

Ministry for Foreign Affairs of Finland

Evaluation of Environmental Management in Finland's Development Cooperation

Final Report

Report produced by Ramboll-Finnconsult Oy and Biota BD Oy

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Foreword

Ramboll Finnconsult Oy and Biota BD Oy have been entrusted by the Ministry for Foreign Affairs to conduct the Evaluation of Environmental Management of Finland's Development Cooperation. The evaluation team consisted of Mr Tauno Kääriä as team leader, and Ms Päivi Piispa and Ms Kristiina Mikkola as members. A Quality Assurance Team of four experts was involved in the evaluation: Dr Peter Tärr, Dr Jukka Salo, Dr Juha Honkatukia and Dr Valentin Baltra. The core team was supported by two research associates, Mr Alex Munive and Mr Juha Seppälä.

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Abbreviations

AAU - Assigned Amount Unit
AIT – Asian Institute of Technology
AsDB – Asian Development Bank
BSC - Balance Score Card
CBD - Convention on Biological Diversity
CDM - Clean Development Mechanism
CEA - Country Environmental Analysis
CER – Certified Emission Credit
CGIAR - Consultative Group on International Agricultural Research
CIDA – Canadian International Development Agency
CIESIN - Center for International Earth Science Information Network
CITES – Convention on International Trade in Endangered Species of Wild
Fauna and Flora
CSD - UN Commission on Sustainable Development
DAC – Development Assistance Committee
DBS – Direct Budget Support
DFID – Department for International Development Cooperation, UK
EC – European Commission
EIA - Environmental Impact Assessment
EIT - Economic, Industrial and Technological Appropriations
EMS - Environmental Management System
ESI - Environmental Sustainability Index
ESMP – Environmental and Social Management Plan
EU – European Union
FAO – Food and Agriculture Organization
GEF - the Global Environment Facility
GDP – Gross Domestic Product
GHG - Green House Gas
GIS - Green Investment Scheme
GLO - Department for Global Affairs, MFA
IaDB – Interamerican Development Bank
IDA - International Development Association, World Bank Group
IET - International Emissions Trading
IFC – International Finance Corporation
ILO – International Labor Organization
INGO - International Non-Governmental Organisations
IUCN – The World Conservation Union
JFA – Joint Financing Arrangement
JI – Joint Implementation
KEO - Department for Development Policy, MFA
KPO - Department of External Economic Relations, MFA
LCF - Local Co-operation Funds
MDG – Millennium Development Goals
MDGR - Millennium Development Goals Reports
MEA - Multilateral Environmental Agreement
MFA - Minister for Foreign Affairs, Finland
MOE - The Ministry of Environment, Finland
NATO – North Atlantic Treaty Organisation
NGO - Non-Governmental Organization
NSSD - National Strategies for Sustainable Development
ODA – Official Development Assistance
OECD – Organisation for Economic Co-operation and Development
OSCE - Organisation for Security and Co-Operation in Europe
PAF – Performance Assessment Framework
PEI – Poverty Environment Initiative
PEP – Poverty Environment Partnership

PRSP - Poverty Reduction Strategy Paper
SAICM - Strategic Approach to International Chemical Management
SEA - Strategic Environmental Assessment
SLA – Sustainable Livelihoods Approach
SWAp – Sector Wide Approach
TOR - Terms of Reference
TFESSD - Finnish Norwegian Trust Fund for Environmentally and Socially Sustainable Development, World Bank
UNCCD - UN Convention to Combat Desertification
UNCED - United Nations Committee on Environment and Development
UNCHS - United Nations Centre for Human Settlements (Habitat)
UNDP – United Nations Development Programme
UNEP- United Nations Environmental Programme
UNESCO - United Nations Educational, Scientific and Cultural Organization
UNFCCC - United Nations Framework Convention on Climate Change
UNFPA - United Nations Population Fund
UNICEF - United Nations Children's Fund
UNIDO – United Nations Industrial Development Organization
UNIFEM – United Nations Development Fund for Women
UNHCR – United Nations High Commissioner for Refugees
WB – World Bank
WHO – World Health Organisation
WIDER - World Institute for Development Economics Research
WMO – World Meteorological Organization
WTO – World Trade Organization
WWF – World Wildlife Fund
WSSD – World Summit on Sustainable Development

Executive Summary

Combating environmental threats has long been one of the key objectives in Finland's development cooperation. Respect for nature is one of the core values and principles in the Millennium Declaration. The Declaration uplifts protection of our common environment as one of the key areas of action in fulfilling these values and principles, alongside peace, security and disarmament; development and poverty eradication; human rights, democracy and good governance; and protecting the vulnerable.

In addition, in the quest for sustainable development the environment has also long been one of the cross-cutting issues in development cooperation. Finland's Development Policy (2004) emphasises the importance of the environment as a cross cutting theme while setting the environment as a development policy target through the Millennium Declaration.

The Ministry for Foreign Affairs (MFA) does not have an environmental strategy for the implementation of the policy. It seems that the environment no longer enjoys the significant priority status it once had on the political and development agendas. Recognising fully the dual importance of the environment at the policy level and having a specific strategy for its implementation will emphasise the political importance the environment should continue to have.

The call for policy coherence would require that MFA would prepare the environmental strategy in close cooperation with the Ministry of Environment (MOE) which is developing an international strategy for herself. MFA and MOE have reached an agreement on a division of labour. The agreement should be developed further into closer and more institutionalised cooperation. MFA could acquire much of the required environmental skills and knowledge from MOE which would also bring continuity in the human resource base for environmental considerations.

The MFA has renewed and result oriented planning, management and reporting mechanisms. The environment could be a pilot area in developing the mechanisms further into the direction of sectoral and thematic planning and monitoring. Thus, apart from a strategy, no separate environmental action plan would be required. Reports should be submitted from the various operative units on the results and indicators should be developed for monitoring achievement of set targets. The management information system and data collection should be urgently renewed so as to provide the necessary statistical data for reporting and monitoring.

Setting a financial target for environmental interventions in development cooperation would further underline the importance given to the environment. It would also give an incentive for the operative units and strengthen enforcement of the policy and strategy with a reporting requirement on achievement of the target.

The environment should be taken from time to time as a policy issue on the agenda of country negotiations with long-term partner countries, apart from discussing it as a cross-cutting issue in the context of development cooperation. This would provide a basis for advancing the environment as a policy question and building a basis for possible assistance in implementation of national environmental policies. The country negotiation agendas should be considered on a longer term basis so as not to overload the agenda each time.

There is a need to review the guidelines for project cycle management (1997), direct budget support (2004) and sector programmes (draft 2006) in order to strengthen environmental consideration, particularly at the preparatory stages of the project and to provide some practical tools for environmental consideration as a cross cutting issue in all development cooperation interventions. Review forms and check lists should also be developed for consideration of project proposals at the Quality Assurance Committee.

The MFA should strengthen the application of environmental impact assessment (EIA) and use, to the extent possible, the partner country's common procedures for EIA. MFA's internal and external guidelines should be revised to incorporate strategic environmental assessment (SEA) as appropriate.

The MFA should carry out continuous environmental training on a wide basis, including for the staff in the Ministry and at the Embassies, in order to over time build up a strong basis for environmental consideration. The training should be carried out in cooperation with the MOE.

Findings	Conclusions	Recommendations
Environmental strategy development		
While the environment has been taken well into account at the policy level there is no strategy or guidelines for implementation of the policy.	There would be a need for an environmental strategy or guidelines. Present planning processes should be used for developing strategic targets. Country strategies for partner countries should be considered.	MFA and MOE should jointly develop an environmental strategy where policy objectives of the Development Policy and International Environmental Policy would be addressed. MFA's mid-term and annual planning processes should be developed to include sectoral or thematic planning targets (financial and possibly others). The environment could be a pilot case in that respect.
There are no financial targets for the environment.	A financial target would be an incentive for more actively promoting environmental interventions.	MFA should set a target level for environmental financing in the mid-term and annual plans.

Findings	Conclusions	Recommendations
	<p>A financial target, if set high enough, will give opportunities for seeking new channels for environmental financing.</p>	<p>Once such a target is in place and if it requires an increase in environmental funding, then examples of channels are:</p> <ul style="list-style-type: none"> - funding some of the global trust funds and regional programmes which e.g. UNDP and UNEP established as a follow-up of the WSSD summit in 2002. - increased funding to those convention specific funding instruments which are significant for developing nations.
Environmental policy and strategy management		
<p>Environmental consideration is not well institutionalized. It depends heavily on the interest and knowledge and experience of individual staff members.</p>	<p>There is a lack of environmental skills, particularly at the MFA but also partly at the Embassies.</p>	<p>MFA should provide continuous environmental training to the staff (including MFA and the Embassies) to over time develop better environmental knowledge and skills. Training should be arranged in close cooperation with MOE on issues such as: international conventions; the concept of sustainable development; specific EIA and SEA tools; environment-poverty linkage; environment as a cross cutting issue.</p>
<p>There is little cooperation between MFA and MOE in the field of bilateral development cooperation.</p>	<p>Outsourcing some of the environmental tasks to MOE, particularly regarding environment-specific projects, MFA's resources could be directed more actively towards mainstreaming of environment.</p>	<p>Cooperation between MFA and MOE should be further institutionalised at all levels. Some of the environmental tasks could be outsourced for instance to MOE particularly regarding environment-specific projects. MFA's own environmental advisors should be available for environmental consideration as a cross-cutting issue which requires a combination of development and environmental knowledge.</p>
	<p>Environmental consideration should be better institutionalised within MFA.</p>	<p>A review form and checklists to address these should be developed which would then be submitted to the Quality Assurance Group together with other intervention documents.</p>

Findings	Conclusions	Recommendations
The environment has only exceptionally been discussed at the country negotiations with partner countries although it is a priority target in policy statements and a cross-cutting issue in development cooperation.	Discussion of the environment with partner countries from time to time will be a channel for encouraging them for more active implementation of MEAs and a forum for discussing possible support they may need.	The environment should be taken as a separate policy item on the agendas of country negotiations every three years or so. Environment as a cross cutting issue should be discussed in connection with development cooperation as need be.
The present management information and statistical systems do not allow monitoring environmental financing as a whole.	Without reliable information management cannot direct well implementation of the Development Policy.	The management information system, data collection and statistical system should be urgently revised so as to allow the necessary reporting and monitoring.
		One a strategy is in place, indicators should be developed for monitoring achievements regarding the environment and achievement should be reported on and monitored by the management.
The environment is not well covered in project preparation.	The project cycle management guidelines are not followed well as regards the environment. More practical tools should be developed in the guidelines for mainstreaming the environment.	The guidelines for project cycle management should be reviewed and strengthened with tools and guidance on how to take environmental consideration into account, particularly at the project preparation stage and also to reflect the new operational modalities.
New aid modalities may further hamper environmental consideration. The new modalities require their own guidelines (for Budget Support Cooperation they exist, for sector programmes they have been drafted) and new working approaches (e.g. joint monitoring with other donors).	New modalities should also be covered by the project cycle guidelines.	MFA's internal and external guidelines should be revised to incorporate SEA as appropriate. SEA should be applied before taking decisions on participation in direct budget support and SWAp's.

Finnish Summary - Suomenkielinen yhteenveto

Kansainvälisten ympäristöuhkien torjuminen on jo pitkään ollut yksi Suomen kehitysyhteistyön keskeisiä tavoitteita. YK:n vuosituhatjulistuksen yksi peruseriaatteista korostaa luonnon kunnioittamista. Julistus nostaa yhteisen ympäristömme suojelun samanveroiseksi toiminnalliseksi tavoitteeksi kuin rauhan säilyttämisen, turvallisuuden ja aseidenriisunnan; kehityksen ja köyhyyden poiston; ihmisoikeuksien ja demokratian edistämisen; ja haavoittuvien väestöosien suojelun.

Tämän lisäksi, ympäristökysymykset ovat jo pitkään olleet yksi läpileikkaavista teemoista, kun kehitysyhteistyössä tavoitellaan kestäväää kehitystä. Suomen vuoden 2004 kehityspoliittinen ohjelma alleviivaa ympäristön merkitystä koko toimintaa läpileikkaavana teemana samalla kun ohjelma vuosituhatjulistuksen tavoitteiden mukaisesti asettaa ympäristönsuojelun yhdeksi kehityspoliittiseksi päämääräksi.

Ulkoasiainministeriöllä (UM) ei ole kehityspoliittisen ohjelman toteuttamiseen tarkoitettua ympäristöstrategiaa. Vaikuttaakin siltä, että ympäristöä sinänsä ei enää nähdä yhtä keskeisenä poliittisena ja kehityspoliittisena kysymyksenä kuin se aiemmin on ollut. Ympäristön jatkuva poliittinen merkitys korostuu, jos kehityspoliittikan tasolla selvästi nähdään ympäristö sekä keskeisenä tavoitteena sinänsä että tärkeänä toimintaa läpileikkaavana teemana ja jos tämän politiikan toteuttamiseksi on laadittu erityinen ympäristöstrategia.

Kehityspoliittinen ohjelma peräänkuuluttaa laajaa johdonmukaisuutta kehityspoliittikan toteuttamiseksi. Tämän mukaisesti UM:n tulisi valmistella kehityspoliittinen ympäristöstrategia yhdessä ympäristöministeriön (YM) kanssa, joka on valmistelemassa omaa kansainvälistä yhteistyötään kattavaa strategiaa. UM ja YM ovat sopineet kansainvälistä ympäristöpolitiikkaa koskevasta työnjaosta. Yhteistyötä pitäisi kehittää edelleen pysyväksi ja institutionalisoiduksi ministeriöiden väliseksi yhteistyöksi. UM voisi ostaa YM:ltä tarvittavaa ympäristöosaamista, mikä toisi tarvittavaa pysyvyyttä ympäristöosaamista vaativiin tehtäviin.

