The three countries share similar socio-political characteristics. Constitutionally, they are all Presidential Republics. However, this is a recent form of government, with earlier political regimes being non-democratic. This is significant in terms of the present evolution of civil society, as previously such forms of association would have been severely limited. Democratic norms, as suggested by the three indicators in Table 4, remain in need of strengthening - indicating an important, but challenging, role for CSOs.

Table 4. Socio-political profiles of the case study countries

	Ghana	Kenya	Tanzania
Political system	Presidential Republic since 1993 when Military rule ended	Presidential Republic since 1991 when One party rule ended	Presidential Republic since 1995 when One party rule ended
Economist Intelligence Unit democracy index (2008)	94/167	103/167	96/167
Reporters Without Borders press freedom index (2008)	31/173	97/173	70/173
TI corruption perceptions index (2008)	67/180	147/180	102/180

¹⁰ UNDP Human Development Report 2007/08: <http://hdr.undp.org/en/>

¹¹ OECD DAC Statistics: http://www.oecd.org/countrylist/0,3349,en_2649_34447_25602317_1_1_1_1.00.html

National environmental governance

The institutional arrangements for environmental governance are varied. In all three countries the national mandate for environmental monitoring and compliance is held by a parastatal body (not a government department) and variously named as an Agency, an Authority and a Council. Policy development remains within a Ministry, but in no country is there a unitary Ministry for the Environment. In Kenya, the environment remit is shared with natural resource management; whereas in both Ghana and Tanzania the ministerial settings suggest a more cross-cutting approach, being with local government and rural development in Ghana and within the Office of the Vice President in Tanzania.

These arrangements reflect a continuing uncertainty over what is the best approach to secure national environmental governance. This uncertainty is also apparent in the frequent re-alignment or re-designation of the environment mandate within the government administration, which is also a feature in each country. This uncertainty and instability raises challenges for civil society's focus when it comes to interacting with government on environmental issues.

Table 5. Institutional models for national environmental governance

Country	Model	National Environmental Organisation	Government Departments with direct environmental roles ¹²
Ghana	Environmental agency and environment ministry	Environmental Protection Agency Forestry Commission Minerals Commission Lands Commission	<ul style="list-style-type: none"> - Ministry of Local Government, Rural Development & Environment - Ministry of Land, Forestry and Mines - Ministry of Energy - Ministry of Food and Agriculture - Ministry of Water Resources, Works and Housing
Kenya	Environmental agency and environment ministry	National Environmental Management Authority Water Resources Management Authority Kenya Wildlife Service Kenya Forest Service	<ul style="list-style-type: none"> - Ministry of Environment & Mineral Resources; - Ministry of Forestry & Wildlife - Ministry of Agriculture; - Ministry of Livestock Development; - Ministry of Fisheries Development; - Ministry of Water and Irrigation; - Ministry of Energy; - Ministry of Lands; - Ministry of Northern Kenya and Other Arid Lands.
Tanzania	Environmental agency and Vice President's office	National Environment Management Council	<ul style="list-style-type: none"> - Vice President's Office – Division of Environment - Ministry of Energy and Minerals - Ministry of Lands, Housing and Human Settlements Developments - Ministry of Livestock and Fisheries Development; - Ministry of Natural Resources and Tourism - Ministry of Water and Irrigation - Ministry of Agriculture, Food Security and co-operatives

¹² Sources come from each national website

Chapter 2: Ghana

2.1. The national context

The economy of Ghana has expanded strongly in recent years, with annual Gross Domestic Product (GDP) growth of about six percent. Much of the country's economic activity depends on natural resources, but these are being rapidly depleted. Much of the original forest area has been converted to agricultural land, yet crop yields have stagnated and productivity has declined on account of widespread soil erosion. Fish, timber, and non-timber forest products are all decreasing, coastal towns face severe water shortages during the dry season, and wildlife and biodiversity are in serious decline. Indoor and outdoor air pollution and water and sanitation issues have emerged as serious health threats in urban centres (World Bank, 2007). All these environmental factors threaten to undermine Ghana's economic growth.

Various national planning processes aim to address these environmental issues, including the National Environment Action Plan, Vision 2020, the Ghana Poverty Reduction Strategy (GPRS I), GPRS II and the national SEA¹³ process. These initiatives have used variable approaches and have had variable success. One chapter in the GPRS I focused on the environment. However, this was criticised by those who felt that environmental issues needed to be mainstreamed throughout the entire poverty reduction strategy. The use of SEA was therefore used in order to bring environmental issues during the preparation of GPRS II. This proved to be a successful strategy, by raising new issues that had not been considered previously by sector ministries.

While several inter-sectoral processes have generated concrete outputs (in terms of policies, plans, strategies, programmes, inter-sectoral working groups), none have been successful in influencing the government's budget in such a way that more funds are allocated to environmental priority issues. Individuals within Ghanaian civil society express the view that annual budgetary allocations are not enough to undertake key activities. Most District Assemblies have not taken on board environmental management activities in their medium-term development plans and therefore many actions are not implemented at the local level.

Ghana is a signatory to the 2005 Paris Declaration and this guides the relationship between Ghana and its international development partners (DPs). The Paris Agenda in Ghana has been promoted through the development of the Ghana Joint Assistance Strategy (G-JAS), the use of Sector Wide Approaches (SWAps) and funding being channelled increasingly through general budget support.

External assistance to-date on environmental issues has largely been delivered through stand-alone projects. The number of these environmental projects is not known as there is no publicly available database. The only information available comes directly from individual ministries. The results of project implementation have rarely been made public and access to data is not open to all CSOs: the decision about who has access is taken on a discretionary basis. So, despite changes occurring in both national planning processes and DPs' ways of working, civil society groups tend to remain on the margins of national environmental governance and management.

¹³ Strategic environment assessment

2.2. The impact of the Paris Declaration on environmental issues

The need to improve the delivery of aid for the environment

Most aid-supported projects have a short lifespan and are unable to provide the necessary impact within the project period. Furthermore, there is a tendency for donors to assess the success of such projects on how quickly funds have been disbursed. Often not enough time is allocated to the evaluation of project impacts at a local level. The assessment is often based on how available funds are spent: this reflects a higher interest in inputs rather than outputs, which may not necessarily reflect the desired impact on the ground. While few projects could be described as having failed, many donor-driven environmental projects have not been sustained beyond the project period. A number of these interventions appear to relate primarily to internationally determined agendas rather than national ones and tend to reflect ambitious new areas of policy development rather than address nationally-driven priorities.

The 2003 Annual Progress Report of the national poverty reduction strategy noted that expenditures did not show clearly the extent to which the poor, especially from deprived areas, benefited from projects and programmes funded by various development partners. Some environmental targets such as reforestation have been achieved. Other important indicators of improved environmental management, such as the establishment of Community Resource Management Areas have not happened to any extent (only one such area exists at present).

Changing aid modalities

Most external support has been project based. However, there is a gradual shift taking place towards budget support and programme activity, with financial support delivered directly to the national budget. Beyond improved donor harmonisation and alignment of donor and recipient priorities this should increase the predictability of aid funding. However, there is concern that budget support will give CSOs limited access to funds because it is difficult for them to receive direct funding from government. There are a number of environmental CSOs involved in supporting the delivery of projects that help to deliver local, national and international environmental commitments and priorities, and future funding of such activity is questioned with the change of aid modality.

