

AFRICAN DEVELOPMENT BANK
ADB/BD/IF/2004/155

AFRICAN DEVELOPMENT FUND
ADF/BD/IF/2004/123
11 August 2004
Prepared by : OPEV
Original : English

Probable Date of Presentation to the Committee
Operations and Development Effectiveness
Not Applicable

FOR INFORMATION

MEMORANDUM

TO : THE BOARDS OF DIRECTORS

FROM : Cheikh I. FALL
Secretary General

SUBJECT : **EVALUATING ENVIRONMENTAL MANAGEMENT OF CATEGORY I AND II
PROJECTS IN REGIONAL MEMBER COUNTRIES ***

Please find attached the above-mentioned document.

Attach:

cc: The President

* Questions on this document should be referred to:

Mr. G. GIORGIS
Mrs. G. YIRGA-HALL

Director
Principal Evaluation Officer

OPEV
OPEV

Extension 2041
Extension 2263

**AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND**



**ADB/ADF/OPEV/2004/06
MAY 2004
Original : ENGLISH
Distribution : Limited**

**EVALUATING ENVIRONMENTAL MANAGEMENT OF CATEGORY I AND II
PROJECTS IN REGIONAL MEMBER COUNTRIES**

OPERATIONS EVALUATION DEPARTMENT

TABLE OF CONTENTS

	<u>Page</u>
Abbreviations and Acronyms, Preface, Executive Summary	(i-vii)
1. INTRODUCTION	1
1.1 Context	1
1.2 Purpose of the Evaluation	2
1.3 Scope and Methodology of the Evaluation	2
2. INTERNAL REVIEW	2
2.1 General	2
2.2 Environmental Aspects: Policy and Procedures	3
2.3 Social Aspects: Policy and Procedures	4
2.4 Institutional Aspects	5
3. FIELD EVALUATION OF SELECTED PROJECTS	6
3.1 General	6
3.2 Environment Aspects	6
3.3 Social Aspects	11
3.4 Institutional Aspects	11
3.5 Selected RMCs Environmental Profiles	12
4. Experience of Other Donors	14
5. Conclusion, Lessons and Recommendations	16
5.1 Conclusion	16
5.2 Lessons	17
5.3 Recommendations (Call to Action)	17

LIST OF TABLES

Table 1 Comparison of Field and Desk Review Findings	7
Table 2 Appropriateness of Environmental Categorization	9

LIST OF FIGURES

Figure 1 Environmental Conformance of Selected Projects, Based on Internal Review	3
---	---

ANNEXES

	<u>Number of pages</u>
Annex I Summary of Recommended Actions	6
Annex II First Phase Evaluation Findings and Recommendations	1
Annex III Selected Projects	1
Annex IV Social Issues in Environmental Assessment	1
Annex V Summary of Field Mission Findings	7
Annex VI Responses to General Environmental Information Questions	2

APPENDICES (Bound Separately- To be made available on Request)

- A. Terms of Reference: Evaluating Environmental Management of Category I and II Projects in Regional Member Countries (RMCs)
- B. Questionnaires and Persons Interviewed for the Study
- C. Minutes of Field Missions
- D. Illustrative excerpts of Selected RMC Environmental Legislation and Regulations
- E. RMC Background Information and Environmental Indicators
- F. Experience of Other Donors
- G. General Environmental, Social, and Institutional Questions
- H. Incorporating Social Dimensions in the Bank's Work
- I. Institutional Issues
- J. Results of Desk and Field Environment Reviews
- K. References and Documents Reviewed

This evaluation was carried out by a consulting firm, the Intercontinental Consultants and Technocrats Pvt. Ltd. India under the overall supervision of Mrs. G. Yirga-Hall, Principal Evaluation Officer, OPEV. The Consultant Team consisted of Dr. Armando Balloffet, Environmental Specialist and Team Leader, Mr. Howard Edwards, Institutional Expert, Dr. Sujata Basu and Dr. Biswanath Debnath, Social Impacts Specialists, and Mr. James Jordan, Environmental Specialist. Mr. Aboki Semanou (Consultant) also provided logistical and coordination support to the Team during some of the field missions. Any further matters relating to this report may be referred to Mr. Getinet W. Giorgis, Director, Operations Evaluation Department (Ext. 2041) or to Mrs. G. Yirga-Hall (Ext. 2263).

ABBREVIATIONS AND ACRONYMS

ABI	African Biodiversity Institute
ACEEP	African Centre for Environmental Economics and Policy
ADB	African Development Bank (Bank)
ANPE	National Agency for Environmental Protection (Tunisia)
APA	Africa-wide Project Analysis
APAL	National Agency for Littoral Protection and Planning (Tunisia)
AsDB	Asian Development Bank
ADF	African Development Fund
CCIs	Cross-Cutting Issues
CFC	Community Fisheries Centre (The Gambia)
CITET	Tunis Center for Environmental Technologies (Tunisia)
CPG	Cie Phosphatière de Gafsa (Tunisia)
CSP	Country Strategy Paper
EA	Environmental Assessment
EIA	Environmental Impact Assessment
ESAP	Environmental and Social Assessment Procedures
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Scoping
ESSM	Environmental and Social Scoping Memorandum
FFCO	Finance Control Department
FPE	First Phase Evaluation report
GEAP	Gambia Environmental Action Plan
GIS	Geographic Information System
ICT	International Consultants and Technocrats, Pvt. Ltd (Consultant firm)
IESS	Initial Environmental and Social Screening
JICA	Japan International Cooperation Agency
MICOA	Ministério para Coordenação da Acção Ambiental (Mozambique)
MINEF	Ministère de l'Environnement et des Forêts (Cameroon)
NEA	National Environment Agency (The Gambia)
NEAP	National Environment Action Plan
NEMA	National Environment Management Authority (Uganda)
NEMA	National Environment Management Act, 1987 (The Gambia)
NEMC	National Environment Management Council (The Gambia)
NESDA	Network for Environmental and Sustainable Development in Africa
NGO	Non-Governmental Organization
ODS	Ozone-depleting substances
OESU	Environment and Sustainable Development Unit (now PSDU)
OMVS	Organisation pour la Mise en Valeur du Fleuve Sénégal
ONAS	National Water Sanitation Agency (Tunisia)
ONVP	Operations, North, East and South
OPEV	Operations Evaluation Department
OPSD	Private Sector Department
PAR	Project Appraisal Report
PCBs	polychlorinated biphenyls
PCR	Project Completion Report
PIU	Project Implementation Unit
PNGA	National Environmental Management Plan (Mozambique)
PPER	Project Performance and Evaluation Report
PSDS	Private Sector Development Strategy (1990)
PSDU	Poverty and Sustainable Development Unit
Rio+10	UN Conference on Sustainable Development, Johannesburg, South Africa, Aug.-Sept., 2002
RMC	Regional Member Country
SDPRU	Sustainable Development & Poverty Reduction Unit
SA	Social Assessment
SEA	Strategic Environmental Assessment
SESA	Strategic Environmental and Social Assessment
SIA	Strategic Impact Assessment
TOR	Terms of Reference

PREFACE

1. In 1987 the Bank institutionalized environmental considerations to oversee environmental matters in meeting its development objectives. Since then, environment has become an integral part of its lending activities. In 1990, the Bank adopted an Environmental Policy followed by the Environmental Assessment Guidelines of 1991 to guide environmental concerns and practices in its lending program. Over the years, projects have been systematically categorized into Category I, II and III depending on the level of impact on the environment.¹
2. For the first time in 2000, the Bank evaluated the operationalisation of the policy within the Bank organization. The 2000 evaluation (referred to as First Phase Evaluation) was carried out based on interviews of Bank staff and desk review of documents. It identified areas of strengths and shortcomings and provided recommendations to better respond to the Policy requirements. It also recommended that it should be followed by a Second Phase Evaluation to assess how well the 1990 Policy has been implemented in the Regional Member Countries (RMCs). This Evaluation is, therefore, undertaken to complement the First Phase Evaluation through reviewing selected Bank Group financed projects classified environmentally as Category I and Category II projects. The Evaluation assessed the selected projects' conformance to the Policy and how well environmental management has been carried out both by the Bank and RMCs.
3. A sample of completed and on going projects (a total of 20 individual projects including one multinational), classified under category I and category II, were selected based on geographical and sector distributions and the potential lessons to be learnt. Following desk review, field missions were carried out to 5 countries to gather field experience of the projects relating to environmental and social concerns including institutional capacity concerns.
4. The main finding of this Evaluation is that the Bank has been successful in developing and updating environmental and social policies, procedures and guidelines since 1990. A new Environmental Policy has been issued in 2004 that has adequately responded to most of the concerns and issues discussed in this Evaluation. However, there are still some unfinished businesses relating to harmonization of categorization with major donors; mainstreaming the new policy and guidelines into the operations of the Bank, improving communications with RMCs and strengthening monitoring and evaluation capacity of the Bank and RMCs.
5. The draft version of this Evaluation Report was widely distributed within the Bank for comments. A feedback seminar was organized in which staff of the various organizational units had participated. The seminar feedback was incorporated in this final version.
6. The Evaluation seeks to help the Bank develop a Plan of Action to improve the way the Bank and the RMCs work toward achieving the policy goals.

¹ Category I projects require a full environmental and social impact assessment (ESIA) including Management Plan (ESMP) due to the expected adverse environmental and social impacts; Category II projects require Environmental and Social Management Plan (ESMP) as their impact is less adverse; Category III require no impact assessment and ESMP since no adverse impacts are expected. The new Policy has included a Category IV for sub-projects financed through Financial Intermediaries (FIs)

EXECUTIVE SUMMARY

1. This Evaluation aims to determine the extent of realization of the Bank's Environmental Policy of 1990 through its initiatives to foster environmentally sound projects. The Evaluation focused on projects implemented after the 1990 Environmental Policy was issued.

2. The Bank has made significant progress in terms of developing and updating environmental and social policies following the issuance of the first Environmental Policy Paper of 1990. The First Phase Evaluation carried out in 2000 (based on interviews of Bank staff and review of internal documents) was a valuable and thoughtful assessment of the progress that the Bank has made in implementing the 1990 policy. The 2000 Evaluation recommended additional study to evaluate the field experience in environmental management of Category I and II projects in RMCs. This Evaluation was, therefore, carried out to supplement the desk review findings and recommendations of the 2000 study.

3. The Evaluation consisted of an initial Internal Review in the Bank of twenty selected projects in eight RMCs, interview of Bank staff, field visits to 5 countries, preparation of a Draft Final Report, presenting the results at a seminar in Tunis and incorporating the feedback received resulting in this Final Report. This Evaluation also looked at the New Environmental Policy (draft version), which has been finalized and issued in 2004.

Environmental Concerns

Policy Conformance

4. The initial review and field visits to the selected projects provided adequate insight to assess the level of environmental concerns reflected in development projects and programs financed by the Bank Group. There is substantial variation in how environmental concerns were considered for different projects. In general, Category I projects tended to have addressed environmental issues better than Category II projects. There was no convincing trend of improvement in environmental policy conformance over time. Most of the projects reviewed had not been fully integrated with National Environment Action Plans. In addition, the machinery for the development of projects, including a review of alternatives and impact assessment has not been fully put in place.

Adherence to the procedural environmental assessment guidelines at the Bank

5. The Bank's personnel interviewed were aware, in principle, of the Bank's 1990 Environmental Policy requirements. Some of the interviewees had multiple roles, such as working as task managers, participating in several ad-hoc meetings and missions, and taking responsibility for environmental overview. Many interviewed pointed the lack of a sufficiency in personnel to carry out the full range of activities specified by the Environmental Policy Paper.

Categorization of programs and projects.

6. The appropriateness of categorization of projects (both public and private sector) was reviewed. In general, Category I projects were correctly categorized, but Category II projects are sometimes questionably categorized.

Adequacy of Environmental Management Plans (EMPs) and Environmental and Social Management Plans (ESMPs)

7. A review was carried out on the adequacy of design and implementation of EMPs and ESMPs for mitigating and monitoring negative impacts or enhancing positive impacts for both Category I and II projects. The review noted the need to improve the design, implementation, monitoring, and regular updating of EMPs and ESMPs.

RMC Units entrusted with environmental concerns

8. In each of the RMCs visited, there is a separate national institution responsible for environmental issues. Many of the executing agencies had a unit focusing on environmental compliance, but often there is lack of environmental expertise in these units. Some types of projects benefited from executing agencies that had in-house environmental expertise. In Mozambique and Uganda, for example, road project executing agencies have well-developed and well-staffed environmental units.

Monitoring and Management of Mitigating Measures

9. Major projects (mostly Category I) were monitored with respect to environmental issues during construction. Monitoring during the operational life of the project is reported to be low or non-existent.

