



Operations Evaluation Department

African Development Bank Group

2013

Environmental Mainstreaming, Safeguards and Results: **Bank Road Projects and their Enabling Policy Environment, 1999-2010**



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Evaluation Team: Detlev Puetz, Chief Evaluator,
Girma Earo Kumbi, Senior Evaluator,
and a team comprising former OPEV staff and consultants



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African Development Bank Group
15 Avenue du Ghana,
BP 323, 1002 Tunis Belvédère
Tunisia

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Director: Rakesh Nangia, r.nangia@afdb.org

Manager, Project and Programme Level Evaluations:
Mohamed Manai, m.manai@afdb.org

Operations Evaluation Department
Telephone: (216) 71 102 841
Fax: (216) 71 194 460
Internet : [http:// www.operationsevaluation.afdb.org](http://www.operationsevaluation.afdb.org)
Email: opevhelpdesk@afdb.org

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ACRONYMS & ABBREVIATIONS

ADF	African Development Fund	OPEV	Operations Evaluation Department, AfDB
AfDB	African Development Bank	ORPC	Operational Resources and Policies Department, AfDB
CODE	Committee on Operations and Development Effectiveness	ORQR	Quality Assurance and Results Department, AfDB
CSO	Civil Society Organization	OSAN	Agriculture and Agro-industry Department, AfDB
CSP	Country Strategy Paper	OSVP	Complex Operations II, Sector Operations at the African Development Bank
ESAP	Environmental and Social Assessment	OSUS	Gender, Climate & Sustainable Development Unit, AfDB
ESAP	Environmental and Social Assessment Procedure	PCR	Project Completion Report
ESIA	Environmental and Social Impact Assessment	RMC	Regional Member Countries
ESMP	Environmental and Social Management Plan	SAP	System of Applications and Products (Basis for Electronic Management at AfDB)
ESW	Economic and Sector Work	SEA	Strategic Environmental Assessment
IEG	Independent Evaluation Group-World Bank	UA	Unit of Account
IESIA	Integrated Environmental and Social Impact Assessment	UNRA	Uganda National Roads Authority
OITC	Transport and ICT Department, AfDB		
ONEC	Energy, Environment and Climate Department, AfDB		

EXECUTIVE SUMMARY

1. This report combines evaluation of environmental mainstreaming, safeguards and results of African Development Bank road projects with analysis of the environmental policy and institutional framework at the Bank and in three regional member countries. How regional member countries (RMC) have taken up environmental mainstreaming and how the Bank has supported the process are major concerns. In 2004 the Bank adopted a new environmental policy for sustainable development and mainstreaming environment in all operations, including support for RMCs. The policy built on detailed environmental and social project assessment guidelines of 2001 that are still valid today. The Bank is now developing an integrated safeguard system to update earlier guidelines and incorporate lessons learned, to mainstream climate change and to adjust to international best practices. This evaluation contributes to this effort.

2. The findings presented in this report are based on an extended literature and document review of environmental mainstreaming and safeguards at the Bank and beyond, as well as on Bank expert interviews and case studies. These activities were conducted in close interaction with a Bank technical reference group representing internal stakeholders (ONEC, OITC, ORQR and ORPC). The detailed case study of the road subsector portfolio covered projects approved between 1999 and 2010. Field work was carried out in three countries, Cameroon, Morocco, and Uganda—selected to cover a sufficient number of environmentally sensitive

road projects, different regions and various levels of capacity for environmental mainstreaming.

3. The road subsector was selected for this evaluation because it pioneered the application of environmental and social safeguards and mainstreaming. Over the last decade, roads constituted by far the largest share of Bank infrastructure investments. In addition to road subsector-specific conclusions, the evaluation draws some broader lessons and conclusions on enhanced environmental mainstreaming at the Bank at a time when green growth is high on the agenda. The evaluation concentrates on environmental issues while recognizing that environmental and social issues, such as resettlement and community sensitization, are often interrelated.

Findings

Environmental results

4. The evaluation shows that environmental results in roads are best where regional member country systems work well. Country legislative frameworks and institutional arrangements for environmental mainstreaming, resourcing and enforcement are important. Good country systems ensure that environmental management plans and safeguards are clearly formulated and validated at project launch; country roads authorities have motivated staff, budgets and processes for environmental planning and monitoring; and construction contracts and bidding documents contain appropriate environmental provisions and clauses that are well monitored and supervised by the implementing agencies.

5. Short-term environmental outcomes of Bank-supported roads were by and large satisfactory.

Well-constructed and upgraded roads usually have overall positive environmental effects, particularly in the short-run, for instance, in terms of reduced carbon-dioxide emissions. Many environmental mitigation measures are in place, such as environmental protection at work-sites, construction of appropriate water and erosion control structures and routine restoration of borrow pits and quarries at completion. Such positive environmental outputs are often related to good practices and engineering quality standards by construction companies, pro-active on-site environmentalists, and supervision by road agencies. Sometimes good environmental practices are less respected resulting in environmental nuisances for local populations, natural resources, and wildlife.

6. The quality of long-term environmental road management and maintenance is often deficient, in contrast to short-term effects.

Environmental management during road maintenance and upkeep of environmental investments receive very little attention and resources from the Bank and from regional member countries, undermining initial efforts.

7. Induced secondary environmental damages from road construction—such as deforestation, unplanned land settlements and loss of bio-diversity—are rarely mitigated through project and sector interventions.

Negative secondary effects occur for some roads that pass through natural reserves or otherwise sensitive and protected areas. Bank guidelines are vague about mitigating such secondary effects.

Environmental management at the Bank

8. The technical quality of the Bank's Environmental Impact Assessments and Management Plans for roads, as submitted with Project Appraisal Reports, has been satisfactory. But some projects could benefit from more effective alignment of the Bank's safeguards and Environmental and Social Management Plans with those of regional member countries and other donors.

Bank safeguards staff have few incentives to be flexible in formulating environmental requirements and safeguards, to follow country leads, to join and align with other donors, and to take pragmatic and cost-oriented approaches without compromising the Bank's essential environmental safeguards and goals. Few efforts are made to reconcile various environmental assessments, corresponding management plans and budgets at project launch, which is particularly important for parallel and co-financed projects.

9. Environmental monitoring and supervision by the Bank are weak. The Bank's monitoring and evaluation framework, supervision records, and Project Completion Reports do not provide a comprehensive picture of environmental results and short-comings for individual road projects or the subsector as a whole.

The Bank's supervision format and System of Application and Products (SAP) platform lack environmental and social performance indicators in project summary ratings. Weak supervision information also affects the quality of environmental reporting in PCRs. Poor staff incentives and capacity contribute to weak supervision and follow-up on environmental safeguards during

implementation. Environmental specialists are rarely part of supervision teams. Thematic overload among sector taskmanagers and managers and diversion from other performance indicators drive priorities: approval and disbursement targets. Environmental categorization is not useful to draw attention to environmentally sensitive projects for follow-up in implementation because the criteria focus on the size of projects rather than environmental risks.

10. Strategic Environmental Assessments for countries and sectors are considered an important entry point for environmental mainstreaming, but are underused by the Bank and countries. Strategic Environmental Assessments (SEA) are a systematic process to address broader sector- and country-wide environmental goals, including the mitigation of longer-term environmental effects and trade-offs with other development goals.

Environmental achievements and use of country systems in regional member countries

11. As evidenced in the three country case studies and confirmed by the evaluation literature review and interviews regional member countries have made substantial progress in environmental policies since the 1990s, but enforcement structures and procedures often remain weak. For instance, Cameroon, Morocco, and Uganda have all developed comprehensive environmental policies, legal frameworks, institutions, and business processes and are raising environmental awareness. But political will, agency commitment, and enforcement are still lacking. Environmental

management tends to be overstretched and under-resourced.

12. Donors have contributed substantial resources to enhance the image and mainstreaming of environmental issues in regional member countries. Continued support, engagement and advocacy for the environment remain important. Donor supervisions and implementation assistance are reportedly the best ways to attract the attention of government agencies, roads authorities, and construction contractors to environmental mitigation and to strengthen the weight of environmentalists in public agencies.

13. Country systems are being used for environmental safeguards, but legal obligations require continued Bank engagement. Country systems are widely used for Environmental and Social Impact Assessments and design of management plans, for negotiating environmental clauses with construction contractors and for monitoring environmental results through road authorities. But the Bank's legal safeguard and due diligence requirements and the independent complaint mechanism demand continued attention and engagement for establishing and monitoring safeguards, throughout the project cycle. Still, critical safeguards and due diligence standards are not always clearly established which can lead to arbitrary decisions. An exception is the clear and legally binding formulation of compensation for resettlement in road (and other) projects. **Interestingly, the Bank does not define or use the term "safeguards" in its 2001 and 2003 guidelines or in the 2004 environmental policy.**

14. Many regional member countries find it difficult to reconcile different donor demands for environmental safeguards, management and procedures. The quality and integrity of country produced Environmental and Social Impact Assessments, Environmental and Social Management Plans, and approval processes are often driven and obfuscated by multiple donor requirements that are not always well communicated and aligned in practice.

Environmental mainstreaming at the Bank

15. The Bank's approach to environmental mainstreaming and support for country systems has not worked well. The Bank has failed to turn high environmental policy goals and ambitions into actions. The environment has not been mainstreamed well in the Bank's country and sector strategies, economic and sector work and country capacity building as prioritized in the 2004 environmental policy. Few efforts and resources are expended to these ends.

16. Responsibility for environmental mainstreaming is not clearly assigned at the Bank. First everybody's business and then nobody's business? The concept of mainstreaming requires that something becomes "everybody's business" in other words, well integrated, institutionalized, and present in everyday thinking, priorities, and business processes. But evidence from this and other evaluations has shown that mainstreaming

works best when there is some institutional responsibility and focal point for championing, technical guidance, and monitoring otherwise it easily becomes nobody's business. Several reorganizations between 2006 and 2010 led to the loss of a clearly mandated organizational unit, or champion, for environmental issues and mainstreaming at the Bank. This left a void for broader environmental coordination, advocacy and monitoring, and in particular country system support.

Conclusion

16. The main message from the evaluation is that environmental mainstreaming and safeguards work best when country systems are strong and staff is motivated. Thus, this report focuses its recommendations on enhanced Bank support to regional member countries for good planning (recommendation 1) and implementation of project environmental safeguards and management plans (recommendation 2), selective activities to strengthen country sector and national environmental capacities for long-term sustainability and secondary project effects (recommendation 3), and improved institutionalization of mainstreaming at the Bank to provide catalytic support for environmental awareness in regional member countries, show-casing environmental mainstreaming, and partnering with RMCs, regional economic communities and civil society organizations (recommendation 4).

Recommendations

1. Collaborate more interactively with regional member countries on the design of environmental project impact assessments and safeguards; to develop clear, coherent, and actionable environmental management plans for Bank-supported road projects, particularly when co-financed with other donors.

1.1 Follow country environmental processes and requirements to the extent possible.

Provide incentives and guidelines for Bank staff to follow country systems and to align with all partners, without compromising essential Bank safeguards. Help further enhance country capacity for high-quality safeguards and environmental management planning.

1.2 Work towards consolidated, joint, and fully agreed environmental management plans at project launch under country leadership. Partner alignment is particularly important in parallel and co-financed projects.

1.3 Carefully formulate and limit Bank environmental safeguards when revising the Bank's safeguard system, in all relevant Bank policy and project documents; to include only safeguards that carry legal or due diligence implications for the Bank.

1.4 Improve Bank communication on environmental safeguards with regional member countries to enhance transparency and predictability through up-to-date on-line systems and relevant expertise in country and regional offices.

2. Support and strengthen regional member country execution and enforcement of environmental safeguards and management plans for roads during project implementation, particularly in environmentally sensitive and high-risk projects.

2.1 Help countries systematically include and monitor environmental provisions and budgets in project construction contracts and related procurement documents.

2.2 Strengthen environmental attention within country systems by enhancing Bank reporting requirements on environmental issues in quarterly progress reports and supervision missions.

2.3 Prioritize environmental supervision based on environmental risks by better categorizing projects as environmentally high-risk (possibly by distinguishing between environmental and social risks), and by clearly indicating and flagging projects and areas of particular environmental sensitivities for follow-up and supervision in logical frameworks and Environmental and Social Management Plans.

2.4 Consider new and expanded Bank environmental support and supervision modalities for environmentally sensitive projects, such as specialized environmental implementation assistance by sector operations departments and targeted environmental compliance monitoring and country audits by the Safeguards Division (ORQR.3).

2.5 Use risk-targeted supervision, implementation support, and environmental compliance monitoring to raise awareness and enhance know-how and capabilities of country implementing institutions for environmental supervision and enforcement.

3. Strengthen regional member countries' long-term sector and national environmental capacities. Bank support should be selective and mindful of available resources, capabilities, and instruments.

3.1 Expand environmental diagnostic and strategic sector analyses in accordance with the Bank's environmental policy and emerging vision on green growth, in close collaboration with regional member countries. This may include expanded economic and sector work, Strategic Environmental Assessments, or similar tools during the preparation and implementation of country, regional and sector strategy plans.

