



Integrating Environmental Issues into PRSPs in ECA Countries

Nicholas James Dale

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Poverty Reduction Strategy Papers (PRSPs) set out macroeconomic, structural, and social policies and programs for broad-based growth and poverty reduction. They provide a framework for domestic policies and programs and also form the basis of development assistance in low income countries.¹ Given that environmental issues are crucial to growth and poverty reduction, it is important that these links are integrated into PRSPs.

This note, based on a longer review of integration of environmental issues in PRSPs in Europe and Central Asia (ECA) countries, aims to analyze how environment-poverty links are made in PRSPs and highlight some of the challenges facing the integration of environment-poverty linkages into PRSPs. It draws on the experiences with PRSPs in five transition economies in ECA—Albania, Azerbaijan, Bosnia and Herzegovina, Georgia, and the Kyrgyz Republic.

APPROACH

The study took a qualitative approach to analyzing poverty-environment links. To facilitate this analysis, it identified key environmental issues such as water, land degradation, air pollution, waste management discussed in each PRSP, examined how poverty-environmental linkages were analyzed, and how these have translated into priority actions in each PRSP reviewed (see table 1). This review



builds on but also differs from similar studies such as Bojö and Reddy's (2003) assessment of 50 PRSPs. First, this study has a regional focus. Second, while the main thrust of the former study is to assess the degree of mainstreaming in PRSPs and rank countries to illustrate this based on a scoring system, this study assesses the nature of environment and poverty links in ECA countries and addresses some of the challenges facing this type of assessment.

ENVIRONMENT-POVERTY LINKAGES IN ECA COUNTRIES

A number of environment-poverty issues cut across the PRSPs for the five transition economies studied. These include the following:

Water supply and sanitation infrastructure. Incomplete coverage of water and sanitation services, in particular in poor

rural areas, is a serious concern because of the risk of waterborne diseases. In Azerbaijan, for example, only 35 of the country's 75 towns have wastewater treatment facilities. Survey evidence indicates that about 20 percent of the population lacks sanitary means of human waste disposal. Even where connections to a sewage system exist, inadequate and deteriorating infrastructure results in unsafe water supply. Linkages between environment and poverty are better established for water and sanitation than for some other issues, and investment in infrastructure is a top environmental priority action in all the PRSPs reviewed.

Land degradation. A key environmental issue for the rural economies of the five countries is the reduction in agricultural land productivity and availability due to processes of soil erosion and, in many cases, salinization. Loss of income and livelihoods associated with this disproportionately affect the poor who tend to depend on marginal agricultural lands. In parts of Azerbaijan, Georgia, and Central Asia, land degradation is contributing to desertification. Although the causes are partly natural, degradation has been exacerbated by human factors linked to poverty, such as overgrazing on pasturelands and deterioration of irrigation systems. Unsustainable agricultural policies have also contributed to poverty related to land degradation and to shortages and poor quality of water. An extreme example is the Aral Sea disaster.

Air pollution. The issue of air pollution is given varying levels of attention in the PRSPs. For example, the Bosnia and Herzegovina document in-