Coordination and cooperation among governmental bodies, NGOs, civil societies, private institutions and donor agencies

10. Coordination and cooperation among donors and with civil societies vary widely from country to country. In some RMCs, such as Uganda, NGOs are strong, visible, and active. In other RMCs, the NGOs and civil societies are less influential. Private institutions, especially when they become project sponsors as happens with public-private partnerships, can bring considerable resources to the accomplishment of environmental assessments and mitigation. Donor agencies tend to have good communication and coordination with the environmental agencies of the RMCs visited. The coordination and cooperation on environmental issues between the Bank and other donors are less pronounced.

Level of environmental assessments carried out on the selected projects

11. All Category I and some Category II sample projects had full and adequate EIAs and other documentation. The more controversial projects had very complete environmental and social evaluations (as is the case for private sector project), which were available to the public. However, this documentation was not always complete or easily available at Bank headquarters.

Social Concerns

12. The major findings relating to social issues are the non-integration of social concerns in systematic and quantifiable ways in Bank's interventions; the non or limited involvement of social specialists in the programs and projects cycles; the lack of social data base and indicators; the lack of monitoring and evaluation mechanisms for social issues; and the non-sustainable links of the Bank with NGOs and local consultants, which would otherwise help in facilitating participatory approaches and developing baseline social data.

Institutional Concerns

13. Institutional issues are identified in as much as they relate to the responsibility areas that deal with social and environmental functions within the Bank and in RMCs. In effect, major findings relate to poor information and data storage on environmental and social issues; lack of institutionalized mechanism for information dissemination, disclosure of the Bank's policies to RMCs etc; inadequate skill mix required at the various stages of the project and program cycles; and communication delays between the Bank and RMCs, which have resulted in high transaction costs and delayed project benefits (including environmental and social benefits).

Experience of Other Donors

14. The experience of other donors with respect to evaluation of their environmental policies and procedures identifies varying levels of achievements. In general findings point to some similar concerns relating to weak areas such as categorization of projects, analysis of alternatives, environmental management and supervision, as well as monitoring and impact evaluation.

Conclusion, Lessons and Recommendations

Conclusion

15. The Bank has succeeded in developing environmental and social policies, procedures and guidelines over the years. These documents are very good and continue to improve for facilitating integration of the social and environmental concerns. The new Policy on the Environment 2004 is among the most recent documents produced in this connection.

16. With the recommended action plans of the Johannesburg Summit on Sustainable Development and the new Policy on the Environment, there is a need to develop a sustained lending strategy that includes environmental projects such as cleanups, urban air and water improvement, development of environmental and social impact regulations and standards, and biodiversity conservation. There is also a need for institutionalized commitment to enhance the ownership and stewardship of the Bank and RMCs to protect the environment and social resources in the Continent and to make deliberate efforts to introduce quantitative social and environmental analysis on projects and programs supported by the Bank. Upstream environmental assessment at the level of country programming also needs to be encouraged as called for in the New Policy on the Environment.

17. In general, the multilateral financial institutions including the Bank and other major development agencies are moving away from stand-alone infrastructure projects to a more holistic approach that fosters sustainable development and poverty reduction. While the Bank has begun to implement these goals, it has some way to go before this integrated approach gets fully internalized.

Lessons

18. The main lessons drawn from this evaluation are (i) the importance of adequate communication and coordination between the Bank and RMCs to ensure dissemination of policies and guidelines and reduce transaction costs; (ii) the importance of incentives to enhance environmental and social awareness and stewardship and (iii) the ineffectiveness of monitoring and evaluation without base line data and quantifiable performance indicators particularly relating to social concerns.

Recommendations

19. There are several actions the Bank can take to improve adherence to the Environment and Social Policies. The recommended actions to improve the way the Bank and the RMCs work toward achieving the policy goals are presented in a Matrix in Annex I.

20. The main recommendations for the Bank are:

Environmental Aspects

- (i) Improve categorization through ‘potential categorization’ at the early stage of the project cycle to be finalized in the field during preparation and appraisal stages with the involvement of environmental experts (para 3.2.2);
- (ii) Disseminate the new Policy on the Environment and the Integrated Environment and Social Impact Assessment Guidelines effectively within the Bank and in RMCs and harmonize categorization with other donors (para. 3.2.3);
- (iii) Communicate systematically the Bank policies, procedures and guidelines to RMCs, especially through the Internet and conduct workshop for disseminating policies and guidelines (para.3.2.3);
- (iv) Encourage public disclosure and transparency of environmental information, especially EIAs and SIAs (para. 3.2.4);
- (v) Enhance its support to RMCs in developing effective and transparent monitoring mechanisms, including the introduction of Third-Party Monitoring for complex and sensitive projects of a long-term basis (para. 3.2.5).

Social Aspects

- (i) Effectively mainstream social concerns in Bank’s operations. Enhance partnership approaches in order to facilitate mainstreaming social concerns in RMCs (para.2.3.2);
- (ii) Establish simple, effective indicators and benchmarks to be applied for monitoring and evaluation of social issues (para.2.3.2);
- (iii) Incorporate qualitative social analysis in programs and projects based on social assessment studies (para. 2.3.2);
- (iv) Carry out effectively monitoring and evaluation of social concerns in projects and programs (para. 2.3.2)
- (v) Cooperate more actively with NGOs and local consultants and develop systematic communication links to develop base line data on social concerns (para.2.3.2);
- (vi) Develop new funding mechanisms and procurement process to support NGOs and local consultants to assist in developing base line data and monitoring and evaluation benchmarks on social dimensions in RMCs (para.3.3.1);
- (vii) Assist RMCs to enhance their capacity in addressing social issues (para. 3.3.1).

Institutional Aspects

- (i) Support and fund environment and social capacity building in the RMCs (para. 2.2.5);
- (ii) Organize frequent regional and national level workshops and training programs for Bank staff and RMCs to better mainstream environmental and social issues in project cycle (para. 2.2.5);

- (iii) Improve on a sustainable basis the communications links and coordination efforts between the Bank and the RMCs (paras 2.4, 3.4);
- (iv) Improve staff strength of the Bank in the area of social and environmental fields (para. 2.4);
- (v) Develop appropriate incentive mechanism for Bank staff and RMCs to enhance ownership and stewardship of social and environmental concerns (paras. 3.2.5, 3.3.1)
- (vi) Strengthen capacity of resident missions to compile and store baseline data for social impact assessment with the assistance of NGOs and local consultants (para. 3.3.1);
- (vii) Strengthen environmental and social monitoring and evaluation capacity both in the Bank and RMCs (paras. 3.2.5, 3.3.1);
- (viii) Improve coordination with donor agencies on environmental and social matters (para. 3.2.7);
- (ix) Encourage environmentally responsive procurements for Bank projects (para. 5.1.4).

1. INTRODUCTION

1.1 Context

1.1.1 “The environmental crises of Africa are among the gravest in the world. The Continent is suffering from population growth of 3 per cent per year, which is creating pressures on its natural resources and resulting in them being used in an unsustainable way. Forests are being lost, primarily to agricultural encroachment ...”² The lack of proper collection, disposal and management of industrial and domestic solid wastes has become hazardous in many major African Cities. Misuse or wastage of scarce economic resources has resulted largely through implementation of non-sustainable projects and programs; non-existent or poorly enforced legislation on property rights and environmental protection, poor institutions to plan and manage resources in a sustainable manner, uneconomic pricing systems, etc.

1.1.2 In general, many of the environmental problems in the continent are rooted in inefficient socio-economic policies, which largely failed to cater for environmental objectives. It was in recognition of this that, since late 1980s, environmental concerns have become center stage in development agenda of NGOs and civil societies, multilateral and bilateral donors, and as a consequence, of most African governments.

1.1.3 In 1987 the Bank institutionalized environmental considerations in its development objectives in a structured manner and since then, it has become an integral part of its activities. In 1990, the Bank adopted an Environmental Policy with the following goals:

- To assess the state of the environment in the continent and assist Regional Member Countries (RMCs) in identifying major environmental issues;
- To present environmental policies for each of the sectors of the ADB Group project and non-project lending programs;
- To recommend steps for the implementation of environmental policies and the use of appropriate environmental assessment procedures in the project cycle; and,
- To assist RMCs in developing national environmental policies, legislative framework, and institutions involved with environmental management.

1.1.4 The 1992 Earth Summit in Rio de Janeiro brought high expectations that the world would take major steps towards sustainable development, a forward looking approach that integrates economic growth, social development and environmental protection. Although progress has been made since then, a lot remained to be achieved to reverse the environmental degradation in the world in general and the developing countries in particular. The need was felt to take stock of what has been achieved since Rio 1992 and map the way forward. The Johannesburg Summit of 2002 on Sustainable Development was conducted for this purpose, which drew a set of actions to be taken in the years to come by governments, donor communities, the private sector and civil societies around the world.

1.1.5 In 1999, under the collaborative guidance of the then Environmental and Sustainable Development Unit (OESU) and Operations Evaluation Department (OPEV), the Bank evaluated the status of implementation of its environmental policy and its effectiveness by

² Environmental Economics and Natural Resource Management: The African Development Bank Experience, by Anil Markandya and Carlos Mufioz, Environmental Economics and Natural Resource Management in Developing Countries, edited by Mohan Munasinghe, Committee of International Development Institutions on the Environment, the World Bank, Washington D.C. 1993.

reviewing of the projects and programs implemented between 1993 and 1998. The scope of this First Phase Evaluation (Evaluation of the Performance and Effectiveness of ADB's Environment Policy and Environment Assessment Procedure, 2000) was limited to a desk study and primarily assessed the operationalisation of the policy within the Bank organization. It identified areas of strengths and shortcomings and provided recommendations that would be considered in the revision and updating of the Policy (Annex II). It also recommended that it be followed by a Second Phase Evaluation to assess how well recommendations in Environmental Impact Assessment Studies and Environmental Management Plans are implemented in the field and to evaluate the environmental management capacities of the RMCs.

1.2 Purpose of the Evaluation

The purpose of this evaluation is to assess whether the environment policy goals of the Bank are being achieved through the Bank's initiatives, particularly in projects implemented after the Environment Policy was established. In this regard, it complements the First Phase Evaluation. The expected results of this evaluation is to draw lessons of experience and provide recommendations that aim to help the Bank develop a Plan of Action to achieve the goals of the Policy, which was revised in 2004.

1.3 Scope and Methodology of the Evaluation

The scope of this evaluation is limited on a sample size of projects environmentally categorized as I and II for an in depth review. For this purpose a sample of completed and on going projects (20 individual projects including one multinational), classified under category I and category II, were selected based on geographical and sector distributions and the potential lessons to be learnt. Following desk review, field missions were carried out to five countries to gather field experience of the projects relating to environmental and social concerns including institutional capacity. The institutional capacity of the Bank as well as the selected RMCs was reviewed in a general manner in as much as it relates to the environmental management of category I and II projects. To facilitate the information and data gathering, questionnaires were developed and applied for both internal and external reviews. The methodology applied is to make comparisons on the level of conformance by the Bank and RMCs visited to implementing the 1990 Environment Policy of the Bank. The Evaluation also reviewed the New Environment Policy (draft version), which was finalized and issued in 2004.

2. INTERNAL REVIEW

2.1 General

The initial Internal Review used available information on twenty selected projects in eight RMCs (Annex III) and consulted the country environmental profiles, the Bank's environmental and social policies, the different sectoral guidelines. In addition to reviewing the 1990 policy and subsequent policies and guidelines issues by the Bank, questions were posed regarding more current concerns of the Bank, including Cross-Cutting Issues (CCIs), regional and trans-boundary concerns, partnership experiences with other donors, NGOs and the private sector, and the development of human capital. Institutional aspects related to the Bank's engagement in environmental and social issues are also reviewed. The results of the initial Internal Review are discussed below.

