



**LESSONS LEARNED ON
INTEGRATING ENVIRONMENTAL
SUSTAINABILITY CROSS-CUTTING
THEME IN CIDA PROJECTS IN
THE PHILIPPINES:
Output of CIDA Project Partners
Environmental Forum**

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A. Overview of CIDA's Environmental Sustainability Cross-Cutting Theme (CCT)

Canada accords priority to the environment in the design of its country development strategies and programs. To achieve this objective, it has adopted an environmental assessment system to ensure that development projects and programmes being pursued by the Canadian government are attuned and consistent with the objectives of sustainable development. This objective is applied to all development assistance projects implemented by the Canadian International Development Agency (CIDA) through the application of the Canadian Environmental Assessment Act (CEAA) as well as the implementation of CIDA's *Policy for Environmental Sustainability* issued in 1992 that officially commits CIDA to the promotion of sustainable development through environmentally sound policies, programs and projects, and other means. The policy is to integrate environmental considerations into CIDA's decision making and activities, and to work with its partners and developing countries in improving their capacity to promote environmentally sustainable development. One of the translations of this policy is the cross-cutting theme (CCT) on environmental sustainability that is integrated to all CIDA-funded projects.

Almost all of the CIDA-funded projects in the Philippines have been determined to NOT likely to cause significant adverse environmental effects and do not fall under the definition of a 'project' under the CEAA. However, it remains the responsibility of CIDA project officers and project implementers/partners to ensure that sub-projects and components of the projects comply with the CEAA and SEA guidelines on environmental sustainability throughout the project's life. The integration of the environmental sustainability CCT is one of the key processes that CIDA has adopted to ensure this commitment.

The environmental sustainability CCT has been applied to all CIDA funded projects in the Philippines. Based on the application of the CCT over the past several years by CIDA partners, several lessons learned and experiences have been generated by CIDA partners and their clients in the implementation of their projects and sub-projects. These best practices and lessons learned served as the basis for the conduct of a CIDA partners environment forum that highlighted these lessons learned to enhance the sharing of experiences and knowledge of CIDA partners and further strengthen the application of the environmental sustainability CCT in the Philippines.

B. Objectives of CIDA Environment Forum

The CIDA Environment Forum was conducted on March 18, 2008 in Makati City with the participation of CIDA partner organisations, CIDA Post officers, and representatives of national government agencies. The highlight of the forum was the formal presentation of the environment resource kit and four (4) case study presentations of CIDA partners (i.e. PDAP/PRIME, LGSPA, PEARL2 and PBSP-BAP) and reactions from the national agencies (Pls see Annex for Programme). The specific objectives of the forum were:

- To enhance and strengthen CIDA Mission and project partners understanding and application of environmental CCT in programme and project implementation;
- To share the environmental assessment (EA) resource kit to CIDA programme officers and project partners and obtain comments and further inputs to the material;
- To present and highlight environmental innovations, best practices and lessons learned by CIDA project partners in the implementation of environmental CCT in their programmes; and
- To identify a common agenda for the utilisation, adoption and/or integration of the EA templates by CIDA project partners.

C. Lessons Learned and Best Practices

The lessons learned and best practices generated from the case study presentations of CIDA project partners in integrating environmental sustainability into CIDA projects can be categorised into two major areas: i) operational framework or ‘world view’ based on the complementation of over-all project objectives and environmental sustainability, and ii) implementation and operational principles to facilitate success in achieving over-all project objectives and environmental sustainability.

1.0 Key lessons for an operational framework for integrating environmental sustainability

- *Environmental sustainability serves and compliments the improvement of the bottom-line of private sector/enterprise development activities and as a tool of good local governance.*

Environmental sustainability CCT is not seen as a stand alone or separate theme that needs to operate on its own but should be integrated and part of the whole process of either the production/ manufacturing system and/or local governance process. The experience of CIDA projects on private sector development (e.g. PEARL2, PDAP-PRIME and PBSP-BAP) and governance (e.g. LGSPA, Great Women) showed that these could be achieved.

- *Environment assessment (EA) /management serve multi-purpose functions, as follows: :*
 - tool of analysis/decision-making
 - improving efficiency/effectiveness
 - enhance product marketing/promotion
 - helps promote a locality as an eco-tourism area
 - good business/livelihood/productivity mechanism

The use of the EA and integration of environmental sustainability goes beyond the objective of complying with existing guidelines and regulations but has a more dynamic purpose and benefit than just complying with regulatory requirements. Such benefits include improvement in operations, marketing, business practices and general physical improvement of a locality. The use of EA and environmental sustainability therefore leads to various benefits beyond satisfying legal premises.

- *Beyond tools and templates/filters for environmental sustainability, a “mindset” change is very crucial to be able to pursue environmental sustainability at all levels. It requires continuing advocacy/generating interest on applying environmental sustainability in projects. It was suggested that environmental sustainability has to be the following:*
 - ‘making it sexy’ – LGSPA
 - ‘interesting’ – PEARL2
- *Sound EA and environmental integration requires an understanding and application of a wholistic system such as the use of value chain analysis.*

The use of EA and environmental sustainability lens in projects does not only focus on the bio-physical effects and impacts of human activity but must also be critical and sensitive to the implications and effects of other non-environmental or biophysical factors such as social, economic, cultural, institutional and policy conditions. At the production level, as shown by the PEARL2 and PRIME experiences, this includes looking at the whole “value-chain system” that affects a specific production activity, i.e. raw material supply/sources, labour and gender relations, markets and competition, use of tools and product inputs, among others.