Table 1
Mapping environmental themes and priority actions in PRSPs

<i>Environmental theme</i>	<i>Examples of environment-poverty linkages</i>	<i>Examples of key action priorities</i>
Biodiversity and conservation of natural resources	<ul style="list-style-type: none"> Uncontrolled use of natural resources contributes to resource depletion, as seen in: <ul style="list-style-type: none"> Forest degradation caused by cattle grazing Firewood collection driven by lack of alternative fuels. 	<ul style="list-style-type: none"> Forestland management Protected areas policy
Water resources and sanitation	<ul style="list-style-type: none"> Lack of water supply and sewage treatment infrastructure in rural areas leads to increased risk of water-related disease. Water losses and flooding resulting from poor condition of irrigation networks cause loss of crop capacity. 	<ul style="list-style-type: none"> Access to high-quality potable-water and sewerage networks Projects for rehabilitation of irrigation systems and maintenance by water user associations
Land degradation	<ul style="list-style-type: none"> Soil erosion and salinization reduce land productivity and agricultural land area. Degradation of pastures by overgrazing leads to lower meat and milk yields and to intensified internal migration. 	<ul style="list-style-type: none"> Measures to combat land degradation Introduction of rational pastureland rotation system and regulated cattle grazing
Industrial and municipal waste	<ul style="list-style-type: none"> Contamination of surface water, groundwater, and soil by industrial toxic wastes results in health risks, especially in marginal areas. Leaching from unsanitary landfill sites located in poor areas contaminates water resources and causes health risks. 	<ul style="list-style-type: none"> Reclamation of land used by mining industry Increased provision of sanitary landfill sites
Air pollution	<ul style="list-style-type: none"> Emissions from energy plants and transport are the main cause of air pollution-related respiratory diseases. Air emissions from wood burning in rural areas have potential health impacts. 	<ul style="list-style-type: none"> Use of alternative fuels for vehicles Reduction of air emissions from power plants by increasing renewable energy sources
Institutional development	Inadequate institutional capacity and legal framework underlie the specific environment-poverty issues described above.	<ul style="list-style-type: none"> Capacity strengthening in environmental inspectorate Provision of infrastructure for environmental monitoring (land, water, air)

cludes a number of air pollution related measures while the Georgia document has virtually no discussion of the issue.² Figures on disability-adjusted life years (DALYs) attributable to air pollution-related disease, where provided at all, are generally not broken down by socioeconomic group though it is likely that the poor living in air pollution hot spots are disproportionately affected. In the transition economies, rising level of vehicle emissions is an important problem and accounted for around 65 percent of the total quantity of air pollutants in Azerbaijan. Industrial emissions have generally decreased in recent years as a result of declines in economic activity.

Indoor air pollution receives little attention in the reviewed documents. There is evidence that the poor are relying on alternative fuels such as wood and kerosene, in part due to restricted access to networked energy and high energy prices—as for example, in Georgia.

Industrial pollution hot spots. Significant localized industrial pollution issues exist in a number of the reviewed countries. For example, in Albania five hot spots, mainly related to the chemical and oil industries, have been identified, and in Georgia obsolete pesticides and mercury sludge are being unsafely stored at certain sites. Common features of such hot spots are the involvement of multiple environmental media (soil, water, and air); inadequate treatment, storage, and discharge of hazardous substances, often over years and in connection with obsolete technologies from the pre-transition period; and exposure of local, generally poor, populations to serious health risks.

Forests and biodiversity. In all the selected countries, unsustainable exploitation of natural resources has led to significant location-specific impacts on forests and biodiversity. Recurring issues are uncontrolled felling in forest areas, largely for fuelwood; land degradation from overgrazing of cattle; uncontrolled or illegal hunting; and overfishing. In Albania over the past half century, forest area has declined from 45 to 36 percent of total area, and it is estimated that the Kyrgyz Republic has lost up to 50 percent of its forest over the past two decades. Depletion of the resource base on which poor people depend has adverse implications for their livelihoods.

Waste. Inadequate infrastructure for management of municipal and industrial wastes is a common problem in ECA countries. The most serious implications for the poor are the health risks posed by dumpsites—including contamination of groundwater by leaching of hazardous substances—and soil contamination and air emissions from open incineration. In the Kyrgyz Republic an estimated 80,000 people live in regions where toxic mining wastes have created a critical environmental situation.

CHALLENGES FACING INTEGRATION OF ENVIRONMENTAL ISSUES INTO PRSPs

Analysis of quantitative causal links between the environment and poverty in the reviewed PRSPs and other source documents is very limited. This shortcoming is not unique to ECA countries but a broader issue influencing poverty diagnostics (see World Bank, 2002). In ECA transition economies, part of the problem lies in the limitations of the available environmental data. In general, infrastructure for environmental monitoring is inadequate; facilities date from the Soviet period and have deteriorated since then. On the institutional level, environmental authorities commonly focus on monitoring and regulation. Their duties generally do not include assessing the impacts of environmental issues on

income, welfare, and health, and other ministries are typically not responsible for detailed analysis of environmental issues in their own policy areas. For example, health data are generally available for waterborne diseases, but not in the detail required to isolate specific environmental causes. Consequently, quantitative data on causal links between environment and poverty are often patchy at best and are mainly available from ad hoc national or international research projects.