UM noudattaa valtionhallinnon uusittua, tulostavoitteisiin sidottua suunnittelu- ja raportointijärjestelmää. Järjestelmää voitaisiin kehittää edelleen niin, että siihen otettaisiin mukaan yksityiskohtaisempia sektori- ja teemakohtaisia suunnitelmia ja seurattaisiin niiden toteutumista. Ympäristö voisi olla kokeiluluonteinen alue, jossa tämänsuuntaisen kehityksen toimivuutta kokeiltaisiin. Näin menetellen, ympäristöstrategian lisäksi ei tarvittaisi erillistä ympäristöä koskevaa toimintasuunnitelmaa. Tavoitteiden saavuttamisen seurantaan varten tulisi kehittää tarvittavat indikaattorit, kuten järjestelmä muutenkin vaatii, ja yksiköt raportoisivat tuloksista niiden pohjalta vuosittain. Johdon informaatiojärjestelmää ja tilastotietojen keruuta pitäisi pikaisesti uudistaa, jotta tarvittava tilastoaineisto olisi käytettävissä raportointia varten.

Kehitysyhteistyön ympäristöpanostukselle pitäisi asettaa rahassa määritelty tavoite. Tämä edelleen korostaisi ympäristön merkitystä keskeisenä tavoitteena. Se myös kannustaisi toiminnallisia yksiköitä ympäristöstrategian toteuttamisessa ja asetettujen tavoitteiden saavuttamisessa. Määrällinen tavoite on selkeä mittari.

Ympäristö pitäisi aika ajoin ottaa yhteistyömaiden kanssa käytävien maaneuvottelujen erilliseksi keskustelunaiheeksi, sen lisäksi, että ympäristö tulee neuvotteluissa esiin kehitysyhteistyön läpileikkaavana teemana. Näin

ympäristön merkitystä voitaisiin korostaa laajana politiikkakysymyksenä. Sitä kautta saattaisi tulla esiin myös alueita, joissa yhteistyömaat tarvitsisivat apua ja tukea ympäristöpolitiikkansa toteuttamisessa. Jotta eri aiheille jäisi riittävästi aikaa syvälliseen keskusteluun, maaneuvottelujen asialistoja pitäisi jaksottaa useamman vuoden pohjalta.

Ohjelmien ja hankkeiden hallintaa koskevia ohjeistoja (1997), budjettitukea (2004) ja sektoriohjelmia (luonnos 2006) tulisi tarkistaa ja ympäristönäkökohtia niissä vahvistaa, erityisesti avun valmisteluvaiheen osalta. Samalla tulisi kehittää käytännönläheisiä työkaluja ympäristön huomioon ottamiseksi läpileikkaavana teemana kaikessa kehitysyhteistyössä. Laaturyhmän toimintaa ympäristön osalta tulisi vahvistaa laatimalla arviointilomake ja tarkistuslistoja hankkeiden arviointia varten.

UM:n tulisi vahvistaa hankkeiden ympäristöarviointia (YVA) ja käyttää mahdollisuuksien mukaan vastaanottajamaan omia menetelmiä arvioinnin tekemisessä. Ministeriön sisäisiä ja ulkoisia ohjeistoja tulisi tarkistaa ja strateginen ympäristöarviointi (SEA) tulisi ottaa niissä yhdeksi työvälineeksi.

UM pitäisi kouluttaa henkilöstöä jatkuvasti ja laajapohjaisesti ympäristökysymyksissä, jotta ympäristökysymyksiä koskeva tieto-taito kehittyisi aikaa myöten. Koulutus pitäisi järjestää yhdessä YM:n kanssa.

Huomiot	Johtopäätökset	Suositukses
Ympäristöstrategia		
Ympäristö on huomioitu hyvin ohjelmatasolla, mutta ohjelman toteuttamista varten ei ole strategiaa tai suuntaviivoja	Tarvitaan ympäristöstrategia tai ohjeisto. Käytössä olevaa suunnittelu- ja raportointijärjestelmää tulisi käyttää tavoitteiden määrittelemiseksi. Tulisi harkita yhteistyömaita koskevien maastrategioiden laatimista.	Kehityspoliittisen ohjelman tavoitteiden saavuttamiseksi UM:n tulisi, yhteistyössä YM:n kanssa, laatia ympäristöstrategia. UM:n TTS ja vuosisuunnittelua tulisi kehittää niin, että niihin sisällytetäisiin sektorikohtaisia ja temaattisia tavoitteita (rahallisia ja muita). Ympäristö voisi olla kokeilualue tässä kehitysyhteistyössä.
Kehitysyhteistyössä ei ympäristöpanostukselle ole asetettu määrärahallisia tavoitteita.	Rahallinen tavoite edistäisi ympäristöön suunnattuja panostuksia.	Kehitysyhteistyössä TTS ja vuosisuunnitelmissaan ympäristöä koskevat rahalliset tavoitteet.

Huomiot	Johtopäätökset	Suositukset
	<p>Riittävän korkea rahallinen tavoite rohkaisee etsimään uusia kanavia ympäristötukeen.</p>	<p>Kun rahallinen tavoite on asetettu ja jos se vaatii lisää ympäristöön kohdistuvia panostuksia, esimerkkejä rahoituskanavista ovat:</p> <ul style="list-style-type: none"> - UNDP:n ja UNEP:n (WSSD 2002 huippukokouksen seurauksena) perustamien globaalien ja alueellisten rahastojen ja ohjelmien tukeminen; - lisärahoitus sellaisten kansainvälisten ympäristösopimusten rahastoihin, joilla on erityistä merkitystä kehitysmaille.
Ympäristöpolitiikan ja strategian toteuttaminen		
<p>Ympäristökysymysten huomioon ottaminen ei ole hallinnollisesti hyvin järjestetty. Toteutus on suuresti riippuvainen yksittäisten henkilöiden mielenkiinnosta, kokemuksesta ja osaamisesta.</p>	<p>Ympäristöosaaminen on puutteellista, erityisesti UM:ssä, mutta osin myös edustustoissa.</p>	<p>UM:n pitäisi järjestää henkilöstölle jatkuvaa ympäristökoulutusta (UM:ssä ja edustustoissa), jotta ympäristöosaaminen aikaa myöten karttuisi.</p>
<p>UM:n ja YM:n välillä on vain vähän yhteistyötä kahdenvälisen kehitysyhteistyön osalta.</p>	<p>YM:lle voitaisiin ulkoistaa ympäristöön liittyviä tehtäviä erityisesti ympäristöprojektien osalta, jolloin UM:n neuvonantajien aikaa olisi käytettävissä enemmän ympäristöön poikkileikkaavana teemanä.</p>	<p>UM:n ja YM:n yhteistyö tulisi saattaa hallinnollisesti vaikiintuneelle pohjalle. Osa ympäristöön liittyvistä tehtävistä, erityisesti ympäristöprojektien osalta voitaisiin ulkoistaa esim. YM:lle. UM:n omien ympäristöneuvonantajien aikaa tulisi olla enemmän käytettävissä ympäristökysymyksiin läpileikkaavana teemanä, mikä vaatii sekä ympäristö että kehitysohjelmien yhteistyötä.</p>
	<p>Ympäristökysymysten huomioon ottaminen tulisi olla UM:ssä hallinnollisesti paremmin järjestetty.</p>	<p>Ympäristöarvioinnista koskeva arviointilomake ja tarkistuslistoja, joita käytettäisiin laaturyhmässä muiden asiakirjojen kera.</p>
<p>Ympäristö on vain poikkeuksellisesti ollut maaneuvottelujen erillisenä asiakohtana, vaikka ympäristö on keskeinen ohjelmallinen tavoite ja kehitysyhteistyössä läpileikkaava teema.</p>	<p>Ympäristön ottaminen maaneuvottelujen keskustelunaiheeksi on keino rohkaista yhteistyömaita kansainvälisten ympäristösopimusten toteuttamiseen ja samalla on mahdollisuus keskustella mahdollisesta avun tarpeesta.</p>	<p>Ympäristön tulisi olla maaneuvottelujen erillinen asiakohta ehkä joka kolmas vuosi. Ympäristöstä kehitysyhteistyön läpileikkaavana teemanä pitäisi keskustella neuvotteluissa aina tarpeen mukaan.</p>

Huomiot	Johtopäätökset	Suositukset
<p>Nykyinen johdon informaatio- ja tilastojärjestelmä eivät anna mahdollisuuksia seurata ympäristöön suuntautuvan rahoituksen määrää.</p>	<p>Ilman luotettavaa tilastotietoa ei kehityspoliittisen ohjelman toteutumista voida kunnolle seurata.</p>	<p>Johdon informaatiojärjestelmä, tilastojen keruu ja tilastointijärjestelmät tulisi pikaisesti uudistaa niin, että kunnollinen seuranta ja raportointi on mahdollista.</p>
		<p>Ympäristöä koskevien tavoitteiden saavuttamisen seuraamiseksi tulisi kehittää tarvittavat indikaattorit. Tuloksista tulisi raportoida ja johdon tulisi seurata tavoitteiden saavuttamista.</p>
<p>Ympäristöä ei oteta riittävästi huomioon hankevalmistelussa.</p>	<p>Projektien hallintaa koskevia ohjeistoja ei seurata kunnolla ympäristöä koskevilta osiltaan. Pitäisi kehittää käytännöllisiä työkaluja ympäristön vahvistamiseksi läpileikkaavana teemana.</p>	<p>Projektihallintaa koskevat ohjeistot tulisi tarkistaa ja vahvistaa sekä välineiden että ohjeiden osalta niin, että ympäristö läpileikkaavana teemana tulisi paremmin otetuksi huomioon, varsinkin valmisteluvaiheessa ja niin, että avun uudet muodot myös otetaan huomioon.</p>
<p>Uudet avun muodot saattavat edelleen heikentää ympäristön huomioon ottamista. Niitä varten tulisi laatia ohjeistot (Budjettituen osalta on jo ja sektoriohjelmien osalta on luonnos) ja ohjeet toimintatavoista (avunantajien yhteinen seuranta).</p>	<p>Uusien projektihallinta ohjeiden tulisi kattaa myös uudet avun muodot.</p>	<p>UM:n sisäiset ja ulkoiset ohjeistot tulisi uudistaa ja sisällyttää niihin myös strateginen ja ohjelmien ympäristövaikutusten arviointi (SEA) tarpeen mukaan. SEAmennettelyä tulisi käyttää ennen kuin uusiin apumuotoihin osallistumisesta päätetään.</p>

Introduction

The objective of the Evaluation of Environmental Management of Finland's Development Cooperation is essentially to provide the Ministry for Foreign Affairs (MFA) with information that will be needed as a basis for considering a possible new environmental strategy for Finland's development co-operation, including priorities and measures for the effective implementation of the strategy. The Terms of Reference (TOR) are attached as Annex 1.

The report structure follows that of the environmental management system where policies are reviewed, organizations and their planning and managing procedures analysed and the different implementation modalities of Finnish development cooperation appraised. Emphasis is given to the identification and development of mechanisms and instruments for the effective implementation of the stated policy objectives in Finland's development policy and for effectively mainstreaming environmental considerations in Finnish development cooperation.

1. Methodology

1.1 The evaluation process

This evaluation is by and large an evaluation of the environmental management system at the Ministry for Foreign Affairs (MFA), though it will also brush on interventions or their implementation. The methodology consists of a mix of qualitative and quantitative methods and research tools.

The main focus has been on analysing the extent to which environmental policy objectives have been mainstreamed and integrated into policies, sector and thematic strategies, guidelines, and programmes, and existing mechanisms and tools for implementing the development policy. Naturally, this focus has not excluded projects and programmes that have an explicit environmental scope.

With respect to the interventions the emphasis has been to assess the extent to which the MFA has managed to mainstream the environmental policy objectives into bilateral development co-operation funding instruments. As regards these instruments, an analysis of the quantitative environmental financing and qualitative environmental mainstreaming has been made.

Primary data has been collected in a consultative manner encouraging participation of all interested parties in the evaluation process. We have used interviews, focus group discussions and email questionnaires as data collection tools.

- Interviews and focus group discussions: The interviews have applied a pragmatic future-oriented approach emphasizing lessons learned and good practices. The views of the interviewees have been sought on environmental mainstreaming, approaches and capacities. Interviewees have been selected keeping in mind all funding instruments, geographical spread and the focus of the evaluation. They include officials and staff from the MFA in Finland, in the Embassies, Development Policy Committee, Finnfund, Finnvera, the Ministry of the Environment (MOE), NGO representatives and staff of consulting companies and research facilities.

- E-mail questionnaires: E-mail questionnaires were dispatched for the Embassies, for the partnership NGOs and for the consultants and researchers.
- Workshops: Altogether four workshops were held to seek inputs and feedback from MFA and other stakeholder groups (in December 2005, January 2006 and March 2006).

Secondary data: A review has been conducted of documents such as policy documents or studies (relevant MFA policies and guidelines, policy documents of other donors and OECD, documents guiding management and operations within the MFA), statistics of environmental financing and documentation of interventions at various stages of the project cycle (project documents, evaluation and review reports, terms of reference).

Information obtained from various sources has been carefully cross-checked to ensure reliability and validity. In recognition of the TOR's scope of work and the six elements of an Environmental Management System (EMS), a set of environmental policy evaluation criteria have been used. These criteria also build on the methods of EMS auditing and evaluating policy instruments. The framework has assisted the team in reviewing the consistency, coherence and co-ordination at the policy level, as well as expanding on efficiency, effectiveness and relevance at the operational level.

The evaluation process has not been linear. With emerging findings the need to collect additional data and expand on the analysis became apparent and emerging issues have been addressed to the extent possible.

Reporting: The evaluation team has produced four reports in the course of the work. In October 2005, an Inception Report was submitted to the Evaluation Unit. The purpose of the Inception Report was to suggest some amendments to the methodology and scope of activities. Agreed changes in the approach and scope are reflected in the subsequent reports of the assignment. An Interim Report was completed in January 2006. Feedback and further comments were sought from parties earlier approached in the evaluation. The Draft Final Report was distributed for comments in March 2006. This report is the final output of the assignment.

The TOR is available in Annex 1, Persons Interviewed in Annex 2 and Documents Reviewed in Annex 3.

1.2 Baseline

MFA commissioned the thematic evaluation on environment and development in 1998. The findings of that sector evaluation form the baseline for the current evaluation. The main findings with respect to each focal area have been summarized below¹.

