

**ASIAN DEVELOPMENT BANK**

**TAR: OTH 38031**

**TECHNICAL ASSISTANCE**

**FOR**

**MAINSTREAMING ENVIRONMENTAL CONSIDERATIONS IN ECONOMIC**

**AND DEVELOPMENT PLANNING PROCESSES**

**IN SELECTED PACIFIC DEVELOPING MEMBER COUNTRIES**

**December 2004**

## I. INTRODUCTION

1. The Asian Development Bank (ADB) Poverty Reduction Strategy, Long-Term Strategic Framework (2001–2015), and Medium-Term Strategy (2001–2005) promote the integration of sound environmental management into development planning processes and require environmental concerns to be integrated into all ADB operations. ADB's *Environment Policy* (2002)<sup>1</sup> specifies the country environmental analysis (CEA) as the tool that may help assist early incorporation of environmental considerations into the country strategy and program (CSP). This regional technical assistance (TA)<sup>2</sup> will develop the CEA for selected Pacific developing member countries (PDMCs), including Cook Islands, Federated States of Micronesia (FSM), Kiribati, Papua New Guinea (PNG), Republic of Marshall Islands (RMI) Samoa, Solomon Islands, and Vanuatu.<sup>3</sup> TA fact-finding missions were undertaken in FSM from 21 to 29 June 2004, and in PNG from 12 to 15 July 2004, to discuss the TA objectives, scope, and implementation arrangements with representatives of key government agencies and other stakeholders. The governments of all selected PDMCs referred to above have endorsed the TA.

## II. ISSUES

2. The state of the region's environment has been assessed over the past decade.<sup>4</sup> Summaries of environmental trends and conditions have been included in reports of the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) on the *Asia-Pacific State of the Environment*, and in the United Nations Environment Programme (UNEP) *Global Environment Outlook*.<sup>5</sup> In 1990–1993, ADB, in cooperation with the South Pacific Regional Environment Programme (SPREP), provided TA to prepare *National Environmental Management Strategies* (NEMs) for five PDMCs (Cook Islands, Solomon Islands, FSM, Tonga, and RMI). Later, UNDP funded a similar project for other Pacific countries.

3. In a recently published *Pacific Region Environmental Strategy* (PRES)<sup>6</sup>—the output of a regional environmental analysis—eight environmental challenges were identified as being of highest priority: (i) threats to freshwater resources, (ii) degradation of the marine and coastal environment, (iii) degradation of land and forest, (iv) problems of urbanization and waste management, (v) depletion of biodiversity, (vi) concern on energy use, (vii) adaptation to climate change, and (viii) weaknesses in environmental management capacities and governance.

4. **Freshwater Resources.** The freshwater protection and conservation are crucial, and will take on even greater significance as global climate change results in more variable rainfall and rising sea levels. Water management regimes are often hampered by weak supporting legislation, problems of cost recovery, insufficient technical capacity, and problems of landownership and water rights. To address these issues, several initiatives have been formulated; one was the Regional Action Plan for Sustainable Water Management, approved

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<sup>1</sup> ADB. 2002. *Environment Policy*. Manila.

<sup>2</sup> Included in the Pacific Regional Cooperation Strategy and Program (2004-2006), as "Strengthening Environmental Governance in the Pacific."

<sup>3</sup> The TA first appeared in the *ADB Business Opportunities* (Internet edition) on 1 March 2004.

<sup>4</sup> For instance, *The Pacific Way*. Pacific Island Developing Countries' report to the United Nations Conference on Environment and Development. Prepared by the South Pacific Regional Environmental Programme (SPREP); SPREP, UNEP, and European Union. 1999. *Pacific Islands Environment Outlook*. Apia: SPREP.

<sup>5</sup> UNEP. 2002. *Global Environmental Outlook 3: Past, Present, and Future*. London and New York: Earthscan.