3.2 Enhance environmental through stronger engagement with countries in infrastructure maintenance programmes.

3.3 Mitigate more through strategic sector work to manage long-term environmental effects and related institution building.

3.4 Support environmental A broad range of Bank instruments may be deployed for this purpose, such as trust funds, technical assistance, governance capacity projects, and training programmes, possibly with other donors and country authorities through basket-funding. This could include support for civil society organizations.

4. Assume a stronger pro-active, catalytic, and values-oriented responsibility for environmental mainstreaming in Africa, thus reinforcing the Bank's long-term strategy of sustainability and green growth, taking into account financial and technical resources for the environment.

4.1 Institutionalize environmental mainstreaming This includes paying more attention to mainstreamed environmental policies and guidelines, clarifying institutional responsibilities for environmental mainstreaming at the Bank, promoting of environmental values and mindsets, offering regular staff training; building environmental capacity, and taking pro-active environmental actions beyond "do no harm" safeguards.

4.2 Pioneer and show-case ,for instance in countries, regions or sectors that are receptive to the idea—as already commenced in Central Africa, Morocco and Rwanda, or in sectors of particular importance to the Bank.

4.3 Increasingly partner with to identify environmental solutions and strengthen environmental values, policy implementation, enforcement and capacities.

4.4 Introduce appropriate indicators ; for instance through regular annual environmental reports and specific performance indicators at corporate, department and country levels (key performance indicators or others).

1. INTRODUCTION

The African Development Bank's tradition of environmental engagement dates back to 1990 when its first environmental policy and environmental standards for projects were defined. As early as 1993 the Bank's Transport Sector Policy included the objective of supporting regional member countries (RMC) in developing environmental plans across all transport sub-sectors and introducing project environmental assessments and monitoring and evaluation. The Bank's transport sector was among the first to specifically address environmental issues.

In 2011 the Bank made headlines with its contributions and leadership at the climate change conference in Durban and the African Economic Conference in Addis Ababa on moving towards green economy concepts.

Since 2008 the Bank has approved major investments in clean energy to mitigate climate change. It has also expanded its engagement in the Congo Basin through a new regional strategy for Central Africa. The Bank intends for a green economy model to guide its new long-term strategy.

Evaluation objectives and approach

The principal objectives of this evaluation are to evaluate environmental mainstreaming, safeguards, and results in the road subsector; consider how far regional member countries have taken up environmental concerns and mainstreaming; and review the sustainability of environmental outcomes. There were two main reasons for undertaking this evaluation: to support the mainstreaming of environmental and

other cross-cutting issues in Bank infrastructure projects, policies, and non-project support to RMCs; and to inform the planned revision of the Bank's environmental and social safeguard procedures.

The evaluation combines project focus in one subsector (roads) with the analysis of enabling environmental policies and institutional support at the Bank and in regional member countries.¹ The road subsector was selected for this evaluation because it pioneered the application of environmental and social safeguards and mainstreaming in Africa. Over the last decade roads also constituted by far the largest share of Bank infrastructure investments.

The evaluation extends to environmentally enabling policies and other upstream support by the Bank and countries, beyond projects. A set of strategic evaluation questions supports this dual approach, linking projects and enabling policies.² The evaluation focuses primarily on the physical and biological environment and includes social aspects to the extent that they were closely related to, complementary to, or in conflict with environmental goals.

Many conclusions from this evaluation are most applicable to roads but some observations and findings allow more general conclusions on enhanced management of environmental mainstreaming at the Bank, at both the project and policy levels. The evaluation triangulated its

1 The evaluation focused on the OITC road portfolio which excludes rural feeder roads.

2 Principal evaluation questions are presented in the evaluation inception report on the OPEV website.

Box 1 - Review of literature and operational documents

The evaluation carried out an extended review of literature and operational documents on environmental mainstreaming and safeguards in general, complemented with interviews of Bank and global experts. The review was used to tri-angulate case study information from the Bank's road portfolio and the three field visits. It allowed broader conclusions to be drawn and to be generalized, beyond the limits of the case study.

The literature review also was useful to draft the chapters in the report on environmental definitions, broader environmental mainstreaming issues, and comparisons with other multilateral development banks.

findings from the road sub-sector and field studies with a broader inquiry that used staff interviews and literature reviews on the general performance of environmental mainstreaming and safeguards at the Bank and elsewhere.

The evaluation consisted of desk reviews at the Bank and beyond, portfolio analysis, field work in three countries, and staff interviews.

Desk reviews covered a wide range of relevant environmental mainstreaming literature and evaluations, Bank policies, and internal programming documents, such as Country Strategy Papers and Regional Integration Strategy Papers. The project portfolio review assessed compliance with environmental guidelines and the quality of environmental outcomes in road projects. Field work was carried out in Cameroon, Morocco, and Uganda, covering projects and policies. Sector and environmental experts were interviewed at the Bank in Tunis and in countries. The evaluation covers 86 Bank-supported road projects approved from 1999 to 2010 a quarter of which (22) were included in the portfolio review. The field visits

covered 10 percent (9) of all projects³. Background studies are available upon request.

Report overview

Section II summarizes background information on environmental policies at the Bank and environmental concepts. Section III provides key evaluation findings on environmental management of road projects at the Bank. Section IV discusses short-term environmental outcomes and sustainability. Section V offers observations on environmental achievements, management, and use of country systems in the three case study countries. Section VI details findings on environmental mainstreaming at the Bank. Section VII makes conclusions about future prospects for environmental engagement at the Bank. And section VIII ends with a set of key messages and recommendations for Bank management.

³ See Appendix 1 for more details on evaluation approach and methodology.

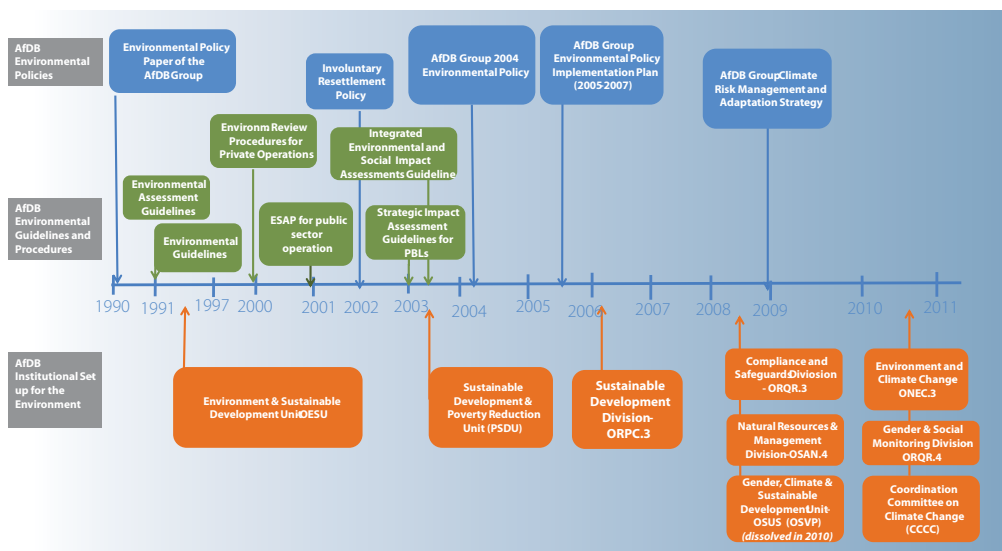
II. BACKGROUND

Environment and sustainable development have been on the international agenda since the early 1990s, catalyzed by the 1992 Rio de Janeiro summit and the 2002 World Summit on Sustainable Development in Johannesburg. Since 1990 the Bank has put in place a number of environmental policies, procedures, and guidelines targeted at Bank and regional member country policies and projects (figure 1).

In 2004 the Bank Boards of Directors approved a new Environmental Policy, including a detailed action plan for 2005-2007. Principle objectives of this policy were incorporating environmental considerations into project design

and implementation, supporting regional member countries in making environment an integral part of their national planning, strengthening environmental institutions, and building human resources capabilities. The policy outlines how to put into practice the Bank's commitment to sustainable development by mainstreaming environmental considerations in all its operations, especially by integrating environmental issues into Country Strategy Papers and economic and sector work (ESW), supported by capacity building and advocacy. Although the 2004 policy does not use the term "safeguards", it implicitly considers project environmental and social safeguarding as a pillar of environmental mainstreaming at the Bank.

Figure 1. Evolution of environmental policies and institutional arrangements at the African Development Bank



Safeguard processes at the Bank are governed by the Environmental and Social Assessment Procedures (ESAP), of 2001 that are still valid but under review. One of the innovative features compared with the 1992 version is the integration of environmental and social issues in one set of documents and instruments⁴. The 2003 Integrated Environmental and Social Impact Assessment (IESIA) guidelines provided more detailed environmental and social impact indicators. Both documents are the main references for Bank staff and regional member countries to address environmental and social impacts throughout the project cycle. The Bank's safeguard system covers environmental assessments, resettlement, biodiversity, pollution, and health and safety issues.

The 2006 Bank reorganization and the Medium-Term Strategy 2008-2012 led to major changes in policy priorities and organizational structure. The Medium-term Strategy is modest in its references and ambitions concerning the environment, following the influential High Level Panel Report of 2007 that made only passing references to environment, sustainable development, and climate change. In 2006 the Environment and Sustainable Development Unit (PDSU) was transformed from a unit reporting directly to the Complex Vice-President to a division in the Policy and Quality Assurance Department of the Regional Operations Complex. From 2008-10 it was replaced by various divisions and units in the two sector operations complexes of the Bank (see figure 1). With the adoption of the Bank's Climate Risk Management and Adaptation

⁴ Procedures for the private sector were prepared separately in May 2000.

Strategy in 2009 and the subsequent development of a climate change portfolio of projects, a new and important environmental topic was added to the Bank's environmental agenda.

It is useful here to briefly introduce the concepts of environmental mainstreaming and safeguards, the principal themes of this evaluation (table 1). A broad definition suggests that environmental mainstreaming activities are more macro- and policy oriented while environmental safeguards more micro- and project focused. Definitions of environmental mainstreaming have become more differentiated over time. Central to most definitions of environmental mainstreaming are integration, rather than separation, of environmental, and to some extent social, concerns and the intent to move environmental issues "upstream" so that attention is paid to macro issues. Such issues include environmental legislation, policy work and advocacy, capacity building, and institutionalization at the agency, regional and country levels, and in sector policies and guidelines. Mainstreaming environment in organizational structures and business processes is seen as particularly important, as is promoting of environmental values and mindsets.

Safeguards focus primarily on preventing and mitigating negative environmental and social outcomes. They are mainly "do no harm" policies. Safeguards have a strong legalistic connotation; they constitute more of a rules-based administrative system, partly overseen by the legal departments of the multilateral development banks. Independent complaints mechanisms rely largely on safeguards policies and procedures. In most cases safeguards remain project focused (or

“downstream”). But in the end, environmental mainstreaming and safeguards are two sides of

the same coin. Though pursuing similar goals they are oriented and focused differently.

Table 1: Environmental mainstreaming and environmental safeguards

Environmental mainstreaming	Environmental Safeguards
<ul style="list-style-type: none"> Integrating the environment in existing organizational structures and business processes, rather than separating it 	<ul style="list-style-type: none"> Relying on separate processes to design and enforce environmental objectives and safeguards
<ul style="list-style-type: none"> “Upstream” oriented: focused on enabling environmental policies and guidelines, capacity building institutionalization; awareness and advocacy 	<ul style="list-style-type: none"> “Downstream” oriented: focused more on projects
<ul style="list-style-type: none"> Promoting environmental values and mindsets 	<ul style="list-style-type: none"> Ensuring adherence to environmental policies and rules; legalistic and rights connotation
<ul style="list-style-type: none"> Focused on positive and pro-active environmental actions: “do good”, beyond “do no harm” 	<ul style="list-style-type: none"> Focused on preventing negative environmental project outcomes (“do no harm”); mitigate, where negative impact is unavoidable

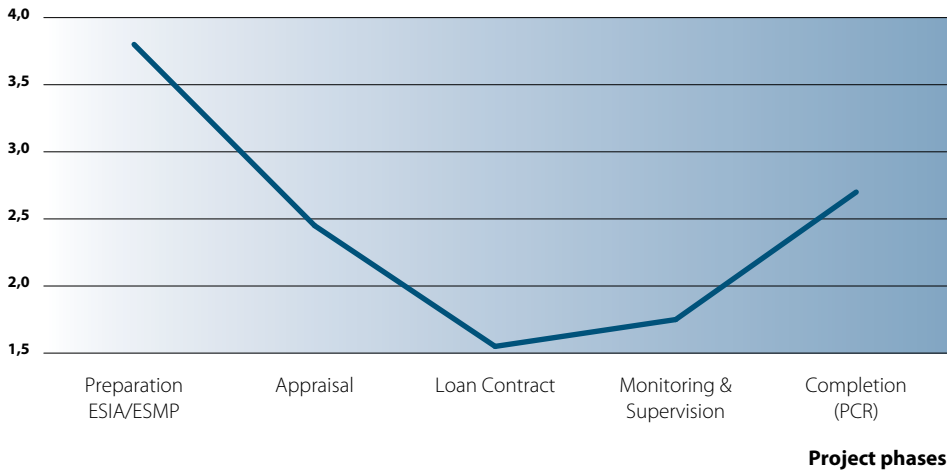
III. ENVIRONMENTAL MANAGEMENT OF ROAD PROJECTS AT THE BANK

How do the Bank’s road projects comply with its environmental standards and safeguards throughout the project cycle? And what are the short- and long-term environmental results of road projects? This project-focused part of the report starts with an analysis of how Environmental and Social Impact Assessments (ESIA) and Environmental and Social Management (ESMP) plans were handled at the Bank and the attention they received in project design and implementation. This is followed by a discussion of environmental outcomes, outputs, and long-term sustainability in Bank-financed road projects.

evaluation rated the Bank’s attention to environmental safeguards and compliance with Environmental and Social Assessment Procedures during different project phases: preparation, appraisal, loan agreement (contract), implementation and completion. The ratings produce a clear U-shaped curve of environmental attention for the project cycle (figure 2), highest at preparation and lowest at loan negotiation and implementation, before picking up slightly at completion. The evaluation did not find a perceptible change in environmental compliance of projects approved before and after 2004.