- *Environmental policy, i.e. commitment and policy statements:* the valid strategies and policies included environmental objectives. The Decision-in-Principle of 12 September 1996² was sufficient as a policy statement and it was consistent with Finland's commitments in the

¹ M. Hildén, E. Primmer, R. Varjopuro, with J. Raumolin, J. Mugabe, A. Imbach, 1999, Thematic Evaluation on Environment and Development in Finnish Development Co-operation. *Policy Issues and General Management. Ministry for Foreign Affairs, Evaluation Report 1999: 1*

² *Decision-in-principle of Finland's Development Cooperation*, the Government, 12.9.1996

international fora. The formulation and documentation of concrete objectives and targets was, however, incomplete, and the MFA's approach to the implementation of the policies was not always clear to actors outside the organisation. Target documents to match up with the environmental components of partner countries' development strategies were largely missing. There were areas of potential conflicts between trade policy and policies based on the Decision-in-Principle. Environmental aspects were dealt with in the Guidelines for Programme Design, Monitoring and Evaluation (first issued in 1997).

- *Planning process in MFA:* The budgetary procedure set the framework for the planning of development co-operation, the preparation of the appropriation decisions being an important planning stage. The project cycle, which guides the work of the bilateral development co-operation, was the most formalised and detailed procedure for the identification of environmental aspects in bilateral activities. The programme guidelines clearly specified the overall handling of activities in bilateral development co-operation. It was not, however, clear which specific environmental and other guidelines the MFA endorsed and how they were to be applied in Finnish development co-operation. Concessional credits and industrial co-operation activities also needed clear guidelines and criteria for taking environmental aspects into account.
- *Implementation and operation of development co-operation:* Finland had increased the share of her environmental development co-operation activities in the 1990s both in the bilateral and the multilateral arena. The success in main-streaming environmental considerations varied with the interest and effort of individuals within the MFA. The lack of approved descriptions of planning within the Ministry weakened the organisation's capability to handle environmental matters. The responsibilities and procedures for handling environmental issues were not always clear within the MFA or between the Ministry headquarters and the Embassies. Environmental checklists for project and programme meetings, and systematisation of the environmental aspects of the country programme negotiation agendas, had not been extensively used. The level of environmental substance knowledge varied considerably within the MFA, which had not ensured that all key persons have appropriate skills for handling environmental matters. The environmental advisors were not able to provide an active input into all ongoing activities. Project management training, including the management of cross-cutting issues, had not been mandatory.
- *Environmental financing:* Environmentally inclined activities in 1997 were approximately 10% of the total aid budget. Prior to this the number of bilateral environmental projects and programmes had increased.
- *Measuring and evaluating results:* Monitoring and evaluations were standard features of the project cycle in bilateral development co-operation. Multilateral development co-operation activities were less systematically monitored. Monitoring the environmental aspects of activities was not systematic, often due to the lack of baseline information. Links between evaluations and operational control were well developed at the level of interventions, but the link from thematic evaluations to policy development or specification of objectives and targets was weaker. There was also limited systematic public reporting

of activities for providing analytical information on individual programmes and projects and their successes and problems.

- *Reviewing results and improving practices:* The use of evaluation results as part of the management review was not yet fully developed. A process for addressing evaluation results at the top management level was proposed. The environmental management and management review of the MFA was dependent on external efforts and had not covered all functions. Ways to internalize the environmental management review were proposed for consideration.

To improve the integration of environmental issues in all development co-operation activities the evaluation identified several areas for further improvement:

- The MFA should develop operational strategies that clarify the concrete environmental aims, over a given time period, of the different forms of Finnish development co-operation. These strategies should also specify the Finnish contribution and its position relative to the international commitments and partner countries' policies and strategies.
- The MFA should improve the management of development co-operation: clarify and systematise the responsibilities and processes, and specify the rules and procedures within the MFA.
- The MFA should improve environmental assessment, monitoring and, in particular, management review of activities within the MFA. Analyses of the results of development co-operation activities should be presented to interested parties.
- The MFA should emphasise participation in strategic planning, management, monitoring and reviewing. By demanding participation at the early stages of programme identification and formulation the MFA would create favourable conditions for participation throughout programme implementation. Learning processes based on the monitoring and reviews should be participatory within the organisation and should also include external stakeholders. The MFA should encourage open value discussions by organising seminars and discussions for this purpose.
- The MFA should refer to decisions on priorities and make them evident in decisions on resources to be used for activities, including planning of activities.
- In supporting research activities, the MFA should, together with the research community, identify areas where research can contribute insights into operational issues. Long term capacity building and twinning activities should be part of the research support.

The report of the evaluation, published in 1999, made sweeping and far reaching recommendations. MFA's situation seven years later is different. Changes have taken place in many of the above areas, although largely as a result of other change management processes (e.g. new organisation). The 'aid tools' section³ was developed as a result of evaluation's recommendation to "specify and document the responsibilities and internal planning procedures within the Ministry". It was incorporated into the MFA's intranet in 2001.

³ Kehitysyhteistyöhallinnon ohjeistus (KYT-työkalu)

2. Policy Context

2.1 International framework

Poverty-environment assessments in development planning as a step further to implement MDGs

The UN's Millennium Declaration brought up a new ethic of conservation and stewardship. Efforts to ensure better management, conservation and sustainable development of forests and sustainable exploitation of water resources, as well as the full implementation of conventions on Kyoto Protocol, biological diversity and desertification were encouraged.

Today, implementing MDG 7 is seen as a real challenge. Now, the international community considers the MDG 7, Target 9, as a first step to set priorities for improving the development and use of poverty-environment indicators and assessments.

A recent United Nations Development Programme (UNDP) review of 100 Millennium Development Goal country reports (MDGRs) concluded that country monitoring and reporting on progress towards environmental sustainability is weak. The analysis suggests that although lack of available data and indicators is a significant constraint for some countries, many have not fully integrated existing data and indicators from other national planning processes, such as National Strategies for Sustainable Development, State of Environment Reports, or the National Biodiversity Action Plans (UNDP 2005). Some countries have started to integrate ecosystem services in their Poverty Reduction Strategies, to show that the services can be used to alleviate poverty.

Of the 100 countries that have submitted their reports on the progress in reaching the MDGs, about half reported exclusively on the global targets, providing no indication of any effort to tailor these global targets to their national priorities or circumstances. The international community now recommends all countries to follow certain strategic steps towards strengthening strategic planning and assessment processes to achieve MDGs, and particularly the MDG 7 and Target 9. These steps include among others setting of country priorities, targets and establishing indicators to measure environmental sustainability, and integrating environmental assessments procedures in development planning.

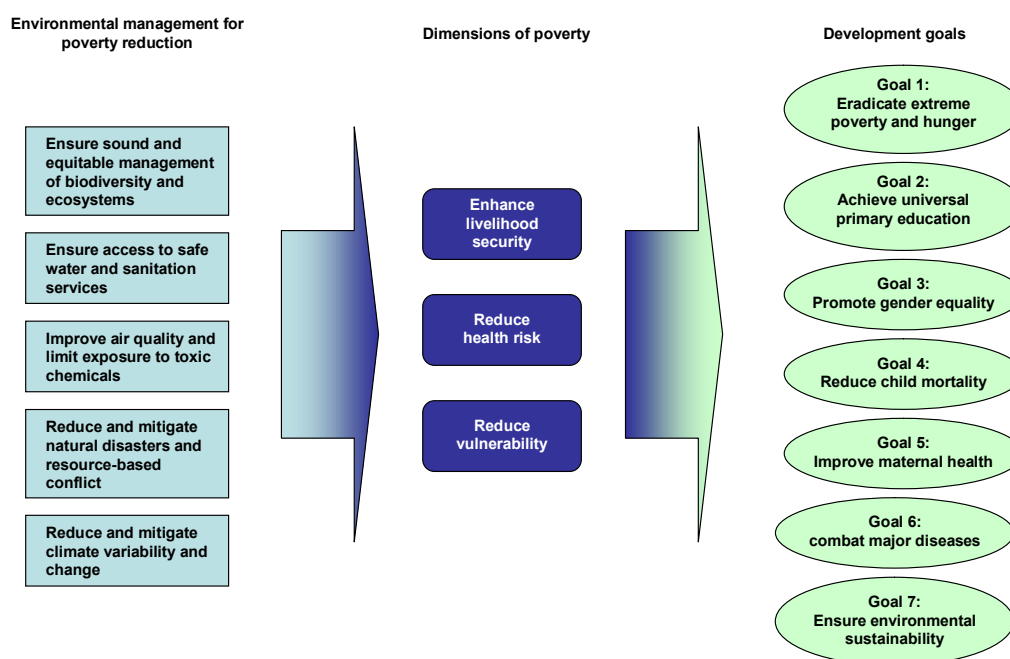
On 14 September 2005, the Poverty-Environment Partnership (PEP) convened a High-Level Policy Dialogue on Environment for the MDGs. Among the key messages to inform the World Summit were recognitions that environmental investments for poverty reduction can be economically attractive, and that governance and capacity improvements are needed to ensure that poor people can really benefit from these investments.

Both the UN Millennium Project (2005) and the Millennium Ecosystem Assessment from 2005 emphasize that "the loss of services derived from ecosystems is a significant barrier to the achievement of the MDGs". The UN Millennium Project and the Poverty-Environment Partnership (PEP) both emphasize that the investments in protecting and restoring natural ecosystems, climate change, water supply and sanitation, soil conservation and increasing the access to sustainable energy services will bring significant net benefits both to poor people and the national economies.

Figure 1 below provides a simplified framework for understanding how environmental management relates to poverty reduction, and why these

poverty-environment linkages must be at the core of action to achieve the Millennium Development Goals and related national poverty eradication and sustainable development objectives.⁴ It depicts how improvements in environmental conditions contribute to enhanced livelihoods security of the poor, reduced health risks and reduced vulnerability. Positive changes in these dimensions are all important prerequisites for sustainable attainment of all MDGs.

Figure 1. Environment and the Millennium Development Goals



Source: *Linking Poverty Reduction and Environmental Management, Policy Challenges and Opportunities*, DFID, EC, UNDP, WB, July 2002

Better governance is seen as a prerequisite for a better policy environment. Here, new instruments such as environmental fiscal reform, credit and insurance schemes and payments for ecosystem services are called for. Country-specific targets for the pro-poor productivity of environmental assets, strengthening of the information base, capacity development for environmental assessment tools and advances in wealth accounting are other instruments to be utilised.

The international PEP initiative has come up with tools that can help in measuring the contribution of the environmental resources to poverty reduction:

⁴ *Linking Poverty Reduction and Environmental Management, Policy Challenges and Opportunities*, DFID, EC, UNDP, WB, July 2002

- *expanding and strengthening the current set of indicators that have been used to evaluate progress in environmental protection and health,*
- *developing geo-spatial indicators that examine the linkages between ecosystem services and human well-being at various scales, from local to national,*
- *constructing indices of progress toward environmental sustainability that integrate information on conditions and trends across environmental, social and economic sectors, and*
- *developing measures of institutional environmental performance; such indicators would focus on the process of public decision-making related to the environment, such as rules and procedures for preparing environmental impact assessments (EIAs), or indicators to promote civil society's access to information, participation, and justice in public decisions concerning environmental resources.*⁵

Environment is an elementary part of the aid harmonization process

The current international development policy challenges are targeted towards increasing the volume of aid and its effectiveness and to harmonise the donor support. The Paris Declaration of 2005 clearly recognize the need to promote environmental impact assessments as broadly accepted good practises as one means in promotion of aid effectiveness.

In the Declaration both the donor community and partner countries agreed to promote a harmonised approach to environmental assessment. The good progress already achieved in applying EIA e.g. in health and social impact assessments will be deepened and common approaches will be developed and applied for SEA at the sector and national levels. This progress is supposed to be developed further by addressing such issues as climate change, desertification and loss of biodiversity.

The donor community and partner countries have committed themselves to:

- *strengthen the application of EIAs and deepen common procedures for projects, including consultations with stakeholders; and developing and applying common approaches for the SEAs, strategic environmental impact assessments, at the sector and the national level;*
- *to continue to develop the specialised technical and policy capacity necessary for environmental analysis and for the enforcement of legislation.*

The OECD DAC Network on Environment and Development Cooperation has recently come up with Good Practise Guidance on Strategic Environmental Assessment for the Member countries with examples and practical advice on the means both assess and to set environment as a development objective. The examples of existing best practises include PRSP preparation processes in Tanzania and Ghana which are regarded as the most advanced country cases. SEA is already a broadly accepted, even an enforced legislative tool in many countries in promoting a strategic approach to environmental sustainability in development planning.

Capacity building and technology for environment

Transfer of environment-related technology and capacity building is seen as one of the core challenges to cut the existing sustainability-divide. Reducing or cutting the tariffs and non-tariff barriers on environment related products and services, as well as the linkages to the MEAs, are the current topics of the Doha Round of the WTO trade negotiations.

⁵ *Assessing Environment's Contribution to Poverty Reduction, Poverty-Environment Partnership, 2005*

In this respect, UNEP has taken a new initiative in Bali (2005) to promote further environment-related technology and capacity-building in developing countries and countries with economies in transition.⁶ The intention is to strengthen national and regional institutions responsible for environmental management, promoting implementation of environmental programmes and plans and enhancing their contribution into the national sustainable development and poverty reduction strategies. Besides, the attempt is to provide an enhancing enabling environment for innovation and transfer of technology and to strengthen UNEP's role in all of this. UNEP and GEF have formed a strategic partnership to implement the Bali Strategy, and UNEP together with UNDP will enhance joint capacity-building activities to enforce the plan.

EU agenda on environment and development

The new so-called "European Consensus" speaks about the links between development and security, development and trade and development and environment. Sustainable development is seen as the best structural response to the deep-rooted causes of violent conflicts and the rise of terrorism, often linked to poverty, bad governance and the deterioration and lack of access to natural resources.

The European Union will encourage the development of production and consumption methods that limit the harmful consequences of growth for the environment. The EU will promote the integration of environment into poverty reduction and equivalent development strategies. Further, the EU will ensure policy coherence for development and promote mutually reinforcing economic, employment, social and environmental policies at global, regional and national level.

Implementation of EU development cooperation is necessarily country- or region-specific, "tailor-made" to each partner country or region. Differentiation, and the complexity of the policy mixes, clearly requires a broad range of policy approaches and themes within development policy. On the other hand, it is crucial to guarantee coherence between policies. Attention will be paid to certain thematic priorities, such as improving the environmental and social governance by strengthening the effective participation of institutional actors in charge of these issues in the political decision-making process as well as reinforcing the role of non-governmental actors.

