An Environmental Review of 2002–04 Country Assistance Strategies

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Priya Shyamsundar

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Executive Summary

Integrating environmental concerns in lending and non-lending operations of the World Bank is imperative in securing and strengthening a sustainable development agenda. Country Assistance Strategies (CASs) are World Bank documents describing the socio-political climate and the economic situation in a country. A CAS report identifies priority sector and policy initiatives and lending strategies that are underway.

The CAS is a mechanism through which the World Bank evaluates its lending plans and engages governments and other stakeholders in developing country priorities. CASs are undertaken very 2-3 years and are central to the policy process that determines the World Bank’s support to client countries. This undertakes a review to assess the extent of environmental integration that occurs in Country Assistance Strategies (CASs).

This review covers CAS reports for 40 countries in fiscal year 2003 and 2004. Of the 40 CASs, 14 are from Africa (AFR), 3 from Middle East/ North Africa (MNA), 8 from Eastern Europe and Central Asia (ECA), 9 from Latin America and the Caribbean (LAC), 4 from East Asia (EAP), and 2 from South Asia (SAR). The sample reviewed is for the documents available as of June 30, 2004.

This assessment builds on the previous reviews and goes beyond the past review in two ways. First, the current assessment covers a larger sample of 40 CAS reports as compared to the 2000-01 review of 28 CAS reports (Belle and Shyamsundar 2002) and the 1999 review of 37 CASs (Shyamsundar and Hamilton 2000). Second, the current review also assesses the extent to which the Millennium Development Goals (MDGs), more specifically MDG 7 on environmental sustainability, are integrated into the CAS reports.

The review focuses on five main themes:

- Identification of environmental concerns and priorities in the CAS
- Use of Bank instruments (lending and advisory and non-lending services) to address and alleviate environmental problems
- Initiatives for mainstreaming environmental concerns into economic, macro and sectoral policies and analyses
- Environment policies, including regulatory and legislative measures and strategies that are highlighted in the CAS
- Environment-Poverty linkages and whether the effects of environmental changes on poverty are recognized and addressed in the CAS.
Each CAS was evaluated on a score of 1 to 4 based on its relative performance with regard to each of these themes. A score of 4 reflects best practice, a score of 3 refers to a satisfactory performance; 2 suggests a marginally satisfactory performance; and 1 is the lowest score, indicating minimal attention to environmental issues. The methodology followed was identical to the methodology used in the previous two reviews.

The main findings of this review are:

- The variation in the average CAS scores is considerable, ranging from a low of 1.4 to a high of 3.8.

- The overall average environmental score for CASs is 2.8, reflecting a reasonable commitment towards environmental integration. The previous two CAS reviews resulted in scores of 2.35 for 1999 and 2.65 for 2000/01.

- Regional variation is considerable. The average scores from ECA and MNA across the 5 themes are consistently higher than the overall average.

- Of the five themes, treatment of environmental priorities received the highest score (average of 3.1) followed by environmental policy (3). This highlights a shift from the 2000/01 review where Issues Identification obtained the highest score. Poverty-environment link continues to remain weak.

- High scoring countries are varied across the regions. These include Brazil, Georgia, Paraguay, Azerbaijan, Cameroon, Mali, Uzbekistan, Yemen and China.

Overall, environmental integration into CAS Reports has steadily improved in all regions relative to previous years. However, ECA deserves special recognition for significant improvements in incorporating environmental aspects and concerns in its CAS Reports.
Integrating environmental concerns in lending and non lending operations of the World Bank is imperative in securing and strengthening a sustainable development agenda. Country Assistance Strategies (CASs) are World Bank documents describing the socio-political climate and the economic situation in a country. A CAS report identifies priority sector and policy initiatives and lending strategies that are likely under low, high and base (business as usual) economic scenarios. CASs are undertaken every 2-3 years and are central to the policy process that determines the World Bank’s support to client countries.