Attention to environment in projects varies significantly along the project cycle. The

Figure 2: Attention to environment in Bank projects, by phase



Note: Y-axis values are mean ratings for 22 sample projects on a scale of 1 (highly unsatisfactory) to 4 (highly satisfactory)
 Source: Evaluation portfolio review

Project preparation and approval

The technical quality of the Bank's Environmental and Social Impact Assessments and Environmental and Social Management Plans for roads as submitted with project appraisal reports has been satisfactory. The Bank pays much attention to the preparation of these documents. The overall quality of their design for road projects is good, and compliance with other procedures at the design stage is satisfactory. Environmental management plans are regularly attached to project appraisal reports as required. The Bank's review process for project design and readiness contributed to overall satisfactory environmental design quality.⁵ Projects usually meet the Bank's international disclosure requirements for ESIA's (box 2), though they fail to follow similar processes at the national level in regional member countries.

The Bank has few mechanisms and incentives to effectively align its environmental safeguards and management plans with those of countries and, for parallel or co-financing, with other donors. The lack of such mechanisms sometimes reduces their relevance for implementation. Alignment problems arise from differences in management plans by regional member countries and by the Bank or other donors, from different policies and practices that are not reconciled, and from Bank-suggested environmental mitigation measures that are not supported with adequate budgets.

⁵ The Project Readiness Review 2011 assessed safeguard design and process as moderately satisfactory (that is, a 4 on a 6-point scale). Safeguards are rated at the lower end of seven assessment criteria, with other criteria having improved more between 2010-11.

Box 2 - Responsibility for environmental and social impact assessments

The preparation of Environmental and Social Impact Assessments (ESIA) is the responsibility of borrowers. But donors usually adjust the assessments and related management plans to fit their own safeguards and approval requirements. Most ESIA's for roads are carried out as part of the technical feasibility study, often by specialized local environmentalists. They are usually prepared before financiers are approached, following national procedures but also trying to address various prospective donor requirements. Internally at the Bank, ESIA's are reviewed by sector task managers and environmentalists and sent for comments and clearance to the Safeguards Division (ORQR.3). Sometimes the Bank may carry out environmental assessments of its own, apart from borrower produced ESIA's.

Few efforts are made to reconcile various environmental assessments, corresponding management plans, and budgets in setting priorities and establishing fully agreed (and funded) environmental implementation plans at project launch. There are few incentives for Bank safeguards staff to be flexible in formulating environmental requirements, to join and align with other donors, and to take a pragmatic and flexible approach without compromising the Bank's essential environmental safeguards

and goals. In particular, Environmental and Social Assessment Procedure guidelines do not give sufficient advice for projects that are increasingly parallel- or co-financed and sometimes consist of complex multinational mega-projects.

Project environmental categorization

The Bank's environmental categorization of road projects is not useful for prioritizing environmental supervision and follow-up based on environmental risks. The formal criteria at project identification, as suggested by the guidelines, are crude and outdated and do not primarily focus on environmental risks or impact. For roads the yardstick for a highly sensitive project is a length of 50 kilometers or more.⁶ Given the increasing size and complex nature of Bank infrastructure operations most projects are now in the most environmentally sensitive category: between 2005 and 2010 75 percent of road projects fell into this category, compared with only 11 percent between 1999-2004. Other multilateral development banks apply criteria based on environmental risk (World Bank) or identify at design projects needing special environmental supervision or environmental audits (Asian Development Bank, Inter-American Development Bank, and European Bank for Reconstruction and Development)⁷.

6 For energy projects there is a similar quantitative criteria of a capacity of 100 megawatts.

7 Other multilateral development banks usually provide a combination of generic screening criteria such as project type, location, scale, and magnitude of expected environmental impacts. They also provide sector-specific guidance. Some have developed illustrative lists of project types.

Project environmental monitoring and implementation

The Bank's monitoring and evaluation framework, supervision records, and project completion reports do not provide a reliable picture of environmental results and short-comings for individual road projects or the subsector as a whole.

Several factors contribute to limited information on environmental accomplishments and problems in Bank road projects⁸. Project logical frameworks rarely contain environmental output or outcome objectives and indicators; at best environment is included as a risk to be addressed. This limits attention in reporting. Loan agreements seldom include environmental safeguards, in contrast to resettlement. This reduces the need to monitor and follow-up. The Bank's supervision format and SAP platform do not include environmental or social performance indicators in project summary ratings. The new reporting format for supervision results approved by CODE in May 2011 could be a much better monitoring tool since it includes explicit ratings for environmental and social safeguards.⁹ But as of end 2012 the system is not yet operational. Environmental information in the Bank's quarterly progress reports is irregular, though many contractors provide monthly environmental reports. Project Completion Reports before 2009 had limited environmental content, but their new format requires more detailed environmental reporting.

8 Bank staff regards this as a broader problem for all sectors, not just for roads.

9 Staff Guidance on Implementation Progress and Results Reporting for Public Sector Operations. AfDB. Adopted by CODE in May 2011.

While more information is forthcoming Project Completion Reports remain constrained by scarce supervision information.

Environmental supervision is very limited. Staff incentives and capacity contribute to weak follow-up on environmental management plans during implementation. Sector task managers have no institutional incentives to pay attention to environmental management during implementation. Senior managers have few incentives to invest in long-term environmental capacity building and training, of Bank staff or RMC counterparts. **There are thematic overload among task-managers and managers and diversion from the key non-environmental performance indicators (approval and disbursement targets) that drive management priorities.** The Bank does not systematically review provisions and clauses related to environmental management in road construction contracts. Few environmental specialists are engaged in regular supervision by the sector departments. The number and quality of technical experts for environmental management at the Bank are slowly increasing, but most experts still focus on project preparation.

There is no proactive compliance monitoring by the Bank's Safeguards Division (ORQR.3).

Such compliance monitoring could further ensure that applicable safeguard policies and provisions in Environmental and Social Assessment Procedures, regulatory standards, and requirements are addressed more systematically, particularly in very sensitive projects.

Environmental and social concerns

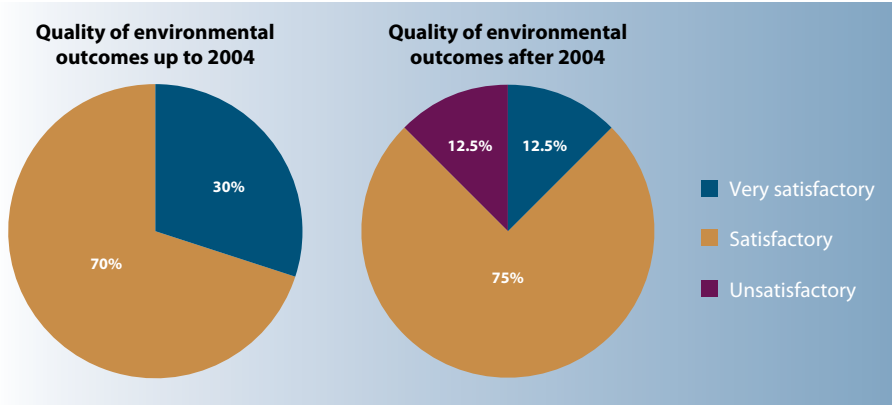
Environment is losing ground to social concerns. In recent years the Bank's priority has shifted to social assessments and mitigation, particularly because resettlement safeguards are often enshrined in loan agreements as a condition for first disbursement. This focus can be traced to the 2004 environmental policy and a 2008 consultancy report. There is also more demand from Bank clients to prioritize social concerns of infrastructure-affected populations rather than to address more long-term environmental issues. To some extent this has crowded out environmental matters at the Bank. Since 2004 resettlement costs as a share of all resources budgeted for environmental and social road project management increased from 30.4% to 53.6%.

IV. SHORT-TERM ENVIRONMENTAL OUTCOMES AND SUSTAINABILITY

Short-term environmental outcomes of the Bank’s road portfolio were positive. The evaluation found satisfactory environmental outcomes for the sample of roads analyzed¹⁰, in terms of their impact on air, water and soil quality, ecosystems, biodiversity, and natural landscape. There was no significant change over time (figure 3). Almost all projects were rated satisfactory or higher. There may be several reasons for this positive finding. Few roads were constructed along totally new alignments, where the full range of environmental impacts may be expected. Several projects supported the rehabilitation and upgrading of unpaved secondary roads to paved standards, which commonly reduces negative environmental impacts.

Adequate short-term environmental mitigation measures (outputs) were found in most of the Bank’s road projects. These are well covered by the construction contractors and supervising companies. Many encouraging mitigation measures were found, including environmental protection at worksites, construction of appropriate water and erosion control structures, and restoration of borrow pits and quarries (project environmental activities and outputs). Positive environmental outputs are often related to good practices and engineering quality standards of construction companies and pro-active project-site environmentalists. Contractors’ country of origin matters, as home country regulations and practices are frequently reflected in company protocols or attitudes

Figure 3: Quality of environmental outcomes



¹⁰ The sample for the analysis covered a quarter of the portfolio (22 roads). See Appendix 4 for methodology and indicators.

towards environmental and social matters.¹¹ Some complaints from local populations affected by road construction are inevitable, and with rising awareness of local populations, they increase. But most construction companies were responsive, particularly when motivated by supervising companies and road agencies. Company engagement, construction protocols, and clear definition of environmental mitigation measures in construction contracts are the main factors that explain what otherwise could be seen as a paradox: satisfactory environmental short-term outcomes even when Bank supervision falls short.

In some projects, good environmental practices were less respected, resulting in environmental nuisances for local populations and wildlife. Such impacts included poorly managed water flows, sloppily compacted soil deposits, and threats to wildlife and biodiversity. For instance, in the Kabale-Kisoro road project in the mountains of southwestern Uganda, environmental concerns became secondary when the project faced major delays and cost over-runs. Problems at this location



Photo 1 – Erosion on the Kabale-Kisoro road in Southwestern Uganda

included missing protection measures for a rare species of endemic birds, erosion control (photo 1), the placement of the asphalt plant and slow restoration of borrow pits and quarries that were no longer in use.

Yet, on balance, most road projects showed satisfactory environmental sensibility, with some performing quite well such as a highway project in southern Morocco (photo 2). For the Marrakech-Agadir highway the Bank took the environmental lead early among three parallel-financing donors. Among others, the Bank insisted to re-afforest a sizable number of valuable arganiers trees that had to be cut down for construction. Re-afforestation was successfully done by the executing agency “Autoroutes du Maroc”.

Other mitigation measures included optimizing earthworks to minimize soil and gravel requirements, constructing culverts and ridges at earth-fills to prevent gully erosion of slopes, preserving natural water flows through transversal drainage



Photo 2 – The Marrakesh-Agadir highway in Morocco, a showcase for good environmental management

11 This clearly comes out of interviews with concerned task managers and environmentalists in countries and at the Bank.

structures, and constructing oil separators in each wadi to prevent the pollution of streams through possible oil spills from accidents.

Long-term environmental sustainability

In contrast to short-term outcomes, environmental sustainability beyond project completion is clearly unfinished business. Regional member country funding for ex-post routine maintenance and environmental mitigation measures is very limited and few donors are willing to invest. Evaluation field visits came across several long-term environmental problems, from decay of environmentally important road construction features to secondary effects of deforestation or disturbance of wildlife, particularly where sustainability after project completion was not taken into account. The Mélong-Dschang road in the mountains of north-eastern Cameroon, completed in 2006, is a case in point (photo 3).



Photo 3 - Environmental maintenance is needed on Cameroon's Mélong-Dschang road

The road has many well-constructed, reinforcing gabions and stone walls to prevent erosion and damage from its steep slopes. However, other sections of the road already need strengthening, five years after completion. The evaluation team saw severe and damaging erosion problems, in the form of loose soil deposits, not well compacted and with poorly managed water flows. The road also passes through parts of a protected forest and animal reserve, whose degradation by all accounts has increased as a result of the road and the lack of appropriate ex-post mitigation measures.