- *Integration of environmental sustainability in projects requires the use of adaptive, practical and workable parameters that are relevant and appropriate to the clients/stakeholders.*

The effects of environmental sustainability must be directly felt and supportive of basic benefits/interest requirements of the target clients and beneficiaries. In other words, it should support the client's 'bottom line' objectives and not the project implementer's nor CIDA's alone. This means that activities must be practical and workable in the context of the client's capacity, expectations and objectives. Technological adoptions and processes, i.e. solid waste management practices, must be contextualised to the available resources, knowledge, and skills that could be provided or available to the client/beneficiary or if not such technologies should be adapted to the local conditions.

- *Changes or reforms are best achieved through small, incremental steps rather than big leaps.*

Whilst EA and application of environmental filters and tools look for a wholistic view of the operational context and dynamics of a specific project or productive activity, it has also been shown that the most effective way of influencing and affecting changes and reforms in the system is best achieved through direct, focused and incremental steps rather than broad and expansive approaches. This is based on the view that the adoption and application of environmental sustainability mechanisms have to be 'owned' and 'understood' to be acceptable and sustainable. Such an incremental approach to change also means that the change process shall also be a long-drawn process but should be deliberate and would require strong commitment and perseverance. This highlights the importance of achieving 'local ownership' and 'buy-in' to the change process and its objectives/purpose.

2.0 Key lessons learned in implementing environmental sustainability in projects

The lessons learned in the implementation of the CCT theme deals with trying to adapt and relate to the specific circumstances and nature of the projects and clients/stakeholders being served by the project. It was suggested by the CIDA partners that the implementation of the CCT needs to be attuned/responsive to the interests and needs of the stakeholders to ensure ownership and 'buy-in' not only of the beneficiaries but other key stakeholders such as LGUs, NGOs, private sector organisations, among others. Some of the key lessons learned are:

- *Find an angle or entry point for environmental sustainability that fits the needs/interests of stakeholders/clients i.e. pursuing economic development and local development; environmental sustainability CCT should support existing relationship and heighten such relationship and arrangements;*

The adoption of environmental sustainability CCT into projects should have a 'seamless' link to the basic objective or purpose of the project. The adoption of environmental sustainability should not be adopted for the sake of adoption or be seen as a 'stand alone' activity that would overwhelm the basic purpose of a project. This includes support to improving private sector 'bottom lines' and improvement of governance processes such as transparency, accountability and participatory governance. Likewise, environmental sustainability should not also be seen as an 'either-or' or lead to exclusion of other objectives and stakeholders. Environmental sustainability objectives must be inclusive and integrative to clients/projects objectives and its stakeholders.

- *Ownership and 'buy-in' of partners and stakeholders as important element to ensure success and sustainability of environmental sustainability initiatives as identified earlier;*
- *Environmental sustainability supports partnership building and serves as a common issue and responsibility of all stakeholders*

The effectiveness of implementing environmental sustainability initiatives is best achieved with the participation of all concerned stakeholders and players from both national and local governments, private and public sectors, civil society and local communities. It is for this reason that critical support of key stakeholders and participatory process is essential elements of environmental sustainability initiatives and not only limited to technical inputs, information and resources. Environmental sustainability starts and ends with cooperation and partnership building among all local stakeholders and beneficiaries whether at the production or governance levels.

- *The integration of environmental sustainability has gender, socio-cultural and political effects.*

The application and implementation of environmental sustainability not only results to improvements in environmental conditions in the production and governance processes but also results to improvements in other socio-cultural conditions such as gender and political dynamics. For example, the application of environmental filters in production and using the 'value-chain' analysis also considers the effect on human relations, i.e. more women and children participate in raw material collections, improvement on production environment leads to improvement in environmental health for workers in MSMEs. On the other hand, environmental sustainability processes, involving participatory discussions among stakeholders, create venues for the 'poor' to interact and engage with other stakeholders including private sectors, businessmen and local political leaders.

- *LGUs and NGAs play an important role as 'leaders' and 'facilitators' in promoting and ensuring environmental sustainability in projects. Hence, they should be engaged as early as possible in areas such as project identification, and policy reform and advocacy on environmental management and MSMEs; growing environmental concerns/demands from the market and communities;*

Because of the devolved set-up in the Philippines and the regulatory nature of many environmental policies and regulations, local and national government regulatory agencies are critical players in effectively implementing environmental sustainability initiatives at the local levels. LGUs and NGAs not only provide a more 'flexible' regulatory environment but also from critical technical assistance and quality standards to local communities and beneficiaries in the conduct of their environmental initiatives. For example, at the production level the recognition by LGUs and NGAs of applicable technologies and issuance of permits, provide important support to SMEs to become more environmentally consistent with existing guidelines. At the governance level, the creation of participatory and more transparent processes within LGUs and NGAs in the application of environmental sustainability policies and programmes provides a more 'open' and inclusive approach for local communities and stakeholders in the enforcement and implementation of local environmental laws and rules.