The Commission's response to the growing demand from African countries for the increase of donor funding to infrastructure is a Partnership for Infrastructure. The Community's "integrated water resources management" policy framework aims at ensuring a supply of sufficient, good quality drinking water, adequate sanitation and hygiene to every human being, especially the poorest, in line with the MDGs. The EU Water Initiative contributes towards these objectives.

The EU Energy Initiative tries to promote the sound institutional and financial environment, awareness raising and capacity building in order to improve access to modern energy services for the poor households.

In 2004 the EU member states agreed on the Action Plan to Accompany the EU Strategy on Climate Change in the Context of Development Cooperation. Mainstreaming of responses to climate change in poverty reduction strategies

⁶ *Bali Strategic Plan for Technology Support and Capacity-building*, UNEP/GC.23/6/Add.1, February 2005

(PRSPs) and national strategies for sustainable development (NSSDs) are considered as the main avenues to address adaptation to adverse effects and mitigation of the causes of climate change. The EU countries also agreed to monitor and review the implementation of the Climate Change Action Plan in 2007.

The European Community will continue its support to the implementation of multilateral environmental agreements. Initiatives aimed at ensuring the sustainable use and management of natural resources, with a particular emphasis on the sustainable management of forest resources through promotion of community-based forest management and improved governance of forest resources. Sustainable management of biodiversity, including protected areas systems, and equitable sharing of benefits among others will be supported with a stronger support to UNCBD implementation.

Promoting sustainable energy production and implementing MEAs to reach the set targets for the environmental financing

Sweden, Denmark, Norway and Great Britain direct their environmental financing particularly to implement Kyoto Protocol, promote sustainable and renewable energy production, and to implement other major environmental agreements, with the institutional support. The utilization of SEA, as elaborated within the OECD DAC network, is now being the tool for the integration of environmental objectives and targets in the preparation processes of PRSPs and other development planning at national and sector-level. Also elaboration of indicators is regarded important. In this, DFID has taken steps towards the elaboration of relevant environmental performance indicators to measure the significance that environment may have in poverty alleviation.

In many European countries environment is seen as a priority area in the development cooperation. Germany has decided to allocate one-third of her ODA budget to environmental interventions, while the Netherlands wants to allocate 12.5% from its development budget to environmental protection by 2007. Sweden has decided to make an extra allocation of 100 million SKR (equivalent to EUR 10.7 million) in 2006-2009 to environmental projects. The Danish Government has allocated approximately 16 per cent of her ODA in environmental projects and will utilize more than 2 billion DKR (over EUR 268 million) in 2004-2008 to promote sustainable development.

2.2 Environmental policies and challenges in Finland's development cooperation

Four decades of development cooperation

Along with the introduction of environmental problems on the international development policy agenda in the 1970s⁷, also Finland started to develop procedures and tools for integration of environment into development. The first MFA's policy document on renewable natural resources in development cooperation recommended the utilisation of environmental impact assessment (EIA) in project implementation, combating desertification, erosion control, focusing on water protection and sanitation and promotion of renewable energy resources. This was followed in the 1980s by a series of development cooperation guidelines on the environment.⁸

⁷ UN Conference on the Human Environment, 1972, UN Water Conference, 1977 and UN Conference Desertification, 1977

⁸ *Environment and Development Aid*, 1982; *Guidelines on Environmental Policy Protection and Environmental Impact Assessment in Development Aid*, 1985 and *Guidelines for Environmental Impact Assessment*, 1989, revised in 1992

In 1989 Finland in the Environment and Development Committee's Report⁹ and in the national report to the Rio conference¹⁰ emphasized that Finland will support bringing the environment with a comprehensive approach onto international agencies' development policy agenda, and with the focus of rectification of the trade distortions in developing countries.

Entering the 1990s Finland started to support the implementation of the major international environmental conventions (MEAs), and development of partner countries environmental capacities by channelling funds through UNEP (i.e. Clearing House Mechanism, Montreal Protocol), GEF, IUCN, WWF and many local NGOs in developing countries. Finland also allocated increasing amounts to various UN organisations¹¹, to programmes of erosion control, watershed management and protection of water resources, inventories of natural resources (e.g. forest) as well as research on and introduction of environmental technologies. Also international financing institutions received Finnish funding to similar kind of environmentally-oriented programmes.

From the mid-80s onwards Finland has emphasized integration of environmental aspirations in all her development cooperation interventions. Guidelines on EIA¹² were seen as a key tool in guaranteeing integration of environmental concerns in bilateral development cooperation interventions and in NGO and concessional credit interventions. Besides mainstreaming environmental concerns several environment-specific programmes were undertaken in the 1990s in strengthening the environmental administration capacities of the partner countries and in supporting the enforcement of the MEAs.

The first overall strategy for the development cooperation in 1993, underlined environment as one of the principle objectives "*Combat global environmental threats by assisting developing countries in solving environmental problems*". The Decision-in Principle of 1996 followed the same path. In 1998 the Government adopted a new policy document which widened the perspective from development cooperation to Finland's relations with developing countries.

In the sequence, the 2001 the Decision-in-Principle focused on the operationalization of the development policy objectives¹³. Accordingly, poverty alleviation was seen as the main objective in the collaboration with the long-term partner countries.

Current challenges

Today, Finland's 2004 Development Policy¹⁴ recognises environment as one of the principal fields that contribute to the eradication of extreme poverty. The need for policy coherence in national policies that have an impact on the status of developing countries, including environmental policies is being emphasized. The main principle is that environment should be mainstreamed

⁹ *Report of Finland's Committee on Environment and Development, 1989*

¹⁰ *National Report for the UNCED, 1992*

¹¹ Organisations such as FAO, WHO, UNICEF, UNESCO, UNFPA, UNCHS (Habitat), UNIFEM, UNHCR, UNIDO, WMO, ILO

¹² *Draft Guidelines for Environmental Impact Assessment, 1989 revised in 1992*

¹³ Government of Finland. 2001. *Operationalisation of Development Policy Objectives in Finland's*

International Development Cooperation.

¹⁴ *Development Policy, Government resolution 5.2.2004*

in all cooperation interventions. Finland advocates change in the production and consumption patterns. By promoting the implementation of the MEAs, Finland seeks to safeguard the state of the environment. Finland supports the inclusion of the principles of environmentally sustainable development in the poverty reduction strategies of its partner countries.

To achieve particularly the Millennium Development Goals the Policy states that:

- Access to clean drinking water and sanitation services
- Sustainable management and protection of natural resources; support to partner countries in implementing global environmental agreements and processes, and
- Forestry as a part of rural livelihoods and as a means of reducing poverty.

are considered as priority objectives.

The Policy also emphasises Finland's own experiences and strengths in focusing development cooperation. Today Finland ranks first in the world in environmental sustainability out of 146 countries according to the 2005 Environmental Sustainability Index (ESI).¹⁵

Finland's new foreign trade policy was adopted in 2005.¹⁶ In it, the concern that the growth of the global economy and increasing demand threatens the depletion of limited natural resources is being raised. To combine trade policies with choices that promote economically, environmentally and socially sustainable development is seen necessary. The promotion of environmental products and services is considered to provide an opportunity for Finland. Finland is participating in the WTO Doha Round where the interrelation between the trade policy framework and the MEAs, as well as the tariffs of environmental products and services are currently being negotiated.

In November 2005 the Finnish Government agreed on a new energy and climate strategy¹⁷ which updated the previous strategy from 2001 and took a definitive position on the use of Kyoto mechanisms. With the new strategy Finland will need to offset 10 million tons of GHG emissions in addition to domestic activities in order to reach the target of GHG emissions equalling 1990 levels during the first Kyoto period. This will *de facto* involve the purchasing of carbon credits from projects (CDM or JI) or through emission trading (IET). How the 10 million carbon credits are to be acquired has not yet been decided but the project based mechanisms of the Kyoto Protocol (CDM¹⁸ and JI¹⁹) provide many possibilities for furthering the aims of Finnish climate change and development policy, in case they are a part of the options palette. Finland has gained already some experience from project-based mechanisms through the Finnish CDM/JI Pilot Programme (2000-2006).

In late 2005, the Ministry of the Environment of Finland (MOE) has drafted a new Strategy for International Cooperation (attached as Annex 4). According

¹⁵ *The Environmental Sustainability Index* is produced by a team of environmental experts at Yale and Columbia Universities.

¹⁶ *Suomen kauppapolitiittinen ohjelma*, Valtioneuvoston periaatepäätös, 8.9.2005

¹⁷ Lähiajan energia- ja ilmastopolitiikan linjauksia – Kansallinen strategia Kioton pöytäkirjan toimeenpanemiseksi, valtioneuvoston selonteko eduskunnalle, 24.11.2005

¹⁸ Clean Development Mechanism

¹⁹ Joint Implementation

to the international environmental policy priorities of Finland, the country continues to focus on the integration of environmental policy issues and building-up of partnerships. The Johannesburg Action Plan and the MEAs are regarded as the core tools in combating environmental threats. Finland considers that developing countries need strengthening of their own administrative capacities in implementing, monitoring and reporting of the enforcement of the conventions.

MEAs can also provide a channel to promote environmentally-friendly technologies. Sole strengthening of environmental policy instruments is not seen as being sufficient as the policy environment has now changed more to the search for coherent international policy procedures for investments, financing, trade and technology transfer which should synergetically also promote poverty alleviation, sustainable development and global environmental targets. Cooperation that provides corporate environmental and social responsibility should form the foundation of collaboration. Finland considers herself to possess special value added in providing technologies for renewable energy resources, clean water and sanitation technologies and in sustainable management of forest resources.

According to the MOE's new strategy, Finland's future environmental policy challenges are seen to lie in six focus areas of action that are the following:

1. further promotion of sustainable production and consumption patterns which implements the Johannesburg Action Plan, and where the European Union has a leading role on the global level, and which Finland is proactively supporting;
2. combating climate change as agreed in Bonn in 2001, where Finland's annual commitment is at USD 6,4 million; and by mainstreaming climate issues in the implementation of Finland's development cooperation as agreed together with other EU member countries in 2004;
3. continuing to support the common goal of achieving a significant reduction in the loss of biodiversity by 2010 through e.g. establishment a worldwide biodiversity network, and implementing the Forest Programme;
4. continuing the support to United Nations Forum on Forests, promoting further sustainable forest management, increasing the economic, social and benefits of forests in achieving development goals and poverty alleviation, increasing the area of protected forest land and sustainably managed forests, and increasing financing for sustainable forest management in the development cooperation (e.g. through GEF).
5. promoting the implementation of the Strategic Approach to International Chemical Management, SAICM and the Stockholm and Rotterdam Conventions together with the Ministry for the Foreign Affairs; and
6. continuing the support to the implementation of the Johannesburg Action Plan to meet the MDG targets of safeguarding the basic services for water and sanitation, and integrated planning for water resources protection, management and utilisation.

Further, Finland continues her international environmental policy dialogue

through the CSD. Topics such as promotion of utilisation of renewable energy resources, and increasing the environmental responsibility of industries and utilisation of cleaner technologies will be given emphasis. Also the role and resources of the UNEP are seen to have a major role and this role could be strengthened through e.g. implementing the Bali Strategy of 2005, particularly in increasing the cooperation for chemical safety between UNEP and EU.

The role of GEF is seen crucial in the further implementation of the MEAs and the means to broaden the GEF's mandate should be sought for. At the OECD fora, Finland continues to promote sustainable production and consumption patterns as priority policy topics, as well as sector guidelines and tools for mainstreaming environment into development planning. Moreover, the support to the UNFCCC commitments in development cooperation, such as adaptation measures, and cost analysis in relation to climate change are topics of concern in the dialogue with OECD.

The MOE emphasises close cooperation between the MOE and the MFA in various interventions of development cooperation, and the need to elaborate an Action Plan for Environment in the development cooperation.

3. Organisation, Resources and Responsibilities

3.1 Ministerial level

As regards environmental management in Finland's development cooperation the MFA and the MOE are the key ministerial level actors. The MFA and MOE have agreed on a division of labour regarding the environment in Finland's international relations.²⁰ The agreement has been reached by the Department for Global Affairs (GLO) of MFA and the Unit for International Affairs of MOE. According to both the MFA and the MOE coordination today is rather smooth both with GLO and Department of External Economic Relations (KPO). However, there is little contact between the Ministries as regards Finnish bilateral development cooperation. There would appear to be potential for closer cooperation also regarding bilateral cooperation where there is a need for additional knowledgeable environmental resources.

The main line of thinking in the agreement is that each Ministry would focus on its own expertise area following the Ministry's mandate. The MOE covers substantive environmental matters and the MFA handles environmental issues as they relate to foreign policy issues (national security, foreign trade and development issues). In addition, large questions of sustainable development and global governance fall under the MFA's domain, such as environment in the UN context, the UN Commission on Sustainable Development (CSD)²¹ and environmental management in the UN reform and possible new environmental agency.

The MOE is in charge of environmental issues in international environmental agencies, in the EU and its foreign relations, and in regional and bilateral cooperation. The MFA is in charge of financing for international agencies, including environmental agencies, and for environmental development financing. In brief, the agreed responsibilities regarding environmental matters in the international relations are as follows:

²⁰ *Ulkoasiainministeriön ja ympäristöministeriön työnjako kansainväliseen ympäristöpolitiikkaan liittyvissä kysymyksissä*, 3.10.2005

²¹ UN Commission on Sustainable Development

MOE

- *Substantive issues of international environmental agencies*
- *Environmental issues in EU's foreign relations*
- *Regional environmental agencies and conventions (excl. OSCE and NATO)*
- *Environmental cooperation in the nearby areas*
- *Bilateral environmental cooperation*

MFA

- *Security and the environment*
- *Foreign trade and the environment*
- *Development and the environment*
- *Foreign policy matters in international environmental conventions*
- *The EU*
- *Global issues relating to the environment and sustainable development*

When agreeing on the new energy and climate strategy the Government also agreed on the responsibilities regarding the Kyoto mechanisms. The Ministry for Trade and Industry will have overall coordination responsibility and be responsible for IET, MFA will have CDM, and MOE will be responsible for JI.