2.2 Environmental Aspects

Policy and Procedures

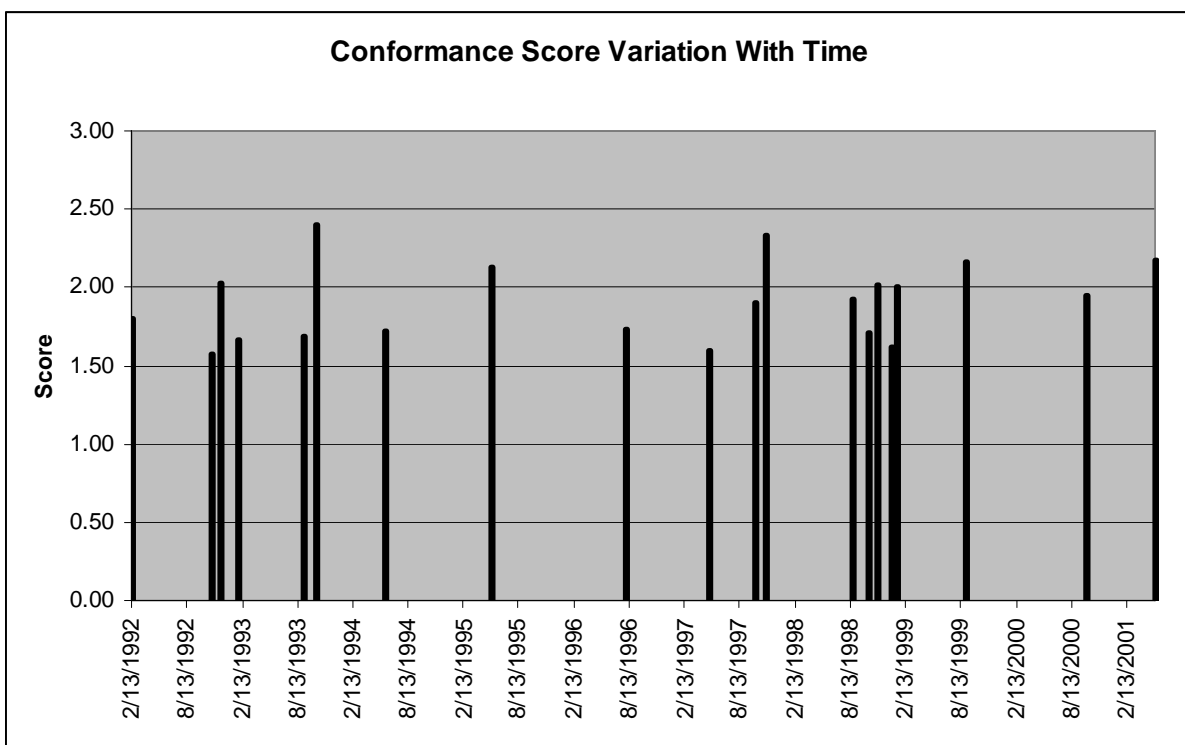
2.2.1 The Bank has been engaged on a continuous basis in developing and updating environmental policy and guidelines. The 1990 environment policy, the 1992 Environmental Assessment Guidelines, the 2000 Environmental Review Procedures for Private Sector Operations and the 2001 revised Environmental and Social Assessment Procedures as well as the Environmental and Social Auditing Guidelines were reviewed to assess the extent of the Bank's engagement in environmental concerns in the design of its program and projects financed in the RMCs.

2.2.2 *Categorization:* All public sector projects, Category I projects tended to have addressed environmental issues better than Category II projects. The results of the review of environmental conformance of the selected projects are presented in figure 1. There is room for better alignment of projects with the Environmental Policy.

2.2.3 *Private Sector Loans:* Only one private sector loan project was considered in this evaluation. It appears that private sector Category I projects receive a great deal of environmental scrutiny, starting at the feasibility study level.

2.2.4 *RMCs Environmental Legislations, Regulations and Enforcement:* Review of existing environmental profiles indicates that some countries had adequate laws, regulations, and enforcement capabilities; others had little or no environmental capabilities when the profiles were first compiled in 1995. Changes over the period have been examined during the field missions in the selected countries.

Figure 1 Environmental Conformance of Selected Projects, Based on Internal Review



2.2.5 Bank personnel were interviewed on the basis of a set of questions similar to those posed in the First Phase Evaluation Report. The results are summarized as follows:

- (a) *Categorization*: Environmental categorization is currently being done early enough in the process, unlike earlier times. But consistent provisional categorization is still required at entry level subject to refinement during preparation and appraisal stages. This will avoid hasty categorization at late stage that might lead to under categorization. Only two EIAs were located at the Bank for the seven category I projects selected. The correctness of categorization is also reviewed during field mission discussed later.
- (b) *Roles and Technical Resources*: Staff in operations complexes are generally familiar with the Bank's "Environmental and Social Assessment Procedures". Many expressed that there is shortage of qualified environmental experts in the operations complexes.
- (c) *Environmental Institutional Strengthening*: No sustained efforts and program were cited towards institutional capacity strengthening of the Bank for environment functions. The new policy may require training of Bank personnel both in seminars and on the job. At the time of finalizing this report, PSDU was organizing workshops for Bank staff for purpose of disseminating the new policy.

2.3 Social Aspects

Policy and Procedures

2.3.1 Social concerns have been given due considerations in the Bank in the development of its projects and programs over the years. Since 1996, the social aspects have become important consideration to meet social objectives in order to achieve sustainable development. The approach has further become holistic since the 2001 Environmental and Social Assessment Procedures was issued. Several other policy documents on cross-cutting issues that have social impacts have been developed over the years. These include Women in Development, Gender, Population, Poverty and Participation in addition to the traditional sectoral policies such as Health and Education. In general, the social/cross cutting issues have involved in a piecemeal manner over the years. Cognizant of this, the new Policy on the Environment issued in 2004 was prepared on the concept of sustainable development and addresses key environmental and social issues in an integrated way (economic, social and environment). What remains to be seen is the effective application of the new Policy and developing accompanying guidelines and mainstreaming them in the Bank's operations. Major social issues in Environmental Assessment along with remarks on the level of consideration in the Bank's operations are provided in Annex IV.

2.3.2 Internal review and interview results indicate the following.

- Cross cutting issues (CCIs) are mentioned in the project appraisal documents of projects approved after 1999 and during 2000-2001, but coverage and analysis of those issues were still not adequate and in most cases not backed with performance indicators;
- There are very few social experts in the operation complexes;
- There is lack of social base line data and indicators to facilitate qualitative social analysis;

- Monitoring and evaluation plans and indicators for social issues are not well defined in the project matrix during preparation and appraisal stages for the selected projects;
- There is a lack of sustained link by the Bank with NGOs and local consultants, which would help in facilitating participatory approaches and developing base line social data.

2.4 Institutional Aspects

2.4.1 This Section covers the Bank's institutional performance as it relates to functions of environment and social areas.

2.4.2 *Availability and Adequacy of information:* Information, in particular historical data, was observed to be fragmented, unavailable, or incomplete. Mission supervision reports contain very little information on environmental and social issues.

2.4.3 *Internal Communication and dissemination:* Internal communications and dissemination of policy documents among the different organizational units is not optimal. The Bank is implementing numerous activities to enhance its information technology, which is expected to improve internal communication and dissemination.

2.4.4 *Staffing Situation:* Detailed discussions on the working environment and staffing levels of the Bank were not covered under this Evaluation. However, from observations and interview results, some remarks could be made regarding some aspects that directly or indirectly affect environmental management within the Bank for certain organizational units such as PSDU, OPSD, PPRU, and FFCO.

Operations Complexes

2.4.5 Staff shortage is considered serious in operations complexes. In particular due to lack of country presence, every queries are directed to the headquarters. Communications are delayed particularly relating to procurement and disbursement matters, thus contributing to delays in project and program implementation. This situation in turn affects environmental and social benefits from accruing on time. With respect to Environmental Specialists, there was consensus that it is desirable to assign an Environmental Specialist to all projects categorized as Category I and provisionally-categorized as Category II to join the preparation and appraisal missions and to make the required number of supervisory visits per annum. With existing staff levels, such requirements are unlikely to be met. An indicative desk audit of one of the Environmental specialists reveals an estimated 40 percent of the total working hours in a day is spent on non-environmental related matters. The envisaged Bank presence in RMCs would contribute to resolve some of the problems relating to communication and reporting delays.

PSDU – Sustainable Development and Poverty Reduction Unit

2.4.6 This organizational unit currently has both a policy role and responsibility for field assessments and categorizing projects, which is an operational responsibility. The unit's placement organizationally indicates that its primary role is policy related. If PSDU continues to have a dual role--policy and operational responsibilities, additional staff resources will be needed.

Private Sector Department

2.4.7 A separate study was underway that dealt specifically with organization and staffing issues related to the Private Sector Department and hence, this evaluation did not cover the staffing issues of this department. However, the need for adequate social and environmental experts for private sector projects is valid here as well.

PPRU- Procurement Unit

2.4.8 Staff shortage was reported for this department as well. In recent years, the unit is very much participating in training of procurement rules and procedures to RMCs, which is commendable. Consultations between operations complexes and the unit have also been enhanced at an early stage in the procurement process to avoid any procurement complaints at an advanced stage. This is also commendable as long as the consultations are made on time.

FFCO – Financial Control Department

2.4.9 It was indicated that 15 to 20 percent of all applications for disbursement were rejected and returned to the initiating authorities of RMCs. This contributes to increased workloads. There is a need to involve systematically FFCO staff particularly in launching missions to advise the loan recipient on the Bank's requirements and expectations regarding loan disbursement applications and documentations. This could minimize the transaction costs resulting from delays in processing loan disbursement requests. Such delays will have direct or indirect socio-environmental consequences since project benefits will not accrue on time. The envisaged Bank's country presence is expected to reduce some of these delays.

3. FIELD EVALUATION OF SELECTED PROJECTS

3.1 General

The field visits were designed to deal with RMCs' environmental and social policies and practices, and related institutional infrastructure and capacity. Over 180 individuals were consulted in some depth, and many others were informally interviewed during meetings at the project sites and elsewhere in the five countries visited. This section provides a brief overview of the field mission findings in the environmental, social, and institutional areas. This information was also presented to the host RMCs by means of aide-memoires at the end of each visit. The summary of the field visits is presented in Annex V.

3.2 Environment Aspects

3.2.1 The field evaluation was an extension and validation of the initial review performed at the Bank's Headquarters. The results of Desk and Field Environment Reviews are summarized in Table 1. The two review results did not vary significantly although the field scores were better than those of initial review. In the initial review 63 percent of the projects scored 2 or better (indicating some compliance with the policies), compared to 70 percent in the field review. Only 2 projects (11 percent) scored a 3 (indicating nearly complete compliance with the policy) in the initial review, improving to 4 projects (20 percent) in the field reviews. It would appear that the appraisal and other initial reports gave a reasonable picture of the environmental setting of the projects reviewed.

Table 1: Comparison of Field and Desk Reviews Findings

Ser. No.	Country	Project	Cat.	Approved	Desk Review Score	Field Review Score	Change
1	Cameroon	Development of Small and Medium Sized Agricultural Industries	II	14-Dec-92	1.92	2.04	↗
2	Cameroon	Rural Forestry and Agro-forestry Support Project	II	2-Oct-99	1.92	2.41	↗
3	Cameroon	National Agricultural Research and Extension Support Program	II	1998	--	2.69	
4	Gambia	Health Service Development	II	1-Oct-97	2.00	1.67	↘
5	Gambia	Rural Electrification	II	1-Oct-00	1.00	2.00	↗
6	Gambia	Artisanal Fisheries Development	II	1-Sep-99	2.40	2.20	↘
7	Mozambique	Women Green Zones Develop.	II	23-Mar-92	1.93	2.47	↗
8	Mozambique	Massingir Dam Rehabilitation	I	24-Nov-93	2.48	2.70	↗
9	Mozambique	Beira Corridor Health	II	18-Oct-96	1.80	1.70	↘
10	Mozambique	Pemba-Motepuez Road	II	25-Jun-97	1.88	3.00	↗
11	Mozambique	Maputo Water Supply	II	17-Jun-99	2.04	1.72	↘
12	Multinational	OMVS	I	23-Mar-00	2.00	2.33	↗
13	Tunisia	Sidi El Barrack Dam Construction	I	20-Oct-93	2.33	3.00	↗
14	Tunisia	Rehabilitation of the Phosphate Sector	I	24-Aug-94	3.00	1.80	↘
15	Tunisia	Barbara Dam	I	14-Feb-92	2.33	3.00	↗
16	Tunisia	Sixth Line of Credit to BNDT	II	19-Nov-97	3.00	3.00	
17	Tunisia	GAFFSA Phosphate Company (CPG) consolidation	I	14-Dec-98	2.00	1.80	↘
18	Tunisia	Electricity V	II	9-Jun-99	2.33	2.25	↘
19	Uganda	Bujagali Hydropower (private sector)	I	15-May-01	2.10	1.61	↘
20	Uganda	Kyotera-Mutukula Road	II	17-Sep-98	1.82	2.77	↗

3.2.2 Classification of programs and projects: EIAs plus considerable additional environmental and technical information were found during the field missions. The findings on the appropriateness of Category I versus Category II (or III) for the selected projects are shown in Table 2. There appears under-classification in a few projects. There is a need for systematic provisional classification to category I for certain types of projects to avoid the potential of under-classification at late stage. These would include at a minimum, mining, dams, and oil/gas projects, major transmission lines, etc. In general, Category I projects were correctly categorized. Category II projects are sometimes questionably categorized.