In the context of these difficulties, the reviewed PRSPs tend to reinforce common assumptions about environment-poverty links. For example, one assumption is that the poor suffer disproportionately from environmental impacts because they are more likely to live in areas where negative environmental impacts are greater and access to public utilities (safe water supply and sanitation) is limited. While assumptions such as these seem reasonable and are supported by important qualitative evidence, the extent of specific environmental impacts on the poor is often not quantitatively substantiated.³

KEY FINDINGS

Poverty diagnostics in environment sections of PRSPs. The presentation of poverty linkages in the environment sections of the PRSPs reviewed is generally weak, and often only implicit. For example, the Albania PRSP calls for measures to improve environmental management of urban waste without explaining their relevance for poverty reduction.

Rationale for selecting actions as priorities often unclear. The rationale for selecting specific actions as poverty reduction priorities is not always apparent. For example, the Azerbaijan PRSP policy matrix includes measures for protection of endangered species without clearly showing why this is a priority for poverty reduction. The connection between specific priority actions and existing national environmental programs, in particular national environmental action plans, and how they add to existing programs can also be unclear.

Integration of environmental issues into PRSPs. The PRSPs reviewed generally affirm up front the integration of economic, social, and environmental policies as a fundamental

principle. Environmental aspects are accordingly mentioned in the poverty diagnostics for specific sectors—in particular, energy, transport, tourism, urban development, and rural development. But the level of detail provided makes it difficult to draw overall conclusions on how well the general commitment to environmental sustainability has been taken into account in specific priority actions.

Links between environmental and sectoral priority actions. The connection between priority actions in the environmental sections of the PRSP and in other sectors is often unclear. This can give the impression, erroneous or not, that priority environmental actions are running in parallel with actions in other sectors rather than being integrated with the overall program.

Importance of complementary actions between environment and other sectors recognized but often implicit. An important area for coordination of environmental actions with other sectors is in the management of natural resources. For example, restricting use of forests and fisheries that are being unsustainably exploited will help maintain the resource base, yielding long-term benefits for the poor, but the immediate effect will be to undermine livelihoods. Complementary actions to provide alternative sources of income—for example, in ecotourism—may be necessary. The need for such coordinated action is recognized in some PRSPs (Georgia's, for example) but is not always explicitly stated.

CONCLUSIONS

In many transition and developing countries, the preparation of PRSPs is hampered by lack of information, especially quantitative information about environment-poverty linkages. Moreover, the most likely champions of these concerns—environmental ministries—are relatively weak compared to other sector ministries, reflecting a persistent perception of environment as a peripheral issue.

In the short run, where reasonable data exist, as for air and water pollution, the links to health and economic impacts

can be persuasively emphasized. In addition, the connection between analysis of environment poverty links and priority actions in the PRSPs can be strengthened. In the longer run, building up the much-deteriorated environmental monitoring systems in ECA countries is of particular importance for improving the availability of data, understanding environment-poverty linkages, and more effective targeting of environmental policies for poverty reduction.

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NOTES

1. Full details on the PRSP process and on progress in specific countries can be found at www.worldbank.org/poverty/strategies/ and www.imf.org/external/np/prsp/prsp.asp
2. In their assessment of 50 PRSPs, Bojō and Ready (2003) note that indoor and outdoor air pollution are generally given no or very cursory attention.
3. A recent study (World Bank 2003) does provide data on the links between environment and poverty. It was not available for the PRSPs examined in this study, but it should be useful in drawing up future PRSPs.

Authors

Nicholas James Dale is a Research Officer (part time) in the Department of Economics and International Development at the University of Bath in the United Kingdom. He is also an Environmental Policy Consultant.

Reviewers

This *Note* was reviewed by Jan Bojō, Adviser, Sustainable Development (ESSD); Indumathie Hewawa-san, Senior Environmental Specialist, African Technical Families (AFR); and Anil Markandya, Lead Specialist, Environmental and Social Development Unit (ECCSD).

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THE WORLD BANK
Environment Department
1818 H Street, N.W.
Washington, D.C. 20433 USA
Tel: 202 473 1000
Fax: 202 477 0565
E-mail: eadvisor@worldbank.org
Web: <<[www.worldbank.org/
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