



Canadian International
Development Agency

Agence canadienne de
développement international



*CIDA's Policy
for
Environmental
Sustainability*

Canadian International Development Agency
200 Promenade du Portage
Gatineau, Quebec
K1A 0G4

Tel: (819) 997-5006

Toll free: 1-800-230-6349

Fax: (819) 953-6088

(For the hearing and speech impaired only (TDD/TTY): (819) 953-5023

Toll free for the hearing and speech impaired only: 1-800-331-5018)

E-mail: info@acdi-cida.gc.ca

Canada 

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200 Promenade du Portage
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K1A 0G4
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CIDA's Policy for Environmental Sustainability



CIDA Photo: Virginia Boyd, Guyana

CIDA's policy is to integrate environmental considerations into its decision making and activities, and to work with its partners and developing countries at improving their capacity to promote environmentally sustainable development.

CIDA's Policy for Environmental Sustainability aims to do two things, one with an internal and the other with an external focus. First, the policy provides guidance to CIDA managers and staff on objectives for programming which support environmental sustainability. Secondly, the policy informs CIDA's partners in Canada and developing countries of its objectives and encourages them to work together with CIDA in efforts to implement comprehensive and forward-

looking programs that promote environmental sustainability.

Why This Policy is Needed

There is a fundamental interdependence between the world's environment – the physical, biological and social surroundings and their interactions that sustain life – and the objectives of human development. The global nature of many environmental problems means that conditions necessary to sustain development and quality of life in industrialized nations and in developing nations are closely linked to each other.

Moreover, the costs of environmental degradation are steadily climbing. Depletion of natural resources is limiting the development potential of developing and industrialized nations alike. Increasingly, the world's environment is under threat from unsustainable forms of development.



CIDA Photo: Roger Lemoyne, Niger

All nations must work together to solve environmental threats of a global nature, and those that undermine sustainability at more local levels. Industrialized countries need to reduce their levels of consumption and continue to improve the management of their natural resources. Developing countries continue to seek development cooperation with industrialized countries, to address their sustainable development priorities. Each country must play its fair role, based on the principle of mutual benefit and obligation, and according to its relative technical and financial capacities.

What is limiting countries in addressing local and global environmental problems? Poverty, the pressures of everyday needs, inequitable control over resources, coupled with differing attitudes and levels of knowledge about the environment on the part of both individuals and societies. At the other end of the spectrum, there are macro-economic pressures such as low commodity prices and debt burdens.

There are other factors working against the environmental interest: inadequate financial and human resources, underdeveloped institutional and technological capabilities, inadequate opportunities for people to participate meaningfully in the development process, inappropriate or narrow economic and social policies, and inadequate incentives for environmentally sound behaviour.



CIDA Photo: Frank Koller, Indonesia

All this means that the environment is a fundamental part of development. Whole-hearted and systematic efforts must be made to remove these constraints on achieving environmental sustainability.

CIDA's Progress

This policy on environmental sustainability is a logical next step for CIDA, which has demonstrated its interest in environmental management



already. CIDA has made considerable progress in integrating environmental considerations into development. In the 1970s and early 1980s, the Agency supported the creation of environmental monitoring and teaching institutions. In 1986, it adopted an environment policy that led to the application of procedures for routine environmental screening and assessment of projects. Since then, CIDA has gained recognition for strengthening environmental institutions in developing countries. It has provided support to NGOs, universities and private-sector organizations striving to integrate environmental considerations into development initiatives. It has encouraged the adoption of environmental policies and procedures by multilateral institutions. A growing number of CIDA's country and responsive programs are preparing environmental strategies as part of their program plans.

These efforts correspond with the sincere concern of Canadians for the environment, their growing awareness of environmental issues in developing countries, and Canadian experience and capacity to solve environmental problems. The measures are also in touch with the increased demands from developing countries and international institutions for support in addressing environmental matters.

Much Remains To Be Done

Although the experience of CIDA, other development cooperation agencies and our developing country partners with environmentally sustainable forms of development is still limited, there is much we can do. Together, we must reinforce the long-term perspective in development cooperation through long-term cooperation. We must encourage and allow for the active participation of people in development planning. We must undertake interdisciplinary analyses in program

and project design, and follow cross-sectoral and ecosystem approaches to project implementation. We must promote domestic and international economic policies and employ management tools that recognize the full costs of environmental degradation and resource depletion. Then we must provide the incentives necessary to incorporate such policies and tools in development decisions.