<sup>6</sup> ADB. 2004. *Pacific Region Environmental Strategy (2005–2009)*. Manila.

during the High-Level Session of the Pacific Regional Consultation on Water in Small Island Countries.<sup>7</sup>

5. **Marine and Coastal Environment.** Coral reefs, mangrove forests, sea-grass beds, and other coastal and marine ecosystems form the ecological foundation of Pacific economies and contribute significantly to income, health, nutrition, coastal protection, and the tourism industry. However, these resources are increasingly at risk from discharges of nutrients; changes in sea temperature; improper solid waste disposal; sediment discharge; destruction of fringing reefs, beaches, wetlands, and mangroves for coastal development and sand extraction; and overexploitation of coastal fisheries. Regionally, the Secretariat of the Pacific Community leads in managing and regulating marine and coastal resources. UNDP has supported the 5-year Strategic Action Program for the International Waters of the Pacific Small Island Developing States.

6. **Land and Forest.** The forest cover varies across the region—from 40–90% in the high islands to 5–40% for lower islands and atolls—but is now greatly reduced. Forest degradation and deforestation have been major environmental problems in Pacific countries. Habitat destruction, biodiversity degradation, soil loss, reduced water quality, and sedimentation of lagoon areas harm the livelihoods of the rural majority and the poorest islanders. The Regional Forestry Program was established in January 2000 to provide opportunities for collaboration, coordination, and implementation of projects and related initiatives on forest management.

7. **Urbanization and Waste Management.** Rising problems of waste disposal and urban pollution management are common to most PDMCs. The contamination of surface- and groundwater resources from sewage and household garbage significantly lowers freshwater quality. The region has not yet come up with strategies or responses, except for wastewater management; a regional meeting held in Majuro, RMI, formulated a Pacific Wastewater Policy Statement and the associated Pacific Wastewater Framework for Action on 15 October 2001. These documents set out the guiding principles and policies to direct development and cooperation on wastewater management and sanitation among Pacific nations.

8. **Biodiversity Conservation.** The Pacific region is recognized as a globally significant area of biological diversity. The Regional Action Strategy for Nature Conservation (2003–2007) identifies six challenges: shortcomings in institutional capacity, infrastructure development, coordination and integration of environment and conservation activities, economic alternatives to unsustainable exploitation, political support and good governance, and limited funding. Considerable efforts were undertaken in biodiversity conservation, e.g., the parks and protected area system management have expanded and conservation planning activities accelerated.

9. **Energy.** Adequate and affordable energy supplies are a prerequisite for expanding education, health services, and communications. About 70% of the region's population has no electricity. The Pacific Energy Policy and Plan aims to coordinate regional energy programs and to guide adaptation to the special needs of Pacific island countries and territories. Several regional energy-related programs involve countries in the Pacific.<sup>8</sup> The most recent is ADB's

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<sup>7</sup> Attended by ministers, senior representatives of governments, multilateral and bilateral agencies, civil society (including nongovernment and community-based organizations), and the private sector. Fiji Islands, 3 August 2002.

<sup>8</sup> The Pacific Islands Renewable Energy Project, funded by UNDP-Global Environment Facility for \$840,000 covers 14 countries, started in August 2002 for 18 months. The Pacific Rural Renewable Energy France-Australia Common Endeavor, jointly funded by France and Australia for \$1.5 million, implemented by The Secretariat of the Pacific Community started in 2000 for 3 years. Promoting Renewable Energy, Energy Efficiency, and Green House Gas Abatement is cofinanced by ADB and the Government of the Netherlands, and Samoa is the only PDMC participant.

Renewable Energy and Energy Efficiency Program for the Pacific,<sup>9</sup> which aims to disseminate information on renewable energy sources and improved energy-efficient practices.

10. **Climate Change.** The adverse impacts of climatic change and variability are receiving urgent attention among PDMCs. The Intergovernmental Panel on Climate Change reconfirmed the threat to small island developing countries from climatic change and variability. The panel identified coral reefs, atolls, and mangroves as most vulnerable to climate change. The concern over climate change and sea-level rise reached its peak in October 2000, when the Forum Leaders endorsed the Pacific Islands Framework for Action on Climate Change, Variability, and Sea-Level Rise. Several projects<sup>10</sup> address the impact of climate change and it was concluded that adaptation to climate change must be mainstreamed into governments' planning, programs, and projects, and resources mobilized to do so.