A CAS is the key instrument through which the World Bank evaluates its lending plans and engages governments and other stakeholders in developing country priorities. Thus, the integration of environmental priorities in CASs ties directly to the World Bank’s Environment Strategy (World Bank 2001). The Environment Strategy outlines how the World Bank can work with client countries to address their environmental challenges. It argues for integration of the principles of environmental sustainability into Bank projects and programs. The adequacy of environmental analysis and actions in CASs, therefore, is a good measure of progress in the implementation of the Environment Strategy (World Bank 2003).

CASs have been periodically reviewed from a variety of different perspectives. Thus far there have been two methodical reviews from an environmental perspective. This assessment builds on these two previous reviews (Belle and Shyamsundar, 2002; Shyamsundar and Hamilton 2000). The current assessment covers a larger sample of 40 CAS reports as compared to the 2000-01 review of 28 CAS reports and the 1999 review of 37 CASs. In addition, the current review also assesses the extent to which the Millennium Development Goals (MDGs), more specifically MDG 7 on environmental sustainability, are integrated into the CAS reports.

It is important to note that the present review is based on a desk study of CAS documents. As a result it has the expected limitations: items that appear to be minor in the CAS text may in fact translate into substantial actions on the ground, and vice versa. This study should therefore be viewed as an analysis of the stated intentions of country departments and their country counterparts as they appear in the CAS document. In future, the increasing trend towards publishing implementation completion reports for CASs may permit a more thorough assessment of country programs on environment and natural resources.

This review covers CAS reports for 40 countries in fiscal year 2003 and 2004. Of the 40 CASs, 14 are from Africa (AFR), 3 from Middle East/ North Africa (MNA), 8 from Eastern Europe and Central Asia (ECA), 9 from Latin America
and the Caribbean (LAC), 4 from East Asia (EAP), and 2 from South Asia (SAR). The sample reviewed is the total number of documents available as of June 30, 2004.
This chapter discusses the methodology used and the key results on integrating environment into CASs.

**Methodology**

Five main themes were used to assess the 40 CASs:

- Identification of environmental concerns, priorities or issues in the CAS
- Use of Bank instruments (lending and advisory and non-lending services) to address and alleviate environmental problems
- Initiatives for mainstreaming the environmental concerns into economic, macro and sectoral policies and analyses
- Environment policies, including regulatory and legislative measures and strategies that are highlighted in the CAS
- Environment-Poverty linkages and whether the effects of environmental changes on poverty are recognized and addressed in the CAS

Each CAS was rated on a score of 1 to 4 based on its relative performance with regard to each of these themes. A score of 4 reflects best practice; a score of 3 refers to satisfactory performance; 2 suggests marginally satisfactory performance; and 1 is the lowest score, indicating minimal attention to environmental issues. It must be clarified that a score of 4 simply means a “best practice” among the set of CASs that are reviewed but it does not in any way signify that it is the absolute best that can be done. Although, the methodology followed is identical to the methodology used in the previous two reviews, the themes have been modified slightly from the 1999 review. “Incentives“, which was considered as separate criteria in the 1999 Report, has been included under the theme of Mainstreaming in the current review. Appendix A presents a matrix that lays out the criteria used for the rankings within each theme.

The review also assesses whether MDG 7 and its indicators warrant a mention in the CAS Reports and whether the targets identified under MDG 7 in the CASs are aligned with country priorities. The three MDG 7 targets\(^1\) and eight indicators\(^2\) on environmental sustainability have not been ranked.

**Integrating Environment in CASs**

Table No. 1 summarizes how the 40 CASs scored in terms of their environmental performance. As shown in the Table, the total average rank obtained was 2.8 – thus, CASs got a slightly higher than mid-level score on their environmental performance. This reflects a higher level of environmental integration over the previous reviews where the averages were...
2.65 for 2000/01 and 2.35 for 1999. The variation between the scores is considerable ranging from 1.4 to 3.8.

The CAS Reports have been ranked across five themes. As seen in Figure 1, of the five themes, the treatment of environmental priorities in CAS reports scored the highest (3.1) followed by...
environmental policy (3). This highlights a shift from the past review of 2000/01 where the highest score received was for issue identification. The poverty-environment link continues to remain weak in CASs. The rankings under the different themes are more fully discussed in Chapter 3 in the paper.