Environmental problems are often the most severe in poor communities and tend to harm disproportionately the disadvantaged – the poor, women and children, and indigenous peoples. Renewed efforts must be made in rural and urban communities to address the socio-economic needs of these groups. This in turn will yield environmental benefits.

It is in the interest of Canada to help improve environmental conditions both globally and in other countries. International environmental diplomacy is an important element of Canadian foreign policy. Canada is striving for coherence among its environmental, development cooperation and other foreign policy objectives. Such efforts include identifying how trade practices affect the environment, and applying debt reduction initiatives to meet development cooperation objectives. CIDA's role is to work with other agencies and departments in the Government of Canada and with international institutions to promote policies which support environmentally sustainable development in developing countries. In this regard, CIDA also has a role in promoting consistency between relevant domestic and foreign policies. CIDA's efforts to promote coherence among various Canadian policies and those of other industrialized nations concerning developing countries is called the horizontal approach.

CIDA's Objectives for this Policy



CIDA's mission is to support sustainable development in developing countries. The concept of sustainable development provides a framework for integrating environmental sustainability with economic, social, cultural and political sustainability. These goals must be taken as complementary if sustainable development is to be achieved. Knowledge of how to achieve this integration is imperfect, and difficult choices face CIDA and its partners. CIDA's efforts must promote development that does not undermine environmental sustainability.

There are five related aspects to the concept of sustainability. Achieving economic sustainability requires appropriate economic policies, efficient resource allocation and use, more equitable control over resources, and increased productive capacity among the poor. Achieving social sustainability means more equitable income distribution, and ensuring the participation of intended beneficiaries and those who may be affected in the decisions which affect their lives. Attaining cultural sustainability requires sensitivity to cultural factors, including cultural diversity, and a recognition of the values conducive to development. Attaining political sustainability is premised on the assurance of human rights and the promotion of democratic development and good governance.

Achieving environmental sustainability requires managing and protecting ecosystems to maintain both their economically productive and their ecological functions, maintaining the diversity of life in both human-managed and natural systems, and protecting the environment from pollution to maintain the quality of land, air and water.

To help countries achieve environmental sustainability in development, CIDA will pursue the following objectives.

Objectives for Environmental Sustainability

1. To increase the institutional, human resource and technological capacities of developing country governments, organizations and communities to plan and implement development policies, programs and activities that are environmentally sustainable.
2. To strengthen the capability of developing countries to contribute to the resolution of global and regional environmental problems, while meeting their development objectives.

To integrate environmental considerations more effectively into CIDA decision-making and the activities the Agency and its partners carry out, CIDA is augmenting its efforts to achieve the following operational objectives.

Operational Objectives

1. To ensure that environmental considerations, including opportunities for enhancing environmental sustainability, are integrated into sector and cross-sector programs, program assistance, and project planning and implementation, taking into account views of beneficiaries and local communities;
2. To promote and support environmental and broader socio-economic policy dialogue, program assistance and projects that directly address environmental issues;
3. To implement design measures that minimize negative environmental impacts and enhance environmental benefits of projects, or identify alternatives;



4. To encourage and support Canadian, international and developing country partner organizations to develop policies, programs and projects that further the objectives of environmental sustainability;

5. To contribute to the development of knowledge and experience in Canada and in developing countries, on undertaking environmentally sustainable forms of development;

6. To promote education and awareness among governments and the public in Canada and in developing countries of the importance of environmentally sustainable approaches to development.

Scope of Application for the Policy

The objectives for environmental sustainability, both general and operational, apply to all CIDA branches and delivery channels. CIDA managers and officers are responsible for applying the operational objectives and for establishing the nature of specific environmental activities. Priorities are set in accordance with the needs of CIDA's partner countries and organizations, and with Canadian capability to respond.

CIDA will comply with the requirements and spirit of Canadian environmental assessment law, guided by the following principles: CIDA will respect the sovereignty of partner countries and will adapt approaches for public review of environmental assessments and consultation with affected communities in a manner that respects

the foreign nature of projects; it will apply the environmental assessment requirements of partner countries, or international development institutions, when these meet the basic objectives of Canadian law; and it will assist partner countries to develop and apply local environmental planning and assessment capacity. Environmental assessments of CIDA projects will be made available to the Canadian public.

