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MAINSTREAMING ENVIRONMENT
IN THE IMPLEMENTATION OF PRSPs
IN SUB-SAHARAN AFRICA

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Executive Summary

Environment is recognized as being of central importance in the poverty agenda. Planning mechanisms for national development strategies such as Poverty Reduction Strategy Papers (PRSPs), Medium-Terms Expenditure Frameworks (MTEFs) and Poverty Reduction Support Credits (PRSCs) have all made concerted efforts to mainstream environmental issues.

This paper aims at presenting a clearer picture of how PRSPs influence the developmental agenda in 11 African countries by assessing the level of environmental mainstreaming in the Poverty Reduction Strategy Process. In this paper, we define the “PRSP process” as encapsulating the PRSPs, their subsequent Progress Reports (APRs)—which document the extent of implementation of these strategies, and Poverty Reduction Support Credits (PRSCs), a World Bank instrument for concessional support to the implementation of PRSPs. As such, this paper (a) assesses the level of environmental mainstreaming across the PRSPs, APRs, and PRSCs in 11 African countries; and (b) provides a detailed desk-review analysis of how the implementation of the PRSP in these 11 countries is evolving.

The current assessment builds on previously published reviews of PRSPs, and it is the sixth report in a series. In the previous assessments, Africa had constituted the largest sample of Progress Reports and PRSCs (Bojö et al 2004). The number of Progress Reports and PRSCs has grown significantly since then, and an analysis across all countries with a PRSP in place was beyond our means. Because Sub-Saharan Africa is the World Bank’s top priority region, and because we wanted a focus on implementation, a sample of 11 countries was identified in Africa, all of which had at least one APR and at least 2 PRSCs by December 31, 2006.

The report is based on an assessment of 16 PRSPs in 11 countries, their 25 corresponding PRSP Implementation Progress Reports (APRs) and 35 Poverty Reduction Support Credits (PRSCs). Of the 11 African countries considered for this assessment, 5 are in their second PRSP cycle.

As in previous reviews, each of the PRSPs is assessed according to 17 variables related to environmental mainstreaming. The variables are grouped under four themes: Issues Identification, Causal Links Assessment, Response Systems, and Process. Issues Identification focuses on the diagnosis of priority environmental concerns and opportunities in PRSPs. Causal Links Assessment analyzes multiple poverty-environment linkages. Response Systems covers proposals for environmental management capacity, investments in natural resources and human-made capital, and monitoring of targets and indicators. Finally, Process captures approaches used to promote the inclusion of environmental constituencies and an environmental agenda. Each variable within the four themes is ranked on a scale of 0 to 3, and an unweighted average is calculated on the basis of these ratings. This average score highlights the extent of environmental mainstreaming achieved in PRSPs.

The APRs and PRSCs are assessed using a reduced version of the 17 variables. As the emphasis of these reports is on “implementation and monitoring” rather than diagnosis and analysis, the six aspects/variables specifically relating to implementation, investments, monitoring, and process are included in the assessment of these reports. Each variable is scored similarly on a scale of 0 to 3, after which unweighted average scores are calculated.

From the previous reviews, it is evident that environmental mainstreaming improves significantly as the reports evolve from Interim to Full PRSPs. The average score across the sample for environmental mainstreaming illustrated a huge jump from 0.9 in 2002 to 1.3 in 2003 and 1.5 in 2004. Despite an improving average, there exists a large variation in average scores across sample countries. In these past reviews, several countries are identified as good practice cases across the four themes that were assessed—Issues Identification, Causal Links Assessment, Response Systems and Process.

A larger sample of APRs and PRSCs was included for assessment as a part of the previous review (Bojö et al 2004). The average mainstreaming score for these APRs was 1.4 which is close to the average score of the entire set of PRSPs (1.5) in that sample. When comparing progress reports with PRSPs, we found a very weak yet positive correlation between them. This suggests that a well mainstreamed PRSP did not necessarily guarantee a well mainstreamed follow-up on implementation.

PRSCs in the previous study, illustrate a high variability in scores ranging from 0.7 to 2.7, with an average of 1.3 for the sample. In general higher scores (defined in this case by 1.3–2.7), were usually associated with Sectoral Adjustment Credits (SECACs) although with several exceptions.

The main findings of the current review demonstrate that:

1. the assessment of PRSPs, APRs and PRSCs in the sample establishes a definite positive trend on environmental mainstreaming that is strong and improving.
2. the PRSP process evolves in a very customized and country specific context across the 11 countries.
3. while comparing only the 5 with two PRSPs, the average score improves slightly from 1.6 to 1.7—Uganda and Tanzania illustrate a marked improvement in environmental mainstreaming in their second PRSPs; Ghana, Mozambique and Burkina Faso show a marginal decline in average scores in their second cycle of PRSPs.
4. from the cluster of 5 countries in Africa which have moved into their second cycle, causal links assessment and the process variable illustrate a big leap in their respective average scores (1.8 over 1.4 and 2.6 over 1.8 compared to the earlier review) while response system has declined to 2 in the current review from 2.3.
5. in assessing the integration of environment there is considerable variability in the average score across the 25 PRSP-Progress Reports (0.7–2.8) and 35 PRSCs (0.7–2.7) across 11 countries.
6. APRs and PRSCs illustrate a stronger environmental mainstreaming effort compared to the previous review. Also, nine of 11 countries exemplify a positive leap in their most recent APRs and PRSCs or both (with the exception of Madagascar).
7. the relationship between PRSPs and APRs is evolving to show a positive correlation which is statistically significant. This suggests that attention to environment in APRs will be influenced by the level of mainstreaming in PRSP.
8. PRSCs that respond to first generation PRSPs illustrate a statistically significant weak negative correlation while the subsequent PRSCs that respond to second generation PRSPs illustrate a stronger positive correlation however, not statistically significant. While these numbers can not be taken literally, the trend highlighted from this analysis does support findings from the case studies that there is a natural progression to the inclusion of critical environmental priorities in PRSCs. Attention to these priorities usually occurs after tangible investments in fiscal reforms, macroeconomic stability and sectoral allocations

across education and health have been made in a country.

9. while comparing PRSCs to the implementation of PRSPs through APRs, our analysis highlights a weak positive correlation (.24). This illustrates that PRSCs can be better aligned to PRSP implementation and vice versa.

The main findings of the review lead us to certain conclusions.

First, the level of environmental mainstreaming illustrates improvement especially in those countries that have had more time with PRS implementation and have benefited from budget support directed towards environmental issues. While, overall lending has increased for PRSP countries, relative to non PRSP countries, PRSCs created specifically to support policy and institutional reform in PRSP countries account for a larger share of adjustment lending since they are considered to present a better match to the medium-term PRSP programs on account of their longer intended term and more flexible modality of financial assistance (World Bank 2004).

Second, the sample of 5 PRSPs that have moved into their second cycle considered in this study is too small to make any generalization. The one redeeming aspect to increased attention to certain critical aspects in second generation PRSPs is that it provides some assurance that the PRSP process is maturing. This second generation PRSP sample has given us an opportunity to revisit causal links assessment and process, which has certain practical implications for PRS implementation. The learning from a recent desk review on how environmental health (one of the weakest causal links) is integrated in PRSPs illustrates that interventions can be designed and implemented to achieve multiple objectives if the underlying poverty-environment analysis is strong (Kishore 2006). In the current study, we have not focused on assessing whether interventions in better performing PRSCs or the ones identified in APRs are closely tied to a thorough analysis of poverty-

ty-environment links. While several PRSPs are common in the sample of the two studies, the conclusion on environmental health can hold for Ghana, Senegal, Rwanda and Ethiopia. For understanding other such linkages and the influence that environmental constituents exert on the PRSP process, similar analyses are worth considering for the future.

Third, a well-mainstreamed PRSP may not always guarantee a well-mainstreamed follow-up, but the story that is evolving is somewhat optimistic. Progression in scores and the attention to environment in PRSPs, APRs and PRSCs may not consistently move in the same direction. However, a PRSC can be better aligned to PRSP implementation and an APR is reflecting a stronger mainstreaming effort on PRSP proposals. While a PRSP can suggest several critical priorities, unless these priorities are accommodated within a clear budgetary context, the follow-up in PRS implementation can not be strengthened to incorporate environmental mainstreaming.

Fourth, based on the review, PRSCs that warrant the greatest attention to environmental mainstreaming are the ones well into addressing the macroeconomic priorities and budgetary reforms in the country, followed by sectoral investments in health and education. According to a recent independent evaluation on PRSP implementation (World Bank 2004) annual expenditure as a percentage of GDP was higher post-PRSP in the education and health sectors compared with the mean annual expenditure for the pre-PRSP period across the 14 countries that were studied. In a similar analysis of the thematic focus of pre-PRSP adjustment lending compared to PRSCs shows that the share of environment and natural resources in PRSCs has grown from 3-6% (World Bank 2004). However this increase in share for environment and natural resources is still conservative compared to public sector governance, human development and social protection.

Fifth, while we can hypothesize on regarding the extent of mainstreaming in PRS implementation, the difference between mainstreaming in a plan versus actual implementation is critical. Unfortu-

nately, time and resource constraints do not allow us to expand the scope of the desk review. What the review suggests may be optimistic and a step up, however from a completely operational perspective, successful PRSP environmental mainstreaming can decidedly benefit from sectoral strategies being more inclusive and encompassing of environmental priorities; and these policies having a greater buy-in from environmental constituents.

Sixth, Ghana, Mozambique, Burkina Faso, Tanzania, and Uganda seem to be maturing well into the PRSP process. They are well into their second PRSP cycle and have at least two APRs and PRSCs which are progressively affording more attention to environmental concerns. These countries should be considered for country case studies carried out in the field.

Abbreviations and Acronyms

CEA	Country Environmental Authority
DFID	Department for International Development, United Kingdom
EDP	Environment Department Paper
EIA	Environmental Impact Assessment
HIPC	Heavily Indebted Poor Countries
IDA	International Development Association
IMF	International Monetary Fund
NGO	Nongovernmental Organization
PREM	Poverty Reduction and Economic Management
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
APR	Poverty Reduction Strategy Paper Progress Report
SAC	Structural Adjustment Credit
SEA	Strategic Environmental Assessment
SECAC	Sectoral Adjustment Credit
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
WDI	World Development Indicators
WHO	World Health Organization

Note: All dollars are U.S. dollars.