3.2.3 Adequacy of Environmental Management Plans (EMPs) and Environmental and Social Management Plans (ESMPs): The EMPs or ESMPs were developed for the major projects as part of EIAs. Those documents that were reviewed varied considerably in quality and the degree to which they are being implemented in the field. There is a need to improve the design, implementation, monitoring, and regular updating of EMPs and ESMPs. Several used the World Bank guidance documents. Most indicated that they were not familiar with, but were interested in, the Bank's guidance.

3.2.4 RMC Units entrusted with environmental concerns: In each of the RMCs visited, there is a separate national institution responsible for environmental concerns, except Tunisia, where duties and functions related to Environment are allotted to two other line ministries. The executing agencies of the selected projects had a unit whose main purpose was to oversee environmental compliance. However, often times these units were not manned by environmental experts.

3.2.5 Generally, Category I projects were monitored with respect to environmental issues during construction. Monitoring after construction, during the operational life of the project, is reported to be uncommon.

3.2.6 ***Coordination and cooperation among governmental bodies, NGOs, civil societies, private institutions and donor agencies:*** Coordination and cooperation among stakeholders vary widely from country to country. In most RMCs, the NGOs and civil societies are less influential, or non-existent, Uganda being a good exception. Private institutions, especially when they become project sponsors as happens with public-private partnerships, can bring considerable resources to the accomplishment of environmental assessments and mitigation. Donor agencies tend to have good communication and coordination with the environmental agencies of the RMCs visited.

3.2.7 ***Level of environmental assessments carried out on the selected projects:*** All Category I and some Category II sample projects had full EIAs and other documentation. The more controversial projects (in particular private sector project) had very complete environmental and social evaluations, which were available to the public. However, such documentations were not always complete or easily available at Bank headquarters.

3.2.8 ***Quality of the analytical work supporting environmental safeguards:*** The quality of the EIAs and SIAs reviewed varied, but in general was adequate. Major Category I projects tended to have very competent environmental assessment reports, possibly because of the scrutiny placed on these documents by the RMC agencies, donors, and the public.

Table 2: Appropriateness of Environmental Categorization

Appropriateness of Categorization for Reviewed Projects					
Ser. No.	Country	Project	Category Assigned by ADB	Category Suggested by Evaluation Team	Remarks
1	Cameroon	Development of Small and Medium Sized Agricultural Industries	II	I	Sub-projects, such as proposed new buildings, may need more environmental and social evaluation, especially with regard to Land Uses. Possibility of trans-boundary issues should be investigated. Environmental and social assessment may be helpful.
2	Cameroon	Rural Forestry and Agro-forestry Support Project	II	II	Category appears appropriate.
3	Cameroon	National Agricultural Research and Extension Support Program	II	II	Category appears appropriate.
4	Gambia	Health Service Development	II	II	Category appears appropriate.
5	Gambia	Rural Electrification	II	II	Category appears appropriate.
6	Gambia	Artisanal Fisheries Development	II	II	Sub-projects, such as proposed new buildings, may need more environmental and social evaluation, especially with regard to Land Uses. Possibility of trans-boundary issues should be investigated. Otherwise, category is appropriate.
7	Mozambique	Women Green Zones Development	II	III	Category II is conservative, but Category III might be more applicable.
8	Mozambique	Massingir Dam Rehabilitation	I	I	Category appears appropriate.
9	Mozambique	Beira Corridor Health	II	II	Category appears generally appropriate. However, sub-projects, such as proposed new buildings to house health clinics, may need more environmental and social evaluation, especially with regard to STDs. Possibility of trans-boundary issues should be investigated. Environmental and social assessment may be helpful.
10	Mozambique	Pemba-Montepuez Road	II	II	Category appears appropriate.
11	Mozambique	Maputo Water Supply	II	II	Category appears appropriate, but social issues dealing with resettlement and distribution of project benefits should be investigated.
12	Multinational	Organisation pour la Mise en Valeur du Fleuve Sénégal : Volet Energie (OMVS)	I	I	Category appears appropriate.
13	Tunisia	Sidi El Barrack Dam Construction	I	I	Category appears appropriate.

Appropriateness of Categorization for Reviewed Projects					
Ser. No.	Country	Project	Category Assigned by ADB	Category Suggested by Evaluation Team	Remarks
14	Tunisia	Rehabilitation of the Phosphate Sector	I	I	Category appears appropriate.
15	Tunisia	Barbara Dam	I	I	Category appears appropriate.
16	Tunisia	Sixth Line of Credit to BNDT	II	III	Category II is conservative, and Category III might be more applicable.
17	Tunisia	GAFFSA Phosphate Company (CPG) consolidation	I	I	Category appears appropriate.
18	Tunisia	Electricity V	II	II	Category appears appropriate.
19	Uganda	Bujagali Dam	I	I	Category appears appropriate. A comprehensive EIA and resettlement plan have been completed.
20	Uganda	Kyotera-Mutukula Road	II	I	Even though this is an existing road-widening project, rather than a new road, Category I may be more appropriate because of potential impacts to local communities and wildlife, a river crossing where erosion was observed, and trans-boundary issues.

3.2.9 *Presence of Environmental Management Plans:* Environmental and social management plans were generally not readily available. EMPs and ESMPs can only be successful when they are well designed and implemented properly. The TORs for development of EAs should include requirements for the provision of full and independent funding for the monitoring of ESMP commitments, with periodic reporting to the Bank as loan covenants.

3.3 Social Aspects

3.3.1 The field findings on social aspects covered the following:

- a) The Bank's policies on gender, HIV-AIDS, and NGO participation are not communicated systematically to the RMCs;
- b) There appears to be a lack of information on Bank's guidelines on social issues at the RMCs;
- c) Social management capacity of the RMCs is generally very weak with the exception of the Road sector projects in Mozambique and Uganda, which have separate Social Units to deal with health, gender and resettlement issues, using mainly World Bank guidelines;
- d) In general, the level of public participation and consultation regarding social concerns is weak. NGO or Civil Society participation was visible in Uganda and to some extent in Mozambique.
- e) Basic social data at country level are not documented for easy reference in the design of projects and programs.
- f) Resettlement plans have been worked out for individual projects, but in most cases were not effectively implemented.
- g) Social issues are being addressed differently by each of the countries studied and are not usually supported by action plans.

3.4 Institutional Aspects

3.4.1 The institutional aspects covered in this evaluation are limited to implementation functions of the selected projects at the RMCs. Appropriate recommendations relating to these findings have been included under the environmental and social aspects discussed above.

3.4.2 *Organizational Alignment and Project Staffing:* There is acceptable organizational set up for project implementation units in line with the requirement of Project Appraisal Reports and loan conditions. Staffing patterns for individual projects were adequate, and varied greatly in terms of size and function depending on fund availability and project minimum needs. The OMVS Project for Senegal, Mauritania, and Mali has a commission representing the interests of the three countries and a unit is set up to follow-up environmental and social concerns but the mandate is unclear.

3.4.3 *Availability of Information and Communications:* Information sources, documentation, reporting, and lines of communication, both internal and external, are generally satisfactory in the project executing agencies visited. However, communications and reporting to the Bank was frequently weak, due to a lack of understanding of the Bank's reporting requirements. Problems of effective communications and reporting have been cited to have increased transaction costs in project implementation. There is no sustained mechanism and delays are experienced for dissemination of information, disclosure of Bank policies, feedback, and reporting implementation progress particularly relating to procurement and disbursement matters. These have resulted in high transaction costs in the implementation of projects and programs, and in turn delayed social and environmental benefits from accruing on time. The establishment of country offices is expected to improve communications between the Bank and RMCs.

3.4.4 *Adequacy of Staffing Levels:* Current staffing levels for projects are generally adequate and appropriate for the specific tasks. No documentation was available to substantiate workload factors or to justify demand for additional resources. Future project designs should include staffing requirements particularly for dealing with environmental and social issues at project level.

3.4.5 *Level of Professional Capacity:* Personnel selection for reviewed projects reflected the personnel practices of their respective countries. While the team is not able to comment on the performance of these personnel, it appears that due diligence was in place in recruiting and screening potential project staff. The project staff were generally found to be energetic, dedicated, and technically competent.

3.4.6 *Human Resources Development:* Most project staff have undergone both formal and on the job training in their areas of responsibilities. This has the benefit of establishing a pool of local resources that will be available for participation on future projects.

3.4.7 *Employee Retention:* Pirating of personnel among competing interests is a normal phenomenon and little can be done to combat the situation as long as salaries and working conditions are non-competitive. Fortunately, this was not viewed by most projects as a serious problem since most Project Implementation Units have incentives for counterpart personnel attached to work with consultants and contractors.

3.4.8 *Current Business Practices:* This depended largely on the level of management and technical ability of project staff and project funding levels. In general, adequate policies and procedures, financial reporting, and basic management systems were in place during project implementation phase.

3.4.9 *Adequacy of Facilities and Equipment:* In general facilities and equipment used on projects were generally found to be adequate, and used effectively.

3.4.10 *Training Needs:* Counterpart personnel attached with consultants and contractors are getting on-the-job training. Most reported a need for sustained training in procurement and disbursement rules and procedures of the Bank to minimize transaction costs in implementation of projects and programs of the Bank.

3.5 Selected RMC Environmental Profiles

3.5.1 General information for Mozambique, Uganda, Cameroon, The Gambia, and Tunisia, including geo-political, climatic, resources, demographics, land use, and other data is included in Appendix G. The Bank has produced a series of Country Environmental Profiles for RMCs. Some RMCs have developed their own "State of the Environment" reports. The information relating to the environmental profiles of the countries visited have been updated based on questionnaire developed and responses obtained from these countries and presented in Annex VI.

3.5.2 The main findings relating to the environmental and social profiles of the countries visited are presented below:

- (i) **Responsible Government Body:** Many respondents in the countries visited reported having a national body established to oversee environment matters. Most also have national committees and subcommittees for this purpose. Three of six visited countries have an integrated approach to legislating, enforcing, and monitoring environment laws. Only the Multinational (OMVS) project reported a problem with fragmentation in mandates as a hindrance.

(ii) Environmental Legislation: The countries visited have a comprehensive environmental legislation. Enactment of these laws occurred reportedly after widespread participation at all levels. Only two of the countries visited reported having trans-boundary legislation.

(iii) Institutional Capability: Many respondents in the countries visited stated that they had sound institutional frameworks, capacity to regulate and enforce policies and laws, and sound assessment and management procedures. Only Cameroon, The Gambia, and Tunisia require annual audits. Respondents in four countries reported a commitment to environmental performance and integrated assessment and management activities. With the exception of OMVS, the others reported being largely immune from political influence.

(iv) Local Authorities: Many respondents in the countries visited have reported that local authorities have active participation in environmental and social matters. Most reported that the role of local authorities was consultative, with Tunisia reporting a more participatory role. In some local authorities oversee projects and have negotiating capacity in dealing with private operators; while in others such capacity is lacking.

(v) NGOs and Civil Societies: Many reported increasing NGO involvement in environmental matters. There are also linkages between NGOs and Governments. Strong participation and impact on decision-making and planning of environmental matters is recorded in the case of the Bujagali Dam project in Uganda. However, it was reported that the Bank provides little support or sustainable linkages with these groups.

(vi) Private Sector Institution Involvement: There were a variety of responses to this question, varying from little, to occasional, to very visible. All but one country reported partnership-enhancement programs for private sector involvement.

(vii) Beneficiaries Awareness: Many of the respondents in the countries visited reported having sound and effective beneficiary/stakeholder awareness programs including integration of environmental issues into education curricula, using national advisory bodies to promote the environment, gender issues, and national environment information systems. One respondent (OMVS) reported not having a national information system, but in reality it has a project information system that covers three RMCs.

(viii) NESDA: Of the 149 persons questioned about NESDA, only eight indicated that they were aware of NESDA and its programs. These are generally upper-level managers. Those with exposure to NESDA indicated that their involvement was minimal due to lack of funds required to participate in NESDA activities.

(ix) Regional Cooperation and Coordination: Tunisia was the only country among those visited that indicated receiving any level of assistance from ABI, ACEEP, and APA. The others had little or no knowledge of the institutions mentioned.

3.5.3 While the survey results could give an update to the general environmental and social profiles in the countries visited, some of the assertions particularly with respect to areas such as adequacy of institutional capacity, community awareness and private sector involvement do required sustainable efforts to improve the observed results on the ground. The continued deforestations in rural and peri-urban areas for firewood and other purposes and the serious sanitation problems in major towns and cities in some of the countries visited point to the need for greater attention

4. EXPERIENCE OF OTHER DONORS

4.1 This section summarizes the experiences of other donors with respect to evaluation of their environmental procedures and policies.

