



Integrating the environment and climate change into EU international cooperation and development

Towards sustainable development



THE GUIDELINES AT A GLANCE

Why these guidelines

Guidelines N° 6, *Integrating the environment and climate change into EU international cooperation and development: Towards sustainable development*, provide staff in the European Commission (EC), Delegations and partner institutions with practical guidance and tools on how to integrate — or mainstream — environmental and climate change considerations into the different phases of the European Union (EU) programme and project cycle, thereby strengthening the contribution of EU international cooperation and development policy to sustainable development.

This brochure provides a brief summary of the guidelines, and is organised as shown in the graphic to the right. It is part of a toolbox — accessible on [Capacity4Dev](#) — which includes the guidelines, a number of annexes providing detailed guidance and templates of terms of reference, sector notes and climate change sector scripts.

The EC defines mainstreaming as ‘the process of systematically integrating a selected value/theme/idea into all domains of development cooperation’.

Mainstreaming environment and climate change (adaptation and/or mitigation) in EU development cooperation entails:

- **enhancing collaboration** between the EU and its partners to integrate environment and climate change across all areas of cooperation to enhance opportunities for sustainable development and mitigate potentially harmful effects;
- **finding entry points to trigger and catalyse change** — at the political, institutional and technical levels — building awareness of the benefits of integrating environment and climate change and supporting the transition towards a low-carbon green economy;
- **supporting policies, plans and implementation processes** by fostering leadership, institutional capacity and efforts by partner countries (government and civil society) to integrate environment and climate change considerations into development.

Mainstreaming requires changes in both ideas and practices.



Why mainstream

The 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change demand a radical acceleration of environment and climate change mainstreaming into development policies, plans and programmes.

- The 2030 Agenda for Sustainable Development is a commitment by world leaders to balance economic, social and environmental objectives. It puts environmental sustainability at the heart of development.
- The Paris Agreement on Climate Change is the first-ever universal, legally binding global climate agreement. It outlines a strong shared vision and ambition to combat climate change and unleash actions and investment towards low-carbon, resilient and sustainable development.

Mainstreaming environment and climate change is essential to achieving the global Sustainable Development Goals (SDGs). The SDGs integrate and balance the three dimensions of sustainable development: economic, social and environmental. Goals 13, 14 and 15 focus specifically on climate change and environment, but environmental considerations are integrated throughout all 17 goals; their realization will require successful mainstreaming.

EU treaties and policies underpin the Union's high-level commitment to environmental sustainability and to combating climate change. EU treaties establish mainstreaming as a legal obligation, with the 2007 Lisbon

Treaty stating that 'Environmental protection requirements must be integrated into the definition and implementation of the Union's policies and activities, in particular with a view to promoting sustainable development'. EU **policies** — including the Consensus on Development (2005) and the Agenda for Change (2011) — promote environment and climate change mainstreaming as essential in meeting policy goals on poverty reduction and sustainable development. Also, the EU is a party to and a strong promoter of a large number of **multilateral environmental agreements**, including the Rio conventions on climate change, biological diversity and desertification.

The EU has committed that 20% of its budget for 2014–2020 will be spent on climate change-related action and that its expenditure on biodiversity will double. The 2011 EC Communication setting out a budget for Europe 2020 stipulates that at least 20% of EU funding for 2014–2020 should be spent on climate change-related action. The EU also endorsed the Hyderabad objective to 'double total biodiversity-related international financial resource flows to developing countries by 2015 compared to an agreed average from 2006–2010 and to at least maintain support at that level until 2020'.

There is a strong business case for mainstreaming. In low-income countries, natural capital — including natural resources such as forests, wildlife, wetlands and the environment — accounts for, on average, 30% of total wealth. Addressing environmental degradation and climate change is good for the economy, good for business and good for people.



How to mainstream

There are opportunities for mainstreaming environment and climate change throughout the programme cycle, under both project and budget support modalities. Mainstreaming should become an inherent part of management from programming to evaluation rather than being isolated as a separate exercise with specific tools and techniques. Mainstreaming needs to be followed up at all stages to ensure appropriate aspects are actually implemented and evaluated.