3.2 The Ministry for Foreign Affairs

In the MFA there are three Departments which have specific responsibilities related to the environment. In the Department for Global Affairs (GLO) there is a Unit for International Environmental Policies with 7 staff members at the professional level. Basically the Unit is in charge of the above multilateral environmental issues that fall under the domain of the MFA. Naturally the Unit's work is also guided by Finland's international commitments. One of the priorities of the Unit at the moment is environmental security in crisis situations and to identify possible risks that could have wider effects. The aim is to identify the risks already before they materialise. Another priority is that the cooperation between the MFA and the MOE would be seamless so that budgeting and financing, which are the responsibility of the MFA, can be intimately linked with the substantive needs and priorities, which are the responsibility of the MOE. At present the Units' activities and the work with GEF and the UN agencies are directly guided by international environmental conventions, because no specific policy guidelines within MFA exist.

The Department of External Economic Relations (KPO) has one professional staff member with the responsibility of environmental issues in connection with international trade and WTO. On the agenda of the Doha Round are presently the legal and practical relationship between WTO and the MEAs and the relationship between their secretariats. Furthermore, the negotiations aim at reducing or abolishing the tariffs and non-tariff barriers of environmental products and services. The MFA and MOE cooperate closely in these negotiations.

The Department for Development Policy (KEO) is in charge of development policy matters and budgeting of development cooperation funds. It provides policy guidance and financing for bilateral development cooperation. The Department houses a Unit for Sectoral Policies which has the responsibility for providing advice and guidance in sectoral policy matters. Out of the 19 sectoral advisors two are in the field of environment. Apart from broad policy matters the two advisors' duties have focused on reviewing and supporting environment-specific projects. Their inputs have not been sought for mainstreaming environmental issues in other interventions. Clearly the

resources are not sufficient. There is little cooperation with MOE on bilateral development cooperation. If further developed, MOE could probably provide valuable expertise particularly in environment-specific projects which should relieve MFA's environmental resources for cross-cutting environmental considerations.

The regional Departments are in charge of choosing the mode of cooperation with partner countries, setting priorities for the cooperation, and of project preparation, implementation and monitoring. There are no environmental experts in the regional Departments. In the interviews it was openly admitted that it depends entirely on the desk officer to what extent environmental considerations are taken into account in practical cooperation and in projects or programmes. One may or may not have an interest in the environment and may or may not have the required knowledge and skills to pursue the environmental concerns. In the 2004 annual review on the implementation of the new Development Policy it was noted that the aim is to develop the regional Departments into stronger knowledge centers.

Although there are three policy Departments with specific environmental responsibilities and all regional Departments continuously have to deal with environmental issues, there are no institutionalised arrangements for coordinating environmental issues within the MFA. Issues that come up in the multilateral front are not automatically reflected in bilateral cooperation and vice versa. A Team for Cross Cutting Issues has been set up in the MFA (in KEO). Its role is to review cross cutting issues in a project and prepare a report to the Quality Assurance Group. The Team has also arranged some internal training on the cross-cutting issues.

Early in 2005 a Quality Assurance Group was established with participation from the Development Policy Department and the regional Departments. It replaced the earlier Project Committee. It is an advisory group which reviews project and programme interventions at various stages of the project cycle and makes comments and proposals on the proposed interventions. Small projects are handled only once. There is, however, no established agenda or check-list which would guarantee that environmental concerns would always be systematically raised and considered. Sporadically environmental questions are raised and the two environmental advisors from KEO participate in the meetings occasionally. The advisors' participation is particularly sought when environment specific projects are dealt with on which they have provided comments.

The regional Departments are the main link between the MFA and the Finnish Embassies in the particular region. Lack of human resources particularly in the Embassies to the priority partner countries has been a bottle neck.²² In order to prepare the Embassies for a new role with more responsibilities and increased powers delegated to them the Embassies' staff has been strengthened with sectoral advisors. These advisors are in direct contact also with the MFA's sectoral advisors. There are no specific environmental advisors in the Embassies in the long-term partner countries of Finland. In terms of mainstreaming the environment this could be a bottle neck when powers are delegated to the Embassies. Admittedly the advisors specialising in a range of natural resource issues (water, forestry, rural development) do have some environmental knowledge. At the regional Departments who primarily guide the activities of the Embassies, the environmental resources

²² *Study on the Administrative and Resource Development Needs of the Ministry for Foreign Affairs of Finland to Ensure Efficient and Effective Implementation of the White Paper on Development Policy of the Government of Finland*, MFA, Helsinki, 30.9.2004

and knowledge is developing but not sufficient. The environmental advisors at KEO are fully occupied with policy issues and environmental projects as such.

The MFA is in the process of delegating preparatory and decision making powers to the Embassies. The Embassies in Hanoi and Managua are chosen as pilot cases. The process is presently ongoing and the final picture or the effect of the delegation of powers is not yet clear. No clear rules or guidelines have yet been prepared concerning the division of responsibilities, decision making powers or procedures to be followed. In addition, altogether 16 Embassies, including Hanoi and Managua, are in the process of signing a contract with the MFA with the intention of providing a framework for result oriented management. These contracts will replace the work plans of the Embassies. These contracts will not include clarification of responsibilities or decentralization of powers. There are no specific guidelines on how environmental concerns should be dealt with at the Embassy on the policy level or as regards different aid instruments. With little support from the environmental advisors at the MFA there is a danger of further diluting environmental consideration as a cross-cutting issue.

Six out of ten Embassies responded to the questionnaire presented to them during the evaluation process. The results were mixed on all fronts. The role of the Embassy in the new system was unclear to all the Embassies. There were varying views as to how the environment is seen, as a sector or as a cross cutting issue in all activities. Some Embassies are considering the inclusion of environmental targets in the annual plans. Four of the six Embassies considered their resources inadequate. It was widely felt that specific tools or training would be required to deal with thematic policy issues such as the environment.

The level of development cooperation related knowledge and skills of the personnel both at the MFA and the Embassies has been analysed as a critical issue in earlier studies.²³ The issue is exacerbated by the relatively quick rotation of the staff from post to post. The need for more permanent knowledge and skills has been addressed by hiring sectoral advisors whose permanence to their post appears to be somewhat longer than that of career diplomats and civil servants. However, in the field of environment, which is a priority area in itself in addition to being a cross-cutting theme in development, the knowledge and skills are clearly insufficient. Even continuous and wide based environmental training, as important and necessary as it would be, would not alleviate the situation in a lasting way in the short to medium term. Therefore also other more permanent solutions need to be sought for, including outsourcing.

MFA has developed a skills or knowledge development programme which has analysed the expected skills and knowledge of the personnel at various levels and in various functions and prepared respective profiles and training needs assessment.²⁴ It is noteworthy that in the study it was considered more important to have good skills and knowledge in gender equality issues than in environmental consideration although both are equally important as cross-cutting issues in Finnish development policy and development cooperation.

²³ *Study on the Administrative and Resource Development Needs of the Ministry for Foreign Affairs of Finland to Ensure Efficient and Effective Implementation of the White Paper on Development Policy of the Government of Finland*, MFA, Helsinki, 30.9.2004, and *Kehityksmaapoliittisen ja kehitysyhteistyöhallinnon osaamisen kehittäminen UM:ssä*, MFA, Helsinki 26.5.2004

²⁴ *Kehityksmaapoliittisen ja kehitysyhteistyöhallinnon osaamisen kehittäminen UM:ssä*, MFA, Helsinki 26.5.2004

3.3 Development Policy Committee

The Development Policy Committee was appointed in 2003 by the Government replacing the former Advisory Board for Development Cooperation. While the previous Board (and its predecessors) was an advisory body to the MFA on development cooperation, the present Committee is an advisory body to the Government on development policy. This underlines the attempt at policy coherence in the Government, across various Ministries. The Mandate of the Committee in brief is to:

- *steer Finnish development policy work*
- *evaluate the quality and effectiveness of development policy*
- *monitor levels of public funding for development aid.*

In addition the Committee promotes public discussion of global development issues. It was active in the preparation of the Government's Development Policy. It also tries to strengthen the role of civil society and the private sector in development policy. The Committee is politically representative of the parliament but represents also the society at large.

During this year the Committee has discussed both cross cutting themes in general and the coherence between environment and development issues. The Committee noted the key importance of cross cutting themes as prerequisites for sustainable development but also the inadequate resources to systematically carry out the themes. It noted the importance of the environment in sustainable development.

While the Development Policy Committee has an important role on the policy level and in monitoring the implementation of the Development Policy it does not have an active role in directing practical action.

3.4 Key findings and recommendations

The cooperation between MFA and MOE is generally speaking good. There are possibilities for closer cooperation also as regards Finnish bilateral development cooperation. Further institutionalisation of the cooperation would provide the necessary continuity.

The human resources are inadequate both at the MFA and the Embassies as regards environmental expertise and experience which would assure that the environment would be actively pursued as a goal in the development policy or well taken into account as a cross-cutting theme in development cooperation. The rapid rotation of the personnel acerbates the problem. Continuous environmental training would over time alleviate the problem.

The devolution of powers from the MFA to the Embassies without a very good strategy or operational guidelines and sufficiently skilled and knowledgeable human resources will further weaken the possibilities of taking the environment into account as a policy issue or a cross cutting theme.

- MFA should provide continuous environment related training to the staff on a wide basis (including MFA and the Embassies) and together with MOE in order to over time develop better environmental knowledge and skills.
- Cooperation between MFA and MOE should be further institutionalised at all levels.
- Some of the environmental tasks could be outsourced. MFA could for instance make arrangements in order to tap the human resources of

MOE which would strengthen the available environmental knowledge and skills and bring more continuity. Consideration should be given to in particular giving the MOE the advisory responsibility regarding environment-specific projects. Thus MFA's own environmental advisors would be available for environment consideration as a cross-cutting issue which requires a combination of development and environmental knowledge and experience.

4. Planning and Management Procedures

4.1 Policy level and strategic planning

The MFA has adopted a new *Strategy*.²⁵ The Strategy is based on the Government's programme and policy documents. The Strategy as such does not recognise the environment as an issue of key importance. It does, however, note the operational environment and emphasizes security concerns on the basis of a wide security concept which comprises of issues such as global environmental catastrophes. Furthermore, sustainable development is among the many strategic aims mentioned in the document.

As regards foreign policy the political parties of the Government have agreed in the *Government's Programme*²⁶ that the Government will strengthen Finland's activities in the international environmental policy field. The primary objective is that the Kyoto protocol will come into force internationally. In the environmental policy section of the programme there are also references to international activities. Finland will be an active player in solving global environmental concerns and in furthering international environmental policies. Environmental concerns must become part of the global trade agreements. Finland supports the establishment of a strong UN environmental agency. To combat climate change Finland will be active in encouraging a second round of international consultations which would cover all countries.

The Government's annual budget by and large only gives the financial framework for the development cooperation activities. As regards the environment the budget text only refers to environmental considerations as a cross-cutting theme. The text refers to the Millennium Declaration as a basis for the development policy which indirectly brings the environment to the fore.

As a tool for strategic planning, the MFA prepares annually a mid-term plan²⁷, which covers a four year period on a rolling basis. The mid-term plan is based on the MFA's strategy which outlines the main goals for the Ministry. It appears that the mid-term plan is a tool mainly for planning and justifying the financial frames and human resource for the MFA in the coming years. As it covers all the areas in the MFA's domain, development issues are covered only in a very general manner. The mid-term plan would not in its present form appear to be a tool for any detailed strategic planning, for instance in the area of the environment.

In preparation for the Government's annual budget the MFA prepares their own annual plan on the basis of the respective plans of each Department. The Department of Development Policy prepares the development cooperation part as a combination from the inputs from other Departments. The guiding principles for the preparation are social impact, functional efficiency and the

²⁵ *Suomen etu – Globaali vastuu, Ulkoministeriön Strategia*, 19.10.2005

²⁶ *Pääministeri Matti Vanhasen hallituksen ohjelma*, 24.6.2003

²⁷ *Ulkoasiainministeriön toiminta- ja taloussuunnitelma*

required resources. MFA is in the process of developing indicators for monitoring the achievement of the goals. The Embassies also prepare their annual plans which are an input to the MFA's plan. In order to strengthen result oriented planning and management the MFA is piloting with 16 Embassies a 'result agreement' (tulossopimus) which would replace the traditional annual plans. This is in line with the process of delegating more powers and responsibility to the Embassies.

The preparation of the annual plans is part of the process that leads to the Government's annual budget. As the budget text does not give actual strategic guidance for practical operations also the annual plans of the Departments and Embassies have traditionally not included such detailed strategic plans. However, the guidelines for preparing the annual plans for 2006 and the mid-term plan for 2007-2010 would not seem to restrict including such detailed plans, for instance as regards targets for environmental interventions as per Department or per Embassy.²⁸

The MFA has adopted the Balance Score Card (BSC) as a strategic planning method and tool which is used as a basis for the annual plans. It has been in place now for four years but according to the interviews it has not developed into a practical and functioning tool for strategic planning, operational guidance and monitoring results. At its best the BSC could be a tool for medium term as well as an annual strategic planning which could give specific targets and outline the main action required for achieving the targets as well as specify the indicators by which action is monitored. The instructions for preparing the annual plans for 2006 point to this direction, although only on an annual basis, not as a medium term planning tool.

At present, the substantive policy decisions are not reflected in the mid-term or annual planning processes which are the main strategic planning tools for the MFA. For instance, commitments that Finland internationally makes (such as environmental conventions) are not apparent and automatically reflected in the planning process. According to the interviews carried out at the MFA mechanisms for managing the implementation of the Development Policy need to be developed. It was felt that there is an abundance of various policy documents and guidelines for various aspects of development cooperation. Some even felt that there are too many policies and too many goals that have been set and therefore it is difficult to reach any goal. Now there is a need for a policy document which would set priorities for all the policies and goals that have been adopted. Several interviewees felt that additional policy documents, for instance preparation of an environmental policy, would not solve the present difficulties in implementing policies. The main difficulty, said a few, is the lack of a good and effective operational management system which would assure that adopted policies are also implemented.