Weak and under-resourced environmental follow-up after construction and during road maintenance is common. Unpaid local committees do not work. In Uganda, the local road agency (UNRA) does not have a sufficient follow-up mechanism in place for completed road projects. Environmental and other issues are left solely to the community, without clear guidance or additional support. Local road committees may be established in local government areas but are often non-functional. A similar situation is found in Cameroon, where rural road committees, constituted by volunteers and local delegates of various government agencies do not function, because they lack financing. Road revenues collected through user tolls are not necessarily fed back into local road management, surveillance or maintenance. Sustainability works better where maintenance is integrated into long-term institution-building approaches. For instance, the programme approach taken in Morocco's 2nd Rural Road Programme allows systematic environmental monitoring and capacity building, with good integration of construction and maintenance of these rural roads by a single agency. Yet,

even here, financing for maintenance is difficult to secure.

Long-term secondary, induced environmental impacts are rarely sufficiently analyzed and mitigated.

Few efforts are made to follow-up on environmental effects after project completion. The country evaluation teams came across many of the classic long-term benefits of roads, such as growing commerce, settlements, agriculture, and enhanced mobility. But such developments, particularly those in Cameroon and Uganda also had such adverse environmental side-effects as uncontrolled land-grabbing along new roads, loss of forests and bio-diversity, and settlements in wet lands. Such induced long-term environmental road impacts as land use changes and deforestation (photo 4) are well known and reported, but they are neither an integral part of project environmental assessments or mitigation planning at the Bank or in countries. The Bank's environmental procedures include a vague



Photo 4 - Firewood sales on Cameroon's Ngaundéré road: indicative for roads' long-term effects on land use and deforestation

indicator on induced change, but do not explicitly mention how to address long-term effects. Other donors are similarly negligent of long-term effects in their projects. In 2011 this was identified as a major issue in road projects in Latin-America, with special attention on the Amazon rain-forest, and led to the establishment of a World Bank/ Inter-American Development Bank working group on this matter in 2011.

V. ENVIRONMENTAL ACHIEVEMENTS, MANAGEMENT, AND USE OF COUNTRY SYSTEMS IN THREE REGIONAL MEMBER COUNTRIES

African regional member countries started to develop their environmental policies, guidelines and institutions in the 1990s.¹²

In Cameroon, Morocco and Uganda, the three case study countries covered in this evaluation, environmental goals are part of the broader national development policies and planning. All three countries have a clear stake in enhanced environmental. Cameroon is aware that its strategic tropical and semi-arid forest resources are vital for global climate change mitigation and biodiversity; and that they present a valuable asset to be preserved as a global public good. Morocco is committed to a green growth strategy including clean and renewable energy, sustainable water and agriculture resource use and reduced pollution. Morocco links environmental investments with economic plans to expand and scale up its tourism and conventions industry and to export renewable energy to Europe. Uganda is experiencing increasing population pressures and loss of natural soil and forest resources—forest coverage has declined 37 percent since 1990 (United Nations). Climate change is affecting Uganda, as the country experiences more frequent floods, droughts, and rainfall fluctuations, with roads and bridges being washed away.

¹² This section is based on the evaluation literature and document review, the three country case studies, and interviews at the Bank and outside.

Satisfactory legislation but weak enforcement

Governments and citizens alike in regional member countries are increasingly taking environmental concerns seriously and mainstreaming them. The country evaluation teams encountered high interest in environmental and sustainable development issues. Slowly but steadily, political institutions, civil society organizations and citizens are gaining awareness and becoming engaged with their environment. Over the past 20 years Cameroon, Morocco, and Uganda have all put in place much of the policy and regulatory framework required for environmental management at the macro—and project levels, though to varying degrees. In all three countries public and private sector projects of a certain size or nature have to conduct Environmental and Social Impact

Box 3 – Elephants at night

In addition to government macro-planners, local populations are also concerned about balancing social and environmental factors. ‘Previously, we hid from the elephants at night in our huts, now the elephants hide from us. So I ask you, what’s better?’ one of the participants in a local focal group meeting in Cameroon asked.

Assessments as part of the project feasibility study, governed by respective laws or regulations.

Environmental convictions in case study countries are not always deep-rooted, though. They often face trade-offs with short-term growth and investment goals.

Beneath the surface the evaluation found some resentment about external pressures for enhanced integration of environmental concerns and in-appropriate cost sharing. Cameroon and Uganda in particular are grappling with how much priority to give to environmental issues relative to the need for short-term economic growth and social development in a highly competitive and difficult global economic environment. One country's top national planning director requested help from the evaluation team and the Bank to determine the 'optimal amount of environment' relative to other development goals, such as attracting foreign direct investment.

Country environmental systems are often overstretched and enforcement tends to be weak.

Despite some priority being given to environmental issues at the policy and strategy levels and successes in institution building and environmental business processes, the three countries lacked adequate environmental strategies and action plans to operationalize their environmental goals. Sometimes laws are not implemented because operational guidelines are not yet in place, for instance on quarry management in Morocco. This is often more a matter of political and administrative hurdles than of technical capacity. There is a widespread problem with environmental enforcement. Environmental enforcement is weakened by

the low political clout of public environmental agencies.

Limited institutional, human, and financial resources remain a major reason for enforcement failures.

For road projects this concerns the coordination and follow-through of environmental management plans during implementation and the systematic incorporation and monitoring of environmental provisions in construction contracts. Overall monitoring, document management and transparency are also affected. In one on-going road project in Cameroon the Environmental and Social Management Plan was unknown to the construction contractor and supervisor because it was not part of the contract documents. Weak document management contributes to this problem. There are some notable exceptions of better capacity. Morocco's major highway and rural roads programs and to some extent the Uganda National Roads Authority's environmental management of rural highways come to mind. But even here institutional capacities and dedicated resources present a formidable challenge for effectively delivering environmental results.

Environmental coordination among different agencies and jurisdictions is a perennial problem.

Exchange and coordination of contributions by different agencies and partners are also challenges. Many roads pass through vulnerable ecosystems under different jurisdictions, such as forests, wetlands, national parks and municipalities. This requires coordination and participation of various sectors. But the country teams found a large gap in cross-sector collaboration and

coordination.¹³ Some countries have inter-ministerial committees, but their mandates are often very limited. In some cases environmental champions (technical environmental or social specialists who ensure appropriate coordination, advice, advocacy, monitoring and reporting at all levels) moved the process forward. For example, the former head of the Environmental Protection Unit of Cameroon's Ministry of Public Works was a strong advocate for the environment in road construction. Champions are most effective when equipped with a combination of administrative legitimacy, political support, resources and personal motivation.

Donor support and coordination

Donors have contributed a lot to enhance the image and mainstreaming of environmental issues in regional member countries.

Since the mid-1990s the road subsector has been an early pilot case for environmental mainstreaming in Africa, with the Bank, the World Bank, and the European Commission playing important roles. But in some places long-running institutional support for environmental management is coming to an end, for example, in Uganda where the World Bank's institutional support for the National Environment Management Authority is being phased out. Institutional sustainability is far from guaranteed. In such situations alternative support, engagement and advocacy for the environment may remain important, not only in terms of financial support, but also in terms of continuous environmental engagement and mainstreaming in the field. In Uganda the local

road agency stressed that environmental donor supervisions are one of the best ways to attract the attention of contractors and government agencies to environmental mitigation.

The country teams found little evidence of environmental coordination among donors, apart from occasional discussions in conventional sector working groups.

In Uganda the Bank is not part of the environmental working group because country staff are stretched and do not include an environmentalist. In Cameroon the evaluation found no environmental synergies between three donors in an ongoing 200 kilometer road construction project in the north-east, from Garoua Boulai to Ngaoundéré. This project is parallel-financed by the Bank, the World Bank, and the European Commission. Each donor covers a section of about 60-80 kilometers, but there is no shared environmental management plan for implementation and no clarity on environmental mitigation priorities. Information exchange between the various donors, road construction teams, and environmentalists is weak.

Use of country systems

De-facto, country environmental systems and assessment procedures are already widely used by the Bank to produce Environmental and Social Impact Assessments and Environmental and Social Management Plans for most major infrastructure projects, to negotiate environmental clauses with construction contractors and to monitor environmental outputs and results, mainly through road authorities.

But the Bank's legal requirements for project safeguards, due diligence concerns,

13 See, for instance, the Uganda country case study report.

and related complaint mechanisms require continued Bank engagement and monitoring, at project preparation and implementation.

These requirements do not allow for full reliance on country systems, particularly for legally binding safeguards. In 2008 the Bank and the World Bank attempted to develop joint environmental and social safeguard, assessment and monitoring procedures for Uganda based on the country system. But they ultimately failed due to concerns by their legal departments. The certification of country environmental systems for safeguard purposes and alignment faces similar legal problems for donors¹⁴. This does not invalidate the primary responsibility for regional member countries and country systems to take the lead in project environmental design and management and to

¹⁴ This is also documented in the latest 2010 World Bank IEG report on Safeguards and Sustainability Policies.

enforce specific donor requirements. After all, borrowers are required to follow donor policies as agreed in loan contracts.

Yet countries often find it difficult to reconcile different donor demands for environmental safeguards, management and procedures.

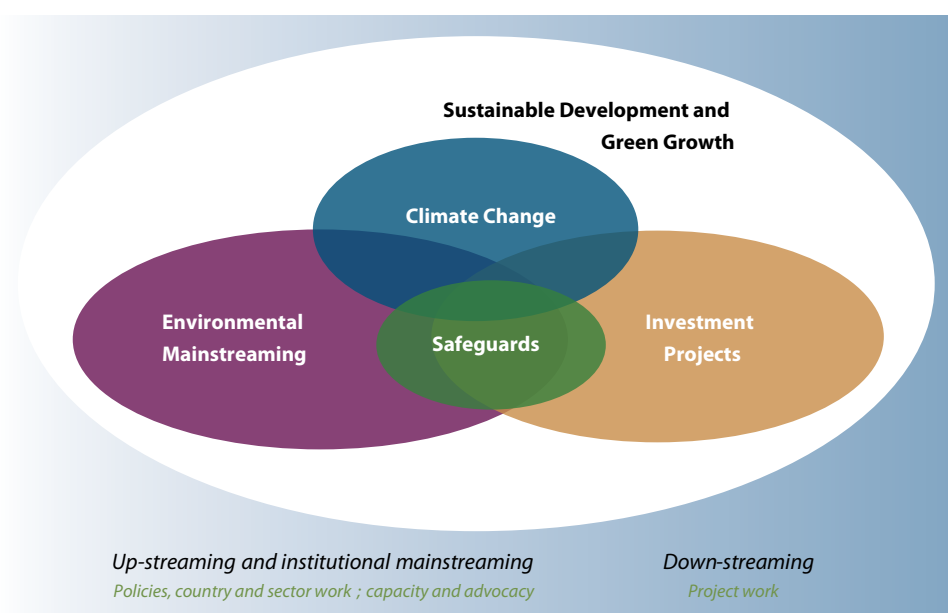
The quality and integrity of country produced Environmental and Social Impact Assessments and Management Plans and approval processes are often driven and obfuscated by multiple donor requirements. This contributes to weaknesses, jargon, and copy-and-paste in country-produced environmental assessments and management plans. Different donor demands often stretch country capacities. The Bank itself is sometimes weak in communicating and aligning its environmental requirements and procedures with partners in RMCs.

VI. ENVIRONMENTAL MAINSTREAMING AT THE BANK

Environmental mainstreaming at the Bank is underperforming. The momentum gained with the Bank’s 2004 environmental policy has been only partly maintained. Between 2006 and 2010 the Bank gave low priority to environmental mainstreaming in policies, institutional support and advocacy. By all accounts, the 2005-07 environmental action plan gradually evaporated while management became more pre-occupied with safeguards and climate change than with broader mainstreaming. This was triggered by the 2008 establishment of the Independent Review Mechanism at the Bank and by the development

of a climate change policy and portfolio to tap into the new global Climate Investment Funds. As mentioned earlier, the Bank’s Medium Term Strategy 2008-12 and key performance indicators focus on climate change; environment at large features less prominently. More recent emphasis on green growth in the Bank’s new Medium to Long-Term strategy and emerging concerns about protecting Africa’s natural resources, such as rainforests through the Congo Basin Initiative, appear to emphasize broader concern for the environment.

Figure 4: Environmental mainstreaming, safeguards, and climate change action for sustainable development and green growth



Safeguards and climate change are central and necessary elements to achieve sustainable development and green growth, but they are not sufficient for a greener Bank.

Good practice, as expressed in the Bank's 2004 environmental policy and confirmed by this evaluation, suggests that they must be complemented with environmental mainstreaming and related activities. These three overlapping priorities are all part of the combined effort to achieve long-term sustainable development and green growth (figure 4).

Environmental country, regional, and sector work

Environmental country and regional work is rudimentary. The evaluation found little environmental mainstreaming in the 18 Bank Country Strategy Papers approved over 2009-11, with a few exceptions (Burundi, Chad, and Rwanda). The Country Strategy Papers (CSP) make no reference to environmental policy dialogue and programmatic support for regional member countries and mainly follow the Bank's Medium Term Strategy 2008-12, which does not emphasize the environment. Countries have made limited demands for environmental support. Moreover, the format of CSPs since 2008 is not very conducive to analyzing, mainstreaming and integrating cross-cutting issues in country programming. And the Bank has few instruments and resources for capacity building and policy dialogue on these issues, including the environment. However, the evaluation noted some recent improvements with the emerging corporate priority for climate change and green growth (for example, in Rwanda).