PROGRAMMING

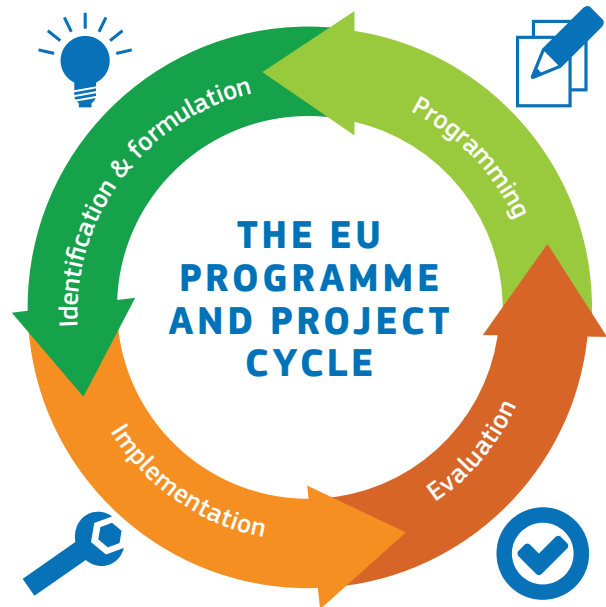


Mainstreaming at the programming phase is particularly critical, as it influences all subsequent phases in the cycle of operations. The country situation analysis is the first entry point for mainstreaming in the programming phase. Early attention can ensure that, where relevant, suitable environmental and climate change objectives, actions and indicators are included in the Multiannual Indicative Programmes.

The Country Environmental Profile (CEP) is a key tool at the programming phase. The CEP (or an equivalent country-level environmental or climate change assessment) provides the necessary information to integrate environmental and climate change concerns into the country analysis and response strategy; it also informs policy dialogue and the subsequent phases of the programme and project cycle. Annex 2 of the guidelines provides detailed guidance and template terms of reference for preparing a CEP. Where appropriate, a Regional Environmental Profile should be prepared to inform regional cooperation.

Policy dialogue at the programming stage — and throughout the programme and project cycle — provides an opportunity for mainstreaming. It also ensures that environment and climate change are considered in the definition of focal sectors and sector support strategies and in subsequent identification, formulation, implementation and evaluation.

Where environment and climate change are selected as a focal sector — or where the EU considers providing support to a partner country's efforts to integrate environment and climate change — the approach developed, with EU support, by the United Nations Development Programme–United Nations Environment Programme's Poverty-Environment Initiative (UNDP-UNEP PEI) can provide useful guidance. This approach, illustrated on [page 7](#), is described in UNDP-UNEP PEI's practitioner handbook, which is aimed at



strengthening environmental and climate change integration in planning and budgeting processes (UNDP-UNEP PEI, 2015; see “Where to find more information” at the end of this summary).

IDENTIFICATION AND FORMULATION



Identification and formulation need to consider environment and climate change from the start. The problem and stakeholder analysis provides an important entry point for mainstreaming. Making mainstreaming sector specific ensures that the linkage between the problem analysis and environment and climate change is grounded in national and regional realities. In the stakeholder analysis, EU development cooperation needs to take into account the actions of powerful stakeholders who might not support mainstreaming.

At this phase of the programme and project cycle, an environmental and climate change screening is required to assess how sensitive a programme or action is. The screening will determine if formal tools such as a Strategic Environmental Assessment (SEA), an Environmental Impact Assessment (EIA) or a Climate Risk Assessment (CRA) are needed. If the screening shows that a formal assessment is not needed, this does not mean that environment and climate change can be forgotten. Rather, the screening can help identify needs and opportunities to integrate environmental

and climate change considerations in designing the action. Annex 3 of the main guidelines provides detailed guidance on screening. Screening outcomes must be annexed to the Action Document submitted to the DEVCO Quality Support Group.

If the screening concludes that a formal assessment is needed, arrangements are made to carry out the relevant assessment:

- **An SEA assesses environmental opportunities and the implications of policies, plans and programmes.**

An SEA evaluates the environmental impacts of a proposed policy, plan or programme and provides a means for looking at cumulative effects. SEAs are used for budget support and for sector-wide programmes or projects that provide strategic-level support. The SEA assesses the extent to which a given policy, plan or programme (i) provides an adequate response to environmental and climate change-related challenges; (ii) may adversely affect the environment and climate resilience; and (iii) offers opportunities to enhance the state of the environment and contribute to climate-resilient, low-carbon development. Ideally, an SEA should be integrated into policy, plan or programme preparation from its earliest stages; and its recommendations should be taken into consideration throughout the preparation process. An SEA can also be done at a later stage to inform and guide policy implementation and the development of downstream regulations. Annex 5 of the main guidelines provides more information on SEAs including template terms of reference.