The World Bank

4.2 The World Bank carries out periodic in-depth evaluations of their performance with respect to environmental issues. Among the areas covered are categorization of projects, environmental assessment adequacy, effectiveness and implementation of environmental safeguards³, consultation and disclosure issues, distribution of information and knowledge, and occasional special issues such as how environmental safeguards can be built into sector adjustment loans. Internal reviews by the World Bank indicate the following:

- Category A projects are being handled well, and this performance is improving.⁴
- Category B, on the other hand, is often assigned to projects with serious environmental impacts. This means that those project analyses do not benefit from alternatives evaluations, analysis of potential environmental impact on a wider area than the project site, public consultations, and environmental supervision.

4.3 Despite these shortcomings the evaluation shows that the World Bank has made tangible progress in many areas of environmental safeguard performance.

4.4 Issues remain for Category B projects. Analysis of alternatives, environmental management and supervision, predicting and monitoring impacts, and evaluation are all reported weak areas. Newer projects appear to be somewhat better than older ones in this respect.

4.5 The World Bank also uses Category FI when the project involves investment through a financial intermediary, with subprojects that may result in adverse environmental impacts. In this case the World Bank requires that each financial intermediary screen the projects and approve adequate environmental assessments.

4.6 The World Bank's approach to improving the adequacy of environmental assessments is based on proposed enhancements to legal documentation and terms of reference for EAs, internal and external capacity building, and institutional development projects.

4.7 A World Bank-sponsored Inspection Panel (IP) was established in 1993 to provide an independent forum to private citizens who believe that their interests could be harmed by a World Bank-financed project. There are established operational procedures and through 2000 there have been 12 formal requests received and investigated. A multi-disciplinary Quality Assurance and Compliance Unit under the Vice-Presidency for Environmentally and Socially Sustainable Development monitors the application of safeguards throughout the Bank.

³ Beginning in 1999, the World Bank has used the term "safeguards" to describe the 10 operational policies whose objective is to protect those who might be adversely affected by World Bank operations, and to prevent unacceptable harm to the environment.

⁴ World Bank Category A projects are those likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. Category B includes those projects whose potentially adverse environmental impacts on human populations or environmentally important areas are less widespread than those of Category A. Category C is assigned to projects likely to have minimal or no adverse environmental impacts. These categorizations roughly parallel the ADB's Categories I, II, and III.

4.8 Findings of recent evaluations indicate that the World Bank is improving in the number and quality of the public consultations being carried out. It appears that some World Bank staff and client country counterparts are still somewhat reluctant to engage the public in a meaningful way.

4.9 A growing number of tools have been developed and disseminated by the World Bank to instruct and assist its staff and counterparts in the EA/Safeguard process. This has been mirrored in the regional offices. The World Bank has developed several web sites on EA-related topics. It was indicated that the RMC environmental officers relied on World Bank guidance more than that of the Bank because of the formers accessibility.

The Asian Development Bank

4.10 The Asian Development Bank (AsDB) also carries out evaluations of their environmental performance, but less frequently. As in the case of the ADB, the reviews and internal evaluations have led to a reformulation of the AsDB's 2003 Environmental Policy.

4.11 The AsDB's Environment Policy addresses five main challenges:

- a) the need for environmental interventions to reduce poverty
- b) the need to mainstream environmental considerations into economic growth and development planning
- c) the need to maintain regional and global life support systems
- d) the need to work in partnership with others
- e) the need to further strengthen the processes and procedures for addressing environmental concerns in the AsDB's own operations

4.12 The Policy addresses the need for more upstream environmental assessment at the level of country programming, the need for more structured consultation in the conduct of EAs, the need for greater emphasis on monitoring and compliance with environmental requirements during project implementation, and the need to view environmental assessment as an ongoing process rather than a one-time event.

United Nations Development Programme (UNDP)

4.13 UNDP has established in the last four years a system of reporting that focuses on the results, positive and negative, that the agency has achieved with respect to specific goals. Although the environment is not called out specifically in the conclusions, the system addresses the UNDP's performance in poverty alleviation and other over-arching goals of the agency.

4.14 In the poverty alleviation goal, direct support for the provision of social services has not led to policy changes that yield benefits for wider society. After initial experimentation with partnership arrangements, there is now a better understanding of the critical role of a well-managed partnership in achieving outcomes.

4.15 UNDP is now receiving a growing number of requests both from governments and development partners to share its experience as they initiate their own performance management systems. With the current emphasis on performance and accountability, the organization may consider developing its growing in-house capacity in order to respond to what could easily emerge as an area of high demand.

Bilaterals

4.16 In general, the bilateral agencies expect to have their own national environmental legislation and regulations followed, and have varying processes to determine whether these conditions are being met. The **Danish Agency for International Assistance (DANIDA)** has a well-documented evaluation policy. It includes the actions of an Evaluation Secretariat and produces reports that are accessible to all. Environmental evaluation per se is not a separate function.

4.17 The **US Agency for International Development (USAID)** has established a unit manned with an officer and staff to monitor compliance with environmental issues associated with US Aid. Interestingly, this organization also monitors the environmental effects of potential projects to be funded by multilateral donors and this could affect the US contributions to those agencies.

4.18 The **UK's Department for International Development** emphasizes the production of useful environmental statistics and other performance and quality information of use to developing country governments, agencies providing and receiving international aid, project managers, and consultants.

4.19 The **Japan International Cooperation Agency (JICA)** covers evaluation of environmental management in its projects through the use of Standards of Evaluation based on five criteria outlined in the Principles for Evaluation of Development Assistance adopted in 1991 by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD): Relevance, Efficiency, Effectiveness, Impact (including environment), and Sustainability.

5. Conclusions, Lessons and Recommendations

5.1 Conclusions

5.1.1 A significant progress has been made in terms of developing and updating environmental and social policies following the issuance of the first Environmental Policy Paper of 1990. The first phase desk review study carried out in 2000 was a valuable and thoughtful assessment of the progress that the Bank has made in implementing the 1990 policy. The 2000 Study, recommended among others the need to undertake field visits to evaluate the environmental management of Category I and II projects in RMCs. This Evaluation was, therefore, carried out to supplement the desk review findings and recommendations of the 2000 Study. While some of the recommendations have been implemented over the years, there are still certain outstanding areas and new concerns identified in this evaluation that need to be addressed.

5.1.2 The experience of other donors with respect to evaluation of their environmental policies and procedures provides varying levels of achievements. But all share similar concerns. While Category I (equivalent to Category A in the World Bank) projects are being handled well, there are issues in Category II (equivalent to Category B in the World Bank) projects. Similar to that of the Bank, analysis of alternatives, environmental management and supervision, monitoring and impact evaluation, are all reported weak areas.

5.1.3 The new Policy on the Environment issued in 2004 recognizes that:

The development of a new policy on the environment is driven by a number of factors, which include: the recognition and acceptance of sustainable development as the dominant development paradigm for the 21st century; need for a greater focus on pro-poor growth policies and programs to counter unacceptable impoverishment rates; rapid progress

in the inevitable integration of Africa in the globalization process; and the need for an improved governance with a clearer commitment of the majority of African governments to provide the necessary leadership for sustainable development.

5.1.4 The new policy builds on the experience gained with the operationalization of the Bank Group's Environment Policy of 1990. There has been significant progress made in the implementation of Agenda 21 adopted at the 1992 Rio Earth Summit. The new policy also takes into account the outcomes of the various regional and sub-regional meetings and consultations that took place as part of the African Preparatory process for the 2002 World Summit on Sustainable Development held in Johannesburg. With the renewed commitment in meeting the Millennium Development Goals and the recommended actions of the 2002 Summit, the Bank's 2004 Environment Policy, which has taken a holistic approach to address environmental and social concerns in RMCs, is timely. In translating the new policy into actions, the Bank needs to develop on a sustainable basis a lending strategy that includes environmental projects such as cleanups, urban air and water improvement, development of environmental and social impact regulations and standards, and biodiversity conservation. There is also a need for institutionalized commitment to enhance the ownership and stewardship of the Bank and RMCs to protect the environment and social resources of the Continent and to make deliberate efforts to introduce quantitative social and environmental analysis on projects and programs supported by the Bank. Upstream environmental assessment at the level of country programming and environmentally responsive procurements also need to be encouraged in line with the objectives of the new Policy on the Environment.

5.2 Lessons

5.2.1 The main lessons drawn from this evaluation are (i) the importance of adequate communication and coordination between the Bank and RMCs to ensure dissemination of policies and guidelines and reduce transaction costs; (ii) the importance of incentives to enhance environmental and social awareness and stewardship; and (iii) the importance of base line data and quantifiable performance indicators particularly relating to social concerns for effective monitoring and evaluation of development projects and programs in RMCs.

5.3 Recommendations (Call to Action)

5.3.1 There are several areas where the Bank can take actions to improve its adherence to the Environmental and Social Policies. These are presented in Annex I as a series of recommendations for the way forward, together with brief statements of the principal rationales in suggesting these steps. The rightmost column in the Annex indicates how or if the 2004 Environment Policy addresses the recommendations.

5.3.2 The main recommendations for the Bank are presented below.

Environmental Aspects

- (i) Improve categorization through 'potential categorization' at the early stage of the project cycle to be finalized in the field during preparation and appraisal stages with the involvement of environmental experts (para 3.2.2);
- (ii) Disseminate the new Policy on the Environment and the Integrated Environment and Social Impact Assessment Guidelines effectively within the Bank and in RMCs and harmonize categorization with other donors (para. 3.2.3);
- (iii) Communicate systematically the Bank policies, procedures and guidelines to RMCs, especially through the Internet and conduct workshop for disseminating policies and guidelines (para.3.2.3);

- (iv) Encourage public disclosure and transparency of environmental information, especially EIAs and SIAs (para. 3.2.4);
- (v) Enhance its support to RMCs in developing effective and transparent monitoring mechanisms, including the introduction of Third-Party Monitoring for complex and sensitive projects of a long-term basis (para. 3.2.5).

Social Aspects

- (i) Effectively mainstream social concerns in Bank's operations. Enhance partnership approaches in order to facilitate mainstreaming social concerns in RMCs (para.2.3.2);
- (ii) Establish simple, effective indicators and benchmarks to be applied for monitoring and evaluation of social issues (para.2.3.2);
- (iii) Incorporate qualitative social analysis in programs and projects based on social assessment studies (para. 2.3.2);
- (iv) Carry out effectively monitoring and evaluation of social concerns in projects and programs (para. 2.3.2)
- (v) Cooperate more actively with NGOs and local consultants and develop systematic communication links to develop base line data on social concerns (para.2.3.2);
- (vi) Develop new funding mechanisms and procurement process to support NGOs and local consultants to assist in developing base line data and monitoring and evaluation benchmarks on social dimensions in RMCs (para.3.3.1);
- (vii) Assist RMCs to enhance their capacity in addressing social issues (para. 3.3.1).

Institutional Aspects

- (i) Support and fund environment and social capacity building in the RMCs (para. 2.2.5);
- (ii) Organize frequent regional and national level workshops and training programs for Bank staff and RMCs to better mainstream environmental and social issues in project cycle (para. 2.2.5);
- (iii) Improve on a sustainable basis the communications links and coordination efforts between the Bank and the RMCs (paras 2.4, 3.4);
- (iv) Improve staff strength of the Bank in the area of social and environmental fields (para. 2.4);
- (v) Develop appropriate incentive mechanism for Bank staff and RMCs to enhance ownership and stewardship of social and environmental concerns (paras. 3.2.5, 3.3.1);
- (vi) Strengthen capacity of resident missions to compile and store baseline data for social impact assessment with the assistance of NGOs and local consultants (para. 3.3.1);
- (vii) Strengthen environmental and social monitoring and evaluation capacity both in the Bank and RMCs (paras. 3.2.5, 3.3.1);
- (viii) Improve coordination with donor agencies on environmental and social matters (para. 3.2.7);
- (ix) Encourage environmentally responsive procurements for Bank projects (para. 5.1.4).