The four Regional Integration Strategy Papers approved in 2010-11 pay more attention to the environment than do the Country Strategy Papers. But only the Central Africa one takes a broader environmental perspective, making substantial efforts to mainstream environment beyond support for clean energy projects, hydro-power or railways to reduce greenhouse gas emissions. Given the high-level international attention to the Congo Basin as a global public good "vital for all of humanity" this regional strategy defines a solid environmental rationale, concrete goals and outcome indicators including support to a regional organization (the Commission for Central African Forests) for environmental advocacy, policy dialogue and training.

The Bank's 2008 Infrastructure Business Plan does not mention the environment and the pan-African multi-agency Programme for Infrastructure Development spearheaded by the Bank and the African Union does not reflect environmental concerns well.

Strategic environmental planning

Strategic environmental planning in countries and sectors and related knowledge work are widely considered an important entry point for environmental mainstreaming, but are underused by the Bank and countries. Strategic Environmental Assessments, SEAs, a systematic process for assessing environmental impact and mitigation strategies at the sector or country level, are completely missing in the Bank's environmental mainstreaming toolbox though they are regarded as an important instrument for mainstreaming by the Bank's 2004 environmental

policy. The evaluation also found few efforts of systematic and strategic environmental planning in regional member countries at the sector level, including among donors. But project environmental instruments do not work well for assessing and mitigating long-term environmental effects and trade-offs with other development goals. And as a matter of good practice, strategic decisions on a range of environmental and social matters are best made at the sector or program level, including national requirements for environmentalists in road projects, sensitization of affected populations, road security and maintenance, and complementary social project activities to reinforce environmental results.

The September 2011 Strategic Environmental Assessment of the Road Sector in Uganda thoroughly analyzes environmental issues for the road subsector and proposes mitigation measures.

Commissioned by the European Commission to inform the coming third Road Sector Development Programme it identifies the most common environmental impacts of roads in Uganda: changes in land use, soil stability and erosion, changes in hydrology and drainage, impacts on wetlands, increased runoff, landslides, and depletion of forest areas. It highlights the mitigation measures which include technical, organizational, planning and capacity-building measures. Plans to complement the SEA with policy work to identify gaps and mitigation measures at the macro-level are under way.

Organizational mainstreaming at the Bank

The responsibility for environmental mainstreaming is not clearly assigned at the

Bank. Several reorganizations between 2006 and 2010 led to the loss of a clearly mandated institutional organizational unit, or champion, for environmental issues and mainstreaming at the Bank as well as for other cross-cutting issues.¹⁵ This left a void for broader environmental mainstreaming, environmental coordination, advocacy and monitoring. Institutional responsibility and accountability for project safeguards are currently shared by the Safeguards Division (ORQR.3), Energy (ONEC.3) and Agriculture (OSAN.4), with many operational functions mainstreamed across sector and regional departments. Responsibility for environmental mainstreaming, including policy, institutional and capacity-building dimensions, is less clear. The unit assigned with environmental mainstreaming in the Bank's 2010 organizational manual, the Gender, Climate, and Sustainable Development Unit (OSUS in OSVP), was dissolved in April 2010.

The Bank has not had a strong high-level champion for environmental mainstreaming in recent years.

The Climate Change Coordinating Committee focuses on climate change. The safeguards division is fully pre-occupied with project-level safeguards. The Bank has few incentives and little accountability for environmental mainstreaming. Incorporating and monitoring environmental mainstreaming in non-project instruments have been weak. Environmental experts were invited to the Bank, through consultancies and secondments, but their role remained limited. Bank ownership developed only slowly. For a long time political and policy support

¹⁵ See also Appendix 5: Figure A5.1 "Changes in Bank organizational responsibilities for environment and other cross-cutting issues (1996-present)"

was weak. Such support is important because mainstreaming often has to overcome natural resistance to change and thematic overload on project and programme staff (too many things to be mainstreamed, too many rules and procedures). According to Robert Picciotto, former director general of the World Bank's Independent Evaluation Group: Mainstreaming means, more or less, introducing or integrating some new issues into the previous "mainstream" of doing things, through new ways of thinking, planning, and doing business (including institutional changes). Much of this is advocacy; much of this is changing process and structures. In most cases it is a threat of the "status quo", to the old system's inertia and limitations.

Earlier evaluation findings

The principal findings of this evaluation are similar to those of earlier OPEV evaluations on environmental management and policies in 2000 and 2004.¹⁶ At the time incorporating environmental concerns and safeguards into project design had been largely met, though some concerns remained about the quality and phasing of environmental and social assessments. But follow-through, monitoring, and reporting on these issues during implementation and at completion were lacking. Major problems were identified at the policy and sector levels, in particular with regard to integrating the environment effectively in Country Strategy Papers and sector planning and to weak provision of institutional and capacity-building support to countries. OPEV's 2004 African Development Fund VII-IX

evaluation already questioned the wide range and lack of specificity of the 2004 environmental policy: "Such is the range of the priorities that it is difficult to envisage any potential intervention that they would not cover." It also notes both the challenge and the opportunity for the Bank to provide a strongly African value-added contribution to policy formulation beyond the "reflection of dispositions of donors and the contemporary rhetoric of development."

Three recent evaluations on safeguards and environmental sustainability by the World Bank and the Asian Development Bank also show similar findings (see appendix 6).

The World Bank finds reasonably good attention to safeguards during appraisal but inadequate environmental supervision, institutional incentives, and monitoring of outcomes; and too little emphasis on client ownership and related capacity building in response to expanded programme and budget support. The evaluations miss cross-sectoral and spatial approaches to environmental support and staff skills to enhance environmental mainstreaming in overall World Bank strategies and country assistance. They are not optimistic about success in revising World Bank safeguard policies, even where beneficial, due to cumbersome procedures. The Asian Development Bank evaluation finds too little diversity in its environmental approaches across countries with a one-size-fits all approach, weak attention to results and overemphasis on procedures and safeguards instead. It misses more environmental alignment with national procedures, overall sustainable development priorities, and capacity building in regional member countries.

¹⁶ The evaluation could not find any management action plan or report on management follow-up in response to the 2000 and 2004 OPEV evaluations.

Mainstreaming any specific area into large development organizations is difficult.

Conclusions from recent OPEV work on mainstreaming gender equality are close enough to those emerging for environmental mainstreaming to suggest that attempts to mainstream any specific area into large development organizations faces a set of serious challenges revolving around the need for strong champions in top management,

accountability and incentive systems in support of mainstreaming, the need for constant expert support to prevent evaporation of issues through mainstreaming and functional decentralization, weak monitoring and evaluation of mainstreaming as a specific area of concern, and the difficulty of applying mainstreaming concepts to new aid modalities such as programme and policy support.

VII. PROSPECTS FOR FUTURE BANK ENVIRONMENTAL ENGAGEMENT

Green growth, as envisioned by the long-term Bank strategy for Africa under development, is an opportunity to revisit the concepts and practice of environmental mainstreaming and safeguards. Green growth is more than an agglomeration of activities in green sectors, such as clean energies, agriculture, or water and sanitation. For green growth to succeed environmental concerns need to be truly mainstreamed and institutionalized, within the Bank and in countries.

To work for sustainable development and green growth environmental mainstreaming must be integrated at all levels of decision-making and operations. At the Bank this includes a deeper understanding and appreciation of environmental issues among senior management, country program staff and project task managers. Most important, it requires new values and mindsets, seldom easy to come by. In regional member countries the Bank needs a better approach for aligning and communicating its environmental goals with partners and in particular for supporting their political commitment, environmental awareness and enforcement of environmental measures. Generating and mainstreaming the necessary country capacities in the spirit of the Paris Declaration demand stronger Bank engagement.

The Bank has to be prudent to right-size its environmental safeguards, determine essential safeguards that carry legal implications and ensure their proper monitoring throughout the project life cycle. This includes

clear procedures and decision-making processes in the Bank to avoid undue project delays and arbitrary decisions. It may also include more flexibility for negotiations at headquarters and in countries and the right incentives for Bank staff to compromise, when possible. Safeguards compare what Bank policies require and what is delivered. The Bank needs to ensure that its policies are not too stringent, that they do not tax countries too much without compensation, and that they do not promise more than can be delivered or reasonably paid for. To the extent possible, the Bank should reconcile its safeguard policies with those of other donors, more so in terms of implementation practice than in terms of basic standards which are already largely agreed on.

Overall, the Bank must be realistic about what it can do to support environmental mainstreaming, safeguards and results. Corporate selectivity for environmental engagement is important. The Bank has to make better links between its policy goals and ambitions than has been done in the past, and it needs to realistically assess its own capacities and the field level situation in countries. Previous evaluations by the Bank and by other multilateral development banks suggest that many problems with mainstreaming cross-cutting issues are long-running, generic and considerable; common to other donors; and endemic in countries. This requires patient work and changes at many levels, including new instruments and behaviors. But clearly the Bank has to broadly review its environmental interests

and priorities, its institutional effectiveness, and means and choice of instruments to support environmental mainstreaming, particularly in view of its declared future focus on green growth and climate change.

In sum, the main message from the evaluation is that environmental mainstreaming and safeguards work best when country systems are strong and staff is motivated.

Thus the report focuses its recommendations on enhanced Bank support to regional member

countries for good planning (recommendation 1) and implementation of project environmental safeguards and management plans (recommendation 2), selective activities to strengthen country sector and national environmental capacities for long-term sustainability and secondary project effects (recommendation 3), and improved institutionalization of mainstreaming at the Bank to provide catalytic support for environmental awareness and show-casing environmental mainstreaming and partnering in countries (recommendation 4).

VIII. RECOMMENDATIONS

1. Collaborate more interactively with regional member countries on the design of environmental project impact assessments and safeguards; to develop clear, coherent and actionable environmental management plans for Bank-supported road projects, particularly when co-financed with other donors.

1.1 Follow country environmental processes and requirements to the extent possible.

Provide incentives and guidelines for Bank staff to follow country systems and to align with all partners, without compromising essential Bank safeguards. Help further enhance country capacity for high-quality safeguards and environmental management planning.

1.2 Work towards consolidated, joint and fully agreed environmental management plans at project launch under country leadership. Partner alignment is particularly important in parallel and co-financed projects.

1.3 Carefully formulate and limit Bank environmental safeguards when revising the Bank's safeguard system, in all relevant Bank policy and project documents; to include only safeguards that carry legal or due diligence implications for the Bank.

1.4 Improve Bank communication on environmental safeguards with countries to enhance transparency and predictability through up-to-date online systems and relevant expertise in country and regional offices.

2. Support and strengthen regional member country execution and enforcement of environmental safeguards and management plans for roads during project implementation, particularly in environmentally sensitive and high-risk projects.

2.1 Help countries **2.2 Strengthen environmental attention within country systems by enhancing Bank reporting requirements on environmental issues** in quarterly progress reports and supervision missions.

2.3 Prioritize environmental supervision based on environmental risks by better categorizing projects as environmentally high-risk (possibly by distinguishing between environmental and social risks) and by clearly indicating and flagging projects and areas of particular environmental sensitivities for follow-up and supervision in logical frameworks and Environmental and Social Management Plans.

2.4 Consider new and expanded Bank environmental support and supervision modalities for environmentally sensitive projects, such as specialized environmental implementation assistance by sector operations departments and targeted environmental compliance monitoring and country audits by the Safeguards Division (ORQR.3).

2.5 Use risk-targeted supervision, implementation support and environmental compliance monitoring to raise awareness and to enhance know-how and capabilities of

country implementing institutions for environmental supervision and enforcement.

3. Strengthen regional member countries' long-term sector and national environmental capacities. Bank support should be selective and mindful of available resources, capabilities, and instruments.

3.1 Expand environmental This may include expanded economic and sector work, strategic environmental assessments, or similar tools during the preparation and implementation of country, regional, and sector strategy plans.

3.2 Enhance environmental through stronger engagement with countries in infrastructure maintenance programmes.

3.3 Mitigate more through strategic sector work to manage long-term environmental effects and related institution building.

3.4 Support environmental A broad range of Bank instruments may be deployed for this purpose, such as trust funds, technical assistance, governance capacity projects, and training programmes, possibly with other donors and country authorities through basket-funding. This could include support for civil society organizations.

4. Assume a stronger pro-active, catalytic, and values-oriented responsibility for environmental mainstreaming in Africa, thus reinforcing the Bank's long-term strategy of sustainability and green growth; taking into

account financial and technical resources for the environment.

4.1 Institutionalize environmental mainstreaming at the Bank to better address its upstream orientation, including paying more attention to mainstreamed environmental policies and guidelines, clarifying institutional responsibilities for environmental mainstreaming at the Bank, promoting environmental values and mindsets, offering regular staff training, building environmental capacity, and taking pro-active environmental actions beyond “do no harm” safeguards.