Table 2 provides the regional summaries. The average scores from ECA and MNA were consistently higher than the overall average score. For issues identification, MNA secured the highest average score of 3.7 over the other regions. With regard to treatment of environmental priorities, all regions did relatively well while mainstreaming was covered well by ECA with an average score of 3.1, followed by SA and EAP with a score of 3. All regions illustrated a strong focus on environmental policy with the exception of AFR. Poverty-environment links remain the weakest of all themes. The highest score of 2.7 accrued to LAC and MNA.

As highlighted in Figure 2, the regional variation between the scores is considerable. However, high scoring countries are varied across the regions where Brazil, Georgia, Paraguay, Azerbaijan, Cameroon, Mali, Uzbekistan, Yemen and China exemplify good practice.

Table 2. Regional variations in country assistance strategies

<table>
<thead>
<tr>
<th>Region</th>
<th>Countries</th>
<th>Issue ID</th>
<th>Treatment</th>
<th>Mainstreaming</th>
<th>Env policy</th>
<th>Pov-env link</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFR</td>
<td>14</td>
<td>2.4</td>
<td>2.9</td>
<td>2.4</td>
<td>2.6</td>
<td>2.6</td>
<td>2.6</td>
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<tr>
<td>EAP</td>
<td>4</td>
<td>2.3</td>
<td>3.3</td>
<td>3</td>
<td>3.4</td>
<td>2.5</td>
<td>2.9</td>
</tr>
<tr>
<td>ECA</td>
<td>8</td>
<td>3</td>
<td>3.5</td>
<td>3.1</td>
<td>3</td>
<td>2.4</td>
<td>3</td>
</tr>
<tr>
<td>LAC</td>
<td>9</td>
<td>2.9</td>
<td>3.1</td>
<td>2.7</td>
<td>3</td>
<td>2.7</td>
<td>2.9</td>
</tr>
<tr>
<td>MNA</td>
<td>3</td>
<td>3.7</td>
<td>2.7</td>
<td>2.7</td>
<td>3.3</td>
<td>2.7</td>
<td>3</td>
</tr>
<tr>
<td>SAR</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3.5</td>
<td>1.5</td>
<td>2.6</td>
</tr>
<tr>
<td>All</td>
<td>40</td>
<td>2.7</td>
<td>3.1</td>
<td>2.7</td>
<td>3</td>
<td>2.5</td>
<td>2.8</td>
</tr>
</tbody>
</table>
3 Thematic Variability

Issue Identification

The first issue assessed by the review was whether CASs identify and include an awareness of environmental priorities. More specifically, the review focuses on the nature, scale, and scope of existing environmental problems and potential sources of degradation. CASs assessed as “best practice” included a careful discussion of environmental problems in the country and the driving factors linked to these problems. CASs that received an unsatisfactory rating (1) either failed to discuss environmental problems or discussed them only in general terms.

There are, of course, significant differences in the nature of environmental problems faced by countries and regions. The varied environmental problems identified in CASs range from land-use issues, erosion, desertification, water logging, deforestation, water quality and access, marine degradation, air pollution, presence of particulate matter, and species decline to threats to fragile ecosystems.

As Figure 3 shows, most countries identified environmental priorities. Interestingly, the extent of issue identification in CASs is weaker (2.7) than the previous review (3.04) of 2000/01. However, out of 40 countries 22 received a score of 3 and over.

Figure 3. Problem identification and diagnosis

Treatment

CAS reports were assessed on the extent to which problem identification is translated into Bank programs through lending, non-lending and GEF grants. As revealed in Figure 4, treatment of environmental priorities is good. The majority of CASs got a rank of 3 or higher. Only two of the CASs reviewed received an unsatisfactory rank.

The emphasis on treatment and the implementation of streamlined environmental projects and programs has gained precedence in the current analysis. CASs may not respond to all the environmental issues and concerns that exist in the country; however the extent to which they are identified in the CAS reports is noteworthy. The average score obtained for the
treatment of the environment is higher (3.1) in this sample as compared to 2.64 from the 2000-01 review.

**Figure 4. Treatment of the environment**

![Diagram showing the distribution of CASs by treatment rank.]