1

Introduction

The importance of environment-poverty links for the natural resource, health and vulnerability dimensions of the livelihoods of the poor is evident in development theory and empirical research (DFID, EC, UNDP and World Bank, 2002). In line with this thinking, the World Bank's Environment Strategy declared as its goal "...to promote environmental improvements as a fundamental element of development and poverty reduction strategies and actions (World Bank, 2001, p. xx).

Unsafe water, inadequate sanitation and waste disposal, and air pollution are a major problem for the poor—environmental factors are responsible for almost a quarter of the entire disease burden of developing countries (DFID 2001, WHO 2002). Rapid deforestation and biodiversity losses are depriving people of valuable forest resources, such as fuel wood, food and medicine. Soil degradation is a major threat to the livelihoods of 1 billion people, mostly the poor who are more likely to live in degraded or fragile areas. Projections of rural population growth and agricultural expansion in the next few decades suggest potentially serious pressures that could undermine natural resource sustainability in rural areas (Pinstrup-Andersen et al., 1997; Scherr, 1997). But environmental management is not only about protection, and finding reasonable trade-offs, it is also about building on the natural resource base to foster sustainable growth; as articulated well in *The Wealth of the Poor: Managing Ecosystems to Fight Poverty* (WRI, 2005) and in *Our Environment, Our Wealth* (UNEP 2006).

As such it is crucial that environment is recognized as being of central importance in the poverty agenda (World Bank 1997). Planning mechanisms for national development strategies such as Poverty Reduction Strategy Papers (PRSPs), Me-

dium-Terms Expenditure Frameworks (MTEFs) and Poverty Reduction Support Credits (PRSCs) have all made concerted efforts to mainstream environmental issues. This process is most mature in Sub-Saharan Africa, which explains our focus on this region.

Poverty Reduction Strategies and their Implementation

Poverty reduction strategies (PRS) provide a framework for low-income countries to articulate their development priorities and to specify the policies, programs, and resources needed to meet their goals. Poverty Reduction Strategy Papers (PRSPs)—introduced in 1999—are prepared by countries eligible for IDA assistance as a means of integrating and strengthening sectoral priorities within the context of poverty alleviation. These strategies are aligned within the larger macro-economic framework for development. PRSPs are country-owned and results oriented documents that provide guidelines and direction for countries as they endeavor to utilize foreign assistance for domestic priorities aimed at poverty reduction.

PRSPs prepared in a 3–5 year cycle cover a range of comprehensive strategies focusing on a broad range of issues—agriculture, industry, mining, forestry, fisheries, water, sanitation, energy, urban and rural development—all of which encapsulate the need to mainstream environmental concerns. As such, they remain central to the policy dialogue between all stakeholders, including the government, donors, private sector, NGO community and multilateral development banks including the World Bank. The World Bank aims at aligning its lending and non lending activities in these countries based on the main priorities identified in PRSPs.

This paper aims at painting a clearer picture of how PRSPs influence the developmental agenda in 11 African countries by assessing the level of environmental mainstreaming in the Poverty Reduction Strategy Process. In this paper, we define the “PRSP process” as encapsulating the PRSPs (drafted in an approximately 3–5 year cycle), their annual subsequent Progress Reports—which document the extent of implementation of these strategies, and Poverty Reduction Support Credits, a World Bank instrument for concessional support to the implementation of PRSPs in its client countries. As such, this paper (a) assesses the level of environmental mainstreaming across the PRSPs, APRs, and PRSCs in 11 African countries; and (b) provides a detailed desk-review analysis of how the implementation of the PRSP in these 11 countries is evolving.

What we mean by “mainstreaming” of the environment is summarized here and discussed in detail in the methods section below. It is not the existence of a stand-alone section or chapter in the PRSP, nor is it the frequent reference to the “environment” in a document. The term “mainstreaming” is used to denote (a) the description of environmental issues and opportunities; (b) the analysis of links between poverty and environment; (c) the design of responses to meet the identified challenges; and (d) the inclusion of the environmental constituency in the processes leading to the design and implementation of the PRSP.

Building on previous reviews: focus on implementation

The current assessment builds on previously published reviews of PRSPs, and it is the sixth report in a series. A first assessment of environmental issues in the PRSPs of 40 countries was published as World Bank Environment Department Paper (EDP) 86 in June 2002. A second EDP (Bojö and Reddy 2003a) devoted full attention to the integration of the targets and indicators related to Millennium Development Goal 7 on environmental sustainability. The third report (Bojö and Reddy 2003b) in this series published in November 2003, extended the review of PRSPs to also

include PRSP-Progress Reports (APRs) and Joint Staff Assessments (JSAs). The fourth report published in November 2004 expanded on the number of PRSPs to 53, included 21 PRSP Progress Reports (APRs) and as a first attempt also included a review of 21 PRSCs. In the fifth review (Kishore 2006), a smaller sample of 16 from the existing set of 53 PRSPs was chosen to focus on a specific poverty and environment linkage—environmental health. The review assessed the extent to which environmental health issues and actions designed to tackle them were treated in PRSPs.

In the previous assessment, Africa had constituted the largest sample of Progress Reports and PRSCs (Bojö et al 2004). The number of Progress Reports and PRSCs has grown significantly since then, and an analysis across all countries with a PRSP in place was beyond our means. Because Sub-Saharan Africa is the World Bank’s top priority region, and because we wanted a focus on implementation, a sample of 11 countries was identified in Africa, all of which had at least one APR and at least 2 PRSCs by December 31, 2006.

Of the 11 countries, 5 have moved onto their second PRSPs. The coverage of APRs and PRSCs in this review has extended to a total of 60 documents. This allows us to delve closer into gauging the extent of implementation of PRSPs. The methodology used in this study is consistent with that used in previous reviews which allows comparisons over time.

Each of the PRSPs is assessed according to the 17 variables related to environmental mainstreaming. The variables are grouped under four themes: Issues Identification, Causal Links Assessment, Response Systems and Process. Issues Identification focuses on the diagnosis of priority environmental concerns and opportunities in PRSPs. Causal Links Assessment analyzes multiple poverty-environment linkages. Response Systems covers proposals for environmental management capacity, investments in natural resources and human-made capital, and monitoring of targets and indicators. Finally, Process captures approaches used to promote the inclusion of environmental constituencies and an environmental agenda.

Each variable within the four themes is ranked on a scale of 1 to 3, and an unweighted average is calculated on the basis of these ratings. This average score highlights the extent of environmental mainstreaming achieved in PRSPs.

The APRs and PRSCs are assessed using a reduced version of the 17 variables. As the emphasis of these reports is on “implementation and monitoring” rather than diagnosis and analysis, the six aspects/variables specifically relating to implementation, investments, monitoring, and process are included in the assessment of these reports. Each variable is scored similarly on a scale of 1 to 3, after which unweighted average scores are calculated.

The previous reviews also included a cursory assessment on Joint Staff Assessments (JSAs). These are not included in the current review, since many JSAs for APRs and PRSCs were unavailable for review.

What the Review Covers?

The report is based on an assessment of 16 PRSPs in 11 countries, their 25 corresponding PRSP Implementation Progress Reports and 35 Poverty Reduction Support Credits as seen in Table 1. Of the 11 African countries considered for this assessment, 5 are in their second PRSP cycle¹. Since Africa had the largest sample of PRSP-Implementation Progress Reports and PRSCs in the previous review (Bojö et al 2004), the current review included only those 11 countries from that sample which had at least 1 Implementation Progress Report, and 2 Poverty Reduction Support Credits available for review by December 31, 2006.

PRSPs are drafted in a 3–5 year cycle compared to APRs, which are produced annually. PRSCs encapsulates the annual concessional lending and support that the World Bank offers its client countries to PRSPs. For this reason, the country wide distribution of documents in Table 1 shows a dominance of PRSCs and APRs. This dominance of Implementation Progress Reports and PRSCs in the sample helps establish trends and warrants a greater level of attention to the implementation of

PRSPs for the current scope of the report. Though there may be certain common inclinations in the integration of environment as the progression of PRSP implementation continues, it is instructive to note how each country chalks its own course. Each of these country case studies is discussed in detail in the later chapters.

Table 1. Country-wide Distribution of PRSPs, APRs and PRSCs

S. No.	Country	PRSPs	APRs	PRSCs	Total
1	Benin	1	1	3	5
2	Burkina Faso	2	4	6	12
3	Cape Verde	1	1	2	4
4	Ethiopia	1	2	2	5
5	Ghana	2	2	4	8
6	Madagascar	1	2	3	6
7	Mozambique	2	3	2	7
8	Rwanda	1	2	2	5
9	Senegal	1	2	2	5
10	Tanzania	2	3	4	9
11	Uganda	2	3	5	10
Total		16	25	35	76

PRSP Progress Reports

Annual progress reports on the implementation of PRSPs highlight efforts of transforming stated intentions and identified priorities in the PRSPs into concrete responses or actions. The guidelines on the PRSP Implementation Progress Reports presented by the World Bank and IMF recommend consistency between national decision making and reporting processes and their integration into annual budget and national de-

¹ Initially it was expected that PRSPs would be revised every three years. However many actors have complained that this time frame was too short and that an automatic time frame determined externally is seldom aligned with country programming timetables. Following the first major review of the PRSP approach some flexibility (up to five years) in the periodicity of full PRSPs has been introduced.

development reports (World Bank and IMF 2004a and 2004b).

In the previous review, of the 14 countries that submitted their 21 corresponding Implementation Progress Reports, 8 African countries constituted the largest sample of 15 APRs. The current review includes all these countries and additions based on documents available Dec 31, 2006 with the exception of Mali, Mauritania and Niger. Annex 2 presents a complete list of countries and their implementation progress reports that have been included in the current review.

Poverty Reduction Support Credits

The World Bank's Poverty Reduction Support Credits (PRSCs), introduced in 2001 are lending instruments designed to support countries eligible for International Development Assistance (IDA) in implementing their PRSPs through policy and institutional reforms². PRSCs focus on poverty reduction as the central objective of development assistance, while aiming to enhance country ownership, facilitating partnerships with other institutions, and building on rigorous analytical underpinnings for fiduciary, social, structural, and sectoral reforms. The development of a PRSC starts with the country's own PRSP and involves extensive consultations and donor coordination. PRSCs provide customized support to country development and country-owned reform programs³. They have focused on building government capacity and institutions, particularly those that serve the poor.

The central objective of PRSCs' development assistance in achieving poverty reduction is to provide customized support to country development and country-owned reform programs. Through PRSCs, the World Bank can support key agricultural, infrastructure, energy, power, manufacturing, privatization, trade, health, education, and water reforms while ensuring transparency, budget discipline and improved financial management (World Bank 2003).