4.2 Pioneer and showcase environmental mainstreaming in some flagship programmes, for instance, in countries, regions, or sectors that are receptive to the idea—as already commenced in Central Africa, Morocco, and Rwanda; or in sectors of particular importance to the Bank.

4.3 Increasingly partner with regional member countries, regional economic communities, co-financiers, and civil society organizations on environmental matters to identify environmental solutions and strengthen environmental values, policy implementation, enforcement, and capacities.

4.4 Introduce appropriate , for instance, through regular annual environmental reports and specific performance indicators at the corporate, department, and country levels (key performance indicators or others).

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APPENDIX 1.

Evaluation approach and methodology

Scope

The evaluation covered 86 Bank-financed road investment projects approved over 1999-2010. The projects exclude studies, technical grants, and preparation facilities. Two of the projects were private sector projects, one was a sector adjustment loan (Morocco), and 20 were multi-national, involving two or more regional member countries. The period of coverage extends to the years before and after the introduction of the Bank's 2004 environmental policy, the 2001 ESAP and 2003 IESIA guidelines that currently influence environmental mainstreaming in the Bank's operations. 24 projects were completed, including 20 projects with Project Completion Reports, with enough time since completion to assess some longer-term effects and sustainability. The evaluation consisted of two phases, starting with desk reviews and moving to interviews, focus group discussions, and data collection at the Bank and in the field, including three country case studies.

Desk reviews

A portfolio review covered all 86 projects, including financial commitments for environmental mitigation measures and some indications on environmental performance, mainly for project design. The first phase also included an extended literature review of research and published documents on environmental mainstreaming in general as practiced in international organizations and national governments. In addition, the evaluation reviewed the Bank's policies and guidelines.

A matrix of compliance with key environmental safeguard policy requirements during the project cycle was developed. To accomplish this 22 projects were selected, 20 of them public sector projects selected randomly, and two of them private sector projects, purposively selected for review. In addition, key appraisal, supervision and other documentation, including construction contract documents, was reviewed for the same sample of projects to assess quality, applicability, and utilization of IESIAs and ESMPs. Results were compared pre- and post-2004 environmental policy.

To assess the extent to which environmental issues were addressed and mainstreamed in developing Country Strategy Papers, the evaluation reviewed the quality-at-entry with reference to environmental mainstreaming of some 20 Bank country strategy papers from July 2009—June 2011 and the 4 existing Regional Integration Strategy Papers since 2011.

The evaluation also reviewed some transport project and sector evaluations by OPEV that had been completed in recent years (Benin, Botswana, Lesotho, Mozambique).

Staff interviews and country case studies

The second phase of the evaluation consisted of staff interviews at the Bank (July—December 2011), a field phase with three country case studies (September—November 2011), and a final report drafting phase (December 2011—February

2012). Bank staff interviews emphasized applying environmental policies, guidelines, and safeguards; project cycle questions; business processes and environmental mainstreaming, all with particular reference to road projects.

The detailed case study of the road subsector portfolio covered projects approved between 1999 and 2010. Field work was carried out in three countries—Cameroon, Morocco, and Uganda—selected to cover a sufficient number of environmentally sensitive road projects, different regions, and various levels of capacity and institutional development for environmental mainstreaming. They were selected in close consultation with the technical reference group. The case studies focused on the extent of uptake of environmental objectives and mainstreaming by regional member countries at policy, sector and project levels and their benefits (and costs). Where possible this included analysis of post-completion impact and sustainability.

The country case studies assessed in particular:

- ***Project environmental performance.*** How Bank-supported road projects conformed with Bank and national environmental policies, requirements and safeguards and how they implemented the Environmental and Social Management Plans.
- ***Environmental mainstreaming at the country level.*** How environmental issues were addressed and mainstreamed in national policy-making and project execution and how the Bank aligned with and was

supportive of the national approach and that of other partners.

- ***Environmental outcomes, benefits and costs.*** What benefits have accrued from mainstreaming environmental issues in Bank-supported projects and what were the trade-offs, if any. Special attention was paid to sustainability after project completion.
- ***Explanatory factors.*** The factors explaining the success or failures of (sustainably) mainstreaming environment in transport projects by looking at incentives, capacities, organizational structures and processes, leadership, and ownership.

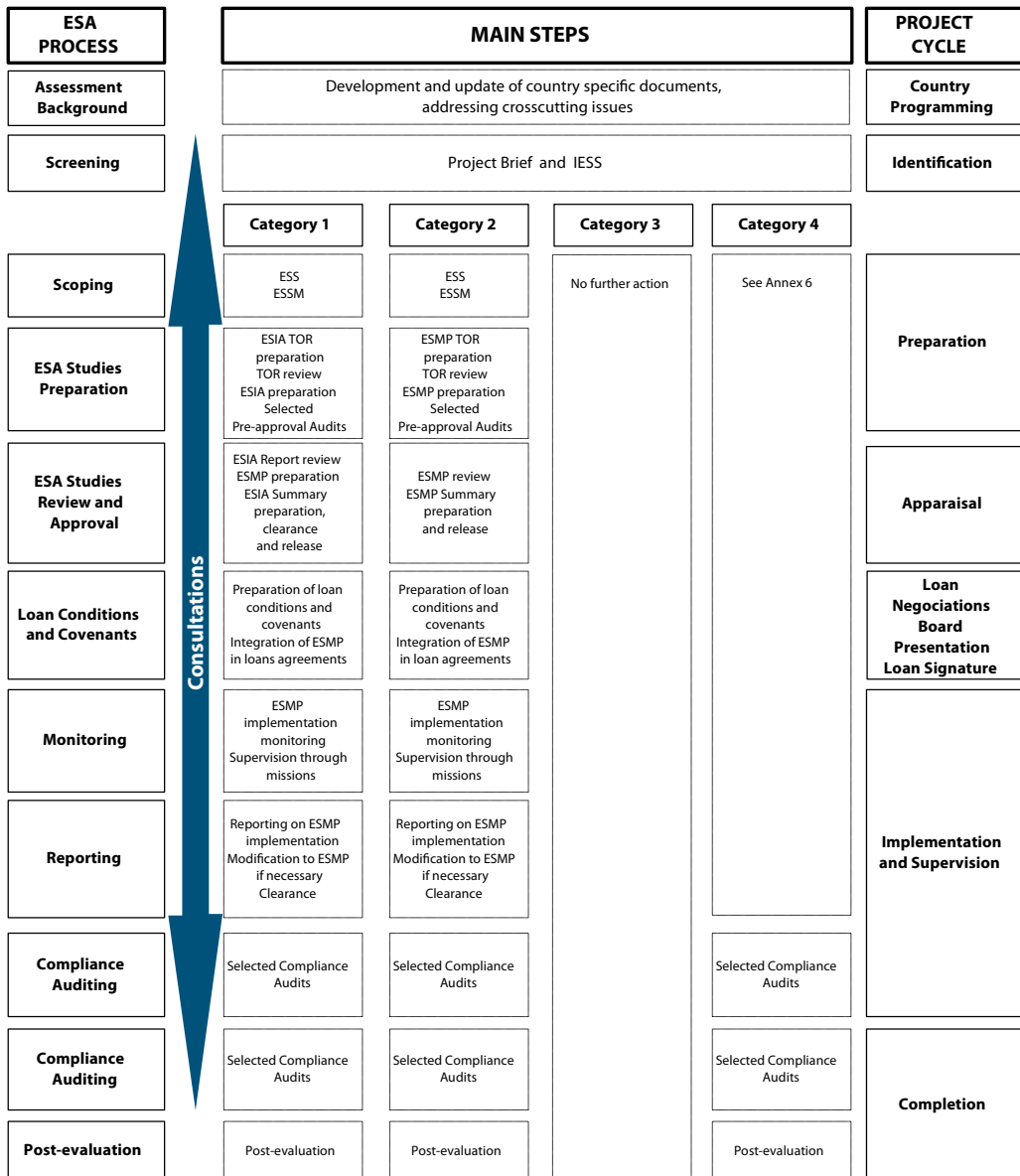
Country case studies involved collecting and reviewing relevant information and documents at the policy, sector, and project levels by the OPEV core evaluation team and local consultants. They included interviews with government and Bank officials, executing agencies, project and monitoring and evaluation staff, people affected by transport infrastructure projects, non-governmental organizations, civil society organizations, and other concerned parties such as contractors, consultants, and academics. The case studies were undertaken according to a common framework of questions and methodologies.

Before submitting the report to CODE, a knowledge creation/learning seminar was held at the Bank to discuss evaluation findings, conclusions, and recommendations on environmental mainstreaming in the Bank's operations. Regional member countries were connected via

video-conferencing. The report was peer-reviewed internally at OPEV, by Bank operations staff (the reference group), and an internationally recruited

subject matter evaluation specialist. The reference group provided comments and guidance on the main stages and outputs of the evaluation.

APPENDIX 2. Main steps along the Environmental and Social Assessment Procedure and project cycle



APPENDIX 3. Definitions of environment, sustainable development, and green growth

Environmental sustainability and sustainable development are important development goals and concepts that have been around for many years and widely used. Climate change has recently come to the forefront, as has green development (and green growth or green economy). How are these terms defined and related (figure A3.1)?

Environment is the sum of all external conditions affecting the life, development and survival of an organism (World Bank glossary). More specifically, the Bank, in line with other multilateral development banks, defines environment in a broader sense as including geophysical factors (air, water, soil, and climate), biological factors (biotic), ecosystems and biodiversity, and associated social (anthropic) factors (natural resource and land management, quality of life, such as nuisances associated with operation), and cultural heritage. This is the definition used for the environmental quality assessment of the Bank's road project portfolio.

Climate and climate change are a subset of the environment, but they reach further. Climate change effects and adaptation and resilience are not adequately captured in traditional environmental concepts. For instance, Environmental and Social Impact Assessments focus on the impact of operations and activities on the environment not on how the environment affects operations and activities. This is one of the main reasons for a climate change screening tool separate from the traditional safeguards system.

Environmental sustainability ensures that the overall productivity of accumulated human and physical capital resulting from development actions more than compensates for the direct or indirect loss or degradation of the environment (World Bank glossary).

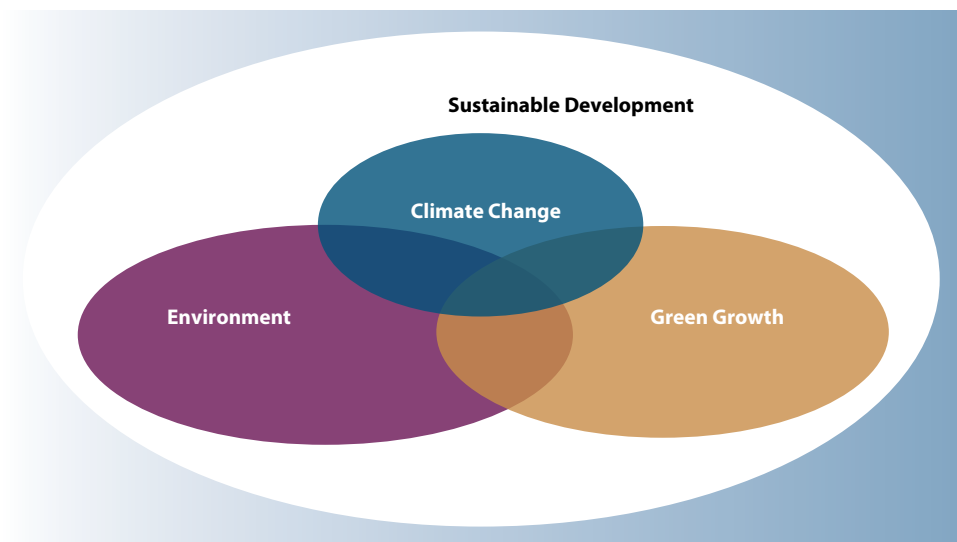
Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs (World Bank glossary). Sustainable development depends on the alignment of social and economic development goals with long-term environmental sustainability. Sustainable development was set out in the 1992 Rio Declaration and reinforced in the 2002 World Summit on Sustainable Development in Johannesburg. Millennium Development Goal 7 calls for integrating the principles of sustainable development into country policies and programs and reversing loss of environmental resources.

Green growth emphasizes the growth potential in natural resource management and environmental protection through new goods and services, training, and long-term sustainability. It focuses on the compatibility of environment and growth. The Organisation for Economic Cooperation and Development (OECD) sees green growth as an economic growth model, emphasizing economic growth processes and the creation of additional jobs in new "green" sectors such as renewable energy. Quantitative and qualitative economic growth has to be in balance to reach long-term

sustainable development and poverty reduction. The alternative term *Green Economy* as proposed by the United Nations environment Programme stresses the overall interactions among economy,

society, and environment. *Green development* tries to merge green growth and green economy to promote development that is green, clean, and resilient.

Figure A3.1 The relationship between environment, sustainable development, climate change, and green growth



APPENDIX 4. Environmental results: assessing environmental outcomes, outputs and impacts

The evaluation assessed environmental outcomes, outputs and long-term sustainability through its portfolio review (outcomes), its country case studies (outputs and longer-term impacts), and a review of OPEV Project Performance Evaluation Reports for road projects (sustainability). This included short-and long-term effects.