*Note: 4 = Best practice, 3 = Satisfactory, 2 = Marginally satisfactory, 1 = Unsatisfactory*

**Mainstreaming**

Economic activity and environmental issues are strongly tied to each other. Mainstreaming assesses how these linkages are incorporated into analyses and policy design in CASs. CASs are scored in terms of three critical mainstreaming efforts: 1) linkages to macro and growth policies; 2) cross-sectoral links to related sectors such as infrastructure, agriculture, energy, health, water, etc.; and 3) use of incentive mechanisms to treat environmental concerns (such as pricing and fiscal policies, removal of subsidies, property rights reform, etc.).

The current review assesses the awareness of these linkages, the extent to which these linkages are discussed and the level of treatment of these linkages. Cross-sectoral linkages and the awareness that environment is linked to the main engines of growth are the most important attributes of mainstreaming efforts in the CASs. As Figure 5 highlights more than half of the CASs reviewed obtained a mainstreaming rank of 3 or higher.

**Figure 5. Mainstreaming the Environment**

![Diagram showing the distribution of CASs by mainstreaming rank.]

*Note: 4 = Best practice, 3 = Satisfactory, 2 = Marginally satisfactory, 1 = Unsatisfactory*

**Environment and Poverty Linkages**

Poverty and environment are inextricably linked. Degradation of natural resources impacts the income, health and productivity of the rural poor. In this review, we assessed the importance given in CASs to poverty-environment issues such as:

- Poverty and land tenure
- Vulnerability to climate change
- Environmental health links
- Gender and natural resources management.

The links between poverty and environment remain weak in the CAS reports. As Figure 6 shows, approximately 50% of CASs received a rank of marginally satisfactory or unsatisfactory. This variable ranks the lowest with an average score of 2.5 relative to other themes and indicates a need for greater focus on the dynamics of poverty-environment interactions. There appears to be a need to incorporate environment into the design of poverty reduction schemes and vice versa.

Although, the poverty and environment score is an improvement over the 2000/01 score (2.14),
this progress is not satisfactory. A weak score under this theme could very well indicate a lack of understanding about the importance of linking poverty and environment for furthering the development dialogue. It could also be that the recording of these linkages in CAS reports is weak. In either case, if a heightened sense of importance is provided to these linkages, it will enable poverty reduction strategies endorsed in the CASs to be more effective.

**Figure 6. Tracing poverty-environment links**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>3</td>
<td>20</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: 4 = Best practice, 3 = Satisfactory, 2 = Marginally satisfactory, 1 = Unsatisfactory

**Environmental Policies**

CAS reports were also assessed with regard to the various environmental policies and plans, legislation and regulations, institutional capacity and the extent to which the implementation of these policies are reflected in the documents. As Figure 7 shows, 18 CASs received a satisfactory rank in this area and we identified 10 best practice CASs.

**MDG 7, Environmental Indicators, and GEF Projects**

In addition to reviewing the CAS reports for the five themes mentioned above, several additional issues were flagged in the review. These include a) a clear identification of the MDG 7 and the targets set for 2015, b) the presence of country specific benchmarks and environmental indicators, and c) use of GEF grants and AAA activities. These three issues are important in the way they forge and create a progression towards identifying and implementing a strong environmental agenda.

**MDGs and Indicators**

The Millennium Development Goals include 8 goals supported by 18 targets and 48 indicators, of which MDG 7 is on environmental sustainability. It must be noted here that relative significance of MDG 7 targets and indicators differs from country to country. Of the 40 CAS reports, 38 countries provide some mention of MDG 7. Indicators relating to water supply and sanitation received the most attention. Countries like Brazil, Mali, Algeria and Tajikistan are a few countries that provided a comprehensive list of MDG indicators and linked their programs and policies to these targets.