A PRSC program usually defines a series of sequential operations, which together enable a

country in implementing its poverty reduction strategy. They are becoming an important vehicle of IDA financial assistance, and the roll out of PRSCs is gaining momentum. Since the last review (Bojö et al. 2004)—which included 21 PRSCs of which 11 were identified from Africa - the Africa portfolio has grown to 35 PRSCs across 11 countries (Annex 3).

Limitations

The current review is a desk review of PRSP documents and has the expected set of limitations of similar reviews⁴. Field-based analysis would add further depth to this analysis, and will hopefully be possible in the future, at least in a few countries.

The scale and scope of issues and interventions identified in these documents need to be viewed with caution, as stated intentions may or may not reflect the real situation. Having said that, the relevance of such PRSP reviews should not be minimized—their strength lies in assisting relevant stakeholders to evaluate if in fact country priorities and poverty-environmental linkages are being given adequate attention in the implementation of poverty reduction strategies.

While the framework for this assessment across countries has been developed to lend transpar-

² See the Operational Memorandum Interim Guidelines for Poverty Reduction Support Credits, May 31, 2001, available at <http://wbln0011.worldbank.org/Institutional/Manual/OpManual.nsf>.

³ The new OP 8.60 on Development Policy Lending (DPL) supersedes the old OD 8.60 on Structural Adjustment. All new DPLs, which encompass Poverty Reduction Support Credits are subject to the same requirements—including the determination of any significant effects on the country's environment, forestry, or other natural resources. The implementation of these requirements will not be discussed here, but is the subject of a separate report by Mani and Sears (2006)

⁴ The World Bank and IMF Reviews on PRSP preparation and implementation are also to a large extent based on the PRSP documents (World Bank and IMF 2002b, 2003, 2004a, 2004b).

ency, subjectivity in assessments can not be ruled out. The aim is not so much scientific precision but in identifying and lending credence to the underlying trends of environmental integration in PRSPs, their Implementation Progress Reports (APRs) and PRSCs.

Another limitation that is shared with preceding previous reviews, is the inability of this study to account for contextual country differences. Country contexts influence the degree of attention given to environmental issues and interventions in PRSPs and their corresponding reports. Hence, the scoring should be seen as a screening device, not as the final judgment on whether or not a particular issue has been adequately treated, given country circumstances.

Finally, the documents reviewed in the PRSP process, do not necessarily complete the entire picture of ongoing World Bank efforts. Other key documents like the Country Environmental Analysis (CEA), Strategic Environmental Assessments (SEAs) and the Country Assistance Strategy (CAS), are necessary to obtain a more comprehensive perspective of the World Bank's involvement in a country as well as understand the PRSP implementation process within a larger context. This complete picture must also include the entire country program, and what other donors are contributing to relevant domestic efforts. However, this remains outside the scope of the current review. The current review needs to be seen as supporting and complementing country level analyses.

2

Framework for Assessment

This chapter discusses in greater detail the methodology used in analyzing the integration of environmental concerns across PRSPs, PRSP Implementation Progress Reports, and PRSCs. The assessment framework used in this report is built on the previous work on mainstreaming the environment in PRSPs (Bojö and Reddy 2002, 2003a); aligning the environmental priorities of poverty reduction strategies with the Millennium Development Goal on Environmental Sustainability (Bojö and Reddy 2003a); mainstreaming the environment in the Country Assistance Strategies (Ekbohm & Bojö 1997; Shyamsundar and Hamilton 2000; Kishore and Shyamsundar 2004; Kishore 2005); and on the Guidelines for the Joint Staff Assessment of PRSPs (World Bank 2000).

Poverty Reduction Strategy Papers

For the review of PRSPs, ratings have been assigned across 17 variables under four thematic groups to assess environmental integration: (1) diagnosis of environmental issues, (2) analysis of poverty-environment linkages, (3) environmentally relevant actions and responses, and (4) the extent to which participation and consultation processes have allowed environmental concerns to be included in these strategies. These 17 variables are discussed later in the chapter.

PRPS Progress Reports

Progress Reports are assessed with respect to the response systems and actions identified in the re-

ports. As in the previous review, this assessment includes also the process variable. This variable is included to reflect a transparent participatory mechanism through which environmental constituents are able to voice and include their priorities and concerns. Although it may be difficult to assess the extent of implementation from the report without a more thorough country-specific study, the report provides insights into the level of commitment on the part of the government and other agencies, and reflects the progress that has been made to date.

Poverty Reduction Support Credits

Environmental mainstreaming in PRSCs is based on a similar approach used for APRs. In brief, only the variables associated with specific actions (response system) and process were included. The response systems criteria included environmental management capacity, investment in natural capital, investment in human capital, monitoring natural resource outcomes, and monitoring human resource outcomes. The process variable in the context of PRSCs captures a different audience compared to APRs and PRSPs by paying specific attention to donor participation, in addition to participation by government environment and natural resources agencies, and NGO involvement.

Scoring

Assessing the 5 new PRSPs (Burkina Faso, Ghana, Mozambique, Tanzania and Uganda) across

17 variables, and 25 APRs and 35 PRSCs across 6 variables is not practical unless qualitative judgments are formalized and simplified. The variables discussed below are scored with respect to each country's documents. A score in the range of 0 to 3 is used depending on the treatment of relevant issues:

- 0 = no mention
- 1 = mentioned but not elaborated
- 2 = elaborated
- 3 = good practice

The first three scores are related directly to the level of attention given, while the top score implies a judgment of the quality of the text. This is obviously a subjective interpretation, and one that we have tried to illustrate in the sequel by quoting and referring to such "good practice" cases. Conceptually, it involves a treatment that is (a) substantive, containing hard data of significance; and (b) displays a reasoning that is compelling (Table 2). The interpretation of these concepts will vary somewhat depending on what area of scoring we are concerned with. In the case of an issue, a good practice case needs to exhibit such data and reasoning as to place the issue solidly on the poverty reduction agenda for that country. In a links-analysis case, the relationship between the variables (e.g. lack of safe drinking water and various health indicators) needs to be presented convincingly. In a good practice case of a response, the specific measures need to be defined, the costs estimated, the institutional responsibility defined, and a timeline given. For the process variable, one would look for a full description of what stakeholder groups were involved, the format and frequency of meetings, the main issues raised, and their follow-up in the PRSP.

Though not intended to be scientifically precise, this scoring method is a practical way to condense considerable information into numbers that have a clear interpretation. The unweighted average scores are presented in the results section. We considered applying explicit weights to different variables, but this would have made the scoring process less transparent.⁵ Implicitly, the assignment of the number of variables to each theme introduces weighting.

Any assessment, including scoring, involves subjective judgments. In this format, subjectivity is transparent and consistent across countries. We do not encourage attention to small differentials in scores between countries. The assessment process enables us to succinctly present quantitative information to complement the qualitative analyses undertaken by the Country Teams and the PREM Network within the Bank, as well as by external donors and NGOs. An overview of the aspects incorporated in the scoring format is presented in the following sections; the scoring format used is summarized in Annex 1.

Thematic Components of Mainstreaming

The format for assessing environmental priorities in full PRSPs is grouped into four major themes:

- Issues. A description of specific concerns and opportunities relating to the environment.
- Causal links. An analysis of multiple poverty-environment linkages.

⁵ We share our entire scoring sheet, not only the average score, on request.

Table 2: Defining Good Practice

Issues	Causal Links Assessment	Response Systems	Process
Substantial discussion on and prioritization of the underlying environmental problems	In-depth analysis and of dynamic and evolving relationship between poverty and environment including land tenure, gender, empowerment, macroeconomic distortions etc.	Assessment of appropriate regulatory and effective institutional responses, a clear identification of budgeted interventions which are identified across monitorable targets and indicators	Significant attention to participatory processes and inclusion of environmental constituencies

- Responses. An outline of proposals relating to environmental management, investments in natural and human-made capital, monitoring, and evaluation.
- Process. Approaches used to promote the inclusion of environmental constituencies and the environmental agenda.

Issues

Priority environmental issues in developing countries vary significantly based on their resource base, problems, and opportunities. Not all countries are expected to devote the same level of attention to all issues. There are four sub-themes considered:

Land use. Issues relating to soil and sub-soil resources, including mining, erosion, desertification, waterlogging, salinization, nutrient depletion, and overgrazing; and aboveground resources, including deforestation and the degradation of forests and woodlands.

Water. Issues relating to the quantity and quality of water supply for human consumption, irrigation and other uses; water pollution; coastal zone and marine aspects; climate variance; and droughts and floods.

Air and climate. Issues relating to indoor and outdoor pollution—including lead, particulate matter, sulfur, nitrogen oxides, and emissions of greenhouse gases—from domestic energy use, industrial processes, and transport systems.

Biodiversity. Issues relating to the degradation of ecosystems, threats to species or genetic resources, and opportunities for sustainable use.

Causal links

Diagnosing a country's environmental issues provides the foundation for a causal analysis. In such an analysis, two important questions need to be

answered. First, is poverty contributing to environmental degradation. Second, is environmental degradation hurting the poor? In this context, we look at seven key linkages to assess the performance of PRSPs:

Natural resource degradation and poverty. Most poverty is still rural (World Bank, 2002b), and most rural people are directly dependent on the use of natural resources to secure a livelihood. Many derive a significant part of their income directly from non-cultivated resources (Vedeld and others 2004). The linkage between poverty and the quality of soils, vegetation, and water resources is critical.

Environmental health. Up to one-fifth of the total burden of disease in the developing world, and close to a third in Sub-Saharan Africa, may be associated with environmental risk factors (Lvovsky 2001). PRSP analysis of how indoor and outdoor pollution, provision of water supply and sanitation, and the housing environment are linked to health outcomes and the burden of disease can be valuable in preparing cost-effective interventions.

Vulnerability. Globally, natural hazards claim about 100,000 lives per year, most of them in developing countries (DFID and others 2002). Analysis of how climate variability and natural disasters such as droughts, floods, earthquakes, and hurricanes impact the poor is valuable for implementing mitigation and adaptation strategies.

Property rights. An analysis of how natural resources are "owned" and how tenure regimes impact their utilization can be of significant value. Unequal land ownership and insecure tenure can force the poor to cultivate marginal environments, and may deter long-term investments (Feder 1987; Heath & Binswanger 1996).

Incentives. Policies relating to pricing, subsidies, taxes, restrictive trade practices, and the exchange rate can significantly influence the use of natural resources and the emission of pollutants into the environment. Gasoline and diesel fuel sales benefited from about \$18 billion in subsidies in 1999, and irrigation from \$10–\$15 billion (IMF, UNEP, and World Bank 2002).