11. **Environment Governance.** The SPREP has been prominent in formulating Pacific-wide environmental agreements. At the national level, institutional arrangements and legislative frameworks are in place, but law enforcement is inconsistent. NEMSS still provide the principal baseline and blueprint for developing environmental policies and plans. While endorsed by government agencies, NEMSS' implementation is still weak due to limited financial, technical, and institutional capacity that leads to inconsistent integration of environment and economic policies and plans. In the past decade, not much progress has been made, either in national institutional capacity or impact on environmental quality.

12. The ADB Pacific Strategy 2005-2009 highlights the increasing environmental challenges that may undermine sustainable development, particularly the eight critical environmental issues indicated by the PRES. Overcoming these constraints will facilitate the sustainable use of natural resources and improve job and cash-generating opportunities for the poor. Environmental aspects are included as a PRES key result area, highlighting the mainstreaming of environmental considerations into development planning and program.

13. PDMC governments are aware of environmental problems, and realize that the key constraints on effective environmental management are particularly in the legal framework and regulatory systems. Aside from that, the linkages among finance, planning, and environmental agencies need to be strengthened to ensure that environmental management is incorporated into development plans and receives adequate funding. As part of CSP preparation, the CEA will provide country-level diagnostic environmental analysis and recommend key areas of intervention. The CEA will be the basis for ADB assistance to the selected PDMCs to mainstream environmental considerations into economic and development planning.

### III. THE TECHNICAL ASSISTANCE

#### A. Purpose and Output

14. The TA will prepare CEAs that will provide inputs to CSP and CSP updates (CSPUs) for selected PDMCs and countries' medium term development strategy, particularly in addressing eight key environmental challenges. The TA's main objective is to mainstream key environmental concerns into economic and development planning processes and to help reduce poverty in PDMCs. The TA will (i) identify priority areas in policy, institutional and legislative

<sup>9</sup> ADB. 2003. *Renewable Energy and Energy Efficiency Program in the Pacific*. Manila. (TA No. 6102, \$600,000, approved on 28 April 2003).

<sup>10</sup> For instance, UNDP's Pacific Islands Climate Change Assistance Program and ADB's Climate Change Adaptation Program in the Pacific.

mechanisms, and programs/projects that will help to mainstream environmental concerns into economic development planning; and (ii) strengthen the understanding among policymaking, economic planning, and environmental authorities about key environmental and natural resource management issues and their link with macroeconomic and national development goals. The framework summarizing the TA goals, objectives, scope, and performance targets is in Appendix 1.

15. The CEAs will cover (i) the general environment status and trends in the country; (ii) the policy, legislative, institutional, and budgetary framework for environmental management, and principal constraints on and barriers to improved environmental management in sectors relevant to ADB operations; and (iii) the main environmental opportunities and issues associated with the CSP and CSPUs,<sup>11</sup> including recommended priority actions and programs at the country level (TA and lending program and/or incorporation of environmental considerations in programs/projects).

## **B. Methodology and Key Activities**

16. The TA will be implemented in a participatory manner, i.e., involve key government officials and other stakeholders (local experts, private sector, nongovernment organizations, and communities) in key stages of CEA preparation to ensure ownership of the reports. Representative of multilateral and bilateral financial institutions and regional institutions will also be consulted. Relevant documents and information will be compiled, reviewed, and analyzed, taking into consideration stakeholders' views. A stakeholder workshop will be held in participating PDMCs to (i) review the findings presented in draft CEAs and validate them; and (ii) seek consensus on the priority areas for intervention, particularly in mainstreaming environmental concerns in economic and development planning processes.

17. The main activities are (i) compilation, review, and analysis of basic information, including national strategic development plans, state of environments, regional and country environmental action programs including evaluate the 2003-2007 Action Strategy for Nature Conservation in the Pacific, key environmental and sustainability indicators, and links of environmental quality with economic growth and poverty reduction; (ii) review of existing policy, legislative, institutional, and budgetary frameworks for environmental management, and assessment of their coordination and effectiveness; (iii) identification of the environmental implications of key development, macroeconomic, and sectoral policies that may have significant environmental implications, and analysis of environmental performance of the main economic sectors; (iv) review of the effectiveness of past and present environmental programs of ADB and other financial institutions; and (v) recommendations on priority actions and programs for ADB (and potential partners) to strengthen environmental management as an integral part of national economic development planning.