The management information system of the MFA on development cooperation is based on three separate systems:

- *The intervention system (projects and programmes)*
- *The decision registry (release of funds) and*
- *The book keeping system.*

These systems have been developed at different time, with different service providers and various type of hardware. The systems do not communicate well with each other. The systems are geared towards budgeting purposes

²⁸ *Vuosisuunnitelmat vuodelle 2006, ministeriön toiminta- ja taloussuunnitelma vuosille 2007–2010, pilottiedustustojen tulossopimusehdotukset 2006*, Ulkoasiainministeriö, 20.10.2005

and for following up disbursements. The system is unable to respond to present day planning and monitoring needs or to efficient results oriented management. The information collected by the statistical unit is based on these systems. However, in the interview it came apparent that the statistics are less than reliable and accurate due to the shortcomings of the management information system. Furthermore, it is difficult to collect and keep up to date data on any specific area, such as environmental interventions or the portion and amount of cross cutting environmental input in projects and programmes. To improve data collection and statistical performance it was felt that there is a need for a major overhaul of the management information system. The implications these systemic shortcomings have for tracking financing commitments are further elaborated in chapter 6.1.

4.2 Operational planning

After the policy documents on development cooperation and on Finland's relations with developing countries were adopted a process was started to operationalise the policies. An analysis was made from the development cooperation perspective of the partner countries and multilateral organisations with which Finland mainly cooperates. On the basis of the analysis the Government then in 2001 adopted a decision-in-principle regarding the operationalisation of the development policy objectives²⁹, which guides cooperation with the main partner countries.

The cooperation is based on political dialogue and consultations on cooperation with partner countries. In carrying out policies and strategies at the operational level with the long-term partner countries the MFA holds regular (annual) consultations with them. The country negotiations are a key process when the details of the relations and cooperation between Finland and the country concerned are outlined. To prepare for these country negotiations the Regional Department of the MFA together with the Embassy concerned prepares a detailed background document and a mandate for the negotiators. In order to have a sufficiently uniform process the MFA prepared *guidelines for the preparation of the country negotiations* (dated 22.1.2001, marked as draft). The guidelines were renewed in 2005.³⁰

According to the guidelines the dialogue will cover any topical issue in the relations of the countries, political relations and international issues, trade and economic relations and development cooperation between the countries. Consultations can be carried out bilaterally or as part of a larger group, depending on the situation. The guidelines cover the preparation of background documentation, the objectives of the consultations as well as the preparation of the negotiating mandate. The guidelines do not in any way refer to the environment as a possible topic of dialogue. Cross cutting issues as a more general topic is mentioned.

In the sample cases that the evaluation team studied³¹, the environment was mentioned in some of the background documents but not in all of them. It is noteworthy that the environment was not a topic for the dialogue in some

²⁹ *Operationalisation of Development Policy Objectives in Finland's International Development Cooperation*, 22.2.2001

³⁰ *Yhteistyöneuvottelut Suomen ja pitkäaikaisten kehitysyhteistyömaiden kanssa, siinä ohje*, MFA 1.6.2005

³¹ Mozambique 1999, 2002 and 2003, and Nicaragua 2002 and 2004, Tanzania 1999, 2000 and 2005, Vietnam 2000 and 2005, Zambia 1999 and 2005, NOTE: all the documents were based on the old 2001 guidelines.

countries even though development cooperation was channelled to sectors with remarkable environmental significance (forestry, water etc.) or even in support of the environmental administration in the country. Where the environment was mentioned in the background documents, or in some cases in the negotiating mandate, it was only on a very general level and among a number of other general topics, such as human rights, HIV/AIDS, corruption etc. There was no notable difference in this respect from the earlier country negotiations to the more recent ones. In the case of Mozambique the environment was discussed in 2002 in connection with the specific projects in the sector. In the case of Nicaragua the background documentation was comprehensive and it covered extensively also environmental issues. The negotiating mandate had a very large number of items to be discussed. Environment was mentioned as an item among the other cross-cutting issues and was listed as the very last item on the long list. In Nicaragua Finland on the project level supports the Ministry of Environment and the sector. The report on the consultations in 2002 did not indicate that environmental issues would have specifically been discussed.

A notable exception was the mandate for discussions with Tanzania in 2005. The mandate notes that both countries have ratified MEAs and committed themselves to their implementation on the basis of a national implementation plan. The mandate noted that in the discussions Finland should inquire about the state of affairs in this respect. Finland has through the MEAs also committed herself to supporting developing countries in the implementation of the MEAs. In the consultations Finland should also inquire about the type of assistance Tanzania may require from the international community. This may give an opportunity to point out that Tanzania has needs for assistance in implementing the MEAs but such needs do not come up in discussions about the cooperation between Finland and Tanzania. Such an approach recognises the environment as an objective in itself in Finland's development policy and builds the basis for increased cooperation regarding the environment. The environment as a cross-cutting issue can then be discussed separately as a development cooperation related issue.

Apart from this formal and institutionalised forum for discussing priority cooperation areas such as the environment the Embassies have and should have continuous close dialogue with the line ministries in the partner countries. While the agendas and topics discussed in the country negotiations indicate the priority areas in the cooperation Finland can in reality have more actual influence in the specific subjects through this continuous dialogue between the Embassy and line ministry.

MFA applies direct budget support (DBS) and sector wide approach in e.g. Tanzania, Mozambique, Nicaragua and Nepal. In each case, MFA is part of a large donor coalition which conducts policy dialogue and monitoring processes jointly with the partner government. In DBS, joint reviews where progress is assessed against the Performance Assessment Framework (PAF) take place once or twice per year. Embassies and the geographical Departments play a key role in this frequent dialogue process.

There has been some discussion within the MFA on the pros and cons of preparing country strategies for the long term partner countries. A strategy has been prepared for instance for the UN³² and EC³³, and strategies are being prepared for development banks and for cooperation with at least one partner

³² *Ulkoasiainhallinnon YK strategia*, MFA, 28.3.2001

³³ *Tehokas vaikuttaminen EY:n kehityspolitiikkaan ja kehitysyhteistyöhön*, MFA, 12.10.2004

country (Vietnam). The example of Vietnam should provide the MFA with an example as to whether or not such strategies would be beneficial also for other long-term partner countries.

There is no general Finnish environmental strategy which would guide cooperation with the multilateral institutions, environmental specific or otherwise. The strategy for the UN contains a brief description of cooperation in the field of environment. The dialogue with multilateral institutions takes place in the context of the annual meetings of their governing bodies. The mandates for the annual consultations are prepared but there is no format or guidelines for preparing such mandates. The 2004 review of the implementation of the development policy stresses that Finland should have more impact in the multilateral field, should have more effective coordination at the Board of the institutions and should attempt to influence the country strategies and programmes in order to have an impact.

In the UN, environmental issues have lately not been a specific priority or a specific issue for Finland. The Finnish emphasis in the UN institutions has been on gender balance and HIV/AIDS. This is partly also a reflection of the initiative to establish within the UN a strong new environmental institution, which is supported by Finland. Furthermore, it appears that the institutions have internalised the environment as a cross-cutting issue and therefore there no longer has been a need to emphasise the matter while other issues have become focus areas. As regards the environmental institutions, GEF and UNEP, as well as CSD, the substantive input falls within the mandate of the MOE.

In practice there is little if any cooperation between the MFA's multilateral and bilateral policies. For instance, in preparing for country negotiations there is no institutionalised consultation with the unit in charge of multilateral environmental issues. Similarly, country reports to the UN or evaluation by multilateral institutions of the environmental situation in a partner country are not reflected in the country negotiation mandates of Finland.

MFA has in 2001 developed detailed internal guidelines for the management of bilateral projects throughout the project cycle.³⁴ The document shows the various stages of the project cycle and indicates at which stage decisions are required. It shows who will participate in the decision making and gives examples of issues that need to be discussed and decided. In the document environmental consideration is only mentioned. However, a striking exception in the whole document is that it contains a detailed check list for EIA without really addressing the environment as a cross cutting issue. The picture it gives is that tackling environmental considerations is always a very cumbersome process, which may shy away many desk officers from any environmental consideration. The project management guidelines are not fully update as for example they do not contain sector programme or budget support.

4.3 Project and programme preparation

The MFA has prepared guidelines for project preparation and monitoring already in late 1990s.³⁵ The guidelines do refer at a very general level to the environment as an important development issue and note that every project idea requires an EIA. But the guidelines do not provide practical tools for

³⁴ *Kehitysyhteistyöhallinnon ohjeistus*, kyt-työkälu – aid tools in the OTTO-Intranet, MFA

³⁵ *Guidelines for Programme Design, Monitoring and Evaluation*, MFA, 1.1.1999

taking environmental considerations into account. For instance, under project preparation, when discussing factors to consider, the environment is barely present. Under the item "sustainability" it refers to the potential positive environmental impacts of a project.

It appears that in the MFA the environmental considerations in project and programme preparations depends strongly on the interest and capacity of the individuals who prepare the Terms of Reference (ToR), the desk officers, Embassy staff and advisors.

In most cases the MFA out-sources the preparation of projects and programmes to outside experts. Their work is guided by the specific (ToR) prepared by the MFA. The environment is usually mentioned in the ToR as a routine item, without elaboration or much further guidance. The result is that most often also the preparation takes the environment up as a compulsory routine item which is almost passed in the mentioning. It is most often up to the expert's or expert team's own interest or background if environmental issues are promoted or mainstreamed into the project documents or not. Of course, the project preparation experts are also bound by the terms of the ToR and cannot and should not take too much distance from the guidance given in the ToR, which leaves considerable responsibility to the preparation of the ToRs themselves.

There are no institutionalised tools, guidelines or mechanisms which would guide the preparation work and safeguard full environmental consideration. Project proposals are studied at the Quality Assurance Working-group of the MFA at an early stage when action for project preparation is approved and another time when the project document is approved. At that stage issues such as environmental considerations can be and are raised but also there the discussion is ad hoc rather than guided by certain set criteria. There are only two environmental advisors in the MFA and their capacity is not sufficient to cover all preparation phases or all projects and programmes or to give support to the regional departments and Embassies in the preparation of ToRs. Evaluation of the sample of projects and programmes indicates that most often the environment is not well covered.

4.4 Aid harmonisation and new modalities

Aid programmes are increasingly guided by efforts towards aid effectiveness including strong emphasis on ownership, aid alignment and harmonisation, results oriented management and mutual accountability.³⁶ There is an increasing trend towards sector wide support programmes (SWAp) and direct budget support (DBS).

The guidelines for direct budget support were published in 2004.³⁷ The guideline discusses broadly the requirements for entering into DBS, possible conditionalities, financial accountability issues and aid harmonisation. The guideline refers to Strategic Environmental Assessment as a tool to assess environmental impacts of policies and strategies (e.g. PRSPs). Environmental mainstreaming is not emphasised in the guideline.

Similarly the draft guideline for Sector Programmes (March 2006)³⁸ places a lot of emphasis on the planning and management processes applicable for

³⁶ *Paris Declaration on Aid Effectiveness*, High Level Forum, Paris 28.2.-2.3.2005

³⁷ Ulkoasiainministeriö 2004. *Guidelines. Budjettitukiyhteistyö Suomen kehitysyhteistyössä.*

³⁸ Ulkoasiainministeriö 2006. *Sektoritukiyhteistyöohjeisto. Kevät 2006. Luonnos/draft*

Sector Wide Approach. Environment is mentioned as a possible theme to engage in sector programming. The need to mainstream environment into other sector programmes is mentioned briefly. The draft guideline contains a checklist for preparing for sector programmes. The checklist could be further developed to fully address the mainstreaming needs.

In emphasising ownership of the partner country and in SWAp's and DBS also the priorities of the country concerned will have a much greater role. The environment or environmental concerns are not necessarily a high priority in developing countries. Poverty reduction strategies have become the most prominent strategic planning process in development cooperation. A study by Dalal-Clayton and Sadler³⁹ pointed out that poverty reduction strategy papers completed to date have paid only weak attention to environmental concerns. There has been a decline in environmental specific projects in the cooperation programmes with the long term partner countries due to the fact that the environment is not a sector for cooperation in any of Finland's development cooperation programmes. As SWAp's and DBS will be implemented by the countries themselves with their own priorities, and Finland's voice will be heard through a coalition of donors only, ensuring high priority and continued attention to the environment will require conscious measures and actions from the MFA and the concerned Embassy staff.

4.5 Key findings and recommendations

The environment is well covered in the Development Policy both as a policy objective in itself and as a cross cutting issue in development cooperation. However, there is no environmental strategy or guidelines for implementing the policy as it relates to the environment. There is a host of other policy documents but no overall assessment of the policies or guidance or any indication of priority between them, thus making it more difficult to implement the policies. A country strategy is being prepared in at least one long-term partner country. Experience from that strategy should provide the MFA with sufficient information to decide whether a country programme can be helpful in setting priorities between the various policies at the country level.

There are established planning mechanisms within the MFA. However, by tradition the mechanisms are geared mainly for preparing medium-term and annual plans which are related to the Government's budgeting process and, therefore, they have not thus far provided a tool for specific environmental or sectoral planning. The mechanisms would seem to be flexible enough to provide a tool also for strategic sectoral planning if so desired.

Indicators related to the planning mechanisms are being developed. This will provide a management tool for monitoring the performance in achieving set targets. However, the management information system does not provide the necessary statistical information for instance regarding environmental financing which would be needed in addition to other indicators.

There is little cooperation between the different Departments within the MFA regarding environmental issues which could be helpful in strategic planning. The environment has only exceptionally been a topic of discussion at the country negotiations between Finland and the long-term partner countries.

³⁹ Dalal-Clayton B. & Sadler B.. 2005. *Strategic Environmental Assessment. A Source-book and Reference Guide to International Experience*. London, Earthscan.

The assessment of environmental considerations at various stages of the project cycle is not well institutionalised and mostly seems to be rather superficial and ad hoc. The resources of the MFA's environmental advisors should be directed mainly at environmental consideration as a cross-cutting issue.

- MFA's mid-term and annual planning processes should be developed into the direction where sectoral or thematic planning targets (financial and possibly others) would be included. The environment could be a pilot case in that respect and based on experiences, planning could be expanded also to other sectors and themes. Establishing new planning mechanisms for sectoral planning would be an additional bureaucratic burden. Achieving of the targets should be reported on and monitored by the management.
- The management information system and data collection and statistical system should be urgently revised so as to allow the necessary reporting and monitoring.
- The environment should be taken as a separate item on the agendas of country negotiations from time to time. The agendas should be planned over a longer period so as not to burden the agenda each time with all items. The environment and possibly other issues should be on the agenda every three years or so. Environmental consideration as a cross cutting issue should be discussed in connection with development cooperation issues as need be.
- Both the internal and external guidelines for project and programme management at various stages of the project cycle should be reviewed and strengthened with tools and guidance on how to take environmental consideration into account in all components of a project, particularly at the project preparation stage. The internal guidelines should be brought up to date and further developed to provide instructions for other aid instruments besides bilateral programmes.
- SEA should be applied before taking decisions on participation in direct budget support of SWAp's.