- **An EIA and a CRA focus at the specific project level.** They assess the impact and risks of a project, as well as opportunities regarding environmental protection and climate change. EIAs are conducted by the project promoter prior to investment and submitted to the relevant regulatory authorities as part of development consent procedures. Subsequently, the authorities will grant permission to proceed, reject the project or demand that recommended mitigating actions be carried out. The EIA should look at alternatives that can minimise environmental impact and maximise potential benefits. Based on the EIA, an Environmental Management Plan is drawn up to guide and monitor mitigating actions; a Climate Risk Management Plan similarly results from a CRA. Annexes 6 and 9 of the main guidelines provide more detail, including template terms of reference, on EIAs and CRAs, respectively.

The action document is an important entry point for mainstreaming at this stage of the cycle; a summary of the key steps entailed follows.

- Consider the environment and climate change during the problem and stakeholder analysis.

- Undertake a thorough screening.
- Apply the SEA, EIA and CRA tools as appropriate.
- Integrate the environment and climate change in the policy dialogue with national authorities and partners.
- Develop appropriate objectives, activities, indicators and the necessary budget allocation for effective integration of the environment and climate change.

Rio markers indicate an action's contribution to the environment and climate change.

Every action document is assessed against the three Rio markers and an aid to environment marker. The EU uses Rio markers to track financial contributions to the conservation and sustainable use of biodiversity, combatting desertification, and climate change adaptation and mitigation. Markers should be selected consistently and rigorously. If a theme is marked as either a significant objective (marker value = 1) or a main objective (marker value = 2), 40% or 100%, respectively, of the action's budget is counted as relevant to the theme. Annex 8 to the guidelines provides detailed guidance on the use of Rio markers.

Budget support provides a powerful means for mainstreaming.

The performance assessment framework defined during the identification and formulation phase provides an opportunity for mainstreaming environment and climate change by incorporating relevant indicators and following them up through policy dialogue and monitoring systems. The environment and climate change mainstreaming capacity of partner institutions can be strengthened through complementary measures or technical assistance.

IMPLEMENTATION

Significant opportunities exist during the implementation phase to enhance a programme/project's environmental and climate change performance.

Such performance must be monitored to ensure that:

- the programme/project does not cause unacceptable environmental impacts and does not increase climate vulnerability;
- programme/project results — or their sustainability — are not jeopardised by climate change or environmental degradation;
- appropriate mitigating measures are taken as necessary;
- opportunities to enhance positive environmental impacts, increase climate resilience and contribute to low-carbon and sustainable development are seized on when relevant.

Steps that can be taken during implementation include the following.

- **Contracts/agreements.** Incorporate an Environmental Management Plan, a Climate Risk Management Plan and other measures into contracts/agreements.
- **Indicators.** Ensure relevant environmental and climate change indicators are included in the action's monitoring and evaluation system.
- **Governance and stakeholders.** Ensure environmental and climate change results are regularly discussed by relevant stakeholders and by the steering body.
- **Complementary actions.** Undertake complementary actions such as awareness raising and capacity development to enhance environmental and climate change performance where needed.
- **Results-oriented monitoring.** Use results-oriented monitoring missions and/or the mid-term review when considering whether substantial changes are needed in how environment and climate change are being integrated.
- **Policy dialogue.** Ensure continuous policy dialogue.

It is never too late to improve environmental and climate change performance. By assessing existing or planned activities, opportunities to enhance environmental and climate change performance can be identified. Activities can then be re-oriented accordingly or complementary activities added. These changes may result in adjustments at the activity level or to the action budget, time schedule, logical framework or performance assessment framework. Opting for environment/climate-friendly technologies (e.g. solar versus fossil fuels or agroforestry versus mono-cropping) can also have a decisive influence on the environmental performance of the action and of the policies it supports.

EVALUATION

In the evaluation phase, the environmental and climate change performance of programmes and projects can be assessed and lessons drawn for future operations. There are two main points at which evaluation occurs: at an activity's mid-term and after its completion (final evaluation). At both points, the priority task is to ensure the evaluation criteria and selected questions capture the main environmental and climate change concerns. Once evaluation is complete, the emphasis shifts to ensuring that its results inform the continuation of the programme/project — and of future programmes/projects — as part of a continuous learning process.

MAINSTREAMING AND NEW FINANCIAL INSTRUMENTS

Mainstreaming is also relevant for financial instruments such as blending and EU trust funds. Environment and climate change mainstreaming should be considered in the actions and programmes of international financial institutions for blending operations and of EU trust funds. Blending and trust fund activities provide new opportunities for mainstreaming at scale.