## **C. Cost and Financing**

18. The cost of the TA is estimated at \$600,000 equivalent. The TA will be financed on a grant basis by ADB's TA funding program. The cost estimate and financing plan is attached as Appendix 2.

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<sup>11</sup> This will include review of, and inputs to, CSP and CSPUs to mainstream environmental concerns into economic and development planning.

#### **D. Implementation Arrangements**

19. The TA will be administered by ADB's Pacific Department. The selected PDMCs will be involved in TA implementation, which will be closely coordinated with the national governments, specifically with ministries or agencies mandated to carry out economic development planning in coordination with other agencies. The agencies will help ADB consultants gather and compile data, information, and maps, and coordinate TA implementation (including organizing meetings and dialogue with government officials and other stakeholders). The department will work closely with the consultants in reviewing draft CEA reports, participating in consultation workshops, finalizing CEAs, and discussing CEAs with key stakeholders through CSP and CSPU missions as necessary.

20. The TA will require 15 person-months of international consultants (three individuals); 12 person-months of domestic consultants (one in each country) and 7 person-months of a local consultant (assistant TA coordinator, based at ADB headquarters). The consultants will be engaged by ADB in accordance with its *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB. The international consultants will have expertise in environmental management and natural resource economics, and experience in institution/capacity building. The TA will take 11 months, from mid-January to mid-December 2005. The terms of reference for the consultants are in Appendix 3, the outline of the CEA reports in Appendix 4, and the CEA preparation timetable in Appendix 4, Table A4.

21. The consultants will submit a work plan by the end of the first week of their services, a draft CEA report 1 week before the country workshop, a revised draft CEA final report after the national stakeholders' workshop, and a final CEA report at the end of the consultants' services.

#### **IV. THE PRESIDENT'S DECISION**

22. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$600,000 on a grant basis for Mainstreaming Environmental Considerations in Economic and Development Planning Processes in Selected Pacific Developing Member Countries, and hereby reports this action to the Board.

## TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicator/Target	Monitoring Mechanism	Assumption and Risk
<p><b>Goal</b> Effective and efficient environmental management in selected Pacific developing member countries (PDMCs)<sup>1</sup></p>	<p>Improved environmental indicators resulting from effective and efficient environmental management</p>	<p>Government reports related to environmental sustainability</p>	
<p><b>Purpose</b> Environmental considerations mainstreamed into countries' economic development plans</p>	<p>Integration of country environmental analysis (CEA) recommendations into Country Strategy and Program/Updates (CSP/CSPUs) and governments' development programs</p>	<p>Asian Development Bank (ADB) review missions</p>	<p>The governments consider the environment as one of priorities, and will adopt the CEA recommendations.</p>
<p><b>Outputs</b></p> <ol style="list-style-type: none"> <li>1. CEA reports, covering analysis of key environmental management issues and challenges; policy, regulatory, and institutional frameworks; and recommended priority actions and programs at country level (including technical assistance (TA) and lending program and/or incorporation of environmental considerations into programs/projects)</li> <li>2. Improved understanding among policymakers, economic planners, and environmental authorities about key environmental and natural resources management issues and their link with macro-level economic and national economic development goals</li> </ol>	<p>Draft CEA reports acceptable to ADB and other stakeholders, and meeting the suggested CEA contents</p> <p>All key policymakers, economic planners, and environmental authorities understand the link between environmental management and economic development goals</p>	<p>TA completion report</p> <p>Inclusion of environmental management considerations and programs in economic development planning process</p>	<p>The governments and stakeholders cooperate in the preparation of the CEAs, particularly in identifying priority actions.</p> <p>The Government and ADB support CEA recommendations.</p>