Empowerment. “Empowerment is the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable institutions that affect their lives” (World Bank 2002a, p. vi). In this context, empowerment concerns the degree to which the poor control decisionmaking regarding a country’s resources and environment. While this point is closely related to property rights, it is more concerned with the level of participation and rules of collective decision making about the environment than about legal title.

Gender and environment. This link draws attention to gender-related policies such as the extent to which women have a voice in the management of communal resources, and whether they have the right to secure tenure. Women and girls are particularly burdened by the degradation of the environment; for example, shortages of fuel wood and water often mean that women must travel longer distances and spend more time searching for these resources (OECD 2001).

Response systems

To be meaningful, the discussion on issues and an analysis of causal links must be followed by a set of actions. These are grouped into five categories.

Environmental management capacity. Environmental management capacity is assessed in terms of actions concerning legislation, regulation, environmental

standards, data and information systems, institutional capacity, enforcement capability, and the use of economic instruments such as user fees, effluent/emission charges, and green taxes (World Bank and IMF 2002a).

Investment in natural capital. The proposed programs for natural resource management indicate the government’s priorities and its commitment to improve natural resource productivity. Examples include programs supporting the sustainable management or restoration of soils, forests, woodlands, wetlands, coral reefs, fisheries, and management of protected areas.

Investment in human-made capital. Programs relating to slum improvement, water supply, sanitation, energy efficiency, waste management, air and water pollution, and urban and rural infrastructure investments aimed at environmental improvements indicate the government’s commitment in these areas.

Monitoring natural resource outcomes. Indicators are important components of the PRSP monitoring process. In this context, targets and indicators for natural resource management—including land use and soil conservation, such as trends in productivity or the rate of rehabilitation of degraded lands; forest resources, such as the annual rate of deforestation; area protected, such as the percent of land or sea area protected; water stress or scarcity, such as per capita availability in cubic meters; and energy, such as dependence on traditional energy and the shift to renewable energy—provide the relevant information⁶.

⁶ For detailed discussion on environmental indicators, see Shyamsundar (2002).

Monitoring human resource outcomes. Indicators that measure human resource outcomes such as health are important. Examples include infant mortality and morbidity, such as the infectious and respiratory disease burden attributable to indoor pollution; access to safe water, such as the percent of the population with access to safe water in rural/urban areas; sanitation, such as the percent of population and poor households covered; and housing standards, such as crowding (floor area/person).

Process

The description of the process employed in the preparation and implementation of a PRSP is part of the assessment. Process issues are relevant for all aspects of the PRSP, but they are considered in this assessment because an inclusive and par-

ticipatory process is required for identifying and addressing the concerns of environmental health, natural resource degradation, vulnerability to natural disasters, and for undertaking environmental investments and monitoring their progress.

It is not possible here to evaluate the quality of consultation other than through its expression in the PRSP, APRs and PRSCs. Critics have argued that “participatory” events are sometimes designed as top-down events, leaving little room for upward feedback. It has also been argued that consultations often result in the focus of immediate priorities to the detriment of long-term ones, such as those relating to the environment. This may be true in some cases, but the lack of inclusion of environmental concerns or actions is then reflected in low ratings under those categories. It should also be recognized that even good faith consultations sometimes fail to produce a consensus.

3

Implementation of Environmental Priorities

This section presents the main results for environmental mainstreaming in PRSPs, APRs, and PRSCs in 11 countries. Given the large number of documents reviewed, the focus is kept on key findings only. The interested reader is referred to the World Bank's internal or external websites, which both contain the full text of the documents reviewed.

From the previous reviews, it is evident that environmental mainstreaming improves significantly as the reports evolve from Interim to Full PRSPs. The average score across the sample for environmental mainstreaming illustrated a huge jump from 0.9 in 2002 to 1.3 in 2003 and 1.5 in 2004. Despite an improving average, there exists a large variation in average scores across sample countries. In these past reviews, several countries are identified as good practice cases across the four themes that were assessed—Issues Identification, Causal Links Assessment, Response Systems and Process.

A larger sample of APRs and PRSCs was included for assessment as a part of the previous review (Bojō et al 2004). The average mainstreaming score for APRs was 1.4 which is close to the average score of the entire set of PRSPs (1.5) in that sample. When comparing progress reports with PRSPs, we found a very weak yet positive correlation between them. PRSCs illustrate a high variability in scores ranging from 0.7 to 2.7, with an average of 1.3 for the sample. In general higher scores (defined in this case by 1.3–2.7), were usu-

ally associated with Sectoral Adjustment Credits (SECACs) although with several exceptions.

Average country scores

Table 3 reports results on the integration of environment in PRSPs for 11 countries. In five cases, a country moved to its second full PRSP within the review period. All of them are full PRSPs, as opposed to interim PRSPs, which formed most of the first batch of documents. While our aim is to focus on the most mature expression of the PRSP process, results from the five superseded PRSPs are used in the comparison below on the evolution of scores from PRSP I to PRSP II. While the sample size is small for PRSP II, the average scores between the sets of PRSP I and PRSP II remain the same (1.7). Comparing only the 5 with two PRSPs, the average score improved slightly from 1.6. This results from the fact that Uganda and Tanzania illustrate a marked improvement in environmental mainstreaming in their second PRSPs; Ghana, Mozambique and Burkina Faso show a marginal decline in average scores in their second cycle of PRSPs.

What has changed in the second PRSP cycle?

PRSPs moving into their second cycle have the advantage of building on progress made over preceding years, aligning a set of new priorities based on achievements accrued from the implementation of PRSP I and redefining the scope of their interventions by drawing on past lessons learnt.

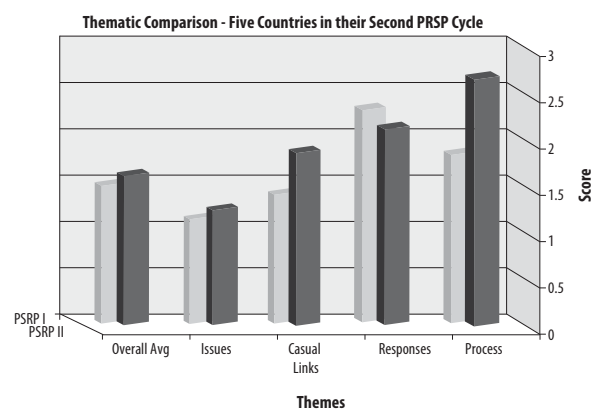
Table 3. Evolving environmental mainstreaming in 11 countries

S. No.	Country	Region	Overall Score PRSP I	Overall Score PRSP II
5	Ghana	Africa	2.2	1.9
7	Mozambique	Africa	2.2	1.8
3	Cape Verde	Africa	1.9	
6	Madagascar	Africa	1.8	
2	Burkina Faso	Africa	1.7	1.6
8	Rwanda	Africa	1.7	
9	Senegal	Africa	1.7	
4	Ethiopia	Africa	1.6	
1	Benin	Africa	1.5	
11	Uganda	Africa	1.1	1.7
10	Tanzania	Africa	0.9	1.6
		Average	1.7	1.7

Looking at the cluster of 5 countries in Africa which have moved into their second cycle, this assumption holds some credence as causal links assessment (1.8) and the process variable (2.6) illustrate a big leap in average scores (Figure 1). The score for response systems have declined in the second PRSP cycle.

While, the second generation Ghana PRSP builds on the main priorities identified in PRSP I, the attention to time bound, budgeted and monitorable interventions identified in the second cycle is less rigorous compared to PRSP I. This could very well be influenced by the premise of limiting duplication of information given that on-going interventions in Ghana are annually tracked under APRs with steadily improving scores - the Ghana APR drafted earlier the same year as PRSP II in 2005 sustains a high score across response systems compared to PRSP II (Figure 9 ahead in the Chapter). This trend is also illustrated by Mozambique (Figure 11 ahead in the Chapter) and Burkina Faso (Figure 6 ahead in the Chapter). While Uganda's response system score remains the same across its two PRSPs, Tanzania illustrates a marked improved in response systems across PRSP II compared to its very low ranking predecessor. These results provide some peripheral insights into the shifts across particular aspects of the PRSP and definitely warrant further investigation.

Available data from World Development Indicators 2005 (World Bank 2005) shows that most African countries have a high level of rural population dependence on natural resources for their livelihood; high levels of traditional fuel usage; low levels of access to safe water and adequate sanitation; and high infant mortality. Low ratings on the variables identified under the theme Causal Links Assessment in past reviews have indicated that there is a need for strengthening the analysis of poverty and environment linkages. This result is supported also in a review of the World Bank's Country Assistance Strategies (CASs), where poverty-environment links are weak (Kishore 2005; Kishore and Shyamsundar 2004).

Figure 1. Differences in PRSP I and PRSP II

The average score for Process in the sample for PRSP II (2.6) compared to 1.8 for the PRSP I sample provides additional credibility to the assumption that a higher level of stakeholder involvement and participation may be reflected in the second cycle of the PRSP process. Following harsh criticism in its participation process, an overarching review process leading to the formulation of the second cycle of the PRSP process was launched by the Government of Tanzania in late 2003 to support participation by international NGOs, civil society organizations, private sector, development partners and donors, and smaller local NGOs in identifying cross-cutting issues that strengthen the pro-poor focus of the PRSP (Government of Tanzania 2003). With regard to the levels of operationalization, Uganda and Tanzania are being regarded as good practice cases for participation in public expenditure reviews supporting sectoral allocations and public expenditure tracking systems during the implementation of the PRSP (Schnell 2003). Community participation in project implementation and service delivery (for example, in water supply and irrigation projects) is identified as critical in the Uganda and Tanzania PRSP II thus boosting their scores for the theme Process.

The implementation of environmental priorities

How a PRSP is implemented is critical. The PRSP Progress Reports and the PRSCs are beginning to tell us a story in that regard. It is therefore of particular interest to see if there is a correlation between the ratings of a PRSP and these subsequent documents.

In Table 4, the average score for the progress reports (1.7) lags behind the overall PRSP response score (2.2). However, the integration of environment in the implementation of PRSPs as illustrated in the APRs with a score of 1.7 over the previous review (1.4) is a definite improvement. Ghana, Madagascar, Mozambique and Rwanda illustrate a steady increase in mainstreaming efforts in their Progress reports. Despite this overall improvement, there is considerable variation within the sample (0.7–2.8).