Reducing the 'burden' of aid

External off-budget funding has been substantial in recent years. This has resulted in weak coordination between donors and raised alignment concerns between donor priorities and those of government and civil society. The Ghana Environmental Sector study (SNV, 2007) highlighted that in 2005/06 ten international agencies were supporting 28 separate projects implemented by the Environmental Protection Agency. These projects had different reporting, contracting and procurement standards making it difficult for donors to be well coordinated. At the same time they duplicated government's own systems, creating a national level reporting and management burden.

Defining country ownership

'One of the key principles adopted in the preparation of the GPRS¹⁴ was the participation of Ghanaians to ensure national ownership by all stakeholders of strategy formulation, programme implementation, and monitoring. Mechanisms employed included information dissemination, collaboration, coordination, and consultation in the context of existing political and governance systems. Consultations were employed within government, between government and civil society at the national level; and between government and

¹⁴ Ghana Poverty Reduction Strategy

civil society at the local level' (Government of Ghana, 2003: GPRS, p. 5).

As the above statement shows, there is a broad commitment to involve civil society in consultations with international donors and government. However, each consultation varies both in terms of who is allowed to participate and how influential these consultations are, in terms of the final decisions made. For example, in the GPRS process, CSOs such as Third World Network and the Federation for Environmental Journalists, who were expected to be more critical of government, were not invited to participate.

Role for Civil Society

Civil society organisations vary significantly in the way they operate in Ghana. There are NGOs, such as the Ghana Wildlife Society and the Nature Conservation Research Centre, that implement projects to supplement government actions. On the other hand there are NGOs who serve as watchdogs (Third World Network, Forest Watch Ghana). These latter organisations undertake independent monitoring of the impact of aid programmes on the environment and the implementation of government policy (Box 1).

Box 1: Legal contestation over timber concessions in Ghana

Forty-two Timber Utilisation Contracts (TUCs) were allocated to a number of timber companies by the NDC government and ratified by Parliament close to the end of that government's term in 2000. The beneficiary companies subsequently submitted performance bonds for completion of formalities to make the TUC contracts effective. Responsibility for completion of these procedures fell on the new NPP government, which did not want to have anything to do with them. While the performance bond procedures were hanging, events were overtaken by the amendment of Regulation LI 1649, which prescribed procedures for the allocation of TUCs. The new Regulation, LI 1721, enacted in February 2001, provided specifically for the allocation of TUCs by competitive bidding and the payment of Timber Rights Fees (TRF) by the bid winners. These provisions were absent in the earlier regulation.

While the 42 TUCs were in the process of being returned to the competitive bidding "pool," a new terminology, "replacement", emerged within the Forestry Commission (FC). The 42 TUC areas were repackaged and re-allocated between 2003 and 2004 to the previous beneficiaries (and some new ones), on the grounds of replacing concessions lost by the beneficiaries through the conversion of their concession areas to protected areas and placement under "convalescence." The Ministry simply looked on. In the last quarter of 2005, the Ministry justified to Parliament the "replacement" actions as complying with conditions for replacement under the law, and has since October 2005 sought parliamentary ratification of the replaced concessions as TUCs.

However, this issue was championed by a local rights-orientated NGO, Forest Watch Ghana (FWG) through the national Press. The challenges posed by FWG to the FC rest on two issues:

Governance:

FWG demanded timber title holdings to be rectified during a 6 month moratorium in 2003 by converting to TUCs, in accordance with the law. In 2004, FWG challenged the policy of replacement of leases under convalescence on the grounds that, in most cases, they were due to over-logging, and therefore the policy constituted a reward for causing environmental and ecological damage. Non-transparency was also an issue, as FWG in 2004 claimed that the Ministry's and FC's handling of these TUCs represented inconsistent interpretation of both forest policy and its enabling legislation.

Equity:

Landowners and forest communities stood to benefit from competitive bidding, but the idea of immunity of lease holders from paying TRF loomed high in industry lobbying. FWG's counter position was that the system of lease-holding and that of competitive bidding has important implications for the distribution of forest benefits to forest owners (the rural communities adjacent to forest areas). FWG was therefore opposed to any immunity on the payment of these fees.

Source: Bird, N, Fomete, T, and Birikorang, G. 2006. Ghana's experience in timber verification system design. Verifor country case study no. 1. ODI, London.

Paris Declaration results

The overall impact of the new aid architecture set by the 2005 Paris Declaration on environmental sustainability in Ghana appears to be quite mixed. A shift toward national budget support is occurring but it does not appear to be fully welcomed by national civil society. There is concern that direct funding to government will decrease the aid flow to local CSOs, especially those involved in environmental issues

Civil society participation in consultations with donors and government may be more apparent than real. It is stated at a formal level but different sources show that it tends to be selective: only certain organisations are allowed to participate, with those expected to hold more critical views being excluded (Gadzekpo and Waldeman, 2005). This divergence is reflected in the role played by Ghanaian's CSOs: some hold more service provision functions while others play a watchdog and advocacy role. This can be considered positively as it ensures that these two fundamental CSO roles are covered within the country, although there is a danger that these two roles are not equally recognised by government and donors, and that advocacy NGOs are sidelined for being politically challenging.

2.3. Opportunities brought about by the focus on aid effectiveness

There are three main opportunities brought about by the new aid process, as defined by the 2005 Paris Declaration: greater continuity of financing, the creation of new forms of policy dialogue and increased transparency in decision making.

Greater continuity of financing

Development assistance to Ghana is now shifting away from project support towards financial support delivered directly into the national budget. Harmonised Multi-Donor Budget Support (MDBS) was introduced in 2003. The successful implementation of MDBS has led to Ghana being one of the selected countries (along with Burkina Faso, Mali, Rwanda, Uganda, Zambia and Mozambique) that will benefit from the EU's MDG Contract (Box 2). The EU budget contribution will be €175 million over a six year period, between 2009 and 2015.

Another new and potentially encouraging multi-annual initiative is the Natural Resources and Environmental Governance (NREG) programme, approved in June 2008. This is a sector programme supported by the World Bank, the EC and a number of bilateral agencies with funding channelled through the Ministry of Finance to support the forestry and wildlife, mining, and environment sector ministries. The development of the NREG program provides an interesting example of harmonisation between development partners. Design discussions included consideration of the use of different aid instruments, including the use of Trust Funds to engage with civil society to complement the proposed budget support to government. The empowerment of civil society through this initiative should in theory provide increased national accountability.

New forms of policy dialogue

An important challenge for the MDBS is to ensure a structured dialogue between the centre of government, namely the Ministry of Finance and Economic Planning, and individual ministries, department and agencies. Some dialogue has recently been facilitated by the creation of a network of sectoral and thematic working groups. This network includes representatives of CSOs, development partners and ministries who work together in committees such as the National Biodiversity Committee, the National Wetland Committee, and Voluntary Partnership Agreement groups.

Box 2: The MDG Contract in Ghana

The MDG Contract is a general budget support (GBS) instrument, based on an exchange of greater long term predictability by the EC in return for commitment to MDG-related results by the beneficiary country. It was launched by the EC under the 10th European Development Fund (EDF 10).