5. Operational Modalities and Environmental Management in Finnish Development Cooperation

5.1 Environmental financing

Tracking environmental financing

Environmental financing *per se* is interpreted as financing of interventions which have environment as principal (main) or significant objective. The definition as such is too narrow, because it does not take into account the importance of environmental considerations as a cross-cutting issue.

As the discussion in Chapter 3 indicated, for more than a decade environment has been alternatively one of the few (3-5) main goals, key areas, policy aims or a cross-cutting theme in the implementation of the development policy (Decisions-in-Principle 1996, 2001, development policies 1998, 2004). Albeit the continued significance at policy level of the environment as a development policy goal and as a cross-cutting issue in development cooperation, these policies have not set any financing targets for it.

In 1997 OECD adopted markers to monitor a set of DAC goals which are not sector-focused. The following markers were defined 'to trace activities across all economic sectors:

- *gender equality incorporating women in development,*
- *aid to environment,*
- *direct assistance to poor people, and*
- *participatory development/good governance.*⁴⁰

MFA's management information systems (e.g. intervention system) incorporate these DAC markers as goals. Both primary and other significant objectives can be recorded. The existing systems are, however, not able to track the amount of funds allocated for each objective (only one appropriation or disbursement figure is allowed per calendar year).

The official statistics of Finland's development cooperation report that in 2003 2.0% of resources allocated for bilateral and regional programmes contributed to the environment. The figure represents funding for environmental interventions, i.e. they have environment as a principal objective (can also be called stand-alone environmental objectives). The statistics do not provide information on other instruments, forms of cooperation or contribution of environment as a cross-cutting theme.

Our global environmental commitments and development policy

Partly in response to the systemic data gaps, in 2005 MFA and MOE worked jointly on a study on environmental financing⁴¹. The findings of the report were based on an analysis of 900 interventions which had been implemented during years 2001-2003. They represent all interventions for which environment had either been recorded as the 'main objective' or a 'significant objective' in the intervention system. The study did not take into account environmental financing that may have been channelled as a cross cutting issue in projects.

The report suggests that during 2001-2003 an overall level of environmental financing was approximately 10%, i.e. the level of environmental financing had remained on par with the situation in late 1990s. For the year 2004, the report predicted a decline in total environmental financing. This was because several stand-alone environmental programmes were closing down and new corresponding interventions were not moving in the bilateral or regional pipeline.

As a signatory to the MEAs Finland's obligations include providing funding to the developing nations to adopt and implement the conventions. The report raised concerns that Finland is not fully honouring its international commitments particularly with regard to convention specific funding. In Annex 5 the main international conventions and their specific funding instruments are summarised. Selected environmental conventions that are significant for developing nations and offer scope for increasing environmental financing are included.

Different aid instruments and the opportunities they provide for environmental financing

Multilateral institutions (World Bank / International Development Association, regional development banks, United Nations agencies, Global Environment Facility): MFA provides mostly non-earmarked core funding to the multilateral institutions. With WB and the regional development banks

⁴⁰ CRS User's Guide: What policies does aid support? Guidance for analyses of the policy objectives of aid available on www.oecd.org

⁴¹ Ulkoasiainministeriö. 2005. Kansainväliset ympäristösopimukset ja Suomen kehityspolitiikka.

MFA also supports trust funds, some of which carry earmarks. With respect to the environment, the most significant ones are the joint Finnish Norwegian Trust Fund for Environmentally and Socially Sustainable Development (TFESSD) at the WB (MFA provides EUR 1.5 million per year) and the technical assistance trust fund through which the Bank has recruited senior forestry and water advisers. A Finnish Trust Fund exists with four regional development banks (IaDB's and AsDB's trust funds are earmarked). Resources to GEF support fully environmental objectives. During 2000-2003 Finland's contribution to GEF was EUR 9.7 million.

Resources allocated to GEF support important conventions, such as the Convention on Biological Diversity (CBD), UN Convention to Combat Desertification (UNCCD) and UN Framework Convention on Climate Change (UNFCCC). In addition, Finland supports several other convention specific trust funds with small contributions (Least Developed Countries Fund, Special Climate Change Fund, Multilateral Fund, Prototype Carbon Fund, Global Mechanism).⁴²

It should be kept in mind that there are environmentally important activities which do not fall within the scope of the conventions.

EC: Finnish contributions are not earmarked. EC has identified environment as a cross-cutting issue. Sectoral breakdown of ODA managed by EC in 2004 indicated a modest 2% contribution to the environment⁴³.

Bilateral and regional programmes: A sector analysis of the eight long-term partner countries reveals that environment has not been selected among the three priority sectors in any one of them. Nepal is the only partner country for which so far just two cooperation sectors have been selected. This leaves the door open for a possible inclusion of environment as the third sector. As a result of past cooperation, in Nicaragua and Nepal environmental projects still continue as is the case with the Republic of South Africa (RSA). The Development Policy of 2004 also identified specific regions for long term cooperation. Environmental interventions are in the pipeline for the Andean and Mekong regions.

The current thrust in the implementation of the development policy is leading into a situation where stand-alone environmental projects are likely to be very few in the future (as the environment is not selected as a priority sector). Therefore in bilateral and regional programmes the amount of environmental financing will solely depend on how well the environment can be mainstreamed into all forms of assistance in other sectors and how well the financial input to the cross-cutting theme can be traced and recorded. See chapter 6.2 below for further discussion on mainstreaming.

Sector programmes: MFA is not planning to fund an environmental sector programme in any of the partner countries in the immediate future.

Direct budget support: The principal aim in budget support is that the funds should not be earmarked for any particular purpose so as to maximise ownership of the developing country and minimise donor involvement and maximise value for money.

⁴² Ulkoasiainministeriö. 2005. Kansainväliset ympäristösopimukset ja Suomen kehityspolitiikka.

⁴³ Development Strategies with IDC. 2004. EU Donor Atlas. Mapping Official Development Assistance

Local Co-operation Funds (LCF): Reliable assessment of LCF's total contribution to environmental financing proved difficult. On the one hand, the LCF evaluation in 2003 found out that 4 out of 9 Embassies visited by the evaluators supported environmental projects, some with quite significant allocations⁴⁴. In 2005, 8 Embassies out of approximately 40 have included environment as a component into their LCF programme. Therefore, the level of environmental financing depends on how well the environment has been mainstreamed into activities of other sectors and themes. Reporting on the financing depends on how well the inputs can be traced and recorded. MFA's 2005 Guideline for LCF incorporates environment as one of the objectives, but does not prioritise it.

Finnish NGOs: Funds for NGOs are on a steep increase with an additional budget allocation of EUR 20 million in 2006 (2005 expenditure was EUR 45 million). Annually some 500 projects are implemented. The statistics of the NGO projects that were approved in 2005 indicate that around 15% of the projects had environment as the main objective. This brings the instrument's contribution of direct environmental financing to approximately EUR 2.2 million which again suggests that in terms of environment some gains can be achieved. The criteria and guidelines for NGO funding are derived from the Development Policy.

MFA channels NGO resources also through three Finnish foundations. One of the three, Siemenpuu Foundation, is relevant in the context of this assignment.⁴⁵ The Siemenpuu Foundation grants approximately EUR 1 million per year to civil society organisations operating and based in developing countries for activities in environmental issues.

International Non-Governmental Organisations (INGO): In its support provided to the INGOs the MFA has drawn on the Johannesburg Plan of Implementation. INGOs which concentrate their work on international and regional environmental issues such as climate policy, water and sanitation, sustainable forest management, watershed management and land degradation, biodiversity as well as implementation of sustainable development are eligible for funding. During 2000-2004 the environmental financing through this window has been on an average 0.65 million (less than 8% of the allocation).⁴⁶ During the first quarter of 2006 MFA has started formulating a new policy for INGO support.

Development Research Grants: The MFA Research Policy (2005) places equal emphasis on all objectives of the Development Policy. MFA supports development research through several channels: MFA's Planning Unit, Academy of Finland and international institutes.

Cooperation with the Academy of Finland is close⁴⁷. The Academy formulated its own Development Research Policy in 2005. It set the target for development research financing at EUR 3.0 million per year (increase from earlier EUR 2.5 million). The Academy's application round for development research funds in early 2006 welcomed applications from five different

⁴⁴ Cambodia 4.7%, Philippines 13.6%, Pakistan 17.1%, Ethiopia 7%.

⁴⁵ The other two foundations are KIOS supporting promoting human rights and Abilis working on disability issues.

⁴⁶ Äijälä, P. et al. 2005. Evaluation of Support Allocated to International Non-Governmental Organisations (INGO). MFA Evaluation Reports 2005: 6.

⁴⁷ Saari, J. 2004. Ulkoasiainministeriön kehityspoliittisen tutkimustoiminnan ja Suomen Akatemian kanssa suoritettavan tutkimusyhteistyön evaluaatio. Loppuraportti kesäkuu 2004

themes. One of the themes was combating global health and environmental problems. The Academy of Finland funded some 20 research projects which broadly speaking were categorised as environmental during 2000-2005. They represent one third of all approved development research projects. The Planning Unit (KEO-11) of the MFA also commissions specific research projects in the tune of EUR 0.6-0.7 million per year. The exact share of environmental financing of this instrument is not known.

MFA provides financial support to international research institutes. Among those supported e.g. Consultative Group on International Agricultural Research, CGIAR and World Institute for Development Economics Research/WIDER conduct research on environment.

Finnfund: Finnfund's strategy 2002-2007 does not outline any priority sectors for financing nor does the respective section in the Development Policy. Finnfund is committed to "emphasising social and environmental issues through impact assessments and the conditions attached to its financing".

Concessional credits⁴⁸: The Development Policy 1998 and the Decision-in-Principle 2001 restricted use of concessional credits mainly to environmental, social and health sector projects. In 2004, MFA lifted the restriction. As a result, the revised guideline for concessional credits does not incorporate any sectoral preference. The projects should be economically, environmentally and socially sustainable and produce positive development impacts. The policy emphasis on environment generated only small impact. The 2005 study on environmental financing found that concessional credit projects had yielded modest financing support to the implementation of United Nations Framework Convention on Climate Change (UNFCCC)⁴⁹.

Economic, Industrial and Technological (EIT) Appropriations: EIT as an instrument placed a prominent emphasis on technology transfer and private sector involvement. Environmental technology was not prioritised. While reviewing the EIT interventions funded during 2003-2005 it turned out that the instrument had been rather good both in terms of yielding some positive environmental impacts and facilitating markets for environmental technologies. Annual allocation for EIT appropriations was to the tune of EUR 2.2-2.3 million and approximately 25% of funds have been awarded to projects that can be rated environmental. This instrument is in a process of being merged with the Business Partnership Programme (Finnpartnership) during 2006.

New Instruments and Actors: With the changing global context and changes brought up by the Development Policy, new instruments are emerging and new kinds of partnerships are forged. Existing instruments evolve (e.g. LCF) and the network of institutions engaging in development cooperation expands. There is a visible trend whereby the role of private sector and civil society institutions increases in aid implementation. Not all of these novel ideas and practices fit in fully with the ODA criteria but they will be important to the developing countries. CDM and JI, Business Partnership Programme and the Energy and Environment Partnership in Central America are examples of such instruments.

⁴⁸ Evaluation of the concessional credit instrument has been conducted independently by the team members from Biota BD Oy.

⁴⁹ District heating projects in China were referred to in the Ulkoasiainministeriö. 2005. Kansainväliset ympäristösopimukset ja Suomen kehityspolitiikka.

- **Clean Development Mechanism (CDM), Joint Implementation (JI) and International Emissions Trading (IET):** With the ratification of the Kyoto Protocol, developed Annex-I countries, such as Finland, face absolute Green House Gas (GHG) emissions reduction targets. The targets can partly be offset by implementing climate-friendly activities, e.g. switching to renewable energy sources, in developing countries and countries of transition. Of the two project-based mechanisms, CDM carries the condition of specifically promoting sustainable development in project host countries. Projects must be additional in comparison with business-as-usual activities and cannot result in a diversion of ODA.

The international debate on how ODA funding may or may not be used in connection with CDM activities is ongoing. The OECD DAC at a High Level Meeting in 2004 expressed a view⁵⁰ whereby ODA can be used for capacity development activities related to CDM project; the value of any Certified Emission Credits (CERs) received in connection with an ODA financed CDM project should lead to a deduction of the equivalent value from ODA. Also ODA cannot be used to purchase CERs. The exact definition for 'capacity development' activities remains to be resolved.

JI also assists in environmentally friendly technology transfer but without the specific requisite of sustainable development as such. The third Kyoto mechanism, International Emissions Trading (IET) also holds promise for positive environmental impacts through the recently-emerged Green Investment Scheme (GIS). The idea of the GIS is that revenue earned by countries through the sale of their Assigned Amount Units (AAUs) will be earmarked for use in projects that provide environmental benefits to counteract the negative impression associated with the act of buying and selling 'hot air'. Recent CDM projects that have had difficulties in establishing the connection to sustainable development have also used a similar approach where a share of revenues will be earmarked for environmentally beneficial projects⁵¹.

- **Energy and Environment Partnership with Central America:** The Energy and Environment Partnership in Central America is a unique programme, stemming from the Partnerships for Sustainable Development initiative launched at the WSSD. It has brought together government, academic and private sector actors both from Finland and Central America. Its objectives aim at promoting the sustainable use of the renewable energy sources and clean technologies through the development of accessible energy services and supporting the three bases of the sustainable development. The programme has recently been extended until 2009. Programme will continue to emphasise renewable energy, environmental technology, energy availability and climate change prevention. Emphasis is also placed on outreach and information dissemination efforts with the existing and potential partners. There are plans to duplicate the concept in Africa, if possible.