In undertaking a correlation analysis from the scatter plot (Figure 2) between the PRSP responses and the PRSP-APRs scores, we find a positive and statistically significant correlation (0.11). This suggests that APRs will invariably encapsulate a stronger level of environmental integration if the underlying PRSP mainstreaming is strong.

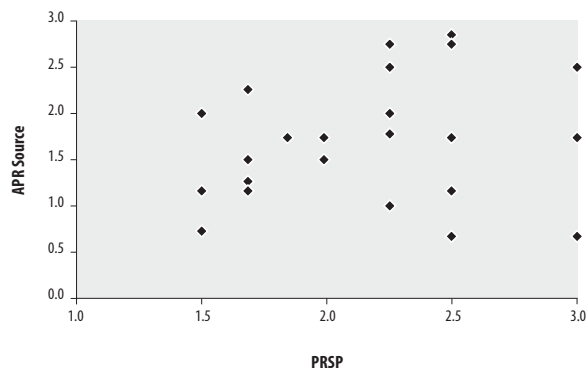
Poverty Reduction Support Credits

There is considerable variability in the environmental mainstreaming score across the 35 PRSCs ranging from a marginal attention (0.7) to consis-

Table 4. Implementation progress on the PRSP proposals

S. No.		PRSP Response	APR Score
1.	Ghana APR II	2.5	2.8
2.	Ghana APR I	2.5	2.7
3.	Madagascar APR I	2.2	2.7
4.	Madagascar APR II	2.2	2.5
5.	Mozambique APR III	3.0	2.5
6.	Rwanda APR I	1.7	2.3
7.	Rwanda APR II	1.7	2.3
8.	Burkina Faso APR IV	2.2	2.0
9.	Tanzania APR III	1.5	2.0
10.	Senegal APR II	2.2	1.8
11.	Benin APR I	1.8	1.7
12.	Burkina Faso APR III	2.5	1.7
13.	Cape Verde PRSP- PR I	2.5	1.7
14.	Ethiopia APR II	2.0	1.7
15.	Mozambique APR II	3.0	1.7
16.	Ethiopia APR I	2.0	1.5
17.	Uganda APR III	1.7	1.5
18.	Uganda APR II	1.7	1.3
19.	Burkina Faso APR II	2.5	1.2
20.	Tanzania APR II	1.5	1.2
21.	Uganda APR I	1.7	1.2
22.	Senegal APR I	2.2	1.0
23.	Tanzania APR I	1.5	0.8
24.	Burkina Faso APR I	2.5	0.7
25.	Mozambique APR I	3.0	0.7
	Average	2.2	1.7

Figure 2. Environment scores in the context of PRSP implementation



tent mainstreaming across the themes Response System and Process (2.7). The average score across the sample of 35 PRSCs is 1.8 (Table 5), which illustrates a marked improvement over the previous review of PRSCs (1.3). While the sample shows a high variability in the attention that environment receives in PRSCs, the fact that 13 PRSCs rank higher than 2.2 is noteworthy.

On comparing PRSCs that correspond to the first round of PRSPs, the correlation is negative and statistically significant until PRSCs mature to respond positively to second generation PRSPs. However, the positive correlation between PRSCs and second generation PRSPs is not statistically significant (Figure 3). This provides some credence that during the formative years of PRSP implementation, focus remains on macroeconomic and fiscal reforms, followed by sectoral emphasis on education and health, until the process matures to include cross-sectoral priorities including environmental mainstreaming.

Similarly, as seen in Figure 4, while comparing World Bank’s concessional lending to the implementation of PRSPs, our analysis highlights a positive correlation (.24). However, this correlation is not statistically significant. This illustrates that PRSCs can be better aligned to support environmental mainstreaming across PRSP implementation through APRs and vice versa. The concept of “poverty-reducing expenditures” in countries has emerged from the HIPC expenditure-tracking exercises. These expenditures demonstrate

Table 5. Implementation progress on the PRSCs

S. No.	Country	Overall PRSC Score
1.	Benin PRSC II	2.7
2.	Benin PRSC III	2.7
3.	Ghana PRSC IV	2.7
4.	Benin PRSC I	2.5
5.	Burkina Faso PRSC VI	2.5
6.	Uganda PRSC V	2.5
7.	Burkina Faso PRSC V	2.3
8.	Madagascar PRSC I	2.3
9.	Madagascar PRSC II	2.3
10.	Uganda PRSC IV	2.3
11.	Ghana PRSC III	2.2
12.	Madagascar PRSC III	2.2
13.	Rwanda PRSC II	2.2
14.	Burkina Faso PRSC I	2.0
15.	Mozambique PRSC I	2.0
16.	Burkina Faso PRSC II	1.8
17.	Burkina Faso PRSC IV	1.8
18.	Mozambique PRSC II	1.8
19.	Uganda PRSC III	1.8
20.	Rwanda PRSC I	1.7
21.	Tanzania PRSC IV	1.7
22.	Ethiopia PRSC II	1.5
23.	Tanzania PRSC III	1.5
24.	Uganda PRSC II	1.5
25.	Burkina Faso PRSC III	1.3
26.	Ghana PRSC II	1.3
27.	Uganda PRSC I	1.3
28.	Ethiopia PRSC I	1.2
29.	Tanzania PRSC II	1.2
30.	Cape Verde PRSC II	1.0
31.	Senegal PRSC II	0.8
32.	Tanzania PRSC I	0.8
33.	Cape Verde PRSC I	0.7
34.	Ghana PRSC I	0.7
35.	Senegal PRSC I	0.7
Average		1.8

greater budget alignment with the goal of poverty reduction (World Bank 2004).

Figure 3. Environment scores in the context of Bank's support through PRSCs to PRSPs I and PRSP II

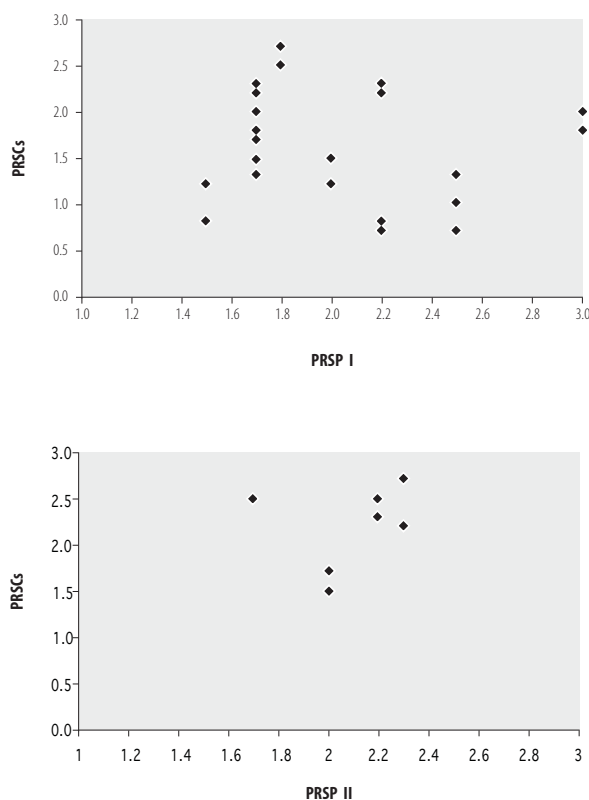
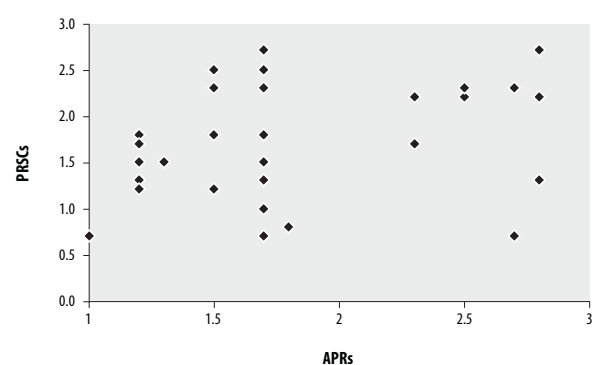


Figure 4. Environment scores in the context of Bank's support through PRSCs to PRSP implementation (APRs)



country which illustrates a weaker integration in environmental mainstreaming across both its most recent APR and PRSC.

Progression in scores of PRSP, APRs and PRSCs do not consistently move in the same direction. The very “low-rated” Mozambique APRI (refer to figure 11) identifies a scarcity of resources, both financial and human (qualified technical capacity across the different regions in the country), and limited experience in budgetary execution at the provincial levels as constraints to meeting

To illustrate the inconsistency between APRs and PRSCs, an example is that Benin PRSCs foster support to sustainable forest management by introducing higher stumpage fees and forestry taxes that would reflect the actual value of timber and fuelwood in Benin. While forestry sector reform features central in the PRSC, its progress is neither highlighted nor discussed in the Benin APR 2004.

Table 6 highlights the relative improvement in average scores across the most recent and initial APR and PRSC across the 11 countries. A positive score suggests a country’s constructive and affirmative commitment towards environmental mainstreaming over its earliest APR and PRSC. This further insight regarding the implementation status suggests that 9 of 11 countries exemplify a leap over the earliest APR and PRSC in the inclusion of environment. Madagascar is the only

Table 6. Relative Improvement in APRs and PRSCs

	Country	APR	PRSC
1	Benin	1.7	0.2
2	Burkina Faso	1.3	1.8
3	Cape Verde	1.7	0.3
4	Ethiopia	0.2	0.3
5	Ghana	0.1	2.0
6	Madagascar	-0.2	-0.1
7	Mozambique	1.8	-0.2
8	Rwanda	0.0	0.5
9	Senegal	0.8	0.1
10	Tanzania	1.2	0.9
11	Uganda	0.3	1.2

PRSP objectives and poverty reduction targets geared towards “highly-rated” environmental outcomes.

Evolving Progression: Country-Specific PRSP Processes

While a PRSP process is expected to evolve in a customized and country specific context, in this review we seek to identify if a natural maturation pattern exists in the progression of environmental mainstreaming in PRSP implementation across these 11 countries: Benin, Burkina Faso, Cape Verde, Ethiopia, Ghana, Madagascar, Mozambique, Rwanda, Senegal, Tanzania and Uganda.