The MDG Contract has the following key features:

- **Commitment of funds** for the full 6 years of EDF 10;
- **Base component** of at least 70% of the total commitment, which will be disbursed subject to the satisfaction of eligibility conditions for GBS;
- **A variable performance component** of up to 30%, which would comprise two elements:
 - a) MDG-based tranche:** At least 15% of the total commitment would be used specifically to reward performance (with annual monitoring) against MDG-related outcome indicators;
 - b) Annual Performance Tranche:** In case of specific and significant concerns about performance with respect to implementation of the PRSP, performance monitoring (notably data availability), progress with PFM improvements, and macroeconomic stabilisation, up to 15% of the annual allocation could be withheld (EC, 2008).

Ghana is one of ten countries pre-selected by the European Union to enter into a MDG Contract. It is expected to be implemented between 2009 and 2014 at a total cost of €175 million within the Multi-Donor Budget Support (MDBS). The MDBS involves 11 DPs, of which five are EU Member-States (Denmark, France, Germany, the Netherlands and the UK), three are other bilateral donors (Canada, Switzerland, Japan) and two multilateral institutions (World Bank, African Development Bank).

The initiative will support the Government of Ghana in the implementation of its Growth and Poverty Reduction Strategy (GPRS II) with the aim of reaching the Millennium Development Goals (MDGs) by 2015. The expected results are the following: (i) social indicators are improved with clear progress on gender-related and environmental issues; (ii) PFM, effectiveness and efficiency of public expenditures, domestic accountability are improved; (iii) business climate is more attractive and growth rate enhanced; (iv) ownership and harmonization are promoted and transaction costs decreased; (v) national capacities are strengthened (EC Decision, 2008).

The MDG Contract's crucial factor is in the predictability of aid funding. Predictability, which is guaranteed if focus on results (facilitated by the introduction of specific indicators) by the Ghanaian authorities is maintained, are the two main characteristics that follow the Paris commitments on Aid Effectiveness.

Sources:

EC (2009). *The MDG Contract and linkages with the social sectors*, Conference on Community Participation in Health and Sustainable Development. 21 April 2009.

EC Decision (2008). *Annual Action Programme 2008*, Annex 1, Brussels.

EC (2008). *Ghana MDG Contract*, Annex I, Economic governance and budget support, Directorate-General Development and Relations with African, Caribbean and Pacific States.

EC Website: http://ec.europa.eu/development/how/aid/mdg-contract_en.cfm

These working groups make proposals for policy targets by which to judge the performance in implementing the national poverty reduction strategy and key sectoral policy priorities. Their function is relevant as a selection of these targets is incorporated within the MDBS Performance Assessment Framework. Environmental issues are taken up by the environment and natural resource management sector group, which is located under GPRS Pillar I (promoting growth, income and employment).

The emergence of an environmental sector working group as part of the MDBS arrangement, with strong in-country leadership and analytical work involving multiple development partners (DPs), has clearly strengthened the harmonization of DP's actions on the environment in Ghana and provided greater voice for civil society. Government involvement has been less apparent. Incentives for higher levels of participation might include the holding of periodic meetings that focus specifically on strategic issues of common interest.

Increased transparency of decision making

Attempts have been made to ensure that key environmental indicators are included within the Performance Assessment Framework (PAF), which forms an important element of the policy dialogue between government and development partners. After various changes to two specific environmental indicators, the most recent debate seems to agree that the environment should be monitored independently using specific instruments, such as Strategic Environmental Assessment to ensure environmental mainstreaming across the government. For national ownership of environmental decision making to take root, transparency of this process needs to be strengthened to allow for broader accountability of government and donor actions than is the case at present.

Accountability of public expenditure needs to be enhanced as part of national public finance management reforms. The use of special funds by subvented agencies, including the National Environmental Fund and the Mineral Development Fund, needs to be made more transparent, perhaps by providing information on their intended use at the time when the budget is placed before Parliament (and therefore open to scrutiny by civil society). There remain serious inconsistencies in financial reporting across government, with discrepancies between the Ministry of Finance and Economic Planning, the sector ministries and the environmental subvented agencies. The quality of financial administration and auditing of accounts needs to improve and civil society has a role to play in calling for improvements in public spending on the environment.

2.4. Challenges set by the new aid agenda

Several significant challenges remain to be tackled: first, Ghana has not yet secured national accountability on environmental issues; second, the sector continues to be largely dependent on external aid; and third, the policy framework is not well implemented on the ground. The multi-sectoral nature of the environment itself makes finding a comprehensive policy solution very difficult and this can be seen in the fragmented approach across governmental ministries. Whilst CSOs are active, they also appear to be quite fragmented.

With the progressive shift toward national budget support designed within the new aid agenda, it has become a condition *sine qua non* that environment is mainstreamed at national level. This is because if donors directly fund the national budget the resources will then be spent following country-driven strategies. Environmental sustainability needs to be prioritised within these strategies. Creating awareness of environmental issues should be secured by environmental and economic analysis. Here CSOs have a key role to play, particularly in the delivery of impartial environmental analysis, which can complement the official view (as the Kenya Case Study will show).

Chapter 3: Kenya

3.1. The national context

Kenya is a signatory to the 2005 Paris Declaration, which guides the relationship between Kenya and its international development partners. The Paris Agenda in Kenya has been promoted through the development of the Kenya Joint Assistance Strategy (KJAS), the introduction of Sector Wide Approaches (SWAs) and initial attempts at general budget support. However, Kenyan civil society engagement with this agenda remains fragmented, and lacks a cohesive strategy and strong leadership. CSOs appear not to be fully aware of the changing context established by the Paris Declaration (Wamurgo and Pedersen, 2007).

The Harmonization, Alignment and Coordination (HAC) group was established in 2004 at the request of the Government of Kenya to improve the effectiveness of development assistance across sectors and agencies in support of the government's economic recovery strategy. The HAC group helped prepare the Kenya Joint Assistance Strategy (KJAS). The KJAS seeks to identify challenges facing government and priorities for development partner involvement, as well as develop a monitoring and evaluation framework with outcome indicators to track progress towards targets of government's strategy and the Millennium Development Goals. However, the KJAS remains at an early stage in terms of rolling out a new development relationship with development partners. The civil unrest of early 2008 had a significant effect on this relationship, slowing progress in the shift to programmatic forms of support.

With regard to national environmental management, the legal basis for the conservation of environmental goods and services is clearly set out within the overarching framework legislation, the Environmental Management and Co-ordination Act (EMCA) of 1999. Under the EMCA, a national policy forum called the National Environmental Council (NEC) was established. This is where policies and priorities for the protection of the environment should be determined. The National Environmental Management Authority (NEMA) was also established under the EMCA. The NEMA became operational in 2002. Its main function is to coordinate the environmental management activities undertaken by other government ministries, departments and agencies.

Policy priorities have evolved considerably in recent years as part of the national Vision 2030 strategy. This was launched in 2008 as the Government's long-term development blueprint. Four priority areas for government action are identified within the Strategy to help realise the national vision for the environmental sector. These are (i) conservation of natural resources, (ii) pollution and waste management, (iii) high-risk disaster zone management and (iv) environmental planning and governance.