Design Summary	Performance Indicator/Target	Monitoring Mechanism	Assumption and Risk
<p><b>Activities</b></p> <p>1.1. Review and analyze basic information (e.g., national development strategy, state of the environment, regional and country level action programs; policy, legal instruments, and institutional framework; macroeconomic and sectoral policies; and effectiveness of past and present programs and projects); and identify priority actions and programs</p> <p>1.2. Conduct stakeholder workshop in each country to discuss draft CEA report</p> <p>1.3. Finalize the CEAs, incorporating comments from various stakeholders</p> <p>2.1. Disseminate outputs through report publication and the ADB Web site</p> <p>2.2. Discuss CEA findings with policymakers during CSP and CSPU missions</p>	<p>Draft background analysis acceptable to PDMCs and ADB</p> <p>Well-attended workshops and actively participating stakeholders</p> <p>Reports finalized within the time frame</p> <p>CEA reports published (printed and posted on the ADB Web site) within 1 year</p> <p>Summary of discussions included in the CSP and CSPU mission's aide memoire</p>	<p>TA reports</p> <p>Feedback from stakeholders</p> <p>TA reports</p> <p>TA review by ADB</p> <p>TA review by ADB</p> <p>ADB review</p>	<p>Government agencies and stakeholders actively participate in implementing the TA and in providing data and information.</p> <p>Stakeholders are fully cooperative</p> <p>TA consultants properly incorporate stakeholders' and ADB's comments.</p> <p>The Internet will effectively reach all PDMCs</p> <p>Constructive discussions are conducted with policymakers, and priority actions endorsed.</p>
<p><b>Inputs</b></p> <p><b>Asian Development Bank</b></p> <p>Consulting services:</p> <p>15 person-months (international)</p> <p>12 person-month (domestic)</p> <p>7 person-months (local)</p> <p><b>Government</b></p> <p>Counterpart staff time</p> <p>Provision of information</p>	<p>\$315,000</p> <p>\$60,000</p> <p>\$35,000</p>		<p>Good-quality consultants are available during the TA.</p>

<sup>1</sup> Cook Islands, Kiribati, Republic of Marshall Islands, the Federated States of Micronesia, Papua New Guinea, Samoa, Solomon Islands, and Vanuatu.

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

Item	Costs
<b>Asian Development Bank (ADB) Financing <sup>a</sup></b>	
1. Consultants	
a. Remuneration and Per Diem	
(i) International (15 person-months)	315
(ii) Domestic (12 person-months)	60
(iii) Local/Assistant Project Coordinator (7 person-months)	35
b. International and Local Travel	51
c. Report/Publication and Communication (including translation)	22
2. Equipment <sup>b</sup>	1
3. Workshops/Seminars (stakeholder workshops) <sup>c</sup>	16
4. Vehicle Rental <sup>d</sup>	13
5. Miscellaneous Administration and Support Costs	6
6. Contingencies	81
<b>Total</b>	<b>600</b>

<sup>a</sup> Financed by ADB's technical assistance funding program.

<sup>b</sup> Equipment (printer and scanner) to be provided in ADB headquarters for the assistant project coordinator. The equipment will be transferred to ADB after completion of the technical assistance.

<sup>c</sup> Estimated cost is \$2,000 per country (covering mostly airfare for stakeholder participants from outer islands), or \$16,000 for eight countries.

<sup>d</sup> Vehicle rental for two international consultants (11 person-months) at the estimated rate of \$40/day.

Source: ADB estimates.

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The consulting team will consist of three international and eight domestic individual consultants, and one local individual consultant (assistant TA coordinator). The international consultants (15 person-months total) will have expertise in environmental management and natural resource economics and experience in policy analysis and institution/capacity building. The domestic consultants (one per country, 12 person-months total) will have knowledge and experience in environmental management in a particular country. The local consultant (assistant project coordinator, based at Asian Development Bank (ADB) headquarters, 7 person-months over 11 months) will have expertise in environmental management.