In accordance with Canadian government policy, CIDA will develop and apply, in a phased manner, approaches for assessing the environmental implications of its policy and program proposals.

Taking into account local factors, CIDA will be guided by Canadian federal environmental standards and guidelines, and relevant international agreements and guidelines, in the transfer of technologies through projects and activities which it funds. The Agency will work with other development cooperation agencies to encourage consistency in the application of standards.

CIDA will review its contracting procedures to bring them in line with this policy. CIDA will consult with its private-sector, government and non-government partners in developing procedures for the application of these provisions.

Moreover, CIDA's partners are encouraged to respond creatively to the opportunities provided by the Policy. CIDA, for its part, will support a strengthening of relations with its Canadian partners in their environmental efforts.

Area	Commitment	Branch
Implementation Strategy (continued)	<p>4. CIDA will prepare guidelines for environmental programming and assessment, and incorporate environmental elements into appropriate administrative guidelines and documents. CIDA will prepare necessary analytical tools to support programming for environmental sustainability.</p> <p>5. CIDA will monitor and review progress in implementing the Policy for Environmental Sustainability. Results will be reported in CIDA's Annual Report.</p>	<p>Professional Services, Operations Services, Partnership Branch</p> <p>Program branches, Policy, Professional Services, Communications</p>
Human Resources	<p>CIDA will use existing environmental expertise and actively support the development of additional environmental and sectoral expertise both within and outside the Agency, to promote the enhancement of Canadian human resources available to implement this policy effectively.</p> <p>CIDA will engage and develop local environmental expertise in support of program implementation in partner countries.</p>	<p>Professional Services, Personnel and Administration, in cooperation with Program branches</p>
Funding	<p>CIDA will, within the flexibility of current funding commitments, further incorporate environmental elements into existing programs. It will also undertake new environmental initiatives through the reallocation of funds within those programs where the environment is determined to be a priority. However, the funding base and flexibility to undertake major additional environmental activities are limited in the short term.</p> <p>Beyond the funds directly available for development assistance, Canada's national Green Plan provides support to further international environmental partnerships.</p>	<p>Program branches, Policy</p>
Partnership Relations	<p>CIDA recognizes the importance to sustainable development of promoting long-term relationships among CIDA and its Canadian and developing country partners, and will encourage the development of these relationships in the implementation of this policy.</p>	<p>Program branches, Professional Services</p>
Partnership Accountability	<p>CIDA will review its contracting procedures with executing agencies and partner organizations carrying out CIDA-funded activities to clarify their accountability under this policy.</p> <p>CIDA will implement, in a phased manner, procurement practices that favour technologies that are environmentally benign or beneficial.</p>	<p>Program branches, Professional Services, Operations Services</p>
Influencing International Institutions	<p>CIDA will advocate and support measures in and by multilateral institutions to incorporate environmentally beneficial policies and practices, and to modify their programs where necessary to address environmental issues. CIDA will monitor the performance of multilateral institutions on environmental matters.</p>	<p>Multilateral, Professional Services, Policy</p>

Area	Commitment	Branch
Performance in the Field	As part of its normal project and program monitoring and evaluation, CIDA will monitor and evaluate the environmental performance of the projects and programs it undertakes.	Program branches, Professional Services, Policy, Operations Services
Training and Sensitization	CIDA will design and implement a comprehensive training program on environmentally sustainable development for its managers and staff, including its field officers.	Personnel and Administration, Professional Services, Policy, Partnership Branch
Information and Analysis	CIDA will adapt data management systems to allow data on environmental programs and projects to be readily accessed and will analyze and disseminate information on environmental issues.	Professional Services, Policy, Finance and Corporate Information
Consultation	CIDA will promote openness in its environmental activities, through continuing regular consultation with Canadian and developing country partners on matters pertaining to environmental sustainability.	Partnership and other Program branches, Communications, Professional Services
Public Outreach	CIDA will foster awareness of and involvement in environmental issues in development among CIDA's Canadian partners and the Canadian public. As well, it will inform them of its initiatives for environmental sustainability.	Communications, Policy, Professional Services, Partnership Branch
Internal Operations	CIDA will ensure that its internal operations are consistent with the Government of Canada Code of Environmental Stewardship, including measures for energy conservation, material recycling, waste minimization and supplies procurement.	Coordination by Personnel and Administration; involvement of all branches



Programming Approaches for Environmentally Sustainable Development

To make substantial progress towards CIDA's objectives for environmental sustainability, three concepts will need to be better understood and applied in its programming. The three concepts are:

1. the **ecological basis for development**, to recognize the productive potential and ecosystem limits to development in a given area;
2. the **economic value of the environment** and means for recognizing environmental values in economic decision-making;
3. the **relationships** among poverty, population dynamics, natural resource consumption and **environmental degradation**.