The Vision 2030 strategy will be implemented through a series of 5-year, medium-term rolling plans, with the first covering the period 2008-2012. Within the Environment, Water and Sanitation Sector, the plan begins by identifying the following major challenges to the environment in Kenya: environmental degradation, poor water quality, availability and accessibility, declining forest resources, poor solid waste management and the effects of climate change. These are all implementation challenges where civil society often has a key role to play.

3.2. The impact of the Paris Declaration on environmental issues

The need to improve the delivery of aid for the environment

International aid that has been channelled through the government administration has not been very effective in delivering better environmental outcomes, as measured against a number of environmental indicators. In part, this is because the environment has not been seen as a policy priority for government, whose focus has been on the provision of social services and poverty reduction. Environment institutions have remained on the margins of the government and the national policy discourse. As Vision 2030 states, the institutional arrangements for addressing environmental issues are not robust: 'Kenya's current institutional framework to manage the environment is characterised by fragmentation. Various aspects of environmental policy cut across different institutions. Although the Environment Management and Coordination Act of 1999 was a major landmark, with the primary objective of improving coordination and management of the environment, legislation of relevant laws and regulations have not yet been completed' (Government of Kenya, 2007).

Information provision remains weak, limiting the scope for civil society to comment on aid delivery for the environment. For example, there is no public reporting system on externally-funded environmental projects. Civil Society Organisations (CSOs) have to rely on informal channels and learn about new government projects on an ad-hoc basis. It appears that the government itself does not have a strategic overview of national environmental initiatives, with basic information – such as lists of donor-funded projects – being absent in some ministries. However, the GEF National Review Panel has civil society representation and so all GEF-funded projects are in the public domain.

The overall response to national environmental concerns is not commensurate to need, although external support appears to be on an upward trend. Despite support to Protected Areas, there is continuing environmental degradation occurring throughout the remaining productive landscape, which constitutes most of the country.

Changing aid modalities

There has been limited movement in the way donor funding is provided for environmental actions in Kenya. Project finance remains the dominant mode of funding, with an apparent lack of interest on the part of some donors to contribute to pooled or 'basket funds'. Progress towards donor assistance channelled through budget support was affected by the early 2008 civil unrest throughout the country, which undermined the necessary level of trust between government and its international development partners.

Three major sources of international assistance to environmental programmes in recent years have all been based on project-based support:

- The Resource Assessment Framework of the GEF, with approximately \$7 million allocated over the last four years. A joint government/civil society task force has been set up to examine the portfolio of projects supported.
- The EU's Community Environment Facility (CEF) provides grants direct to civil society on a project basis. €7 million has been spent in the last four years.
- The Critical Ecosystem Partnership Fund, which is a joint programme supported by Conservation International, the GEF and the Japanese government. This fund focuses on the conservation of the forests of Kenya and Tanzania and has a budget of \$7 million.

Reducing the 'burden' of aid

There have been efforts to promote sector-wide policy dialogue and coordination, including the creation of an Environment Donor Coordination Group. However, each donor retains its own policies and procedures for project delivery and therefore aid to the environment sector remains highly fragmented. For example, the Kenya Forest Service currently has nine projects funded by seven development partners. The coordination of donors and projects undoubtedly stretches the limited personnel capacity within government organisations. In addition, donor funding can introduce vulnerabilities for project implementation, especially when support is conditional on the fulfilment of obligations at the national level. All these and other challenges affect national agencies' capacity to implement projects on time, leading to low utilisation of available funds.

Defining country ownership

The current situation is mixed, but there is increasing involvement of civil society in environmental initiatives. The GEF structures have involved civil society and as a result CSOs are now more informed and active than in the past. Bilateral donors are learning from this – rather than leading by example. Considerable donor resources appear to have been allocated to promote broader participation of actors, including NGOs. This should help guarantee a higher level of ownership of national environmental programmes than before the Paris Declaration took place.

What role for Civil Society?

Civil society has had to respond to the situation where the government is 'not doing its job' when it comes to environmental management. This has often meant a vacuum of capacity, resources and initiatives for strengthening environmental governance. Civil society organisations have had to fill this vacuum as service providers. It is also recognised that civil society has an important advocacy role to play, as in the example of the government's development proposal for the Tana River delta (Box 3). In this case, civil society was able to undertake an independent cost-benefit analysis of the proposed development (through funding from international NGOs) which clearly showed net negative benefit. The environmental case was considerably strengthened when the argument could be sustained in economic terms. This example also shows the power of applied research undertaken impartially by CSOs. However, it is difficult to achieve the right balance between service provision and fulfilling an independent advocacy role. This requires investment in strategic planning on the part of CSOs if they are to remain credible in the eyes of both government and society more generally.

3.3. Opportunities brought about by the focus on aid effectiveness

Three main opportunities for national CSOs to influence better environmental governance and management can be identified. They are: increasing the level of discretionary funding for environmental spending by government, achieving greater continuity of public funding, and increased transparency in government decision making.

Increasing discretionary spending by government

One difficulty facing any review of public expenditure trends on the environment is the frequent change of the environment portfolio within the government administration. This is further complicated by the fragmentation of mandate across various government services and in-line ministries. Spending by individual services - and the breakdown of that expenditure by programmes - is not yet fully in the public domain. However, despite these limitations available data show a positive trend. For example, between

2005 and 2008 the total expenditure of the Ministry of Water and Irrigation (MWI) and the Ministry of Environment and Natural Resources (MENR) doubled, rising from Kshs 7,307 to 15,203 million (Bird and Kirira, 2009). This represents a very significant increase in discretionary spending for environmental actions.

Box 3: The Tana River Delta Campaign

In 2008, Mumias Sugar Company (MSC) Ltd and the Tana and Athi River Development Authority (TARDA), in a private joint venture, planned to turn 20,000 hectares of Kenya's Tana River Delta to sugarcane production. The main features of the Tana Integrated Sugar Project (TISP) were: 16,000 ha of irrigated sugarcane production through estate production; 4,000 ha of out-grower systems; water supply to the project; a sugar factory and co-generation facility of up to 34 megawatts power capacity; an ethanol production plant; and livestock supporting activities, including fisheries.

This area is crucial to many animal species and the Tana wetlands form an important link for migratory water birds (around 22 species) on the route to their winter destinations in the South. Moreover, the livelihood of local communities depends on the Tana wetlands, being fishermen or farmers. Herdsmen also require the area for cattle grazing during the dry season. These functions - critical to their livelihoods - would largely disappear if the wetland were to be converted for large-scale sugarcane production.

An Environmental Impact Assessment (EIA) of the project was undertaken for the National Environmental Management Authority (NEMA). However, the EIA was criticised for being biased towards the project, and lacking realistic conclusions regarding the actual impacts the project would have on local communities and the environment.

The local communities living in the delta, represented by the Lower Tana River Delta Conservation Trust, together with a number of NGO's such as Nature Kenya undertook a strong campaign against the project, with support from the East African Wild Life Society and the Kenya Wetlands Forum. The campaign was supported financially by the Royal Society for the Protection of Birds (BirdLife in UK), Schweizer Vogelschutz SVS/BirdLife Schweiz (Swiss BirdLife partner) and DOF (BirdLife in Denmark).