### **A. International Consultants** (three, 15 person-months total)

2. The international consultants will work according to the schedule in Appendix 5. They will coordinate to ensure uniform methodology in preparing the country environmental analysis (CEAs). One consultant (6.5 person-months) will prepare the CEA for Cook Islands, Federated States of Micronesia, Republic of Marshall Islands, and Samoa; one consultant (7.0 person-months), for Kiribati, Papua New Guinea, Solomon Islands, and Vanuatu; the other consultant (1.5 person-months) will undertake evaluation of the 2003-2007 Action Strategy for Nature Conservation, which findings will be incorporated in the TA final report. Before doing fieldwork, the CEA consultants may spend 1 week at ADB headquarters to prepare fieldwork activities, including a review of data and information, and hold discussions with the country desk officer. The CEA consultants will consolidate their findings and present the draft reports within one week before completion of the fieldwork, and finalize them based on comments and suggestions received. The consultants will prepare the TA final report, entitled: Mainstreaming Environmental Considerations in Economic and Development Planning Processes in Selected Pacific Developing Member Countries.

3. The consultants' work will include, but not be limited to, the following:

- (i) Select the domestic consultants in consultation with ADB and government counterpart agencies. Prepare detailed terms of reference and work schedules of the domestic consultants, and guide them in gathering data and information (reports, programs, plans, maps, etc.), and in data analysis.
- (ii) In coordination with counterpart government staff members and the domestic consultant, identify key stakeholders to be consulted during CEA preparation (i.e., government agencies, national experts, private sector, civil society, community groups, nongovernment organizations [NGOs], etc.).
- (iii) Prepare the CEA reports in the prescribed format (Appendix 4). Focus will be on (a) collection, review, and analysis of general environmental status and trends, including the role of the environment and natural resources in the economy; key environmental issues; and policy, regulatory, institutional, and budgetary frameworks for environmental management; and (b) identification of priorities action, including a review of environmental records; environmental information needs; a review of CSPs and CSPUs; recommendation of institutional, regulatory, and financial measures; and identification of opportunities for CSPs, particularly TA and lending programs to make economic development environmentally sustainable.
- (iv) Ensure that the consultants' assessment and recommendations represent the needs of stakeholders. Draw up and present a draft CEA at the national stakeholders'

- workshop to solicit views, comments, suggestions, and recommendations, and to confirm and validate the CEA report.
- (v) Considering stakeholder input, revise and finalize the CEA reports in consultation with ADB.
  - (vi) Using the collected information, update the environmental protection assessment section of the performance-based allocation that focuses on regulatory, institutional, and other environmentally damaging subsidies.<sup>1</sup>
  - (vii) Prepare the terminal and other reports.

4. The CEA consultants will have overall technical and administrative responsibility for the effective and timely implementation of the TA. The international and domestic consultants will closely coordinate with government agencies (including coordination of inputs, quality control of reports, financial management, and technical guidance), and consult with regional environmental institutions and other international financial institutions (including the South Pacific Regional Environment Programme, South Pacific Applied Geoscience Commission, World Bank, Australian Agency for International Development [AusAID], New Zealand's International Aid and Development Agency [NZAID], United Nations Development Programme [UNDP], United Nations Environmental Programme [UNEP], etc.) in seeking comments, inputs, and suggestions on draft CEAs.

5. The nature conservation consultant will undertake evaluation of the 2003-2007 Action Strategy for Nature Conservation including desktop study on the current monitoring and evaluation systems, review the 5-year target and evaluate the achievement, propose adjustments to the 5-year targets and indicators as necessary and develop proposed achievable and measurable 5-year target and indicators for possible amendment of the action strategy.

#### **B. Domestic Consultants** (eight [one per country], 12 person-months)

The consultant will do the following:

- (i) Collect data and information such as national strategic development plans; reports on the state of the environment; regional, national, and subnational action programs; country reports to various conventions; country level action plans; economic development plans; environmental and other related legislation; institutional frameworks; and relevant information.
- (ii) Help the international consultants review and analyze data and information to draft the CEA and other related reports.
- (iii) Help the international consultant coordinate and hold meetings; dialogue with key resource persons and other stakeholders (national experts, private sector, civil society, community groups, NGOs, etc.); and organize a national consultation workshop with key stakeholders.
- (iv) Perform other tasks as may be assigned by ADB and the international consultants.