These three concepts and their application represent the forward-looking trends in programming for environmental sustainability. They will be elaborated in the Implementation Strategy and through experience gained by CIDA and its partners.

Understanding the Ecological Basis for Development

Assessments of an ecosystem's stability, potential and limits are based on an understanding of a number of concepts, including biological diversity, carrying capacity and assimilative capacity. Biological diversity is the variety of genetic strains, species and ecosystems upon which ecological processes are built. Carrying capacity is the ability of an ecosystem to sustain a certain population and distribution of people and animals. If carrying capacity is exceeded, basic natural resources such as soil will become degraded or depleted. Assimilative capacity is the ability of land, air and water to absorb wastes without its quality being seriously degraded, i.e., to purify itself. Complicating the situation is the fact that some wastes are persistent and cannot be

assimilated. Ecosystem approaches to planning and management, based for example on watershed or island boundaries, provide an important means for implementing these concepts.

Assessing the Economic Value of the Environment

It is not possible nor desirable to apply economic values to all environmental values, many of which are cultural, spiritual or aesthetic in nature. However, programmers need tools that will allow them to assess the environment's value in economic terms and to recognize environmental values in economic decisions. At the macro level, natural resources stocks need to be treated as natural capital and the real costs of their depletion should be accounted for in society's books. Approaches such as natural resource accounting need to be developed. At the micro level, project decisions need to take full account of the external environmental costs they create, such as the treatment of polluted water which must be borne by downstream users. Tools such as extended cost-benefit analysis can be applied.

Appropriate macro-economic goals and policies are critical to the promotion of economic sustainability. However, economic adjustment policies, if not properly designed, can lead to negative social and environmental effects, disadvantaging the poor and leading to the depletion of natural resources. To promote sustainable development, such efforts must be designed to achieve economic efficiency, while also supporting environmental and social objectives.

The Complicated Interrelationships of Poverty, Population and Natural Resources

There is a complex web of cause and effect between poverty, population dynamics, natural resource consumption and environmental degradation. Often the problems of poverty, population and the environment are inseparable. Population growth and migration are agents of environmental change. Poverty causes population problems to endure. Environmental degradation exacerbates poverty. Population pressure in ecologically sensitive zones accelerates environmental degradation and causes degraded urban environments. Increases in population and consumption both lead to environmental degradation, which in turn threatens the ability of the environment to meet the ongoing needs of current and future generations.

In addressing these complex relationships, there is a need to better understand and act upon the

relationships between disadvantaged groups, particularly women and indigenous peoples, and the environments that support them.

Program support and project initiatives that make use of these three concepts can meet a range of environmental objectives in development – whether at the international, regional, national or local level. Efforts range from reactive approaches, which correct past environmental damage; through responsive approaches, which meet requests from partner countries and organizations to strengthen human, institutional and technological capacities; to proactive approaches, which raise and support measures for policy reform, particularly in countries and sectors where CIDA has established experience and the confidence of governments. Compliance applies to all CIDA activities and ensures that the Agency adheres to relevant environmental laws in Canada and its partner countries.





Time Frame for Implementation

Implementation of this policy is an ongoing process. Internal and external capabilities will need to be built up, and the complex concepts underlying environmentally sustainable development will need to be further elaborated and tested. Progress has already been made in meeting a number of the objectives and commitments set out in this policy. A comprehensive effort to integrate environmental considerations into the thinking and practice of CIDA and its partners in Canada

and developing countries will take a long-term effort. The Implementation Strategy is to be prepared within one year of the release of this policy, but will be a “living document” which reflects evolving objectives and priorities for environmental sustainability. Established annual consultations between CIDA and its partners will provide a means for reviewing progress. CIDA will update the policy, based on these reviews and experience gained.