Nature Kenya provided a cost-benefit analysis of the project which showed a major difference between the Net Present Value estimated by the Mumias Sugar Company (Kshs. 3,177 million) and Nature Kenya (Kshs. 1,239 million). This new estimate suggested that the benefits of the project had been overstated by nearly 70%. A number of key concerns were not included in the company's estimate: such as the costs of the water extracted from the river for irrigation (Mireri, 2008 Nature Kenya).

In July 2008, the case was presented to the High Court of Malindi and was presented again in April 2009. Furthermore, a letter (Madgwick, 2008) was sent to the Minister of Environment and Mineral Resources from the coalition of NGOs involved in the campaign to convince the government to reconsider its approval and offering their support in defining alternative sustainable development opportunities. The project has - for now - been put 'on-hold', although the long-term future remains uncertain.

Sources:

Madgwick, J. (2008) Letter to the Minister of Environment and Mineral Resources.

Mireri, C. Onjala, J. Oguge, N. (2008) *The Economic Valuation of the Proposed Tana Integrated Sugar Project (TISP)*. Nature Kenya, Kenya.

Tana River Delta Website: <http://www.tanariverdelta.org/tana/welcome.html>

Wetland International Website:

<http://www.wetlands.org/Aboutwetlandareas/Threatenedwetlandsites/TanawetlandsinKenya/tabid/1353/Default.aspx>

There are three major environmental Agencies in Kenya: the National Environment Management Authority (NEMA), the Kenya Wildlife Service (KWS) and the Kenya Forest Service (KFS). Their financial resources come from four main sources: the government's recurrent grant, the government's development grant, internally generated funds and donor funds. Within the NEMA, the government's recurrent grant is the major source of funding. It increased between 2003 and 2005, from Kshs 220,078 to 287,127 million. After 2005 it decreased to 266,616 in 2008. In contrast, internally generated funds (IGF) are the largest source of funding for the KWS. Such funds reached a peak of Kshs 2.5 billion in 2006/2007 before dropping by 24 per cent the following year. This came about because of the much reduced park entry fees (which constitute well over 90 per cent of IGF), brought about by the lower number of international visitors to Kenya, following the early 2008 civil unrest. The funding of the KFS is more difficult to track. However, it appears that the recurrent grant is the largest source of funding and between 2005 and 2008 it saw a slight increase from Kshs 1,343 to 1,630 million (Bird and Kirira, op.cit.). All this evidence points to a generally positive trend in the level of public expenditure on the environment.

Continuity in external financing

In addition to greater national resources for the environment, donors have also increased their aid to the sector in recent years. Since 2002, the number of donors providing grant aid has gone up each year, from seven in 2002 to 10 in 2007. A total of US\$ 37.5 million (constant 2006 prices), equivalent to Kshs 2.72 billion, has been disbursed over the six year period, again on an increasing trend. More broadly, total donor spending for environment protection, forestry, water and sanitation has increased substantially, from a total of US\$ 5.84 million in 2002 to US\$ 21.79 million in 2007.

This external support has been significant. However, almost all of this assistance has been channelled through projects. The challenge remains to shift towards the programmatic support of national systems. The resources would appear to be available, so it is important to allocate them within a more sustainable and predictable approach. Broad administrative reform will be necessary to allow this to happen, such as consolidation of the government's Medium Term Expenditure Framework and further improvements in public finance management.

Increased transparency of decision making

There is little information on national and donor spending on the environment available to civil society. The main source of information is the national budget, published in June each year. Departmental spending plans and expenditures are not publicly available documents. This has led to a lack of transparency in terms of the total financial envelope within which national agencies have to operate. Donor-funded development projects that are off-budget are also poorly visible and contribute to this lack of clarity. Civil Society has responded to this situation by establishing a National Liaison Committee on the Environment. This group consists of government and non-government members and meets on a quarterly basis, under the co-chair of two ministers. As the committee has no statutory decision making powers it acts more as a forum to exchange information. The increased level of civil society participation that has been accepted by government suggests that decisions may be taken more transparently in the future.

3.4. Challenges set by the new aid agenda

Four challenges stand out as being particularly onerous in Kenya: (i) mainstreaming environmental issues across a government administration that is highly fragmented; (ii)

determining the right institutional structures that can deliver government services efficiently and effectively; (iii) monitoring progress; and, (iv) structuring donor support to national CSOs. The first two challenges relate directly to the role of government. This role should be determined, in part, by the views of civil society.

Mainstreaming of environmental issues across government

Within government there are nine ministries responsible for various aspects of environmental policy. However, there seems to be little overarching strategic direction for these ministries. Central government has highlighted the environment as a key issue but this has failed to translate into a comprehensive multisectoral policy framework. There is donor support, coordinated through an environment donor coordination group, to help mainstream environmental issues across government. However, this has to overcome an administrative culture that works vertically within ministries and departments. Poor communication between government departments, causing competition with respect to the policy direction on environmental sustainability, remains a major challenge to be overcome.

Defining the role of government

Parastatal organisations within the environment sector have spread considerably in recent years. The Kenya Wildlife Service was established under the 1989 Wildlife (Conservation and Management) Act. This was followed by the National Environment Management Authority (NEMA), created by the Environmental Management and Co-ordination Act in 1999 and then by the Kenya Forest Service and the Water Resources Management Authority, both created under legislation since 2000. This rapid growth in new institutions has tended to lead to overlaps in organisational mandate.

The semi-autonomous position of the parastatals allows these institutions to raise their own revenue through internally generated funds (IGF). This may take the form of licences and approval fees, as well as user-fees charged to those who consume or use facilities. On one side this allows for additional fundraising over and above the national budgetary allocation but on the other it can undermine environmental protection by:

- Risks of encouraging environmental degradation through the pressure to raise revenue;
- Risks of neglecting important monitoring and protection activities that do not generate revenues;
- It is particularly prone to external disruptions.

This far, civil society has been largely silent on the way these national organisations are structured and the extent to which they are meeting their institutional mandates.

How can progress be monitored?

CSOs are not aware of any formal tracking of environmental indicators at the national level. The government publishes a 'State of the Environment' report, but this provides few trend data on key environmental indicators. There is a need to link environmental health with the economic health of the country. The main gap is at the national level – providing the national overview – and then finding instruments that can link this to human needs and the imperative of poverty reduction. The recent UNEP publication *Kenya: Atlas of our Changing Environment* (UNEP, 2009) shows what can be done by showing the links between the condition of the national environment and progress towards the Millennium Development Goals.

Another weakness in monitoring concerns government expenditure on the environment. At present CSOs do not track environmental budgets and as a result national accountability is weak. This is explained, in part, by the difficulty in raising funds for this type of work.

Donor support to national CSOs

Most external support for civil society has a strong emphasis on spending that directly leads to conservation activities on the ground; there is much less support for the development of national civil society organisations (CSOs) on which such delivery rests. The transaction costs for CSOs that work with donors are high: an estimated 13% overhead is necessary to cover the administrative costs of donor projects (Paul Matiku, personal communication). Forms of support for the continuing development of the institutional capacity of civil society in Kenya are needed.