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<sup>1</sup> Content of the environmental protection assessment section is as follows: (i) environmental legislation: relevant legislation in key sectors and enforcement successes; (ii) institutions and programs: resources and capability to develop and enforce policies, key programs, whether prices of key activities and resources consider environmental impacts, whether royalties and resource rent taxes are adequately considered, environmental implication of the property right structure; (iii) ambient air and surface, coastal, and groundwater quality: availability of environmental quality standards, environmental issues, and whether mitigation in place; (iv) environmental planning, monitoring, and analysis: existing capacity, key programs.

**C. Local Consultant (Assistant TA Coordinator) (7 person-months, over 1 year)**

9. The local consultant/assistant TA coordinator (to be based at ADB headquarters) will do the following:

- (i) Help ADB professional staff administer and implement the TA, including supervising contracts and doing other administrative and technical tasks.
- (ii) Help ADB professional staff maintain contacts among ADB, government agencies, and international/domestic consultants. Coordinate project activities including coordination with government counterpart staff, recruitment of domestic consultants, consolidating CEA reports, and prepare the TA final report.
- (iii) Help the international consultants collect, compile, and analyze data and information available at ADB, including CSP and CSPUs, reports of relevant TA projects, project completion reports, and other documents, and similar information from other financing institutions.
- (iv) Coordinate with ADB staff regarding equipment, printing, and other related requirements for smooth TA implementation.
- (v) Help publish and disseminate reports and final CEAs.
- (vi) Perform other activities as may be assigned by the project coordinator.

**D. Reporting Requirements**

10. As the work schedule of the international consultants will be tight, reporting will be adjusted as follows:

- (i) Submit a general work plan within 1 week after services start.
- (ii) Write a draft summary CEA report focusing on findings and recommendations, to be used as a discussion paper during the stakeholder workshop to be held at the end of in-country works.
- (iii) Submit a full draft CEA report incorporating stakeholder comments/inputs to ADB 7 days after the workshop.
- (iv) Present and discuss draft CEA reports at ADB after in-country works are complete. Incorporate comments and suggestions from ADB staff into the final CEA report.
- (v) Consolidate the eight CEA reports and report on evaluation of 2003-2007 Action Strategy for Nature Conservation in the Pacific into one final report to be titled: Mainstreaming Environmental Considerations in Economic and Development Planning Processes in Selected Pacific Developing Member Countries.

Table A3 Tentative Schedule of International Consultants' Activities

Country/ADB	Month											
	1	2	3	4	5	6	7	8	9	10	11	12
<b>Consultant 1</b>												
ADB 1.25 person-months		■							■	■	■	■
FSM 1.5 person-months		■	■	■	■							
RMI 1.25 person-months				■	■	■	■					
Samoa 1.25 person-months						■	■	■	■			
Cook Is. 1.25 person-months								■	■	■	■	
<b>Consultant 2</b>												
ADB 1.25 person-months		■							■	■	■	■
Solomon 1.5 person-months		■	■	■	■							
PNG 1.75 person-months				■	■	■	■					
Kiribati 1.25 person-months						■	■	■	■			
Vanuatu 1.25 person-months								■	■	■	■	
<b>Consultant 3</b>												
Evaluation of Action Strategy For Nature Conservation (1.5 person-months)			■	■	■	■	■					
Wrap Up, Finalizing, and Publication										■	■	■

ADB = Asian Development Bank, FSM = Federated States of Micronesia, Is. = Island, PNG = Papua New Guinea, RMI = Republic of the Marshall Islands.

## Notes:

- One week at the ADB headquarters before fieldwork to prepare field activities (review of data and information, and discussion with desk officer in charge of the country).
- There will be a break in the middle of TA implementation (to be adjusted when necessary).
- Wrap-up of project activities will include finalization of country environment analysis reports, discussions with country desk officers, and publication and distribution of reports.

Source: ADB estimates.