Summary of Recommended Actions

Issue	Action	Rationale	Comments⁵
Project categorization	Develop more detailed guidelines/training on categorization. Issue systematically Provisional Categories until more information is acquired in the field.	20 percent of sample projects were questionably categorized.	2004 Environmental Policy ¶ 6.6 covers Categorization, but does not mention provisional categories. ¶ 6.7 refers to coming improvements and consolidation of guidelines, to include categorization. It is understood that categories are normally “provisional” when first issued, but this does not appear to be a formal process.
	Harmonize Categorization with World Bank guidelines	Consistency, less confusion at RMCs	The category definitions in 2004 Policy ¶ 6.6 correspond closely to WB categories. A harmonization process is currently under way including the World Bank, Asian Development Bank, and others. It is recommended that the Bank consider joining this process.
Communication	Develop Internet-based support materials (guidelines, etc.)	Field mission showed that the Bank’s materials were not widely known or used by RMCs.	2004 Policy ¶ 6.7 refers to coming improvements of guidelines, and development of user-friendly field tools. No reference to the internet per se. It is understood that some materials are now available on the Bank’s web. This should be expanded to include all environmental and social guidelines and relevant reports.
	Adopt standardized environmental indicators (see WB or UNDP)	Difficult to ascertain environmental conditions, progress, needs of RMCs without standardized indicators.	2004 Policy ¶ 6.9 refers to monetary measures for environmental values. ¶ 6.29 states that the Bank plans to develop “indicators of sustainable development” based on OECD and UNCSD work.
Policy and Guidelines	Effectively disseminate the new Policy and Guidelines to Bank staff and RMCs	The Bank’s new Policy on the Environment will necessitate the updating of the environmental guidelines	This is covered under 2004 Policy ¶ 6.6 and 6.7. An Integrated Environment and Social Impact Assessment Guidelines are now put on board. Dissemination efforts need to be reinforced.
	Update sectoral guidelines, and distribute through operations complex; train operational personnel in their use	Sectoral guidelines are 7 to 10 years old. They need to reflect the Bank’s new policies (updating ongoing?)	Partially covered under 2004 Policy ¶ 6.7. ¶ 6.8 discusses Strategic Environment Assessment, not just Sectoral or Regional

⁵ A number of the Evaluation recommendations were made before the issuance of the Bank’s new 2004 Policy on the Environment. Notes are made in this column on how or if the recommendation has been adequately addressed in the new Policy. **Highlighting** indicates areas not covered and still needing attention. Some new information disclosed to the Evaluation Team at the Feedback Seminar is also included in this column.

Summary of Recommended Actions

Issue	Action	Rationale	Comments⁵
	Develop guidelines for Tracking/ monitoring of EA	Additional work needs to be done on developing guidelines on monitoring of EA development and use.	¶ 6.29 to 6.31 discuss ESMP compliance monitoring, loan conditions, Country Policy and Institutional Assessment, as well as the requirements of the forthcoming Inspection Panel function.
EA Implementation	Perform tracking/monitoring of EAs	System needed for tracking EAs and monitoring the adherence of the operations complex to EA commitments.	See above. Better archiving of documents is needed, including posting on the web.
	Strengthen Accountability (develop incentives/ consequences for environmental compliance)	There do not appear to be any significant incentives or negative consequences attached to environmental requirement compliance	¶ 6.30 and ¶ 6.31 indicate increased performance assessment tied to allocation of ADF resources. Also see ¶ 4.12
EMPs, ESMPs and monitoring	Improve design, implementation, regular updating of ESMPs; Adopt standardized ESMP guidelines	ESMPs varied considerably in quality and value. Some need updating.	Improvements will come per ¶ 6.7. Capacity-building important, particularly ¶ 4.11 and ¶ 6.15, training. Training for Bank staff is already programmed. Similar training for RMC officers and project developers should be considered, perhaps as part of project preparation missions.
	Ensure funding for development of ESMPs	TORs for EA work should include requirements and funding for ESMPs	2004 Policy ¶ 6.9 discusses inclusion of environmental costs, but not specifically the ESMP
	Provide for full and independent funding for monitoring of ESMP commitments	After the EA and ESMP are completed, not all projects reviewed included funding for carrying out the ESMP	This area needs strengthening. The Bank can influence per ¶ 6.30
	The Bank should commission an external review of the environmental performance of Category I projects every three to five years.	Unanticipated environmental and social impacts (e.g., waterborne diseases) occurred along the Senegal River long after project completion, after the environmental evaluations.	An independent “in-house” review is specified in 2004 Policy ¶ 4.10, but external evaluations not covered
	The Bank should insist on Environmentally Responsible Procurement on all its projects	The Bank’s projects may have unanticipated secondary effects from procurement processes that do not follow environmentally responsible norms.	This recommendation was added after the Feedback Seminar. It should be added to the new Policy.
NEAPs	Every new development project’s purpose and need should be developed in harmony with the RMC’s NEAP. Strengthen environmental contribution of new project definition with NEAPs	It was not evident that NEAPs (where available) were being consulted in the identification and definition of new projects.	This is covered under the ESW and SEA processes (2004 Policy ¶ 6.4, 6.5 , ¶ 6.8)
	Update RMC environmental profiles (including sections on problems and priority needs) and make readily available. These could be done as addenda rather than re-doing the basic documents.	Many of the RMC environmental profiles are 7 years old, or more. The field mission discovered that considerable progress has occurred in RMCs with respect to environmental legislation, regulations, and institutional capacity.	Not covered in the new policy. However, this does not involve a policy shift, rather maintenance.

Summary of Recommended Actions

Issue	Action	Rationale	Comments⁵
	Update Sectoral Environment Assessment Studies	Even though strategic environmental assessment is to be done, this will provide updated baselines for country programming work within the sectors.	This was suggested at the Feedback Seminar.
Bank/RMC interaction	Integrate environmental and economic goals into decision-making on new projects; Emphasize environmental conservation and improvement as an important part of poverty alleviation	As in the case of NEAPs, the new environmental policy calls for the integration of socio-economic and environmental issues into development programs.	Covered under ¶ 6.4 and ¶ 6.5
	Encourage the setting of realistic and progressively more stringent ambient environmental standards in RMCs	Many RMCs appear to be at the stage of development of environmental standards. Bank should provide a process model that will assist RMCs in developing standards appropriate to the RMCs conditions	Discussed in ¶ 3.3.5, and especially ¶ 6.16, but no implementation process for aiding RMCs
	Encourage public disclosure of environmental information, especially EIAs	In some of the RMCs visited, environmental information was not readily available. The Bank needs to be more proactive in encouraging RMCs to provide this information to the public.	Covered in ¶ 6.20 and ¶ 6.22. Use of the internet by the Bank and RMCs should be encouraged for this purpose
Regional/ trans-boundary issues	Develop a process at the Bank to address common problems through sub-regional planning; Encourage cross-boundary cooperation between RMCs in environmental matters	Several projects had important problems that crossed boundaries. There does not appear to be a mechanism within the Bank to address these type of issues at the regional level.	Discussed in ¶ 2.6, but no implementation process for aiding RMCs
NGOs and Civil Societies	Support civil societies by entrusting aspects of implementation for environmentally-sustainable development	Many environmental implementation functions (for example, mitigation measure monitoring) can be efficiently done by NGOs and civil societies. This enhances credibility and buy-in on projects, which may affect the environment.	Discussed in ¶ 5.1.7, and covered in ¶ 6.15
Hazardous Wastes	Strengthen the Environmental Policy and provide guidelines on Hazardous Wastes	Hazardous wastes, including medical wastes, should be managed properly on all Bank projects. The Bank should also provide a knowledge base on this issue.	Discussed in ¶5.3.9 regarding mining, but needs to be broadened to industrial and hospital wastes for aiding RMCs. This was suggested in the Feedback Seminar.
Global Issues	Assist RMCs in preparing for the impacts of global environmental degradation; Carry out workshops or other conferences to discuss global and trans-boundary issues with RMCs	The Bank can use its convening and central information-sharing capabilities to help individual RMCs deal with this issue. The Bank should work with UNDP, the World Bank, international NGOs, and other global organizations in performing this function	Bank to strengthen partnership with NEPAD to deal with this, per ¶ 6.26.

Summary of Recommended Actions

Issue	Action	Rationale	Comments ⁵
<i>Social Issues</i>			
Resettlement	Finalize and implement the Bank's Involuntary Resettlement and Compensation (IRC) Policy across all sectors of the Bank's activities.	Poorly-managed involuntary resettlement and compensation issues are often the most serious constraints to project development.	The Bank's IRC Policy has been issued.
	Strive for harmonization of the Bank's IRC policy with that of other donors, particularly the World Bank	Consistency, less confusion at RMCs	A harmonization process is currently under way including the World Bank, Asian Development Bank, and others. It is recommended that the Bank consider joining this process. (See also Appendix K of this report.)
	Develop and implement a policy on land settlement issues to deal with government voluntary settlement programs	While Bank projects are planned, the incentives and infrastructure they foster are often unplanned, which leads to land settlement as a secondary effect. Mining, agriculture, hydroelectric, thermal electric power and road projects may all encourage spontaneous agricultural settlement.	The Bank has separate policies on agriculture and irrigation but not specific policy on land settlement issue. (See also Appendix K)
Induced Development	Develop and implement a policy on induced or secondary development	A common shortcoming in the design and environmental assessment of major projects is the lack of planning for the influx of a secondary population of voluntary migrants who take advantage of the new economic opportunities created.	
NGOs	The Bank should encourage RMCs to develop true partnerships with NGOs, particularly in grass-roots development issues	It was observed in the field visits that NGOs were often added to the process of project development as an afterthought, or not at all.	
Cross-cutting Issues	The Bank should support RMCs in their development of policy and legal framework for cross-cutting issues	Institutional arrangements and a legal framework at the country level are weak in most of the countries visited, and are needed for all CCIs.	
Monitoring	Build effective monitoring mechanisms to gauge the effectiveness of resettlement action plans (RAPs) and social impact mitigation.	The preparation of adequate and effective RAPs and environmental and social management plans is the first step. The Bank needs to ensure that these documents are implemented.	The Feedback Seminar disclosed that a monitoring form is under development.

Summary of Recommended Actions

Issue	Action	Rationale	Comments⁵
<i>Institutional Issues</i>			
Staffing	Increase the number of qualified staff in the environment and social areas within the operations complex.	There was a consensus among Bank staff that there are not enough environment and social specialists; and those available are assigned other tasks as well (i.e. assigned as task managers, attending ad-hoc meetings, handling miscellaneous but time consuming tasks, etc.)	The Feedback Seminar suggested that a minimum of two environmental/social professionals should be recruited and assigned to each of the operations departments. It was also suggested that short-term consultants be recruited for missions when regular staff are not available as is done with other disciplines.
Distribution of environmental guidelines	Widely and routinely distribute environmental guidelines.	Most RMC project officers surveyed indicated not having received a copy of the environmental guidelines, and were unable to obtain a copy from the ADB web site.	The Bank should make sure documents find their way to project operational levels. This effort should be conducted retroactively using the services of NESDA and placement of guidelines on the ADB web site. The Feedback Seminar indicated that this is now starting to be done.
Frequency of visits to project sites	Increase number of supervisory visits to project sites, especially visits to the larger Category I projects.	Most projects reported receiving only one to two supervisory visits per year. Project sites would welcome more frequent visits.	
Timely Distribution of project funds	a. Make payments on a timely basis to ensure project timeliness. b. Consider assigning finance specialists to project appraisal teams	Funding and payment delays reportedly have impeded projects ability to meet critical deadlines and targets. This has had negative environmental and social impacts in some RMCs.	The Feedback Seminar indicated that delays may be due to lack of RMC understanding about procedures. Training at RMCs may be needed.
Project monitoring and evaluation	Monitor projects throughout the project cycle (including operation).	Limited project information was available for evaluation purposes, especially of environmental and social issues. Site visit reports were sparse and untimely.	It was suggested that OPEV should conduct periodic, ongoing evaluations during project implementation.
Skills development and training	Provide both basic and intermediate courses for Bank project management staff.	Decision makers need training in such areas as consensus building, negotiation skills and techniques, team building, and verbal and written communications, as well as environmental and social issues. The capacity of the Bank and the RMCs visited in the area of social impact assessment is weak and needs to be enhanced to allow the new policies' implementation.	The Feedback Seminar suggested that courses should include but not be limited to: social assessment, environmental assessment, principles of financial management, management and supervisory skills, and communication and language skills.
Project and subproject approval process	Streamline the project approval process.	Project officers reported that every procurement action requires a "no objection" by the Bank. The process was described as time consuming, cumbersome, and unnecessary. Stream lining is needed to avoid delays that ultimately result in project overruns and or reduction in project outputs.	Reinforcing training in RMCs and bringing their procurement rules at par to MDBs standards are required to limit the "no objection" by the Bank only to major procurements

Summary of Recommended Actions

Issue	Action	Rationale	Comments ⁵
Multilateral funded projects	a. Better coordination needed with the various donors and lenders involved in jointly funding projects. b. Develop an interagency agreement with other donors and lenders prior to project startup.	Those projects with multilateral funding reported having significant project delays as a result of the lack of coordination among the multilateral donors and lenders. Periodic coordination meetings would help eliminate or reduce project delays.	An interagency agreement would set forth basic understandings regarding the project requirements, financial reporting, environmental aspects, etc.
Participation of private sector/ small business development specialists in Project Appraisal Missions	Expand project appraisal teams to include a private sector/small business specialist to ensure that the program includes opportunities and incentives for private sector.	The Evaluation Team observed in several instances various opportunities for small business development if attention had been given to these in the project development stage. The cost of doing this was estimated to be minimal.	