Chapter 4: Tanzania

4.1. The national context

The national development framework strategy for 2005-2010 is the MKUKUTA. This is a Kiswahili acronym for the National Strategy for Growth and Reduction of Poverty. The MKUKUTA process was designed to be open to cross-cutting issues such as the environment and has been successful in including poverty-environment linkages and associated indicators. Complementing the MKUKUTA is the 1997 National Environmental Policy (NEP), which is the overarching policy for environmental planning and management in Tanzania. An important characteristic of this policy is that it applies to all government institutions and to all activities that impact on the environment, and so also adopts a cross-cutting approach. The 2004 Environmental Management Act (EMA) is the most significant environmental reform process to-date and establishes a legal and institutional framework for the sustainable management of the environment, pollution control, waste management, environmental quality standards and enforcement.

Tanzania therefore possesses a substantial strategy, policy and legal framework to tackle environmental issues. This is not surprising for a country where natural resources are major economic assets. Agriculture, livestock, forestry and fisheries together contribute over 65% of the country's GDP; account for over 80% of total employment; and over 60% of export earnings. With the election of the new President in October 2005, the environment was defined as one of the government's ten political and economic priorities. In March 2006 a Cabinet Secretariat for the Environment was set up in the Vice-President's Office.

Development partners have provided significant levels of support to the environment. The fisheries sub-sector receives the largest amount of funds (approximately 60%), with two agencies (the EC and World Bank) accounting for 97% of the funding. The 'green' sector is the second largest recipient with most funding going to forestry and bio-diversity. Urban environmental issues (the 'brown' sector) account for only about 10% of total environmental development assistance (Luttrell and Pantaleo, 2008).

In terms of national expenditure, the natural resources and tourism sector shows a recent decrease, largely due to a reduction in funding for the Wildlife Division, from 8.6 billion Tsh in 2006/2007 to 6.9 billion Tsh in 2007/2008. So, despite the efforts of the international community and the apparent broad political commitment to prioritise environmental issues, such issues do not appear to have been completely internalised within the national budget.

4.2. The impact of the Paris Declaration on environmental issues

The need to improve the delivery of aid for the environment

Since 2005, with the creation of the MKUKUTA strategy, Tanzania's international development partners have played a more supportive role to national decision-making processes than in the past (Assey et al., 2007). This follows the ownership, harmonisation and alignment principles for effective aid established by the Paris Declaration.

However, the number of externally-funded environmental projects implemented by government is incompletely known. Information provided by individual ministries varies in quantity and depth. For example, the Ministry of Water and Irrigation's website contains project and programme overviews, whereas the Ministry of Natural Resources and Tourism only lists the names of projects, with little further information.

At the Tanzanian CSO National Consultative Meeting held in August 2007 the issue of civil society's involvement in development projects was raised. Transparency of externally-supported environmental projects was considered to be weak, with some NGOs appearing to have more access to funding than others. One researcher described how many development and environment projects are very well reported to donors and Parliament but not to the people (the ultimate beneficiaries).

Changing aid modalities

Development Partners deliver their aid through three main funding channels: budget support, common basket funds and project funds. The major channels are budget and project support. In 2002/03 the former received 30% of total overseas aid and the latter 54% (Table 6); by 2006/07 the percentages had changed to 42% and 42%. These data shows that in Tanzania a shift from project support to longer-term programmatic support is taking place, as recommended by the Paris Declaration.

Table 6. Aid composition as a percentage of total overseas aid in Tanzania

Year	2002/03	2003/04	2004/05	2005/06	2006/07
Budget support	30	38	34	38	42
Basket Funds	16	18	21	26	16
Project Funds	54	44	45	36	42
Total	100	100	100	100	100

Source: Luttrell and Pantaleo, 2008

Reducing the 'burden' of aid

Together with better harmonisation between donors, Tanzania has exhibited good alignment between donor, government and civil society priorities for environmental action. One indicator of this is the MKUKUTA strategy, which was a clear example of a country-driven policy where development actors moved into a supporting position. Their contribution was only requested after the main decisions were taken on the basis of a broad national consultation process.

Defining country ownership

Ownership of national environmental programmes requires participation of a range of actors: government, parliament, civil society organizations and the wider public. The MKUKUTA process invested heavily in such consultation. It involved Local Government Authorities (LGAs) through meeting 18,000 participants in 168 villages; CSOs through discussions with 1,000 participants; the general public through 25,000 completed questionnaires; environmental NGOs through joint position papers; and parliament members through debates of the Select Committee on Environment and briefings for MPs in Parliament (Assey et al. 2007). This is an example of a very broad and inclusive multi-stakeholder consultation.

However, there are cases where ownership and democratic participation are not as successful. The 2006 Urgent Action (Box 4) because of its 'emergency' nature did not have either the time or the resources for an assessment of the relative merits of the proposed solutions and excluded consultation with the relevant NGOs and private sector (Luttrell and Pantaleo, 2008).

Box 4: the National Strategy for Urgent Action on Land Degradation and Water Catchments

In 2006 the Vice President launched the National Strategy for Urgent Action on Land Degradation and Water Catchments. This initiative was one of the most significant recipients of government environmental funding (Luttrell and Pantaleo, 2008). Hydropower is the major source of energy in Tanzania accounting for over 70% of the total national energy sources. It depends on the functioning of the major water catchment areas and ecosystems including the dry land ecosystems (Muyungi, 2006).

The strategy identifies 12 environmental challenges, and cites examples of areas seriously affected for each challenge and prescribes actions required to address each challenge in a given time-frame. It also identifies the responsible institutions for each challenge. The strategy was developed in reaction to the 2006 drought and associated problems such as power rationing resulting from low hydro-electric power production (Mugurusi, 2006).

An inter-ministerial Steering Committee was put in place, chaired by the Vice President, and proposals were sought from the relevant ministries. In total the sum allocated for the Urgent Action plan was 9.4 billion Tsh. This is a very substantial amount of funding for an environmental specific project. Its limitation is that the activities proposed appear to be based on an extremely fast analysis of the evidence. They responded to the urgency of a crisis caused by a drought and associated problems which required immediate response. The Division of Environment had little time to coordinate and integrate the activities. The Urgent Action plan was funded outside of the normal budgetary timeframe and was not integrated into a medium term expenditure framework (Luttrell, 2008).

The plan is an example of a country driven initiative, not receiving any support from external donors. However, the claimed cooperation with civil society has not been followed. The "urgent" nature of the plan, led to a lack of time to adequately assess the proposed solutions with proper consultation with civil society. The results of the plan show a poor level of absorption of these funds. One of the unintended consequences, which has received attention, was the resulting conflicts over land in areas where pastoralists have been relocated to, leading to accusations that problems have merely been shifted to other areas. CSOs and CBOs with their specific local knowledge would have been able to prevent this. The capacity of the DoE to coordinate and integrate the activities is limited, and in many of the ministries, along with a lack of use of civil society resources, such problems resulted in delayed spending and the reallocation of some of the funds.