- *The application of EA and integration of environmental sustainability in projects requires the development of more practitioners, advisors, service providers in the environment-related field to meet the demand for such services.*

The application of environmental sustainability for private sector development and governance initiatives are 'new' compared to the traditional way of providing technical assistance. The effectiveness of applying environmental sustainability creates both demand and supply for non-traditional practitioners and service providers that could integrate environmental sustainability into production-related services such as financial management, production operations, product marketing and packaging, among others. The same is true for governance initiatives that would be able to integrate participatory governance, transparency and accountability processes in different governance processes such as local development planning, policy formulation and service delivery. The application of environmental sustainability and the benefits generated by its implementation by local communities and projects creates demands from other sectors and other communities to replicate these best practices and lessons learned. However, such

replication cannot occur without the necessary technical support, documentation, information and knowledge-sharing of these best practices and lessons learned.

3.0 Best practices and key innovations

With the lessons learned and experiences generated by the CIDA project partners and client/beneficiaries, several best practices and innovations have been adopted by the project partners to ensure and sustain the application of environmental sustainability in the project cycle. These included among others the following:

- Adoption of environmental filters/lenses for monitoring and reporting tools; introduction of environmental/gender filters/lens at the outset of projects and assistance
- Presence of all stakeholders in the process; equal treatment
- Creation of environmental unit/environmental advisors/specialist
- Capacity building/IEC through, among others, coaching and peer-to-peer exchange; and
- Utilizing various mechanisms/venues for building partnerships at the firm, industry, LGU, and project level, and for leveraging resources to generate additional support/complementation/ action from other key interest groups.

D. Next Steps

Part of the objectives of the environment forum was to draw out suggestions and recommendations from the CIDA partners on how the environmental sustainability CCT can be further enhanced and applied by the CIDA Post in Manila to succeeding CIDA-funded projects in the country. Among the key recommendations are:

- Sharing of best practices, innovations, tools and lessons learned by uploading these in the PCCO website, using various donor fora/venues such as the PDF, and conducting dialogue with NGAs such as the DENR/EMB, DILG and DTI.;
- Case study documentation of CIDA sub-project models for integrating environmental sustainability and a dissemination programme (and environment resource kit) to non-partners;
- Continuing capacity building of CIDA Post officers and CIDA project partners; and
- Development of a common and integrated gender and environment checklist/filter; harmonization of tools.

Annex:

Programme of CIDA Partners Environment Forum



Environmental Forum and Sharing-Session on Lessons Learned on Integrating Environmental Sustainability in CIDA Projects

18 March 2008, Makati Shangri-la

8.00-8.30am	Registration of Participants
8.30-8.35am	Welcome and Introduction of Participants Mr. Tom Carroll , Head of Aid, CIDA
8.35am-8.45am	Brief Introduction of Environmental CCT and CIDA Directions on EA Integration in CIDA Programmes/Projects Ms. Narcie Rivera , Senior Program Officer, CIDA
8.45-9.45am	Presentation/Walk-through of EA Resource Kit Mr. Elmer Mercado , EnPEnvironment Advisor, CIDA-PCCO
9.45-10.00am	Interaction/Q&A Mr. Elmer Mercado
10.00-10.15am	Health Break
10.15-10.45am	CIDA Partners Presentation of Innovations, Experiences and Lessons Learned in Environment CCT Integration <i>Case Study 1: Private Enterprise Accelerated Resource Linkages II (PEARL2)</i> Mr. Ed Sutherland , Executive Director
10.45-11.15am	<i>Case Study 2: Promoting Rural Industries and Marketing Enhancement (PRIME)</i> Mr. Jing Pacturan , Executive Director
11:15 – 11:45pm	Reactions from Resource Persons Dir. Julian Amador , DENR-EMB (TBC) Dir. Rhodora Leano , DTI-BSMED (TBC)
11:45 – 12:15pm	Interaction/Q&A Mr. Elmer Mercado
12:15-1:15pm	Lunch Break
1:15- 1:45pm	Case Study 3: Business Advisory Project II (BAP II) Ms. Rocelyn Bernabe , Project Manager
1:45 – 2:15pm	Case Study 4: Local Governance Support Program for the Autonomous Region in Muslim Mindanao (LGSP-A) Ms. Cindy Fair , Canadian Field Programme Manager
2:15-2:45pm	Reactions from Resource Persons USEC Austere Panadero/Dir. Manuel Gotis , DILG (TBC) Miyen Verzosa , Executive Director, NCRFW (TBC)
2:45 – 3:15pm	InterAction/Q&A Mr. Elmer Mercado
3:15 - 3:30pm	Health Break
3:30 – 4:30pm	Synthesis of Lessons Learned and Inputs by Participants Mr. Elmer Mercado
4:30 – 4:40pm	Closing Remarks Mr. Tom Carroll
4:40 - 4:45pm	Forum Evaluation
4.45 pm	End of Forum

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