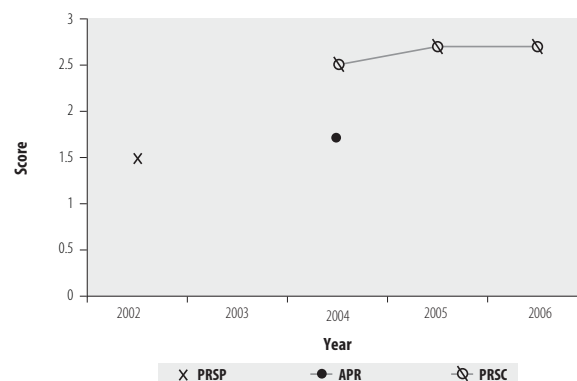
For each of the 11 countries, an implementation schema has been plotted. These diagrams illustrate how the environmental mainstreaming scores are progressing across the PRSP’s medium-term implementation time-horizon. In several country cases, the data-points may be very sparse (only 4—with the minimal requirement set for this study: 1 PRSP, 1 APR and 2 PRSCs), however our intention is to assess if certain common underlying trends evolve as the PRSP implementation progresses.

Benin PRSP implementation

The PRSP ranks 1.5 on a scale of 1–3, and illustrates a moderately mainstreamed document. The Progress Report receives a score of 1.7, which is just barely over the PRSP score (Figure 5). The support provided by the PRSCs to the PRSP implementation process illustrates a strong commitment to environmental integration with scores from 2.5 to 2.7. While the APR highlights measures undertaken in three main sectors: water supply, sanitation and energy, the progress made on the implementation of the PRSCs is not captured for forestry in the Progress Report. While Progress Reports and PRSCs may not be consistent in their reporting across sectors, a scope for stronger alignment of PRSC lending to PRSP implementation (and vice versa) is possible.

The focus of the PRSCs continues on rural water, health and urban sanitation, and forest manage-

Figure 5. Benin PRSP implementation

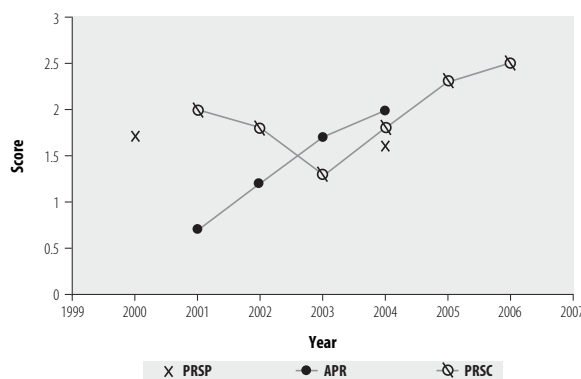


ment. The progress made on PRSCI is followed through in PRSC II and PRSC III. The strategies focus on rural water supply and sanitation sector reforms; re-enforcement of environmental management tools, including environmental impact assessment; adoption of a new urban sanitation strategy and increasing investments to address urban sanitation and urban air pollution. With regard to forestry, the PRSCs are continuing support on participatory management of forests and adjacent lands. Given the focus of the lending program on environmental mainstreaming, the Benin PRSCs score relatively high than most other countries.

Burkina Faso PRSP Implementation

The 2 PRSPs, 4 Annual Progress Reports and the 6 PRSCs illustrate a definite maturation of the PRSP process. Burkina Faso’s PRSP II shows a marginal decline in environmental mainstreaming compared to its earlier PRSP. However, the improving Progress Report scores (0.7 to 2.0) focus steadily on investments in natural resources capital including sustainable land management, integrated soil fertility improvements, upgrading of pastoral lands, and national land management.

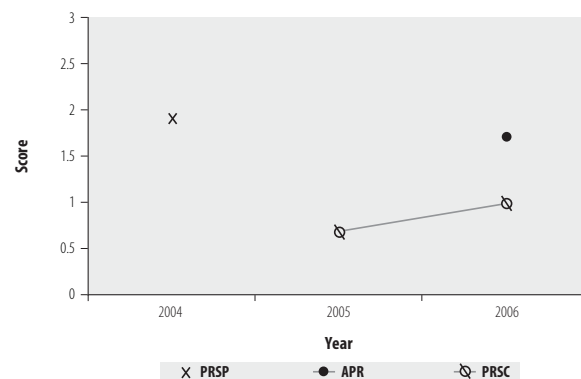
PRSCs I–VI all focus on environmental mainstreaming but to varying degrees. While continuing to strengthen environmental management capacity in their support of the PRSP, as PRSCs progressed from I to III, the implementation of key reforms became more inclined towards improving

Figure 6. Burkina Faso PRSP Implementation

the management of public resources, civil service reforms, strengthening basic service delivery in the social sectors-health and education, and raising rural incomes by liberalizing the cotton sector. This led to a decline in the score of PRSCs from I to III (Figure 6). As the next set of PRSC operations (IV–VI) were implemented, environmental mainstreaming components were expanded to include energy reforms and electrification, water infrastructure for agricultural diversification, strengthening environmental impact assessments capacities, and improving access to water and sanitation. Each of these interventions was clearly aligned with performance indicators leading the PRSC operations to illustrate higher integration of environmental concerns (1.8 to 2.5).

Cape Verde PRSP Implementation

With a score of 1.9, the Cape Verde PRSP illustrates a moderately mainstreamed PRSP (Figure 7). It provides a strong analytical backdrop to poverty-environmental linkages, and sets forth responses to strengthen environmental management capacity by linking them to specific sectoral plans. Investments are directed towards agricultural diversification with a focus on soil conservation, improving irrigation and sound natural resources management practices. With regard to investments in human-made capital, the PRSP identifies electrification, urban planning, water supply and sanitation as key priority areas. The Annual Progress Report, while brief, responds adequately to the PRSP by highlighting strategic

Figure 7. Cape Verde PRSP Implementation

investments in the key sectors identified in the PRSP.

In response to the PRSP, corresponding PRSCs I and II support effectiveness and transparency of the national budget process by promoting public expenditure management, civil service reforms and decentralization; developing human capital with a focus on health and education investments and finally, strengthening the sustainability of social protection systems. Environmental mainstreaming across these reforms has been limited under the PRSCs as illustrated by low scores across the two PRSCs. Under the scope of promoting good governance, the Ministry of Environment, Agriculture and Fisheries has recently adopted the preliminary sectoral medium term expenditure framework.

Ethiopia PRSP Implementation

Ethiopia's progress on the implementation of the PRSP illustrates a score of 1.5 across the 6 points that are assessed, but advances in the APR II to 1.7. These scores are closely in line with the PRSP which scores 1.6 (Figure 8). The Ethiopia Annual Progress Report ties its environmental priorities to agriculture in response to food insecurity and vulnerability to natural disasters (in the form of severe droughts) is identified as a critical issue in the PRSP. In addition, APR II also highlights the three environmental proclamations relating to the Environmental Protection Agency and emphasizes the importance of agro-processing, land tenure, an

urban management plan focusing on water supply and sanitation, emergency response systems to disaster preparedness and mitigation, as responses to PRSP priorities. Despite these initiatives, mechanisms for monitoring and evaluating environmental programs especially related to natural resources capital are lacking in the progress reports.

The PRSC operations focus on public expenditure, governance and decentralization, health and education, and in reducing vulnerability. While the outcomes achieved under PRSC I are limited in scope with regard to the environment (1.2), moving into PRSC II (which is being disbursed as a grant), environmental mainstreaming is captured through institutional reforms leading to a merger between Ethiopia's Environmental Protection Agency and Public Enterprise Supervising Authority against the finalization of the recent Privatization Action Plan; investments in the horticulture sector under private sector development initiatives; issuance of the rural land proclamations leading to land tenure security; the finalization of a fertilizer plan to support the PRSP's overarching goal of ensuring food security; and finally, adopting a revised urban land lease to regularize informal settlements in major cities.

Ghana PRSP Implementation

The review of the PRSP process in Ghana illustrates that it is maturing given the progressively

improving environmental mainstreaming scores across the two progress reports and four PRSCs. However its most recent PRSP II scores slightly lower than PRSP I.

An issue noteworthy in this review for Ghana has been that progress under each sector is marked by clearly defined indicators leading to medium term targets. Also, investments are identified under HIPC concessional lending, support credits and multi-donor budget support.

The overall follow-up on stated intentions of PRSP I with proposed actions on environmental mainstreaming in subsequent PRSCs and Progress Reports is noteworthy in the Ghana PRSP Process as illustrated by increasing score of APRs. It reinforces the basis for encouraging country owned strategies for pro-poor development. The gamut of environmental mainstreaming activities as highlighted in the review, however, ranges across sectors.

Given the significant player that agriculture is to poverty alleviation, the most recent PRSP II and the progress on the implementation of PRSP I illustrate environmental mainstreaming in the agricultural sector strategy. Investments in the agricultural sector (following the implementation of PRSP I), have been tied to increasing the irrigation potential and strengthening land reforms in Ghana. Despite improvements in access to water supply from 2001–2005 (41 percent to 52 per-

Figure 8. Ethiopia PRSP Implementation

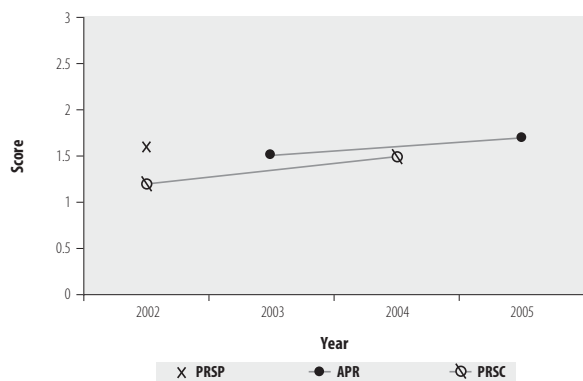
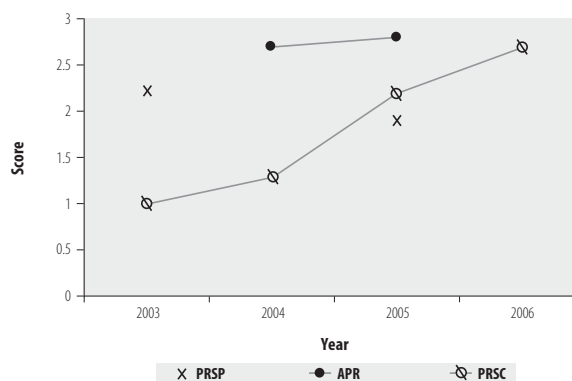


Figure 9. Ghana PRSP Implementation



cent), access to safe water and sanitation has been identified as crucial throughout the PRSP process against the increasing incidence of guinea worm and rising infant mortality rates.