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The role for Civil Society

Today, the funding and political climate in Tanzania provide conditions where CSOs thrive as a partner of government, e.g. as a service provider, rather than as an independent watchdog on environmental issues (Assey et al. 2007). There are hopes that once the former function is consolidated, valuable environmental assets such as forests, water bodies and fisheries might be monitored, with CSOs holding the government to account for its actions. The role of development partners is also an area demanding national scrutiny, yet CSOs have not undertaken any independent monitoring on the impact of aid programmes on the environment.

Paris Declaration results

National ownership, donor harmonisation and alignment, as defined by the 2005 Paris Declaration, have been strengthened by the MKUKUTA strategy. Donors have played a supportive role, leaving space and resources to the country to define and implement the National Strategy for Growth and Reduction of Poverty. There has also been an increase in longer-term programmatic support, which is central to the Paris Declaration. Despite these positive actions, there remains a high level of projects and technical assistance provided by donors suggesting that their commitment to the Paris principles is not yet strong enough. Much donor funding has been, and remains, off-budget.

In terms of participation, environmental NGOs were involved in the consultation process that developed the MKUKUTA strategy. The result of this has been a strong alliance between CSOs and government, which has led to CSOs being orientated more towards acting as service providers to government rather than acting as critical watchdogs. Nor are development partners subject to serious scrutiny, as CSOs do not undertake any independent evaluation of the impact of aid programmes on the environment.

4.3. Opportunities brought about by the focus on aid effectiveness

Of the opportunities related to improving aid effectiveness, two are significant for civil society actions in Tanzania: effecting broad system change and developing new forms of policy dialogue.

Broad system change

Central government has shown its willingness to prioritise environmental issues. In 2006 the President quoted the environment as one of his government's priorities. However, despite legislative and policy movements towards greater environmental protection there is little evidence that this is finding its way into the mainstream at a local and district level. So far, Local Government Authorities (LGAs) have shown poor capabilities in budgeting, investment and governance. Various ministries are addressing environmental protection in their agendas, but inter-ministerial committees that could help harmonise the process do not seem to exist.

The 2004 Public Expenditure Review for Environment identified the problem of inadequate capacity for environmental management in the sector ministries and additional financial support was recommended. Responding to this problem, the EMA sought to create sector environmental units (SEU) in every ministry. However, only one has been created to-date, in the Road Sector of the Ministry of Infrastructure (MOID). Its function was supposed to coordinate sector implementation of the EMA, e.g. making the new Roads Act (2007) compatible with the EMA. The SEU's activities have included training courses, the development of guidelines for environmental management, a code of best practice and draft regulations for the road sector. The SEU also participates in the EIA technical advisory group. This is an encouraging initiative that should spread across the various sector ministries.

CSOs have a role to play in broad system change, with different actors participating in various ways. The media, facilitated by CSOs, has promoted the EIA process and encouraged public comment. The media has also raised attention about the potential environmental impacts of key projects, such as the Rufiji prawns project, which was based on large-scale prawn farming in an area close to the Rufiji Delta. This development would have caused loss of agricultural land, long-term pollution of the land and water, affecting the livelihoods of people who live in the area. The project did not go ahead as the EIA that was carried out as a result of media/CSO pressure and the involvement of local communities did not support the project. This shows how the

EIA process has the potential to make resource-use arrangements (particularly on public lands) more open and transparent to the public. Furthermore, the fact that EIAs have become mandatory under the 2004 EMA means that environmental issues have a stronger basis to be mainstreamed across government.

New forms of policy dialogue

With the changing aid architecture new groups have been established where national environmental policy concerns can be discussed. An Informal Donor Group for the Environment (IDGE) has been in existence for a number of years, and as far back as the early 1990s was broadened beyond development partners to include a wide range of other stakeholders, mostly from civil society. In 2000 it became the Informal Discussion Group on the Environment. The government initiated its own Environment Working Group (EWG) chaired by the Division of Environment with participation from key sector ministries, the LGAs, NGOs, CBOs, the private sector and DP technical leads.

Progress on environmental governance is also reported upon within the Performance Assessment Framework (PAF) associated with the general budget support process. The PAF sets agreed medium-term targets and indicators for macro-economic stability and performance improvements in the public sector, together with specific annual measures to be undertaken by the Government to achieve the agreed targets. It has a structure of three pillars: underlying processes, temporary process actions and outcome indicators. Using environmental indicators, such as on natural resource revenue collection within the PAF is an ongoing process that has not yet been fully implemented. One reason why it has not yet been implemented is because there is some uncertainty whether such indicators should reflect a cross-cutting theme approach or a sectoral one.

4.4. Challenge set by the new aid agenda

Ongoing governance challenges present specific obstacles to the delivery of environmental goals through the new aid modalities. The mainstreaming of environmental issues across government has been achieved more at a formal than at a practical level since 2005, and many challenges still need to be faced. Overall, compared to other sectors, budgets allocations to environmental policy priorities are very small. This is because of the limited demand for both environmental regulation and environmental protection activities from the ministries, departments and agencies. The country is also experiencing a lack of demand for environmental protection from the general public. This could be addressed, in part, by CSOs performing their intermediary function. Within the MKUKUTA process such organisations played a decisive role in increasing public attention on the environment and its linkages to poverty.

The institutional architecture of national environmental governance and management is very well structured, but the coordination at district level needs adjustments in order to achieve environmental objectives. The main challenge faced by the country is the lack of coordination of environmental governance between the national and local levels. If the issue of environmental protection is shared and harmonised at a district level then this will likely lead to pressure being put upon the Ministry of Finance to increase the budget allocation dedicated to this policy theme.

Figures from the Government Budget Books show that since 2003/04 the development budget for the Division of Environment has fallen substantially and by 2005/06 it was only 12% of what it was in 2003/04. The peak in 2003/04 was predominantly due to funding for three major projects. However this downward trend is caused not only because of lower development support but was also due to an increasing discrepancy

between the approved estimates of development expenditure and actual spending. Between 2001 and 2006 the average of development budget spent was approximately 47% of approved estimates (Luttrell and Pantaleo, 2008). In 2005/06 only 8% of the approved estimate was actually spent. As this funding is mainly from foreign sources, it suggests a delay in the delivery of allocated funds. Another reason why the allocation of funding to local government is recommended is that decentralised spending may be more easily tracked and monitored, which would help to decrease the fracture between approved estimates and actual spending.

Overall, there is a substantial gap between an ambitious national policy framework and implementation on the ground. Civil society does not yet seem to hold government to account for the policy positions being adopted. Its role so far has been more as a service provider than as an independent 'watchdog'. An institutional acknowledgement of CSOs is required in order to establish a transparent and equal relationship between donors and government.

Chapter 5: Conclusions

This short study has attempted to identify approaches and entry points that environmental civil society organisations can use and the policy positions they can promote in the post-Paris Declaration period to ensure positive long-term environmental and social outcomes in developing countries.

After an initial review of the literature the main themes were examined further by way of three country case studies. The results of these case studies, described in the previous chapters, confirm that environmental degradation is widespread in many aid-receiving countries and this situation has considerable potential to undermine economic growth and slow down current efforts to reduce global poverty. The earlier perspective that economic and environmental management could be separated is proving to be a false and highly damaging view. This is most apparent as countries, both North and South, have to come to terms with the economic consequences of climate change.