The basic difference between the presence of “benchmarks and indicators” as opposed to MDG 7 is that country-specific indicators are aligned to different time-bound targets while MDG 7 targets aim for 2015. Only a handful countries clearly align “benchmarks and indicators” to country priorities. Of these, Ukraine is one example where a list of indicators and targets are closely tied to energy priorities.
ENV/GEF projects

With respect to GEF grants, special programs and AAA activities, the CAS reports all fared well. Several countries identified focused GEF environmental projects and technical assistance programs in priority areas. A good example included a GEF coastal zone management project in Ukraine. In the area of Wetland and Coastal Zone Management, the Biodiversity Conservation in the Azov-Black Sea Ecological Corridor project applies a landscape approach to sustainable management of coastal resources, which are threatened by unsustainable land use practices by untreated sewage and solid waste, especially in tourist-related areas such as Crimea. The proposed Crimea Coastal Zone Management and Nutrient Reduction project (GEF) would build on this approach by supporting wastewater treatment and improved land use planning in the Crimea and Black Sea region. This project would also contribute to nutrient reduction in the Black Sea.

Forestry and water issues were given attention in many CASs. Wherever a GEF grant or project was identified, it linked well with the issues identification and the poverty-environment link. In all CAS reports, multi-donor involvement was reflected adequately. Given the active participation by multiple donors and agencies, selectivity is often cited as reason for lower or minimal Bank activity. However, in many cases this assertion was not supported by any description (of projects or analytical and advisory activities) financed by other donors/lending agencies — as a result, the performance of some CASs suffered.
Overall, integration of environmental concerns into CASs appears to be improving. Figure 8 compares CAS Reports reviewed in 1999 and 2000/01 with the current review 2003/04 reports. CASs in 1999 received an average score of 2.35 while the 2000/01 CASs did better with a score of 2.65, with a further improvement in 2003–04 as illustrated by the current rank of 2.8. In the 1999 Review, Mainstreaming and Incentives were two separate categories, while Incentives are treated as a part of Mainstreaming in both the current and 2000/01 Review.3

A steady improvement is seen in all themes except for issues identification. This theme scored less in this review relative to the review of 2000/01. Treatment of environmental problems and the reflection of environmental policies in the CAS reports are both stronger relative to the previous reviews. Despite its steady improvement, there are some areas that require greater attention. While increasingly, environmental concerns are linked to macro and sectoral policies, environmental programs are still only weakly integrated with poverty reduction efforts.

Figure 9 shows the average CAS score received by different regions in 1999, 2000/01 and 2003/04. As the Figure shows, the ECA region exemplified a very strong level of mainstreaming in the current CAS Reports followed by LAC. These regions are responsible for the higher average rank obtained in this review relative to previous ones. CASs from ECA and LAC illustrate strong links between issues identification, treatment, mainstreaming and poverty and environment.
Several best practices from the 40 reviewed CASs are highlighted in this Chapter. These provide opportunities and lessons for strengthening future CASs. By following some of these examples the environmental quality of CASs can be greatly improved.

### Identifying Environmental Priorities

A range of development problems exists in Bank client countries. Several CASs have given environmental issues their fair due. These best practice CAS reports reveal a keen awareness of environmental problems and the driving forces that shape them. Many of these CASs carefully prioritize among competing environmental problems. For example, the Uzbekistan CAS discusses the status and diagnostic issues relating to water resources degradation and scarcity, which are decidedly pertinent for the country. The Macedonia CAS report highlights a problem of regional slums and squatter houses under urban environmental problems. This is particularly pertinent because most CAS reports highlight green issues without giving due importance to urban environmental priorities. Given the overall scores, MNA and LAC countries illustrate a stronger coverage of environmental issues and identification of priorities in their CAS reports.

### Treatment of Environmental Priorities

An encouraging feature is the stronger discussion in CASs about the implementation of environmental projects and programs. Several CAS reports qualify environmental concerns as triggers to the proposed assistance program.

Many CASs highlight the implementation of environmental programs and projects. The Mali CAS provides a good example of environment incorporated in cross-cutting IDA funded programs and projects like grassroots hunger and poverty, agricultural diversification, household energy and universal access, biodiversity and Niger river basin project and urban development and decentralization.