Environmental results in road projects consist of (table A3.2)

- Project outputs, in the form of a variety of environmental mitigation measures or other environment-related investments. Typically these include slope protection and water management structures for erosion control, reforestation or grass and tree planting, rehabilitation of borrow pits and quarries, and soil dumping areas.
- Environmental outcomes, such as the broader impact of roads on air, water, and

soil quality; ecosystems and biodiversity; and natural landscape.

- Longer-term impacts of roads which may be direct or indirect, such as impact on increased economic activities and new settlements, related environmental impact on land use and other factors, or the mid- to long-term carbon dioxide emission balance resulting from decreased travel time but increasing traffic.

Bank environmental guidelines (the 2003 Integrated Environmental and Social Impact Assessment) provide a comprehensive checklist of specific indicators for the environmental impact of roads and related measures to mitigate potential negative impacts. They are broadly in line with those of other multilateral development banks. These guidelines only very briefly mention induced development or secondary effects.

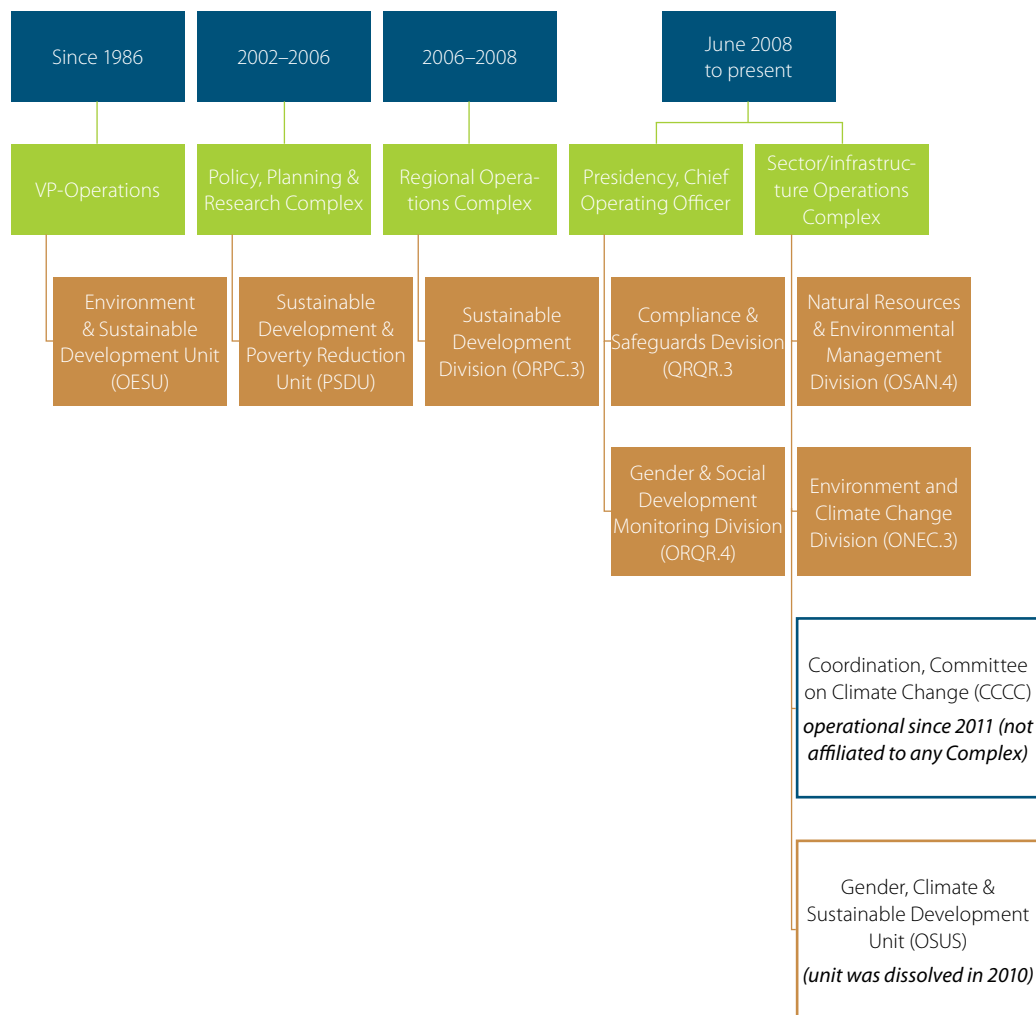
Figure A3.2 Environmental outcomes and outcome indicators for road projects

Environmental Outcomes	Indicators
Physical Criteria	
Air	<ul style="list-style-type: none"> Parameters of ambient air quality (particulates, NOx and CO)
Water	<ul style="list-style-type: none"> Parameters of <i>WHO Guidelines for Drinking-water Quality</i>
Climate	<ul style="list-style-type: none"> Climate change adaptation Evolution of erosion signs
Soils	<ul style="list-style-type: none"> Impact of borrow pits and quarries Volume of sedimentation downstream of the road site
Biological Criteria	
Ecosystems	<ul style="list-style-type: none"> Irreversible damages to sensitive areas affected by the project Cleared area for the project and after its completion Number of killed animals Habitat fragmentation indices
Natural Heritage	<ul style="list-style-type: none"> Natural sites affected by the project
Human Criteria	
Natural resource management	<ul style="list-style-type: none"> Land use change as a result of easier access
Quality of Life	<ul style="list-style-type: none"> Nuisances (noise, dust landscape, increased traffic etc.) Waste management, roadside litter
Cultural, archaeological and religious heritage	<ul style="list-style-type: none"> Number of sites affected by the project
Participation	<ul style="list-style-type: none"> Strengthening of civil society and beneficiary participation

Source: IESIA 2003

APPENDIX 5. Organizational responsibilities for environment at the Bank

Figure A5.1 Changes in Bank organizational responsibilities for environment and other cross-cutting issues (1996-present)



APPENDIX 6. Safeguards and environmental evaluations by other donors

Three other major evaluations of safeguards and sustainability by multilateral development banks offer important insights: the World Bank IEG evaluations of safeguards and sustainability (2011) and sustainable development (2008) and the Asian Development Bank's 2006 evaluation of environmental safeguards.

The World Bank Independent Evaluation Group 2011 evaluation of safeguards and sustainability found reasonably good attention to safeguards and performance standards during appraisal. But practices in these areas had been weakened by lack of adequate supervision and monitoring of outcomes. Institutional incentives needed to be addressed. Organizational effectiveness could also be improved by more clearly delineating responsibilities for appraisal and supervision and for related budget authorities. The report noted that because the World Bank was moving beyond traditional investment projects (less than half of new lending) greater emphasis was required on developing client ownership and capacity building. It concluded that "The procedure for policy revisions, even small ones, has proved to be so cumbersome and time consuming that there is great reluctance to revise and improve the [safeguard] policies even when the lessons of experience suggest that this would be beneficial (and often essential)."

The World Bank Independent Evaluation Group 2008 evaluation of sustainable development suggested enhancing environmental mainstreaming into overall World Bank strategic

directions, as well as into regional and country assistance programs. It also suggested orienting support toward more cross-sectoral and spatially oriented approaches to environmental support and toward strengthening staff skills. Finally it suggested that the World Bank would have to improve its ability to monitor, measure and report on the environmental performance and impacts of its activities.

The Asian Development Bank's 2006 evaluation of safeguards offered four main lessons:

- A 'one-size-fits-all' approach fails to add value, while diversity across countries has to be better respected.
- There should be greater reliance on national systems.
- Attention should shift from a project focus to country capacity building, recognizing that there is already de facto reliance on national systems (for example, for preparing ESIA's and for contracting).
- There is overemphasis on procedures, with too little attention on results.

In sum, the evaluation recommended that the Asian Development Bank:

- Enhance environmental assessment procedures by reviewing categorization and refocusing ESIA's more on critical issues (such

as decisions and recommendations useful for the project, including indicator definition, and appropriate logical-framework targets).

- Move from safeguards toward environmental enhancements by better integrating and aligning with national procedures, building environmental capacity, and refocusing on sustainable development.
- Strengthen organizational effectiveness within the Asian Development Bank and

consolidate environmental and social resources, including leadership, teamwork, career paths, and environmental capacity in field offices.

- Develop an action plan to implement the environment policy, increase environmental human resources, and bring policy requirements in line with available resources in a cost-efficient manner.
- Enhance partnerships for environment.

Management Response

Management welcomes OPEV's Independent Evaluation on Environmental Mainstreaming at the Bank. It provides a timely assessment of the Bank's internal promotion of sustainable development practices, and sheds useful light on the challenges it has encountered in mainstreaming environmental and social policies and procedures into sectoral operations. Management agrees that the Bank will need to strengthen environmental and social safeguards and improve oversight of environmental mainstreaming by improving organisational arrangements, and assigning more resources to strengthening environmental and social safeguards and operations teams.

The African Development Bank (AfDB or Bank) started mainstreaming environmental and social policies and procedures in 1990, when it first adopted its environmental policy for projects. In subsequent years, different sector departments, including the transport department, provided support to Regional Member Countries (RMCs) in developing environmental plans and introducing project environmental assessments and M&E frameworks.

Since then the Bank has made significant progress in mainstreaming environment and social issues into its project operations. It has also undertaken a number of initiatives to promote environmental and social sustainability in Africa's development policies and practices, including:

- Directing investments in clean energy solutions to support low-carbon development.

- Expanding engagement in the Congo Basin through a new Regional Strategy for Central Africa.
- Contributing to the development of climate resilience in Africa through lending operations and supporting the continent's participation in various climate change negotiations and global conferences on sustainable development.

Furthermore, the Bank has developed several sector and cross-cutting policies, including procedures and guidelines to mainstream environment and social responsibility practices throughout its operations. The Bank's safeguards system incorporates both social and environmental issues.

Management welcomes OPEV's Review and believes that the conclusions and recommendations of the report provide an opportunity to strengthen the Bank's activities, building on what has already been accomplished in recent years.

The Bank has demonstrated its commitment to strengthen its social, environmental and climate change safeguard systems. As an integral part of efforts to step up and improve implementation of its safeguards policies, the Bank is developing an Integrated Safeguard System (ISS). It is designed to better articulate the Bank's safeguard policies while improving their clarity, coherence and consistency.

Management recognises the need to further strengthen its environmental and social safeguard

system as well as ensuring adequate oversight of environmental mainstreaming. It also agrees to improve current organisational arrangements including by assigning more resources environmental and social safeguards and operational teams.

Further to Management's observations provided in the Sections below, specific responses to the Report's recommendations are set out in the attached Management Action Record.

Environmental and social management

Environmental and social assessments, management plans and budgets

Management agrees that there is a need to ensure that budgets for implementing environmental and social management plans and for carrying out environmental and social assessments are reconciled when establishing priorities at project launch stage.

This has been partly addressed through a number of on-going initiatives. The Safeguards and Compliance Division (ORQR.3) working in close cooperation with the operational divisions, ONEC and OSAN, is stepping up the quality of projects at entry through the inclusion of adequate Environmental and Social Impact Assessments (ESIAs) and Environmental and Social Management Plans (ESMPs). These are essential quality assurance mechanisms for reviewing relevant projects financed by the Bank. Sufficient budget provisions need to be made to ensure implementation of ESMPs. The Bank, led by OSAN is developing appropriate tools to enhance the implementation, supervision and monitoring of agriculture and

natural resources management projects. The use of these tools can be extended to other sectors in the Bank.

Management has further encouraged Sector Departments to reinforce current initiatives by inviting Environmental and Social Safeguards staff at project launch workshops, to make presentations on requirements of the Bank's environmental and social policies and procedures to the borrowers. The sessions have been very instrumental in alerting the implementing agencies to mainstream environmental and social safeguard issues upfront rather than later.

Environmental categorization

Management agrees that the Bank's current environmental categorization of road projects should help prioritize environmental supervision and monitoring on the basis of environmental risks. The Bank's current categorization process takes this into account by classifying projects based on the magnitude of their environmental and social impacts. It accordingly requires projects based on their classification to produce specific implementation plans that would be monitored during operations. The new Environmental and Social Assessment Procedures (ESAP) and the ISS are expected to address most, if not all, the issues that are essential for categorization, including the size, risk and adverse impacts associated with any particular project financed by the Bank.

Paying attention to environmental and social safeguards in loan agreements

Environmental and social issues are given equal prominence in the Environmental and Social Assessment Procedures (ESAP), Environmental

and Social Management Plans (ESMPs) and Resettlement Action Plans (RAPs) and are part of the loan agreement. However, Management notes that implementation of these procedures and plans can be improved.

Environmental supervision and compliance monitoring

Management recognises the need to improve Environmental and Social (E&S) supervision given the huge volume of projects being implemented by the two operational complexes (OIVP and OSVP). To strengthen capacities, recognizes the need to gradually increase the number of environmental and social specialists in operations.

