Country Environmental Analysis (CEA)
Context, Emerging Practice, and Opportunity for Cooperation

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Workshop on Country Environmental Analysis
Washington, April 21, 2003

Outline
1. Context and CEA Concept
2. Evolving Practice
3. Donor Coordination
4. Objectives and Organization of the Workshop

1. Context and CEA Concept

Context: Changing Focus of Development Assistance
- Emphasis on economic growth
  - Environment as constraint, add-on, self-standing, Northern agenda
  - Donor driven
  - Investment in ring-fenced projects
- Support to sustainable development
  - Environment as part of the development agenda (MDG #7)
  - Country owned
  - Support to broad programs, reforms, social transformation
Shifting Focus for Environmental Tools

- Impact assessment
- Focus on technical solutions
- Attention to projects

- Upstream analysis
- Focus on policies and institutions
- Attention to country capacity

Objectives of the CEA

To inform policy dialogue
Identify environmental priorities and trends; links with poverty reduction and economic growth

To facilitate mainstreaming
Integrate strategic analysis into the design of policies, plans and programs

To guide capacity building and safeguard efforts
- Tailor capacity building and safeguard efforts according to country institutional, policy and regulatory capacity to sustainably manage environmental resources

CEA Analytical Building Blocks

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<tr>
<th>Environmental Priorities for Development</th>
<th>Policy Analysis</th>
<th>Capacity Performance Assessment</th>
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<tr>
<td>Key environmental and sustainability indicators with focus on NEAPs, national strategies or other previous documents</td>
<td>Identification of key environmental and sustainability indicators with focus on NEAPs, national strategies or other previous documents</td>
<td>Institutional and organizational capability assessment</td>
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<td>Environmental trends in priority areas and sectors</td>
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<td>Environmental assessment for priority setting and cross-sectoral coordination</td>
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<td>Links of environmental issues with economic growth and poverty reduction (key environment and poverty indicators)</td>
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<td>EA capacity assessment</td>
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<td>Environmental public expenditure review</td>
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<td>Indicators for measuring public sector capacity</td>
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<td>Areas for intervention</td>
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CEA: A Tool for Moving Env. Input Upstream
Environment in the Bank’s Country Assistance Strategies

2. Evolving Practice

Building on Lessons
- Analytical and advisory services have been one of the main pillars of the Bank’s environmental agenda
  - NEAPs, Environment Strategy Studies/Papers, Policy Notes, Sectoral Environmental Analyses (e.g. Energy-Environment reviews), Regional Studies...
- Key lessons: importance of client ownership, links with Country Assistance Strategy, follow-up on results

Principles of CEA Preparation
- Client buy-in and participation
- Value adding to existing analyses
- Cross-sectoral reach
- Focus on policies and institutions
- Donor coordination
- Attention to follow-up
Examples of CEA Context and Focus 1.

- **Ethiopia, Ghana:**
  - Context: PRSP process, PRSC preparation
  - Focus: poverty-environment links, institutional aspects
- **Karnataka/ India:**
  - Context: State-wide reform programs, series of Bank adjustment operations
  - Focus: Environmental priorities of development, implications of reform
- **Pakistan:**
  - Context: Series of structural adjustment loans in support of I-PRSP
  - Focus: Implications of policies, reform, institutional aspects

Examples of CEA Context and Focus 2.

- **Colombia:**
  - Context: Adjustment operations in several areas
  - Focus: Preparation of adjustment loan for sustainable development
- **Dominican Republic:**
  - Context: Public sector reforms, decentralization, rapid economic growth in some sectors
  - Focus: Support institutional reform for good environmental management

3. Donor Coordination
Vast International Experience

- NEAPs, Conservation Strategies, Biodiversity Strategies, State of the Environment Reports, Environment Strategies, Strategies for Sustainable Development, Country Environmental Profiles, Environmental Threats and Opportunities Assessments, Strategic Environmental Analyses...

Objectives of Coordination

- Reduce parallel efforts by multilateral and bilateral agencies
- Consolidate and make available information in a consistent manner
- Facilitate the harmonization of environmental assistance, capacity building, and safeguard approaches

Context of Donor Coordination

  - Rome, Feb 24-25, 2003
- Workshops on Country Analytic Work
  - Washington, June, 2001
  - Paris, June 2002
  - London, June, 2003

Progress-to-date

- Stocktaking: review of Bank and international experience with similar tools
- Consultations with internal and external stakeholders: CEA workshop (May, 2002), Poverty-Environment Partnership meetings
- Concept and guidance development (guidance notes and toolkit)
- Pilots undertaken in collaboration with development partners (e.g. Ethiopia)
- Joint website established
4. Objectives and Organization of the Workshop

**Objectives**
- Take stock of emerging lessons with country-level analytical work
- Discuss future plans
- Review experience and identify next steps to enhanced coordination

**Organization**
- Piggy-backed to the Multilateral Financial Institutions' Working Group Meeting on Environment (April 23-25, 2003)
- Morning:
  - Stocktaking of participating institutions' work on country-level environmental analysis
- Afternoon
  - Presentations of ongoing and planned CEAs
  - Discussions on modalities for enhanced coordination
- Cocktail Party: 5:50PM

Have a Good Meeting!