In contrast to the situation in donor countries, civil society in many aid-receiving countries remains weakly developed and poorly placed to effect change for the better. CSOs will need external support for some time to come if they are to fulfil the role of complementing – and questioning – the many environmental programmes of the state. The Paris agenda is critically important to improve the overall effectiveness of aid. However, much of the focus to-date has been on strengthening the systems of national government delivery. Greater attention now needs to be given to the strategic support of civil society organisations.

5.1 Improving aid delivery for the environment

Things do need to change. There is a widespread perception that international development assistance has not been successful in addressing environmental issues in aid-receiving countries, with the poorest suffering worst and most directly from environmental degradation. This is despite natural capital being one of the major opportunities for sustainable development (World Bank, 2006). Recorded project success rates have been much less compared with assistance to other sectors. For example, a 2005 World Bank review recorded only a quarter of Bank-financed environmental projects had received a satisfactory project outcome rating – compared to 100 per cent for education projects and 86 percent of health projects (Hicks et al., 2008). At the bilateral level, an evaluation of DFID's environmental programme in 2000 concluded that only around half of the projects reviewed were partially successful or better (DFID, 2000). A special report by the European Court of Auditors in 2005 recorded that EC-funded environment projects had frequently fallen short of their objectives, noting in addition that project-based support had inherent difficulties in 'achieving significant impacts and assuring financial viability' (European Court of Auditors, 2006).

All these evaluations point to the need for change: many short-term donor projects have not delivered the expected improvements in environmental outcomes. The case for significant change in aid delivery therefore has a strong evidence base when it comes to the environment. The three countries studied in this report back up this general conclusion. External initiatives have often proved not to be sustainable after the closure of project support. Development interventions need to be embedded within national systems that have strong national ownership and are supported by financial mechanisms that can deliver predictable, long-term funding. In this regard, the Paris agenda holds much promise.

Donor support to the environment is determined by the bigger picture of aid policies and aid delivery mechanisms. Aid delivery has been transformed in recent years, with a progressive shift from project support to more upstream mechanisms in order to increase the effectiveness of aid (Lawson and Booth, 2004). Foremost among these approaches and the one that is most inherently aligned to national policies and systems is General Budget Support (GBS). Budget support directly addresses the constraint of government budgets being insufficient to meet the recurrent costs of ministries and departments. It is the first aid modality in recent years to address the issue of recurrent public finance – as opposed to supporting capital expenditure. It therefore holds out the possibility of strengthening areas of state activity where this is a major constraint to realising policy goals. This has been a recognised problem of environmental agencies for some time. Many of the functions that need to be financed for environmental policy to be effectively implemented are recurrent functions (e.g. the monitoring of extractive industries, biodiversity monitoring). Civil society will have a role to play in ensuring that increased financial resources are used to this end and then used effectively by these government agencies.

Despite this recognition of the need to increase government discretionary spending on the environment, it is also the case that the funding of national environmental agencies remains poorly known. This proved to be so in the countries studied and is partly due to the multiple sources of finance available to these agencies. This lack of transparency undermines democratic accountability. Yet this is an issue about which civil society remains largely silent. The study was unable to identify any instance from the three countries where CSOs are questioning the environmental spending programmes of government.

There is equal concern over the lack of transparency of donor-funded projects. In none of the countries examined is there a publicly available database of environment-related donor programmes and projects. Despite significant investments made by development partners, project activity details generally remain poorly known (and therefore understood). Various informants spoke of the ad-hoc arrangements and informal channels through which this information is gained. Calls by Development Partners for greater transparency on the part of government should be reflected in their own practices - for example through a comprehensive and accessible disclosure of information as is being promoted by the International Aid Transparency Initiative currently being developed by 17 donor agencies¹⁵.

Aid delivery to the environment sector continues to be highly fragmented and largely project based. This fragmentation, with multiple donors pursuing parallel objectives, runs counter to the Paris Declaration and comes at a cost to those national institutions through which such aid is channelled. For example, as described earlier in this report, the Ghanaian Environmental Protection Agency in 2006 was working with 10 international agencies supporting 28 separate projects. The 2005 Paris Declaration was a direct response to these problems, recognizing the imperative of moving quickly to establish more harmonised and aligned donor practices and programmes.

How external support should be structured in the post-Paris era is clearly a pressing concern. Any strategy to address environmental issues needs to take account of the philosophy that underlies the Paris Declaration, namely that environmental governance and management will only improve in aid-receiving countries if there are effective national actions, carried out – and owned – by a range of actors: government, parliament, civil society organizations and the wider public. Budget support, by

¹⁵ As of 29th July 2009.

definition, supports national government activity. It does not address the needs of civil society groups working on environmental issues and there is an understandable concern that channelling direct funding to government will decrease the aid flow to environmental CSOs. The Accra Agenda for Action specifically highlighted the role of civil society as development actors and their participation in political dialogue. So, if donors are to continue to support such groups then other forms of engagement need to be found. What form this support should take remains ill-defined, but part of the answer lies in assisting such organisations to build capacity, in addition to continuing to act as implementation agencies for environmental projects.

5.2 What role for Civil Society?

It was apparent in the countries studied that the role of environmental civil society actors was neither well established nor effectively communicated. Until recently many Civil Society Organisations (CSOs) that worked on environmental issues acted predominantly as service providers to both national governments and development partners. CSO staff have often been seen complementing the limited skill sets available within the public sector. Considerable environmental expertise has been built up by CSOs as a result of their interaction with community-based organisations (CBOs) and communities directly. However, this expertise now needs to be complemented by an understanding of national policy and budgetary processes, which are both knowledge-intensive processes and are areas where CSOs have less experience. Civil society is presently very weak in the independent monitoring of government policy objectives and development partners programmes. Some 're-tooling' of staff skills will be necessary if CSOs are to remain centrally engaged with the debate between national governments and their international development partners.

An important role for CSOs that is less strongly developed in many countries is that of the independent 'watchdog', holding both the government and development partners to account for their actions. This is partly explained by the limited time that democratic norms have been in place. For example, in the three countries studied democratic government has been established for less than 20 years. The whole notion of civil society needs to be viewed in this light. In addition, the concept of civil society autonomy, introduced in the first chapter, is also relevant here, as many CSOs have been built up on the back of service contracts and there is a natural reticence to criticise those who provide funding. Organisations that are not membership-based would appear to be most vulnerable to this deficit in autonomy. However, CSOs are beginning to raise awareness of the social and economic value of the environment, as the legal contestation over timber concessions in Ghana and the Tana River Delta campaign in Kenya show.

Mainstreaming of environmental issues across both government and society more generally remains a major challenge where CSOs have a role to play. A general problem identified in all the country case studies is a lack of vertical and horizontal coordination in dealing with environmental issues. The former is particularly evident in Tanzania where environmental concerns are acknowledged at the national level but much less so at local or district level. Here the challenge is to transfer the sense of the importance of environmental issues from the government to local authorities and vice-versa. It is less clear what role CSOs can play to improve horizontal coordination across national government other than working to strengthen the mechanisms that are often in place but are currently not effective (e.g. Kenya's National Environmental Council). The new environment working groups that have developed in many countries in the post Paris Declaration period specifically to strengthen mutual accountability are important new opportunities where the voice of civil society needs to be heard.

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