The Brazil CAS identifies a series of lending and non lending operations that are closely tied to environmental priorities in the country. For example, with regard to the Amazon region, which provides biodiversity and environmental services of national and global interest, the Bank’s involvement in the second stage of the Pilot Program to Conserve the Brazilian Rain Forest (RFPP) and, more recently, as an implementing agency of the Global Environment Facility (GEF), is noteworthy. The government of Brazil has requested assistance for a Sustainable Development Programmatic
Sector Reform Loan series that could support policy reforms and improved institutional capacity to monitor and manage water, land, forest, and other natural assets and would provide the framework for Bank support for a sustainable Brazil. To be developed in consultation with interested parties in the civil society and the private sector, this program could also build on corporate environmental responsibility initiatives, possibly in conjunction with International Finance Corporation (IFC). Depending on reform progress, several loans within this series are expected to be made during the CAS period, each focusing on different areas of this reform agenda. The Bank could also support a possible follow up to the ongoing National Environment TA project, and have complementary efforts with a national forestry project.

There are several other examples of good practice under this theme and a comprehensive list of CAS countries that illustrate a strong commitment to implementing environmental programs can be found in Annex 2.

**Mainstreaming Efforts**

Several CAS reports view environment as impacting or being impacted by macro policies. Countries with macro-environment linkages typically fell into two categories: those with significant, unique and/or fragile ecosystems such as Brazil and other Latin American countries; and countries where potential for economic growth depends on natural resources, agricultural productivity and climactic factors. African countries fell under this last group. The Mozambique CAS, which highlighted the role played by climatic vulnerability in decreasing agricultural productivity and its consequent impact on GDP, is one example. Similar examples are presented in CAS Reports for Cameroon, Mali, Zambia, Senegal and Ethiopia.

Regarding integrating cross-sectoral linkages, Ukraine is a good example of a holistic approach through energy, water, and land reforms to mitigate poverty at the rural and intra-regional level. Incentive mechanisms for the treatment of environmental issues were mainly emphasized in the CAS reports through reforms in the water supply and sanitation sector or in the energy sector. A striking alternate example is Poland’s KRUS, a type of land insurance for poor farmers that has lead to a decrease in land consolidation.

**Poverty-Environment Linkages**

The coverage of poverty and environment clearly requires more attention. Few examples exist where countries make direct links between environmental degradation and poverty alleviation, even though poverty remains the focus of the Bank’s mission.

The Uzbekistan and Algeria are 2 best practice CASs under this theme. Both link environmental health to safe water and air pollution emphasizing the prevalence of diseases like malaria, diarrhea, and respiratory diseases and their impacts on poverty.

The Senegal CAS is the only CAS which highlights gender differentials and discriminatory rights over the use of water in rural areas. This example is indeed noteworthy for drawing attention to the impacts of discrimination in accessing natural resources by women.

Secure land tenure and property rights remain fundamental issues in many developing countries. The Brazil CAS serves as a good
example of identification of the impacts of widespread uncertainty over land ownership and tenure rights held by rural households and indigenous people. The CAS clearly identifies the exacerbated effects on poverty resulting from the conflicting policies of the government program regarding “terras devolutas”.

**Environmental Policy**

Several countries reflect a strong commitment to better environmental policy. The Azerbaijan CAS serves as a good example as it ties together the treatment of environmental priorities with environmental policy. It highlights a comprehensive list of recent reforms with regard to fisheries, water, energy, biodiversity, agricultural productivity and irrigation. The CAS emphasizes institutional reforms in the water supply and sanitation sector including decentralization of responsibility for municipal water and wastewater services to local governments. The reform strategy also aims to eliminate implicit subsidies for water and energy over five years and commits to strengthening financial discipline in the water sector. With regard to natural resources conservation, the CAS underscores the importance of rehabilitating natural resources through community involvement by implementing requisite forestry and biodiversity plans for critical ecosystem management.
Conclusions

In summary, there appears to be a general improvement in the treatment of environment in CASs relative to previous years. Based on the current review of CASs, we offer the following conclusions and recommendations:

- Environment continues to be integrated in different ways in Country Assistance Strategies. This year’s review suggests an improved focus in CASs on implementation of environmental projects and programs. Furthermore, environmental change is increasingly recognized as an important factor that can impact growth and productivity.