First Phase Evaluation Findings and Recommendations

The First Phase Evaluation (FPE) Report of 2000 is a valuable and thoughtful assessment of the progress that the ADB has made in implementing the 1990 environmental policies. It states that the Bank has been about 75 percent successful in this implementation. It discusses the official procedures and actual practices of the operations personnel in environmental matters, and provides a series of recommendations for what it calls the “road ahead”. During the initial Desk Review, it was not possible to delve in great detail into every nuance of the FPE’s recommendations, but the following comments can be made based on the observations and interviews held.

1. FPE recommendation: *“Introduce environmental economics in the Bank’s economic analysis”*. Interviews with task managers and PSDU personnel did not indicate that this recommendation has been widely incorporated into the Bank’s culture, as yet. Most projects appear to still be judged on the basis of their economic return, without too much interest in the environment. That is not to say that the environment is not taken quite seriously, just that the potentially controversial and misunderstood environmental economics process has not taken hold. Environmental issues are still largely seen as mitigation concerns.
2. *“Provide a Sustainable development Fund or increased access to TAF”*; no evidence of this was seen.
3. *“Increase resource support at the operations level to allow ... [hiring] outside assistance to service the growing environmental portfolio.”* No evidence of this was found from the brief review. For example, at the time of the FPE report, there were five Country Environmental Officers (CEOs), whereas currently there are only four.
4. *“Clarify the responsibilities of the CEO...”* Some interviewed operations environmental people feel that this has not been done, whereas others feel comfortable in their role. The only job description the Evaluation Team saw for this position was based on the one used for recruiting CEOs in 1997, and is not official. The four CEOs are also probably overcommitted and are either attempting to perform what is asked of them at unsustainable levels, or are simply working at their own pace and causing concern among task managers about the amount of time it takes to respond to their environmental concerns. In direct contrast to a recommendation of the FPE, the CEOs are sometimes given tasks as task managers, and not just for “environmental” projects.
5. *“refresher environmental workshops at the operations and RMC level,”* some workshops were mentioned, but these were some time back (especially mentioned were the Stockholm Environment Institute” workshops held in 1999.)
6. *“emphasize the preparation of an Environment Management Plan as a component of Category I and selected Category II projects.”* Although this is apparently being done, no recent examples of this were brought to the Evaluation Team’s attention.
7. *“modification of the EA process into an environmental planning process ... where environmental and social specialists participate in identification and preparation team missions where public consultation and exploration of alternatives are initiated.”* There appears to be some progress in this, although it sometimes falls apart due to the shortage and/or unavailability of environmental professionals.
8. *“environmental management plan becomes a strategic project document archived for future evaluation ... missions.”* No direct evidence that this is occurring, although the people interviewed had participated in a very limited number of these types of evaluative missions, and none recently. The few PCRs reviewed as part of the Desk Review did refer back to the appraisal and other earlier reports to provide a basis for the evaluations.
9. *“streamline Private Sector Loans to make them more competitive and in harmony with other lenders”* It doesn’t appear that this has been achieved yet.
10. *“encourage the introduction of the ISO 14001 standard for selected types of Private Sector loans particularly for large industrial and manufacturing process.”* ISO standards are being discussed, but it does not appear that these are a requirement yet.

Selected Projects

Ser. No.	Country	Project	Date Approved	Sector	Category	Information Available at Bank HQ during Internal Review
1	Cameroon	Development of Small and Medium Sized Agricultural Industries	14/12/92	Finance	II	Appraisal Report
2	Cameroon	Rural Forestry and Agro-forestry Support Project	02/10/99	Agriculture	II	Appraisal Report
3	Cameroon	National Agricultural Research and Extension Support Program	1998	Agriculture	II	Researched in the field
4	Gambia	Health Service Development	12/10/97	Health	II	Appraisal Report
5	Gambia	Rural Electrification	14/12/00	Energy	II	Appraisal Report
6	Gambia	Artisanal Fisheries Development	17/05/00	Agriculture	II	Appraisal Report
7	Mozambique	Women Green Zones Develop.	23/03/92	Agriculture	II	Appraisal Report
8	Mozambique	Massingir Dam Rehabilitation	24/11/93	Agriculture	I	Appraisal Report
9	Mozambique	Beira Corridor Health	18/10/96	Health	II	Appraisal Report
10	Mozambique	Pemba-Montepuez Road	25/06/97	Transport	II	Appraisal Report
11	Mozambique	Maputo Water Supply	17/06/99	Water	II	Appraisal Report
12	Multinational	OMVS Energy	23/03/00	Energy	I	Appraisal; Project Completion Report; EIE
13	Tunisia	Sidi El Barrack Dam Construction	20/10/93	Agriculture	I	Appraisal Report
14	Tunisia	Rehabilitation of the Phosphate Sector	24/08/94	Industry, Mining & Quarrying	I	Appraisal Report Project Completion Report
15	Tunisia	Barbara Dam	14/02/92	Agriculture	I	Appraisal Report Project Completion Report
16	Tunisia	Sixth Line of Credit to BNDT	19/11/97	Finance	II	Researched in the field
17	Tunisia	GAFSA Phosphate Company (CPG) consolidation	14/12/98	Industry, Mining & Quarrying	I	Appraisal Report
18	Tunisia	Electricity V	06/09/99	Energy	II	Appraisal Report
19	Uganda	Bujagali Dam	15/05/01	Energy / Private Sector	I	Appraisal Report, Summary EIE, full EIA
20	Uganda	Kyotera-Mutukula Road	17/09/98	Transport	II	Appraisal Report

Social Issues in Environmental Assessment

The key social issues related to environmental management reviews are as follows: Indigenous People, Involuntary Resettlement, New Land Settlement, Cultural Property, Induced Development, Community Participation and NGO cooperation.

Indigenous people: This consists primarily or partly of ethnic, indigenous, or tribal minority groups. They usually have limited capacity to assert or defend their interests in land and other resources upon which they depend for their livelihood. This can lead to adoption of inappropriate production systems with negative environmental impacts.

The key concerns in environment assessment relate to the preferences of indigenous tribal or ethnic minority people and their responses to development opportunities. **The 1990 as well as the new draft policy of the Bank so far have not properly addressed the concerns of such groups in areas such as protected areas management, involuntary resettlement, and compensation.**

Involuntary resettlement: Many types of development investments entail land acquisition, often causing involuntary resettlement. It is essential to address lost income sources such as: farmland, forests, pastures, shops and other livelihood resources. Involuntary resettlement has been one of the least satisfactory components of development investments throughout the African continent, often for lack of good resettlement planning. This leads to impoverishment and the environmental degradation which poverty produces. **The Bank introduced an involuntary resettlement policy in 1995 and in 2002 a draft policy paper on the same issue has been presented and included in all sectors.**

New Land Settlement: Planned Agriculture settlement: This area not well monitored in many developing countries. Lack of planned agriculture settlement usually leads to disorganized settlement, pressure on the land resources, and on the surrounding forests (sources of firewood etc.), in further resulting in poor income opportunities and environmental degradation. Unplanned Agricultural Settlement: This relate to expanding agricultural frontiers into areas that are potentially subject to severe land degradation. **While the Bank has separate policies on agriculture and irrigation it does not have a specific policy on land settlement. The Bank does not have a specific policy on new land settlement. A well-articulated new land settlement policy requires attention.**

Cultural Property: This refers to sites, structures and remains of archaeological, historical, religious, cultural, or aesthetic value. Any project that involves significant excavation, leveling or filling of earth is a potential threat to cultural property. **The cultural property issue is new and so far included only in the Bank's ESIA procedures, not addressed as an issue in its own right.**

Induced Development: Secondary or induced growth and resultant indirect social impacts occur due to development projects such as types of projects (large dams and mines and infrastructure and roads), which open up remote areas. **The Bank's Environment Policy is not strong on this issue.**

Community Involvement and the Role of NGOs in Social Assessment: Informed views of diverse segments of the affected population are critically important to the EA process because different groups use and/or are familiar with different parts of the environment and will be affected to different degrees by the project. **The Bank has a comprehensive policy paper on NGO and Civil Society Participation but there is no evidence that reveals the existence of sustained communication links and support to this group.**

Summary of Field Mission Findings

This section provides a summary of the field mission findings in the environmental, social, and institutional areas. This information was also presented to the host RMCs by means of aide-memoires at the end of each visit.

I. Positive Aspects

A. Cameroon

Environmental Aspects

- Following the 1996 adoption of the National Environmental Management Plan and legislation, Environment has become an important concern of the government.
- Environmental issues are being considered at an early stage of the project cycle with overall quality assurance supervision from MINEF.
- There is an emerging local environmental NGO community.
- The projects reviewed have begun to show some positive environmental results - for example, reduction of pressure for fuel wood and of the use of pesticides.

Social Aspects

- Social and gender issues are being increasingly and appropriately reviewed alongside environmental ones to an increasing extent.
- The projects reviewed appear to be participatory at the beneficiary level from the planning to implementation stages.
- Traditional norms are followed to avoid land tenure conflicts.

Institutional Aspects

- Appropriate institutional legislative and regulatory framework exists at the national level to deal with socio-economic sectors, supported by a provincial-level infrastructure.
- The organizational structures for the three Cameroon projects visited were considered appropriate. Facilities and equipment were found to be adequate, well maintained, and used effectively.
- Project documentation, reporting, and lines of communication, both internal and external, are satisfactory. Coordinating committees are used as a means of keeping various governmental agencies apprised of project progress and ensuring that the responsibilities of participating government agencies are carried out.
- Cameroon participates in a seven-country environmental information program based in Gabon. There is increasing public awareness of environmental and social issues.
- Current staffing levels for the three projects are in varying stages. Some positions are unfilled due to the reportedly cumbersome government recruitment and employment policies.
- Recruitment, employment, and training practices were processed in accordance with established public service policies.

B. Mozambique

Environmental Aspects

- Following the peace accord and the adoption of the 1997 National Environmental Framework Law, environment has become an ongoing concern in Mozambique.
- Currently, most sectors, particularly the transport sector, have mainstreamed environmental issues at an early stage of the project cycle.

Social Aspects

- Other CCIs such as social issues are being integrated and reviewed alongside environmental issues.

Institutional Aspects

- There exists an institutional framework at the national level to issue legislation and regulations for the various socio-economic sectors and enforce the regulations.

C. Organisation pour la Mise en Valeur du Fleuve Sénégal (OMVS) (Mali, Mauritania, Senegal)

Environmental Aspects

- OMVS has established Environmental Observatory Unit to monitor the environmental impacts of river development and the Manantali Energy Project that avail electricity to Mali, Mauritania and Senegal.
- The use of hydropower from the project will result in reduced import of hydrocarbons, potentially reducing air pollution, and also reduce the risk of deforestation.

Social Aspects

- The rural electrification will provide jobs and enhance the quality of life and help implementation of micro-projects.
- The OMVS includes a unit dedicated to environment, health, and social issues.

Institutional Aspects

- Project communications, coordination, monitoring, and evaluation are ensured by the oversight mechanisms outlined in the OMVS convention and sub-conventions. The OMVS project model was spotlighted as a success at the recent Rio+10 Conference.
- OMVS is fully staffed, but experiences occasional vacancies. There is no shortage of qualified candidates and positions are easily filled.
- A regional project documentation center has been established in Saint-Louis, Senegal. Eventually the system will be online with virtual centers in each of the participating countries.

D. The Gambia

Environmental Aspects

- Environment has been an ongoing concern in The Gambia since the 1977 Banjul Declaration.
- The enactment of the NEMA in 1987 and the establishment of the NEMC provided the legal framework for environmental planning, management, and decision-making.
- The NEA was created in 1993 to coordinate the implementation of the GEAP. The NEA has responsibility for both technical services and inter-sectoral services, which include, inter-alia, EIA, environmental quality, pesticide management, agriculture and natural resources program, and environmental information systems.

Social Aspects

- NGOs, public representatives, and the private sector are included in the NEA standing committees. Stakeholder participation is sought during project implementation. There is an effort to mainstream gender and environment through sectoral groups.
- The Rural Electrification Project will enhance the role of women and will provide opportunities for increased income.
- The Community Fisheries Centers (CFCs) are well organized with micro-credit facilities, cold storage, and other infrastructure. Women are running the processing units, which have resulted in increased income.

Institutional Aspects

- The implementation units of the projects reviewed were adequately organized. Project documentation, reporting, and lines of communication, both internal and external, also follow those proposed in the project appraisal reports.
- The Health Services Development Project is fully staffed and project implementation is underway. All staff had appropriate educational credentials, were technically competent, and committed to project success.
- Effective project management and coordination is ensured through established inter-ministry coordinating committees at the national and local levels.