Management further recognises the need to strengthen the Bank's compliance function. The Safeguards and Compliance Division (ORQR.3) conducts compliance monitoring activities on Bank projects. It has recently completed monitoring of 16 category I & II projects, and will distribute reports on the outcomes of its compliance monitoring activities to relevant sectors. The Division is also upgrading its compliance function by recruiting a chief compliance officer and seeking to also recruit relevant compliance staff with the requisite skills.

Managing long-term environmental and social impacts

Management agrees that the long-term environmental and social impacts of Bank projects should be better monitored, understood and managed, including after project completion. Management further agrees that the Bank should push environmental and social safeguards beyond compliance towards sustainable development.

Management encourages OPEV to play a proactive role in promoting the Bank's sustainability agenda through regular environmental and social impact evaluations of Bank operations.

Communicating the Bank's environmental and social requirements and procedures to partners in RMCs.

Management agrees that the Bank should improve its communications with RMCs to improve RMCs' knowledge of the Bank's environmental and social requirements and procedures. As part of these efforts, the Bank should step up its regional training workshops similar to those that were recently arranged and led by the Safeguards and Compliance Division to improve implementation of the Bank's Safeguard systems at field level.

OSAN has also implemented training workshops that were geared towards enhancing the capacity of national environmental agencies in RMCs to implement, monitor and report on environmental and social safeguards.

It is also worth noting that Environment and Climate Change division (ONEC.3), is launching FAPA¹—The Fund for African Private Sector Assistance. This initiative aims to support implementation of the Bank's private sector development strategy by providing untied grants for technical assistance and capacity building to African governments. The grants enhance the Bank's ability to engage with clients in the upstream phase of project preparations including through the preparation and implementation of

¹ The Board approved FAPA in October 2005 as a bilateral facility (hosted by OPSM) supported by Japan and converted into a multi-donor thematic fund in September 2010 with the accession of Austria

Environmental and Social Management Systems (ESMSs). As part of this initiative regional workshops will be organised over a period of three years, starting in January 2013.

Environmental and social mainstreaming

Need for heightened attention to environmental and social mainstreaming

Management remains committed to ensuring that the environment, social and climate change issues are all mainstreamed throughout the design and implementation of its projects. Climate change is being mainstreamed into national and regional infrastructure operations in an innovative and more deliberate manner, through the Bank's Climate Safeguards System (CSS) which has been developed to assist project teams in assessing the climate risks in their operations, as well as provide the necessary options for addressing these. The tool also provides opportunities for projects to be designed to qualify for global climate finance, thus improve the opportunities for RMCs to access these resources. The CSS entails a tool for climate screening which targets the most vulnerable sectors (agriculture, water, energy and transport).²

In addition the Bank has developed a guidance document for mainstreaming climate change into its Country and Regional Strategy Papers in order to provide Climate Change Experts working within the country/regional teams with recommendations to ensure that as the Bank engages in dialogue with governments on climate change issues, climate risks are taken into account and that requisite measures to address these risks are fully integrated in the

design of these strategy papers. Efforts will be made to identify the capacity constraints of RMCs in mainstreaming climate change as well as seek to implement actions to address these constraints.

Strategic environmental and social planning in countries and sectors

Management agrees that strategic environmental and social planning in countries and sectors and related knowledge work (ESW) are an important entry point for environmental and social management, and should be utilized more both by the Bank and RMCs. Management further considers Strategic Environmental and Social Assessment (SESA) an important tool to minimize, mitigate and or avoid adverse environmental and social impacts at the program, plan and policy level. To address this, the Safeguards and Compliance Division organised a major international workshop in Tunis to develop a standard Strategic Environmental and Social Assessment (SESA) tool. The ISS makes monitoring all sectoral and regional projects and programs possible to undertake SESA for all Category I & II projects.

The Bank in collaboration with OECD, the Government of Zambia recently hosted a workshop for RMC representatives on, 'SEA and the Green Economy' in Zambia from the 17th to 18th of January. The objective of this meeting was to discuss a range of analytical and participatory approaches that aim to integrate environmental (and linked social and economic) considerations into policies, plans and programmes including assessing their potential development effectiveness with the aim of assisting countries transition to a Green Economy.

2 Health and Education to be included in phase 2.

MANAGEMENT ACTION RECORD

Recommendations

Management's Response

RECOMMENDATION 1—The Bank should collaborate more with RMCs on environmental and social impact assessments and safeguards design; to develop clear, coherent and actionable environmental and social management plans for Bank supported road projects, particularly when co-financed with other donors.

1.1 Improve Bank communication on environmental and social safeguards with RMCs to enhance transparency and predictability; through up-to-date on-line systems and relevant expertise in country and regional offices.

AGREED:

- ONEC3 and OSAN4 to develop an action plan to better communicate the Bank's environmental and social safeguards with RMCs as well as enhance the capacities of RMC environmental management authorities and those of the environmental officers in the executing agencies (April 2013).
- ORQR to develop an online system, the Integrated Safeguards Tracking tool to access relevant Bank policies and guidelines (**Three months after the ISS is approved by the Board**);
- The Bank needs to gradually increase the number environmental and social safeguards experts in the Regional Resource Centres.

RECOMMENDATION 2—Bank and social environmental support and supervision modalities

2.1 Prioritize environmental and social supervision on the basis of environmental and social risks. This could be achieved through better categorization of projects as environmentally high-risk, possibly by distinguishing between environmental and social risks; and by clearly indicating and flagging projects and areas of particular environmental sensitivities for follow-up and supervision.

DISAGREED:

- The Bank's environmental and social safeguard system already combines environmental and social risks assessment in assigning a risk category to each project. It therefore serves no purpose to separate social and environmental risks. Environmental and social issues are often intertwined. Separating them would be artificial. The current safeguard system enables the categorization of projects according to their social and environmental risks, and risky projects require more intensive due diligence and receive extensive supervision.

AGREED:

- Environmental supervision on all high risk projects (Cats.1&2) is desirable. This would minimise environmental risks during project implementation. This requires significant ramping up of the current staff complement in the operational divisions (ONEC3 & OSAN4) responsible for environment and social issues.

2.2 Consider new and expanded Bank environmental support and supervision modalities for environmentally sensitive projects.

AGREED:

- ORQR3 is developing the Integrated Safeguards System (ISS) and accompanying Environmental and Social Assessment Procedures and Guidance Notes to provide support to Bank staff.
- Sector Departments in collaboration with ONEC3 and OSAN4 will develop environmental supervision plans for on-going category I & 2 projects by April 2013, and ensure that all subsequent projects are included in this supervision plan.
- OSAN is developing tools to assist Bank staff in carrying out safeguards supervision in the agriculture portfolio. This tool can be adapted for other sectors.

MANAGEMENT ACTION RECORD

Recommendations

Management's Response

RECOMMENDATION 3—The Bank should assume a stronger pro-active, catalytic and values-oriented responsibility for environmental and social mainstreaming in Africa, thus buttressing the bank's long-term strategy of sustainability and green growth; taking into account its financial and technical resources in the field of environment.

3.1 Expand environmental diagnostic and strategic sector analyses in accordance with the Bank's environmental policy and emerging vision on green growth, in close collaboration with RMCs.

AGREED:

- ORQR3 will build on its previous experience in preparation of knowledge products—such as the Africa Ecological Footprint—to produce environmental diagnostic and strategic sector analyses of the Bank's environmental policy and emerging vision on green growth, with support from the operations departments.

(As may be required)

3.2 Mitigate more long-term induced environmental project effects through strategic environmental sector work to manage long-term environmental effects and related institution building.

AGREED:

- The ISS proposes to make it mandatory for all regional and sectoral programs to apply strategic environmental and social assessments for all Cat. I and II projects. This is expected to become operational six months after the ISS is approved by the Board.

3.3 Support environmental institutions and training in RMCs and regions to raise awareness of environmental values and principles, mainstreaming and safeguards.

AGREED:

- In 2011 ORQR.3 organized a major international workshop in Tunis to develop a standard tool for the assessment of SESA and carried out six regional training sessions for RMCs on safeguards and climate change.
- Once the ISS is approved, ORQR3 will implement a two-year focused capacity building initiatives in RMCs as well as support activities that will strengthen the capacity of RMC institutions to implement the ISS.
- A workshop on ESA and Green Growth will be implemented in Lusaka, Zambia in January 2013.
- ONEC.3 is launching a three-year rolling training program to assist FIs/MFIs to develop and implement Environmental and Social Management Systems in RMCs, and strengthen the capacity of concerned Bank staff to monitor implementation.
- OSAN4 has held 2 rounds of training on environmental and social safeguards for project coordinators and staff of National Environmental management Agencies based on the agriculture portfolio.

MANAGEMENT ACTION RECORD

Recommendations

Management's Response

RECOMMENDATION 4—The Bank support and strengthen RMC execution and enforcement of environmental safeguards and management plans for roads during project implementation, particularly in environmentally sensitive and high-risk projects.

4.1 Institutionalize environmental mainstreaming at the Bank to better address its “upstream” orientation. This would include more attention to mainstreamed environmental policies and guidelines; clarification of institutional responsibilities for environmental mainstreaming at the Bank; promotion of environmental values and mind-sets; regular staff training; environmental capacity building; and pro-active environmental actions beyond ‘do no harm’ safeguards.

AGREED:

- ORQR.3 is providing training to the Bank’s Senior Management, Sector Department Task Managers and RMCs. ORQR.3 will strengthen this initiative and continue to provide an up-to-date training to Bank staff and RMCs.
- ORQR3 will implement mandatory training of Bank staff on environmental safeguards (throughout 2013)
- ONEC3 attended departmental/divisional meetings in 2012 where similar issues were addressed and this will continue in 2013 to ensure all OIVP divisions are sensitised.

4.2 Pioneer and show-case environmental mainstreaming in some flagship programs, for instance in countries, regions or sectors that are receptive to the idea; as already commenced in the Central Africa Region, Morocco and Rwanda; or in sectors of particular importance to the Bank.

AGREED:

- Through the Bank’s green growth initiative, ORVP, with support from ONEC and OSAN is leading the mainstreaming of environment and climate change into CSPs and programs.
- OSAN is already mainstreaming environmental and social actions into several Bank-implemented projects.

4.3 Increasingly partner with RMCs, RECs, co-financiers and CSOs on environmental matters to identify environmental solutions and strengthen environmental values, policy implementation, enforcement and capacities.

AGREED:

- ORQR3 has already initiated and implemented continent wide consultations with Government Agencies, Private Sector Representatives and Civil Society Organizations in the process of designing the ISS. This consultation has identified areas of collaboration, as well as the challenges that the implementation of the ISS might pose. These have been addressed in the revised ISS document. The Bank has received requests from co-financiers, including from the Agence Française de Développement for partnership on Environmental and social safeguards.

MANAGEMENT ACTION RECORD

Recommendations

4.4 Introduce appropriate indicators and mechanisms for regular monitoring and reporting of Bank environmental performance; for instance through regular annual environmental reports and specific performance indicators at corporate, department and country levels (KPIs or others).

Management's Response

AGREED:

- ORQR3 will develop appropriate indicators for regular monitoring of the Bank's environmental performance by **June 2013**.
- ORQR3 should exercise its mandate to report regularly to Senior Management on corporate performance on Environment (on-going). ORQR thus far has one KPI on environment, which is the number of projects properly categorized, and the Department reports on this.

This report was prepared by Detlev Puetz, Chief Evaluator, and Girma Earo Kumbi, Senior Evaluator, in the Operations Evaluation Department (OPEV.2) of the African Development Bank. The preparation of the report was supervised by Odile Keller, Division Manager, OPEV.2. Colin Kirk and James Edwin (both formerly of OPEV) launched this evaluation and supervised early parts of it. Abdenidi Rmili (Morocco), Benjamin Tchoffo (Cameroon) and Bob Ogwang (Uganda) were responsible for the country field studies and reports. Baiod Salim undertook the portfolio review of environmental compliance and quality.

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All questions and comments should be referred to the Operations Evaluation Department of the African Development Bank (OPEVhelpdesk@afdb.org)

The production of this publication was coordinated by Felicia Avwontom, Principal Communications and Knowledge Management Officer Operations Evaluation Department African Development Bank.

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Environmental Mainstreaming, Safeguards and Results: Bank Road Projects and their Enabling Policy Environment, 1999-2010

This evaluation report combines an assessment of environmental mainstreaming, safe-guards, and results of AfDB road projects with analysis of the environmental policy and institutional framework at the Bank and in three of its regional member countries (RMCs). It considers RMC performance in environmental mainstreaming and how the Bank supported the process.



About the AfDB: The overarching objective of the African Development Bank Group is to spur sustainable economic development and social progress in its regional member countries (RMCs), thus contributing to poverty reduction. The Bank Group achieves this objective by mobilizing and allocating resources for investment in RMCs; and providing policy advice and technical assistance to support development efforts.

The mission of the **Operations Evaluation Department** is to enhance the development effectiveness of AfDB initiatives in its regional member countries through independent and instrumental evaluations and partnerships for sharing knowledge

Operations Evaluation Department, African Development Bank
BP 323, 1002 Tunis-Belvedere, Tunisia
Tel : (216) 71 102 841 Fax : (216) 71 194 460

Helpdesk: opevhelpdesk@afdb.org
Website: operationsevaluation.afdb.org



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