- Poverty and environment links remain the weakest aspect of environmental integration into CASs. This suggests a need for both a better understanding of the links between poverty and environmental change, and, perhaps improved documenting of the ways in which projects actually address these links.

- Regional differences in environmental performances in CASs prevail. LAC and ECA regions have done very well in this review. In fact, the high scores obtained by these regions have pulled the overall score up higher over the previous reviews.

- We find that there are a number of best practice examples that can serve as learning tools for future CASs; Brazil being one. In general, high scoring CASs are many more than in previous years.

- The review suggests a need to better align MDG targets and CAS specific indicators and targets. CASs identify immediate environmental concerns. By combining these with long term sustainability indicators that have a poverty focus, the performance of the CASs can significantly improve.
## Appendix A — Criteria for Ranking CASs

<table>
<thead>
<tr>
<th>Themes</th>
<th>Unsatisfactory</th>
<th>Marginal</th>
<th>Satisfactory</th>
<th>Best practice</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Issue identification</strong></td>
<td>Little or general mention of issues</td>
<td>Identification; Mention of nature and scale of issues</td>
<td>Identification and discussion of nature scale, scope and prioritization</td>
<td>Discussion on driving forces</td>
</tr>
<tr>
<td><strong>Treatment</strong></td>
<td>No environmental project /component</td>
<td>One or more project /component but not directly addressing key issues</td>
<td>Projects and components, NLS etc., addressing key issues identified by stakeholders</td>
<td>Lending and non-lending instruments addressing issues; Environment related triggers; Reasoning for selectiveness and role of client/other donors/development agencies</td>
</tr>
<tr>
<td><strong>Mainstreaming</strong></td>
<td>Little or no awareness of mainstreaming issues</td>
<td>Awareness of linkages (two or more) to growth/ macro policies, cross sectoral linkages and incentives</td>
<td>Discussion and analyses of linkages (All three, or in depth of two depending on country circumstances)</td>
<td>Discussion and analyses of linkages (All three) and some treatment of linkages</td>
</tr>
<tr>
<td><strong>Poverty-environment linkages</strong></td>
<td>No awareness</td>
<td>General awareness, little discussion</td>
<td>Discussion and analyses of poverty-environment linkages (communities affected, policy distortions etc.)</td>
<td>Interventions in sectors affecting the poor directly such as health, agriculture/RD, forest management and conservation, water, energy</td>
</tr>
<tr>
<td><strong>Environmental policies</strong></td>
<td>No environment related policy /institution etc</td>
<td>General Discussion on environmental policy and its effectiveness; High priority; Some ESW/ indicators</td>
<td>Discussion and analysis of environmental policy and its effectiveness; Efforts to mitigate key problems; Indicators; ESW; CDF type intervention planning</td>
<td>Analysis of environmental policy and its effectiveness; Efforts to mitigate key problems; Indicators; ESW; CDF type intervention planning</td>
</tr>
</tbody>
</table>
## Appendix B —
Best Practice CASs

<table>
<thead>
<tr>
<th>Region</th>
<th>Identify issues</th>
<th>Treatment</th>
<th>Mainstreaming</th>
<th>Poverty - environment links</th>
<th>Environment policy</th>
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<td>Algeria (2003)</td>
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<td>Georgia (2003)</td>
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Notes

1. MDG 7 Targets (UN 2001, 2002):
   • Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources.
   • Halve by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.
   • Have achieved, by 2020, a significant improvement in the lives of at least 100 million slum dwellers.

2. MDG 7 Indicators (UN 2001, 2002):
   • Proportion of land area covered by forests
   • Area protected to maintain biological diversity
   • Energy use per unit of GDP
   • Per capita CO₂ emissions and consumption of ozone depleting substances
   • Proportion of population using solid fuels
   • Proportion of population with sustainable access to an improved water source
   • Proportion of population with sustainable access to adequate sanitation
   • Proportion of households with access to secure tenure.

3. For comparison purposes, in Figure 8, the average of the score obtained for the Mainstreaming and Incentives categories is used as the 1999 Mainstreaming category.
References