E. Tunisia

Environmental Aspects

- Reorganization of the Ministry of the Environment and Land Use occurred during the Team's mission and the future implications of this are unknown. However, it is evident that the government has strong environmental laws and that there is a commitment to protecting environmental resources.
- Projects with a potential for significant environmental impacts are subject to full environmental review.
- Phosphate mining, while having some significant environmental impacts that still need to be corrected, has also resulted in job creation.

Social Aspects

- The phosphate industry is a major employer and has created new communities as a result of people migrating to the sites.
- The Electricity V Project has opened new income-earning opportunities for women.
- Displacement was required for both the Barbara and Sidi el Barrack dams. While there is no national policy on resettlement and compensation there have been no complaints on compensation.
- Tourism has contributed to employment generation, for women in particular.

Institutional Aspects

- Effective project management and coordination occurs through comprehensive policies and procedures, and effective national level oversight and enforcement of environmental laws, rules, and regulations.
- Staff of the Ministry of Environment and Land Use was found to be well qualified and the work products were impressive.
- An aggressive national public information campaign is raising awareness of environmental issues.

- Project reporting and other information reviewed in Abidjan indicated timely and effective project reporting and information sharing.

F. Uganda

Environmental Aspects

- Following the adoption of the 1995 National Environment Statute, and the establishment of NEMA, environment has become an ongoing concern in Uganda.
- Currently, environmental issues are being considered at an early stage of the project cycle with overall quality assurance supervision from NEMA.
- There is a strong and vibrant environmental NGO community.

Social Aspects

- CCIs, such as social issues, are being reviewed alongside environmental concerns to an increasing extent.

Institutional Aspects

- There exists an institutional framework at the national level to issue regulations for the various socio-economic sectors and enforce these through NEMA.
- The organizational structures for both Ugandan projects visited were found to be appropriate.
- Current staffing levels for both projects reviewed were considered to be adequate and appropriate for the specific phase and tasks.
- Facilities and equipment were found to be adequate, well maintained, and used effectively.

II. Issues and Constraints

A. Cameroon

Environmental Issues

- There are important cross-boundary issues in the fisheries program that have not been addressed, at least at the project level. Delays in implementation of the programs means continued negative environmental impacts such as increasing pressure on mangroves and other forests for fuel-wood.

Social Issues

- There may be overlapping of responsibilities amongst various agencies.
- There is a potential issue dealing with the displacement of 250 to 300 fishing families in order to open the landing site areas to tourism. This is in the process of negotiation at the local level.

Institutional Issues

- The sharing of project information between project and Bank staff is adequate. However, the Bank's information resources regarding development, sustainability, various policies, etc., were reportedly unknown in country.
- A perception was noticed that the Government bureaucracy and that within the Bank were hindering timely employment of project personnel, cause delays regarding the initiation of project staff, and impede financial disbursements.
- Several projects classified as Category II appeared to be misclassified in that project activities are service-oriented and had only positive impacts on the environment.

B. Mozambique

Environmental and Social Issues

- There are funding and capacity-building constraints in addressing environmental and social issues.
- The environmental categorization criteria used by donors differ from each other and from those specified by the country. There is a need for harmonization to minimize costs related to environmental impact studies. .
- There is a good base of environmental legislation and regulations being established. These need to be adequately enforced.
- Donors need to reassess the situation of some of the projects following the flood incidence in Mozambique to redefine scope and priorities.
- There is a need to enhance management of solid and hazardous wastes.

C. Organisation pour la Mise en Valeur du Fleuve Sénégal (OMVS)

Environmental Issues

- As management changes are made to the river system to provide power and other uses, ongoing monitoring will be required to identify the next generation of environmental impacts and to implement effective mitigation measures.
- Because Guinea is an observer and not a member of OMVS, there can be trans-boundary environmental issues, such as deforestation and brush fires in the upper portion of the Senegal River Basin that are not effectively addressed.
- There is a desire to build at least two other dams in the basin that could result in other unanticipated environmental impacts.
- ADB does not include the cost of preparing an EIA in their financial package and that results in hesitancy by the RMCs to prepare such documents.

Social Issues

- The micro-projects component and pilot projects for the communities have not been started due to a lack of coordination and to administrative bottlenecks.
- There is not a uniform displacement/resettlement policy and varying rates of compensation are provided in the different countries.
- A communication and feedback mechanism is non-existent between the local level committees and villagers, and the national committees. NGOs are consulted as an add-on, rather than as real partners in the development initiatives.
- Water-related health problems related to the dams persist for humans and animals.

Institutional Aspects

- Communications and project coordination with the Bank appear to be inadequate. Supervisory visits for a project of this magnitude and complexity are infrequent.
- The ADB's information resources regarding development, sustainability, various policies, etc., were reportedly unknown or there was limited knowledge thereof.
- ADB administrative requirements and practices were said to frequently cause delays.

D. The Gambia

Environmental Issues

- Delays that have occurred in implementing the three Bank-sponsored projects mean that the environmental enhancements they would provide have not been achieved.
- There is inadequate equipment to monitor whether environmental quality goals and standards are being achieved. For example, the Department of Fisheries has only one boat that is capable of ensuring that the nation's coastline is not being over-fished.
- There is a need to enhance management of solid and hazardous waste.
- Enhanced sanitation is needed to protect the fragile aquatic environment.
- The non-availability of latex gloves and new syringes in health clinics can pose a problem as can the inability to properly sterilize syringes for reuse.
- Checklists of potential environmental and social impacts related to the construction and operation of projects could be helpful.

Social Issues

- While there is a gender policy at the national level, an action plan for its implementation needs to be developed.
- There is no representation of the Women's Bureau at the implementing agency structure of Health Services Development Project, which aims at improving general health of the Gambian population and especially women's health.

Institutional Issues

- External communications with the Bank and other donor and lending agencies appear to be inadequate in that there are infrequent supervisory visits and coordination with and among donor representatives.
- Facilities and equipment in the implementing agencies were found to be inadequate in terms of numbers and quality and are generally over-used.
- The Bank's information resources regarding development and sustainability and its policies were reportedly unknown.
- "ADB bureaucratic practices," as well as those of other donors, were characterized as frequently causing delays.
- It was reported that the Bank sometimes approves projects without consultation with all of the country's environmental authorities. But there need to be a focal point in RMCs to avoid such outcome.

E. Tunisia

Environmental Issues

- More assistance is needed for the Cie. Phosphatière de Gafsa (CPG) to adequately address the environmental impacts that result from the quarrying and processing of phosphates.
- Ongoing monitoring of areas such as Hammamet where there has been a heavy investment in the tourism industry is needed to ensure proper management of coastal resources.
- Ongoing monitoring of the Barbara and Sidi el Barrak dams is needed to preclude unanticipated second-generation environment, public health, and quality-of-life impacts.

- Additional assistance to STEG may be needed to ensure the proper management and disposal of transformers containing PCBs.
- It will be necessary to evaluate the recent reorganization of the Ministry of the Environment and Land Use Planning and its potential impacts.

Social Issues

- Financial constraints reduce the effectiveness of the projects with respect to social concerns.
- Training and awareness regarding crosscutting issues is needed.

Institutional Issues

- The placement of the functions of the Ministry of Environment within the Ministry of Agriculture raises some concern. This organizational realignment should not result in de-emphasizing the country's environmental management programs.

F. Uganda

Environmental and Social Issues

- There is a perception by some NGOs of lack of transparency in the identification, development, and environmental assessment of projects.
- Feasibility studies do not cover alternatives and cumulative environmental and social impacts of major new and existing investments.
- There are funding and capacity-building constraints in the environmental and social sectors.
- There appears to be a need for training for various stakeholders with respect to legal issues and the appropriate use of litigation in environmental matters.

Institutional Issues

- NGOs, the press, and various international organizations are monitoring some highly-visible projects from the standpoint of their particular interests. Delays have resulted from these activities and may continue to do so unless these issues are addressed.

Responses to General Environmental Information Questions

QUESTIONS	Cameroon	Mozambique	OMVS	The Gambia	Tunisia	Uganda
Responsible Government Body						
1. Is there a section of the National Government responsible for EA?	Yes	Yes	Yes	Yes	Yes ⁶	Yes
2. Is there a National Agency to coordinate EA matters?	Yes	Yes	Yes	Yes	Yes	Yes
3. National environment committees and subcommittees?	Yes	Yes	Yes	Yes	Yes	No
4. An integrated approach to legislating, enforcing, and monitoring EA laws?	Yes	No	No	Yes	Yes	No
5. How is responsible body organized?	See Narrative in this Section					
6. Does fragmentation of mandates hinder EA performance?	No	No	Yes	No	No	No
Environmental Legislation						
7. Is there comprehensive legislation for Environment?	Yes	Yes	Yes	Yes	Yes	Yes
8. Is there trans-boundary legislation?	Yes	No	No	Yes	No	No
9. Was there broad participation in their enactments?	Yes	No	Yes	Yes	Yes	NR
10. Which arm of Government is responsible for their enactments?	Executive	Executive	Exec/Legis.	Exec/Legis.	Exec/Legis.	Legislative
11. Are there environmental guidelines, Standards, and Norms?	Yes	Yes	No	Yes	Yes	Yes
12. Are there environmental standards and norms for trans-boundary issues?	Yes	No	Yes/No	Yes	No	No
Institutional Capability						
13. Is there a sound institutional framework?	Limited	Yes	Yes	Yes	Yes	Yes
14. Is there a capacity to regulate and enforce policies?	Yes	Yes	No	Yes	Yes	Yes
15. Are environmental assessments and management procedures in place?	Yes	Yes	No	Yes	Yes	Yes
16. Are there periodic environmental audits?	Yes	No	No	Yes	Yes	No
17. Is there commitment to positive environmental performance?	No	Yes	No	Yes	Yes	Yes
18. An integrated approach to assessments and management activities?	Yes	No	No	Yes	Yes	Yes
19. Is there immunity from Political influence?	Yes	Somewhat	No	Yes	Yes	Yes
Local Authorities						
20. Local Governments involved in environmental matters?	Yes	Yes	Yes	Yes	Yes	Yes
21. Level of participation, cooperation in fulfillment of EA objectives?	Consultative	Consultative	Consultative	Consultative	Compre- hensive	Consultative
22. Level of involvement in overseeing, implementing EA policies?	Consultative	Consultative	Consultative	Compre- hensive	Compre- hensive	Consultative

⁶ Note: The Ministry of Environment and Land-Use Planning of Tunisia was dissolved in September 2002. Its functions were taken over by the Ministry of Agriculture and Ministry of Housing. As a result the environmental situation in Tunisia may be changing from what is reported here.

QUESTIONS	Cameroon	Mozambique	OMVS	The Gambia	Tunisia	Uganda
23. Do local governments have negotiating capacity in dealing with private operators?	Yes/No	Yes	No	Yes	Yes	Yes
Non-governmental Organizations and Civil Societies						
24. To what extent are NGOs involved in environmental matters?	Very involved	Occasionally	Very Involved	Very involved	Very involved	Very involved
25. Are there linkages between NGOs and Government bodies?	Yes	No	No	Yes	Yes	Yes
26. Are enabling legislation and incentives right to ensure conservation?	Yes	Yes	No	Yes	Yes	No
Private Sector Institutions						
27. To what extent is the private sector involved in Environment matters?	Very visible	No response	Little	Very visible	Very	Occasionally
28. Are there partnership enhancement programs?	Yes	Yes	No	Yes	Yes	Yes
Beneficiaries' Awareness						
29. Level of awareness re: inter-sectoral linkages for Environmental Protection?	Somewhat	Somewhat	Somewhat	Very	Very	Somewhat
30. Degree of consultation with local population?	Occasional	Occasional	Very High	Very High	Occasional	Very High
31. Are Gender issues and cultural norms addressed?	Yes	Yes	Very much	Very Much	Very much	Occasionally
32. Do women and youth participate in environment decision-making?	Yes	(NR)	Yes	Yes	Yes	Occasionally
Information, Education, and Training						
33. Is there integration of environmental issues into education curricula?	Yes	(NR)	No	Yes	Yes	Yes
34. Are gender issues incorporated in environmental training?	Yes	(NR)	No	Yes	Yes	Yes
35. Are there national advisory bodies to promote environmental issues?	Yes	(NR)	Yes	Yes	Yes	No
36. Is there a national environmental information system?	Yes	No	No	No	Yes	No
37. Does the RMC benefit from NESDA?	Yes	No	Yes	Yes	Yes	No
Regional Cooperation and Coordination						
38. Is mechanism for addressing national & trans-boundary issues adequate?	Yes	No	Yes	Yes	No	No
39. Level of Assistance from ABI?	No	No	No	No	Considerable	No
40. Level of assistance from ACEEP?	No	No	No	No	Considerable	No
41. Level of assistance from APA?	No	No	No	No	Considerable	No

Note: (NR) means no response was given.