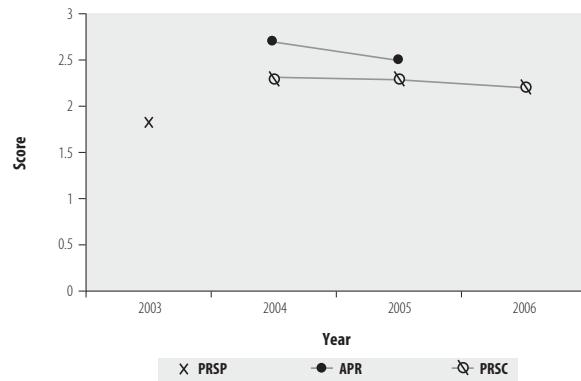
Although the PRSP score declined in its second stage to 1.9, the PRSC scores have shown major improvement (1.0 to 2.8) as earlier PRSCs moved beyond the country's macroeconomic priorities of strengthening public expenditure and institutional performance (Figure 9). After initializing sectoral investments in health and education, the evolving Ghana PRSC process highlights a strong commitment towards investments in forestry, strengthening natural resources management and improving water supply and sanitation.

Madagascar PRSP Implementation

Madagascar PRSP process consistently performs well in integrating environment in its Progress Reports and PRSCs (Figure 8). The APRs also stands out as a best practice in providing a detailed description of the various environmental policies and plans that have been identified and implemented with a medium and long term focus. These range from ecotourism development, fisheries protection and their sustainable management, mining with a strict environment replenishment and conservation program, disaster management, a new forest policy, renewable energy development in rural areas and provision of water supply and sanitation facilities in both rural and urban areas. Despite a thorough and exhaustive discussion in APRs, the slight slide in score (from 2.7–2.5) is attributable to the fact that actual investments in natural capital and human resources capital do not seem as ambitious on account of budgetary allocations made in the medium term expenditure review where environment forms only a small part of rural development plans (Figure 10).

The PRSC program for the first three PRSCs focuses explicitly on the strategic axes of governance and human development. Under governance, the PRSC program includes public financial management, budget support and execution, decentralization strategy, and investments sup-

Figure 10. Madagascar PRSP Implementation



porting human development include health, education, water and social protection. Environment is mainstreamed through the operationalization of the decentralization strategy, and an active on-going policy dialogue under the PRSC program supporting Madagascar's third PRSP pillar on broad based growth which includes fisheries, mining, and rural development. A Public Expenditure Review (PER) which provides specific recommendations for the environment sector is a key achievement for the Madagascar PRSC.

Mozambique PRSP Implementation

The PRSP process in Mozambique shows a strong level of environmental integration and coordination across its three progress report, two PRSCs and the recent PRSP II. In the recent PRSP II, environment is mainstreamed across all major sectors in Mozambique: agriculture, health, water, energy, fisheries, and mining. In addition, PRSP II extensively discusses the strong environmental health link resulting from a lack of safe water and poor sanitation. Interestingly, this link in PRSP II is clearly addressed across education, health and water infrastructure. In addition, PRSP II, like its predecessor, underscores the importance of early warning systems, and disaster preparedness against natural disasters like floods and droughts. Responses to flood control and prevention in PRSP II are clubbed again under the ambit of water infrastructure development. Despite a strong level of environmental integration across sectoral plans, a discussion of

the underlying diagnostic environmental issues is lacking in PRSP II which results in its lower average score (Figure 11).

The Implementation Reports continue to build on progress regarding the actions taken on access to land, water, and sanitation; they highlight the measures implemented to guarantee land access rights and reduce food vulnerability; describe the actions implemented for flood control, and improvements to rural and urban water supply and sanitation infrastructure. This leads to progressively increasing scores in APRs. Under PRSC I, the Government is responsible for undertaking an impact assessment with the objective of identifying linkages between key macroeconomic and structural reforms policies and the environment in an effort to mainstream the environmental sustainability into the subsequent PRSC process. The implementation of natural resources management plans across several communities are being implemented under PRSC I and II. PRSC II also focuses on establishing operational and monitoring systems for agriculture and land productivity. Details regarding these plans are minimal in PRSC II. This invariably impacts the score for PRSC II (Figure 11). Water supply and sanitation programs are expected to be implemented under PRSC III.

Rwanda PRSP Implementation

Rwanda PRSP highlights a moderate level of environmental mainstreaming with a score of 1.7

across the 17 variables that were reviewed. A noteworthy aspect of the PRSP was the detailed discussion on the gender differential and discriminatory rights to the access and use of resources. The progress on the PRSP implementation suggests a keen commitment on investments in natural resources capital and human resource capital including a complete review of existing forestry legislation, update on soil and water resources management, promoting the use of manure and/or chemical fertilizers for increasing agricultural productivity, management of water supply systems and implementation of sanitation programs, and rural electrification including fuel substitution programs.

For Rwanda the second operation of the PRSC program, is being implemented as a Poverty Reduction Support Grant (PRSG). PRSG II builds on the progress underway from PRSC I. In addition to creating a climate that promotes macroeconomic stability and a favorable private sector investment climate, the PRSG focuses on improving the coverage of service delivery through improved expenditure efficiency, and expands the mandate of PRSC I from health and education to include access to water supply and sanitation. Prepared in consultation with districts and provinces, a Strategic Plan for Agricultural Transformation (PSTA) remains a key milestone under the PRSG process which guarantees progress on the implementation of land reforms (a critical and sensitive issue for Rwanda), establishment of Rwanda

Figure 11. Mozambique PRSP Implementation

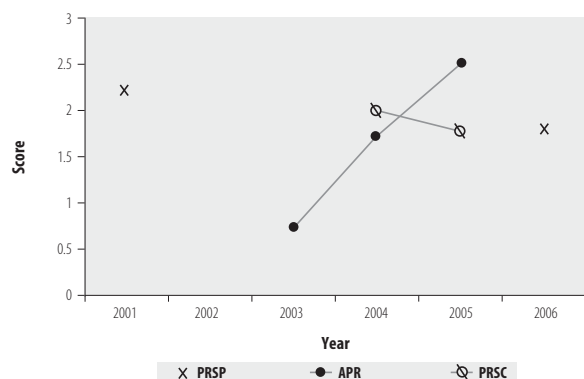
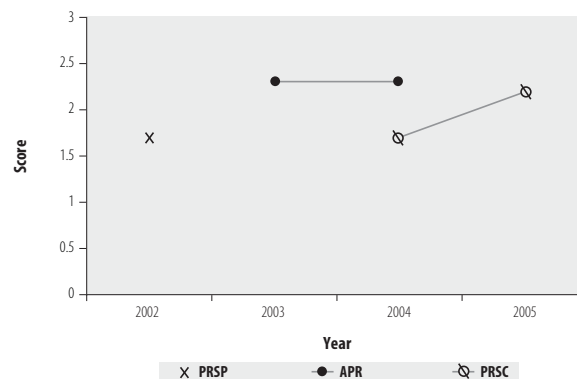


Figure 12. Rwanda PRSP Implementation



Environmental Management Authority (REMA) and the completion of EIA guidelines. This provides a strong basis for allocating the PRSG with a higher score over PRSC I (Figure 12).

Senegal PRSP Implementation

Environmental mainstreaming across the Senegal PRSP process remains relatively weak given the low scores across the PRSCs and APRs. APR II which rated 1.7 however does report on some progress relating to investments in natural resources and man-made capital (Figure 13). While the integration of environmental concerns is weak, it seems in line with a common trend that is evident in PRSCs—they seem to move towards focusing on investments that strengthen poverty-environmental linkages and environmental management capacity only once the main social sectors—education and health—and macroeconomic priorities have been addressed.

Tanzania PRSP Implementation

Environmental mainstreaming in PRSP II has improved considerably as illustrated by a score of 1.6 over PRSP I, which ranked 0.9. The focus of environmental mainstreaming in the PRSP II has been on poverty-environment linkages, environmental health, strengthening environmental management capacity and more specifically on improving the voice of the environmental constituency in Tanzania as reflected in the docu-

Figure 13. Senegal PRSP Implementation

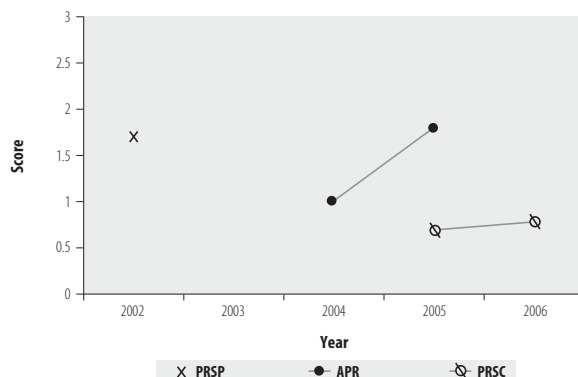
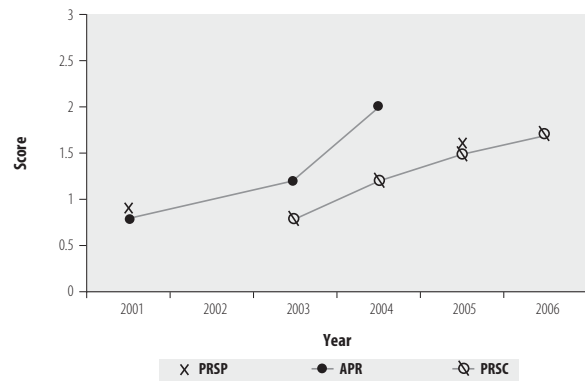


Figure 14. Tanzania PRSP Implementation



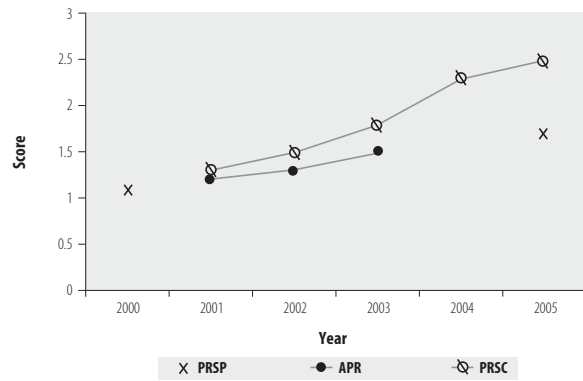
ment. Compared to PRSP I, however investments identified in PRSP II on natural resource capital and human-made capital are weak.

The integration of environment in the three implementation progress reports has improved steadily over time. This same trend is also illustrated in the Poverty Reduction Support Credits (I–IV) as the score improves from 0.8 to 1.7 (Figure 14). The focus of investments identified in the PRSCs is on water supply and sanitation programs, and on strengthening institutional and regulatory capacity in the country. Investments in natural resources capital are weak in the PRSCs as well as the Progress reports.