## **RECOMMENDED CONTENT OF COUNTRY ENVIRONMENTAL ANALYSIS**

### **A. Introduction**

### **B. Background Information**

#### **1. Role of the Environment and Natural Resources in the Economy**

- (i) Regional, national, and subnational levels action programs
- (ii) The role of the environment and natural resources in the economy, and how much poor communities depend upon the environment/natural resources for their livelihood and well-being (linking of environmental quality with economic growth and poverty reduction)
- (iii) Estimates of the sector share of gross domestic product (GDP) from natural resources and agriculture
- (iv) Opportunities for sustainable development in the environment and natural resource sectors

#### **2. Key Environmental Issues**

- (i) Review of the key environmental and sustainability indicators (qualitative and quantitative information) at national and subnational levels, distinguishing the problem in different geographic areas, sectors, and ecosystems
- (ii) Identification of policy and institutional challenges and their successes and failures considering social, economic, and cultural factors
- (iii) Assessment of country-level climate risk profiles that show the likelihood of extreme weather and climate events and inter-annual variations, and how these may change in the future due to global warming
- (iv) Assessment of the consequences of environmental problems on livelihoods, health, vulnerability of poor communities and vulnerable groups, including indigenous peoples and ethnic minorities, and assess global and regional issues and their implications to the local communities
- (v) Identification of the opportunities and constraints the environment offers for development, and constraints placed on it; how much the environment can contribute to economic growth and the gains to be made from environmental improvement in specific sectors; and preparation of an environmental/natural resource sector road map in each country to identify key environmental components, relationship with projected development, and expected achievements

#### **3. Policies, Regulatory, and Institutional Framework**

- (i) Review of government policies; appropriateness and effectiveness of regulatory environment (including environmental legislation, enforcement mechanism, and instruments); budgetary framework for environmental management; and major constraints on and barriers to improved environmental management
- (ii) Review and assessment of appropriateness of institutional frameworks
- (iii) Institutional capacity assessment of environmental agencies and other organizations involved in environmental management (including permitting, assessment, monitoring) and enforcement
- (iv) Identification and evaluation of the effectiveness of formal or informal mechanisms for cross-sectoral coordination of policies and actions
- (v) Examination of the extent and nature of public consultation in decision making

- (vi) Identification of constraints on and opportunities for mainstreaming environmental considerations in economic development planning

**C. Priorities for Action**

**1. Environmental Record**

- (i) Review of the country's record in dealing with environmental issues (e.g., energy, and solid waste and waste water management), and identification of problems in and opportunities for improving the management systems and enhancing capacity to deal with the issues
- (ii) Assessment of the record in complying with environmental conditions in programs and projects financed by national governments and international financial institutions on their success and failure, and identification of lessons learned, including of barriers to and opportunities for enhancing compliance
- (iii) Assessment of country efforts to ratify and implement international and regional environmental conventions and treaties, and identification of barriers to and opportunities for implementing them

**2. Environmental Information Needs**

- (i) Identification of data gaps that need to be filled to better understand environmental problems, either through one-time studies or through improved ongoing monitoring
- (ii) Identification of key indicators (based on existing or easily collected data and relevant to policy) to be monitored so that trends in the main environmental problems can be assessed

**3. Review of Country Strategy and Program (CSP) and CSP Updates (CSPUs)**

**a. Review of CSP and CSPUs**

- (i) Brief overview of ADB environmental strategies and programs, highlighting environmental lending projects or activities that have environmental implications
- (ii) Description of links between ADB strategies and work programs with the governments, external assistance (bilateral and multilateral funding agencies), and opportunities for blending ADB resources with other development partners, particularly Global Environment Facility
- (iii) Review of ADB experience and comparative advantages

**b. Assessment of Environmental Impacts of CSP and CSPUs**

- (i) Review of how CSP and CSPUs have addressed key environmental issues, and if there are gaps, provide inputs to mainstream environmental concerns in economic and development planning
- (ii) Recommendations of suitable technical assistances and lending programs (including the concept papers) that needs to mainstream environmental considerations in economic development

**c. Conclusions and Recommendations**

- (i) An overall assessment of the potential environmental benefits and adverse implications

- (ii) Recommendations for country programs to enhance environmental sustainability of economic development (including TAs/lending program and/or incorporation of environmental considerations into programs and projects)