- Blending combines EU grants with loans or equity from public and private financiers. One of the most common and important uses of these grants is to support incorporation of higher environmental standards and climate change mitigation objectives.
- EU trust funds provide opportunities for harmonising approaches to environment and climate change mainstreaming. This is especially true where the funds target fragile and conflict-affected situations whose fragility is due in part to environment and climate change.

The EU can support mainstreaming both for blending and EU trust fund operations by:

- using — and, where necessary, strengthening — national systems for environment and climate assessment where relevant;
- commenting on opportunities to improve environmental and climate change performance;
- ensuring that screening, assessment and mainstreaming processes are used;
- reviewing monitoring reports against environmental and climate performance;
- exploring opportunities to encourage actions, investments and complementary measures that enhance the relevance of environmental and climate change investments;
- ensuring the use of indicators to monitor environmental and climate change performance.

MAINSTREAMING IN PARTNER COUNTRIES' PLANNING AND BUDGETING: THE UNDP-PEI APPROACH

FINDING THE ENTRY POINTS AND MAKING THE CASE

- Conduct preliminary assessments (e.g. poverty, social and environmental assessments)
- Raise awareness and build partnerships (e.g. implement communication strategies)
- Develop country-specific evidence (e.g. economic and poverty analysis of sustainable ENR management)
- Strengthen institutional capacities of stakeholders and coordination mechanisms

MAINSTREAMING IN NATIONAL PLANNING AND BUDGETING PROCESSES

- Inform and influence national and sector planning and monitoring working groups
- Conduct expenditure reviews and prepare budget guidance notes
- Conduct strategic environmental assessment/poverty and social impact analysis of policies and plans
- Influence national monitoring systems (e.g. indicators and data collection and analysis)
- Strengthen institutional capacities of stakeholders and coordination mechanisms

MAINSTREAMING INTO SECTORAL AND SUBNATIONAL PLANNING AND BUDGETING, MONITORING AND PRIVATE INVESTMENT

- Conduct strategic environmental assessment/poverty and social impact analysis/cost-benefit analysis of sector policies and plans
- Conduct integrated ecosystem assessments and climate change adaptation planning
- Influence monitoring systems (e.g. indicators and data collection and analysis)
- Influence budgets and financing options (economic instruments, expenditure reviews)
- Strengthen institutional capacities of stakeholders and coordination mechanisms

Source: UNDP-UNEP PEI, 2015.

Where to find more information

DEVCO's environment and climate change mainstreaming toolbox and a wealth of relevant information can be found on Capacity4Dev, <http://capacity4dev.ec.europa.eu/public-environment-climate/minisite/2-tools-and-methods>.

- Guidelines on *Integrating the environment and climate change into EU international cooperation and development: Towards sustainable development* (Tools and Methods Series, Guidelines N° 6)
 - Annex 1: SDGs and targets relevant for mainstreaming
 - Annex 2: Terms of Reference for a Country Environmental and Climate Change Analysis
 - Annex 3: Environment and Climate Change Screening
 - Annex 4: Guidance for integrating environmental and climate-related aspects in programme formulation studies
 - Annex 5: Terms of Reference for a Strategic Environmental Assessment
 - Annex 6: Terms of Reference for an Environmental Impact Assessment
 - Annex 7: Monitoring and indicators
 - Annex 8 : Rio and environment policy markers
 - Annex 9: Terms of Reference for a Climate Risk Assessment
- Sector notes
 - Agriculture and rural development
 - Energy
 - Water and sanitation
 - Social Protection
 - Budget support
- Climate change sector scripts (all available on Capacity4Dev)
 - Introduction and Key Concepts
 - Agriculture and Rural Development
 - Ecosystems and Biodiversity Management
 - Education
 - Energy
 - Health
 - Infrastructure and Transport
 - Solid Waste Management
 - Trade and Investment
 - Water and Sanitation
- *Mainstreaming Environment and Climate for Poverty Reduction and Sustainable Development: A Handbook to Strengthen Planning and Budgeting Processes*, by UNDP-UNEP Poverty-Environment Initiative, available at <http://www.unpei.org/>

For support from DEVCO's units in charge of environment and climate change, contact DEVCO C2-C6 MAINSTREAMING, EuropeAid-C2-MAINSTREAMING@ec.europa.eu.

More information on the European Union is available on the Internet (<http://europa.eu>).

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