Uganda PRSP Implementation

The Uganda PRSP process with two PRSPs, three Implementation Progress Reports and 5 Poverty Reduction Support Credits is well into its maturation state. The most recent Uganda Progress Report receives an average score of 1.5 across the 6 points that are assessed (Figure 15). Although the progress reported on the implementation of environmental proposals is not completely satisfactory, it is still an improvement over the previous progress reports. However, investments drawn out for water supply and sanitation are noteworthy and stand as a good practice for other countries. Progress remains weak in the implementation process relating to natural resource capital as well as identifying stakeholders for and beneficiaries of the proposed environmental ac-

Figure 15. Uganda PRSP Implementation



tivities. This aspect—particularly relating to the inclusion of an environmental constituency in the PRSP process—has improved in Uganda’s PRSP II (1.7).

Building on four preceding PRSCs, the recent PRSC V is the first to support Uganda’s PRSP II

approved by the Cabinet in November 2004 . It builds on the fourth PRSC operation which was disbursed as Poverty Reduction Support Grant. While the PRSC operations have focused to varying degrees on strengthening environmental management capacity, overtime they expanded in scope to support programs related to natural resources and human made capital. This included increasing land security and titling; consolidating environmental impact assessment guidelines across several sectors (roads, water supply and sanitation; energy; mining, agriculture, forestry, and wildlife management), improving forest resources management and water resource management; increasing access to water and sanitation system, and improving water facilities maintenance. Since, each of these interventions identified in PRSC V is accompanied by sector specific medium term monitorable targets, it allows the allocation of a higher score particularly across the two monitoring variables under the theme Responses leading to an overall score of 2.5 for PRSC V.

4

Conclusions and Recommendations

The main findings of the review lead us to certain conclusions.

First, the level of environmental mainstreaming illustrates improvement especially in those countries that have had more time with PRS implementation and have benefited from budget support directed towards environmental issues. While, overall lending has increased for PRSP countries, relative to non PRSP countries, PRSCs created specifically to support policy and institutional reform in PRSP countries account for a larger share of adjustment lending since they are considered to present a better match to the medium-term PRSP programs on account of their longer intended term and more flexible modality of financial assistance (World Bank 2004).

Second, the sample of 5 PRSPs that have moved into their second cycle considered in this study is too small to make any generalization. The one redeeming aspect to increased attention to certain critical aspects in second generation PRSPs is that it provides some assurance that the PRSP process is maturing. This second generation PRSP sample has given us an opportunity to revisit causal links assessment and process, which has certain practical implications for PRSP implementation. The learning from a recent desk review on how environmental health (one of the weakest causal links) is integrated in PRSPs illustrates that interventions can be designed and implemented to achieve multiple objectives if the underlying poverty-environment analysis is strong (Kishore

2006). In the current study, we have not focused on assessing whether interventions in better performing PRSCs or the ones identified in APRs are closely tied to a thorough analysis of poverty-environment links. While several PRSPs are common in the sample of the two studies, the conclusion on environmental health can hold for Ghana, Senegal, Rwanda and Ethiopia. For understanding other such linkages and the influence that environmental constituents exert on the PRSP process, similar analyses are worth considering for the future.

Third, a well-mainstreamed PRSP may not always guarantee a well-mainstreamed follow-up, but the story that is evolving is somewhat optimistic. Progression in scores and the attention to environment in PRSPs, APRs and PRSCs may not consistently move in the same direction. However, a PRSC can be better aligned to PRSP implementation and an APR is reflecting a stronger mainstreaming effort on PRSP proposals. While a PRSP can suggest several critical priorities, unless these priorities are accommodated within a clear budgetary context, the follow-up in PRSP implementation can not be strengthened to incorporate environmental mainstreaming.

Fourth, based on the review, PRSCs that warrant the greatest attention to environmental mainstreaming are the ones well into addressing the macroeconomic priorities and budgetary reforms in the country, followed by sectoral investments in health and education. According to a recent

independent evaluation on PRSP implementation (World Bank 2004) annual expenditure as a percentage of GDP was higher post-PRSP in the education and health sectors compared with the mean annual expenditure for the pre-PRSP period across the 14 countries that were studied. In a similar analysis of the thematic focus of pre-PRSP adjustment lending compared to PRSCs shows that the share of environment and natural resources in PRSCs has grown from 3–6% (World Bank 2004). However this increase in share for environment and natural resources is still conservative compared to public sector governance, human development and social protection.

Fifth, while we can hypothesize on regarding the extent of mainstreaming in PRS implementation, the difference between mainstreaming in a plan versus actual implementation is critical. Unfortu-

nately, time and resource constraints do not allow us to expand the scope of the desk review. What the review suggests may be optimistic and a step up, however from a completely operational perspective, successful PRSP environmental mainstreaming can decidedly benefit from sectoral strategies being more inclusive and encompassing of environmental priorities; and these policies having a greater buy-in from environmental constituents.

Sixth, Ghana, Mozambique, Burkina Faso, Tanzania, and Uganda seem to be maturing well into the PRSP process. They are well into their second PRSP cycle and have at least two of PRSP-APRs and PRSCs which are progressively affording more attention to environmental concerns. These countries should be considered for country case studies carried out in the field.

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Annexes

Annex 1

Scoring Format of the PRSP Assessment

1. Issues in Focus

1. **Land use:** degradation, deforestation, erosion, overgrazing, etc.
 2. **Water:** drinking water, irrigation, fisheries and water pollution, etc.
 3. **Air & climate:** air quality, solid fuel usage, emissions, climate variability
 4. **Biodiversity:** threats to ecosystems, species and genes, nature-based opportunities
-

2. Causal Link Assessment

1. **Poverty and NR degradation:** resource dependence and inequality
 2. **Environmental health:** water and air pollution related to disease
 3. **Vulnerability:** impacts of natural hazards
 4. **Property rights:** tenure and user rights
 5. **Incentives:** pricing interventions, taxation, subsidies, exchange rate, trade, etc.
 6. **Empowerment:** community-based management, decentralization, and partnerships
 7. **Gender:** role of women in environmental management
-

3. Response systems

1. **Environmental management capacity:** legislation, regulation, institutional reform, data systems, cross-sectoral coordination, , environmental standards, environmental economic instruments, etc
 2. **Investment in natural capital:** investment in sustainable natural resource management, e.g. watershed management
 3. **Investment in human-made capital:** investment in environmental infrastructure, e.g. sewage treatment plants
 4. **Monitoring natural resource outcomes:** deforestation, afforestation, rehabilitated areas, protected areas, soil & water conservation measures, renewable energy use, etc.
 5. **Monitoring human resource outcomes:** infant and child mortality, disease burden related to environmental risk factors, time spent collecting fuelwood and water
-

4. Process

1. Description of the participatory process and inclusion of environmental constituencies, particularly with respect to the identification of environmental issues, poverty links, and actions
-

Score:

- 0 = not mentioned
- 1 = mentioned but not elaborated
- 2 = elaborated
- 3 = good practice

Annex 2

PRSP implementation progress reports (APRs)

	Country	APR	Date
1	Benin	Benin APR I	December 2004
2	Burkina Faso	Burkina Faso APR I	September 30, 2001
3		Burkina Faso APR II	September 30, 2002
4		Burkina Faso APR III	December 31, 2003
5		Burkina Faso APR IV	December, 2004
6	Cape Verde	Cape Verde PRSP- PR I	May 2006
7	Ethiopia	Ethiopia APR I	December 31, 2003
8		Ethiopia APR II	March 2005
9	Ghana	Ghana APR I	March 31, 2004
10		Ghana APR II	March, 2005
11	Madagascar	Madagascar APR I	July 31, 2004
12		Madagascar APR II	June, 2006
13	Mozambique	Mozambique APR I	February 28, 2003
14		Mozambique APR II	March 2004
15		Mozambique APR III	June 7, 2005
16	Rwanda	Rwanda APR I	June 30, 2003
17		Rwanda APR II	October 31, 2004
18	Senegal	Senegal APR I	March 31 2004
19		Senegal APR II	May, 2005
20	Tanzania	Tanzania APR I	August 14, 2001
21		Tanzania APR II	March 31, 2003
22		Tanzania APR III	April 30, 2004
23	Uganda	Uganda APR I	March 2, 2001
24		Uganda APR II	March 31, 2002
25		Uganda APR III	August 13, 2003

Annex 3

PRSCs and Credit Amount

	Country	Credit Amount (in millions)	Date
1	Benin PRSC I	20	February 23, 2004
2	Benin PRSC II	30	May 16, 2005
3	Benin PRSC III	30	October 2, 2006
4	Burkina Faso PRSC I	45	July 26 2001
5	Burkina Faso PRSC II	35	June 20, 2002
6	Burkina Faso PRSC III	50	March 16 2003
7	Burkina Faso PRSC IV	50	April 14 2004
8	Burkina Faso PRSC V	60	April 7, 2005
9	Burkina Faso PRSC VI	60	May 16, 2006
10	Cape Verde PRSC I	15	January 26, 2005
11	Cape Verde PRSC II	10	November 10, 2006
12	Ethiopia PRSC I	120	May 15, 2002
13	Ethiopia PRSC II	130	November 1, 2004
14	Ghana PRSC I	125	May 29, 2003
15	Ghana PRSC II	125	June 7, 2004
16	Ghana PRSC III	125	July 25, 2005
17	Ghana PRSC IV	140	May 1, 2006
18	Madagascar PRSC I	125	June 23, 2004
19	Madagascar PRSC II	80	June 9, 2005
20	Madagascar PRSC III	40	June 14, 2006
21	Mozambique PRSC I	60	June 9, 2004
22	Mozambique PRSC II	120	August 4, 2005
23	Rwanda PRSC I	65	June 23, 2004
24	Rwanda PRSC II	55	October 13, 2005
25	Senegal PRSC I	30	November 3, 2005
26	Senegal PRSC II	30	February 28, 2006
27	Tanzania PRSC I	100	April 29, 2003
28	Tanzania PRSC II	90	July 6, 2004
29	Tanzania PRSC III	150	August 10, 2005
30	Tanzania PRSC IV	200	April 10, 2006
31	Uganda PRSC I	65	March 23, 2001
32	Uganda PRSC II	55	May 31, 2002
33	Uganda PRSC III	55	July 28, 2003
34	Uganda PRSC IV	15	August 5, 2004
35	Uganda PRSC V	135	December 13, 2005
	Total	2640	



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