⁵⁰ DAC/Chair(2004)4/Final. ODA Eligibility Issues for Expenditures under the Clean Development Mechanism (CDM)

⁵¹ Two Chinese companies have signed emission reductions purchase agreements worth EUR 775 million with the World Bank's Umbrella Carbon Facility for the largest emission reductions project on record. The government of China will retain 65% of all revenues for investing in projects and activities related to climate change.

- **Business Partnership Programme** (Finnpartnership): MFA launched this new programme in February 2006. The programme aims to 'promote economic and social diversification and generation of export and employment opportunities in developing countries'. Its scope includes various forms of economic cooperation between companies in developing countries and Finland. Since sector prioritisations have not yet been developed, it should be possible to target support to environmental technologies.

5.2 Mainstreaming the environment in Finnish development cooperation

Commitment to mainstream exists

The Development Policy 2004 says: "*The cross-cutting themes in the implementation of the Finnish development policy are:*

- *Promotion of the rights and the status of women and girls, and promotion of gender and social equality;*
- *Promotion of rights of the rights of groups that are easily marginalised, particularly those of children, the disabled, indigenous peoples and ethnic minorities, and promotion of equal opportunities for them;*
- *Consideration of environmental issues."*

The Development Policy does not restrict or limit the application of this clause in any way. On the contrary, to achieve effective mainstreaming, environment needs to be considered at all levels of implementing the Development Policy and interventions of development cooperation.

Consequently, both environmental policies and international commitments and the development policy objectives are issues to consider.

In keeping with Finland's environmental policies and international commitments, MFA has an obligation to ensure that its assistance programmes with developing countries comply with different sets of policy and legal requirements. At a global level, cognizance must be taken of the various MEAs to which Finland is a Party. The financing responsibilities related to the Conventions were already discussed in Chapter 6.1. Also as a member of the OECD, Finland is obliged to adhere to different OECD recommendations, such as the OECD Declaration in Aid Harmonisation and its recommendations on adopting SEA.

Status of environmental mainstreaming in different instruments

The following indicators have been used to determine if environmental mainstreaming is manifested in the aid instruments MFA applies:

- *identifying environment-gender-poverty linkages in project preparation,*
- *incorporating environmental enhancement measures in the project plan,*
- *demanding and completing environmental impact assessments,*
- *developing and implementing environmental management plans, and*
- *allocating both staff and financial resources for these purposes.*

Environmental mainstreaming takes effectively place if all or most of the above indicators are first incorporated in the design and subsequently implemented. In their absence or where they have been incompletely incorporated, the finding will be the opposite. The sample of interventions

analysed is attached as Annex 6. We have also analysed thematic, sector and country evaluation reports published during 2000-2005.

The interventions can first be divided into two categories. One category consists of interventions that have a direct and vital linkage to the living environment and can create adverse environmental impacts. It includes interventions where environment serves either as a source of services or products (e.g. natural resources extracted from forests, fields and lakes) or as a sink for wastes (for discharging polluted water, air, waste). Rural development, water and sanitation, forestry and health are themes that can be placed in this category. The second category includes interventions that are removed from the physical environment (link exists but is more abstract). Education and governance are examples of such themes.

Budget Support and Sector Programmes: MFA is in the process of increasing funding for poverty reduction strategies and sectoral programmes, either through direct budget support or joint financing arrangements for sectoral funds with other donors. MFA policy is following the trend shown by a number of OECD countries that have decided to support developing countries by augmenting national budgets. The donor can in such cases provide guidelines as to how the money may be spent, and perhaps some supplementary technical assistance (e.g. to the Ministry of Finance or National Planning ministry) in planning and administration. The donor will have some (usually minor) involvement in the higher level decision making process and needs to work closely with a coalition of donors.

Budget support is not earmarked if it is provided as general budget support (with sector budget support some earmarking is possible). The quality and content as well as the implementation of the poverty reduction strategy (PRS) should determine in both cases if budget support interventions yield environmental benefits. Similarly the PRS is the key guiding document for the sector programs. The opportunities for mainstreaming environment in this development assistance model are limited to strategic levels. For example, the donor could insist that the partner country conducts SEA for all strategies, policies and programmes, that the country has (and follows) a Sustainable Development Strategy, and that the spending of donor funds is consistent with the strategy. Tracking interventions relative to such a strategy is sometimes difficult. Moreover, some developing countries have adopted long-timescale rolling budget cycles (e.g. 3 years) so it might not be easy to terminate the assistance if it becomes clear that environmental issues are not being sufficiently addressed.

Poverty reduction strategies have become the most prominent strategic planning process in development cooperation. As the study by Dalal-Clayton and Sadler⁵² found out, the majority of poverty reduction strategy papers have paid only weak attention to environmental concerns. In response, a number of attempts in recent years to improve the integration of environmental issues into PRSPs have taken place. One of the most systematic is the Quantitative Analysis of Poverty Reduction Strategy Papers for Poverty/Environment Linkages and Integration⁵³ (see annex 7). SEA is a

⁵² Dalal-Clayton Barry & Sadler Barry. 2005. Strategic Environmental Assessment. A Sourcebook and Reference Guide to International Experience. London, Earthscan.

⁵³ Developed by the Southern African Institute for Environmental Assessment based on a World Bank document titled: Poverty Reduction Strategies and Environment, A Review of 40 Interim and Full Poverty Reduction Strategy Papers, Jan Bojo and Rama Chandra Reddy, June 2002, as well as discussions with the Canadian International Development Agency (CIDA)

useful tool in improving the mainstreaming of environmental issues in PRSPs, but policy makers and practitioners must take a much more holistic approach than has been the case thus far. The OECD's DAC Network on Environment and Development Cooperation is working on a good practice note on guidance for SEA.⁵⁴

Against the above backdrop, the review of the three Performance Assessment Frameworks which Finland supports (PAF's for Tanzania, Mozambique and Nicaragua) produced encouraging findings. The PAF for Tanzania represents an already a 'second generation' framework which was in a process of review as a result of the joint evaluation. For example in the PAF cluster addressing 'improvements of quality of life and social well being', implementation of National Environment Management Act and Water Sector Review figured prominently. In the PAF for Mozambique, water and sanitation are areas contributing to the objective 'poverty reduction through privileged orientation of public services to the populations most in need'. Sustainable management of natural resources were brought forward in the cluster of 'promoting economic development'.

In this respect, the implementation of the Paris Declaration recommendation to apply EIA for projects and develop and apply SEA at the sector and national level should then further improve the situation in future years. MFA issued guidelines in 2004 for budget support cooperation. The guideline already incorporates SEA as one valid tool to be used at the design and review phase.

Bilateral and regional projects: Despite the advances made in budget support and sector programme, a part of Finland's support will continue in the form of projects in the years to come. It is a reality that some proponents can promote projects that, whilst attractive in the short term, might well be unsustainable or even environmentally flawed in the long term. The most commonly used tool to assess the environmental acceptability of projects is the EIA process which is now widely used in most countries (Finland's partner countries have developed their EIA legislation). Even though it is recognized that project-level EIAs have limitations in terms of mainstreaming environment in decision making, there is evidence that EIAs have at least improved downstream decision making processes in most countries where they are applied. In addition to avoiding or mitigating impacts, EIAs often provide a platform for improved stakeholder engagement during planning and implementation.

The Guidelines for Programme Design, Monitoring and Evaluation (first published in 1997) direct the identification, formulation and management of bilateral projects and programmes. The guideline points out that 'assessing environmental impacts together with the various parties involved, and the resolution of possible disputes, are important aspects in both the strategic planning of development cooperation and in project preparation, implementation and evaluation'. The guideline makes a point that every project idea requires a preliminary EIA to decide whether any further analysis (and full EIA) is needed. It limits the requirement to environmentally sensitive sectors; the sectors are not defined. The guidelines have helped the programme proponents, developers and managers adhere to a minimum set of quality standards both in terms of form (content) and substance.

⁵⁴ DAC Network on Environment and Development Cooperation. Good Practice Guidance on Strategic Environmental Assessment (SEA). Second draft, 14 December 2005

Unfortunately, environmental mainstreaming is not manifested in the vast majority of bilateral interventions that have been reviewed in this study. For instance:

- *Health interventions have missed out on the concept of environmental health or the fact that health facilities produce harmful waste which should be safely disposed of.*
- *A positive chain from linking up the environment, poverty, health and water issues in a holistic manner (protection of water sources – clean drinking water & sanitation – reduced incidence of water borne diseases) is not manifested in the projects reviewed*
- *Environment-gender-poverty linkage is not properly manifested in any of the reviewed projects.*
- *Education sector interventions have apparently not considered environmental education.*
- *Governance projects have scope for incorporating elements of environmental governance, but have not done so⁵⁵.*

A couple of examples of good environmental mainstreaming can be cited. The Support to the Paper Technology Field of Study at the Asian Institute of Technology Programme has incorporated environment well into the design of the ongoing phase (2004-2006). The evaluation commissioned by MFA in 2003 found out that "The education that is given at AIT has a pronounced positive environmental influence throughout the region as the new MSc-students are educated in the modern technology including the environmental improvements that are achieved by using new processes and new equipment."

The programme design of the Development of Water Supply in Small Cities programme in Vietnam is encouraging in terms of environmental mainstreaming. If well implemented, the programme can generate good environmental benefits. The water and sanitation sector sample proves that if carefully designed – proper attention paid at the project identification and formulation stage - environment can be fully integrated. Similarly, forestry and rural development projects, both which depend on environmental resources, have a lot of potential in this respect. MFA's strategies for the water and sanitation sector (draft) and rural development (2004) have sufficiently mainstreamed the environment (strategy for forest sector was at the drawing board in early 2006).

One possible way to improve environmental mainstreaming is to look for approaches that incorporate also the natural resource base. The CBD's Ecosystem Approach is an example. It is a strategy for integrated management of land, water and living resources that promotes conservation and sustainable use in an equitable way. Ecosystem Approach is the primary framework for action under the Convention on Biological Diversity.⁵⁶

DFID's Sustainable Livelihoods Approach (SLA) is another example (this is applied in the MFA's FOMEVIDAS project in Nicaragua). SLA encompasses:

- *assets and resources that help people to subsist and prosper;*
- *sources of vulnerability that affect livelihoods and access to assets;*
- *policies and institutions that affect to livelihoods and access to assets;*
- *strategies as regards to people's livelihoods;*
- *peoples' goals and priorities; and*

⁵⁵ The Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters offers helpful guidance.

⁵⁶ Learn more at: www.biodiv.org/programmes/cross-cutting/ecosystem/

- *multiple interactions between the various factors and components that affect livelihoods.*⁵⁷

More examples can be looked for e.g. from the activities of the multilateral agencies. A number of joint initiatives exist that work on the linkages between the environment and poverty reduction and on practical integration. Examples include the Poverty Environment Partnership (PEP) and the joint Poverty Environment Initiative (PEI) of UNDP and UNEP⁵⁸.

Some possible examples and data sources have been identified that contribute to environmental mainstreaming (environmental screening forms, application procedures and approaches). They have been included in Annex 8.

Local Cooperation Fund: LCF has emerged as an important instrument of bilateral aid. From the total allocation of EUR 2 million in 2000 (for 23 Embassies), the allocation had increased to EUR 13.3 million by 2003 (36 Embassies) and to over EUR 17.7 million in 2005 (approximately 40 Embassies). The 2005 figure constitutes almost 10% of the bilateral grant allocation. The scope of LCF as an aid instrument seems to be expanding into private sector as well.⁵⁹

LCF interventions and strategies from five Embassies (regarding Ecuador, Namibia, Nepal, South Africa and Vietnam) were reviewed. Efforts to address environment as a cross-cutting principle were not evident in the LCF strategies. In terms of the environment, Embassy in Kathmandu had developed an insightful strategy for working in a country in conflict. This was also the only LCF strategy out of five analysed where environment and conservation issues were incorporated into one of the components. The analysis of projects in the sample revealed that in addition to a project in Nepal (working on conflict and conservation), also a project in South Africa (social and community development) and a project in Vietnam (grassroot democracy strengthening) had integrated environmental activities into their plans.

NGO funding: The interventions reviewed did not integrate environmental issues well. Reasons for that might be several. The NGO capacity to mainstream environment into their projects is low. Also there seems to be lack of tools and perhaps also the need to integrate environment into the projects is not well recognised. The NGO Application and Reporting formats were revised in 2005. The new form takes a somewhat improved approach on the environment, even asking if the project has potential to produce positive environmental impacts.

Concessional credits⁶⁰: Concessional credits are handled by MFA in cooperation with Finnvera, the official Export Credit Agency of Finland. MFA is responsible for assessing the developmental and environmental impacts for the projects. An outside consultant provides technical assistance to the MFA in appraising the concessional credit proposals. Finnvera is responsible for analysing and guaranteeing the credit risk. All proposals must comply with the Arrangement on Guidelines for Officially Supported Export Credits of the OECD and guidelines published by OECD.

⁵⁷ Learn more at: www.livelihoods.org

⁵⁸ Learn more at: www.povertyenvironment.net/pep/ and www.undp.org/pei/

⁵⁹ UM. Lyhyt kuvaus. Liikekumppanuusohjelma (Business Partnership Programme). Tammikuu 2006. Epävirallinen tuloste

⁶⁰ Evaluation of the concessional credit instrument has been conducted independently by the team members from Biota BD Oy.

In addition, OECD issued the so-called Common Approaches –document in 2003⁶¹. It recommends that OECD Members would apply common approaches in identifying and evaluating the environmental impacts of Officially Supported Export Credit-projects. All applications for officially supported export credits should be screened to identify projects which require a review due to their potential adverse environmental impacts, and projects which are in sensitive sectors or located in or near sensitive areas. As a result of the screening process, Members should classify all projects in accordance with the potential environmental impact and the extent of the environmental review required (if the Member's share is above SDR 10 millions or if the project is in a sensitive area).

A project is classified as Category A if it has the potential to have significant adverse environmental impacts (a list of sensitive sectors and sensitive areas is also provided). For Category A projects, Members should require an EIA. Category B projects are those where the potential environmental impacts are less adverse than those of Category A projects (e.g. site-specific, few if any of them are irreversible, and mitigation measures more readily available). The scope of an environmental review for a Category B project may vary from project to project. A project that is likely to have minimal or adverse environmental impacts is classified as Category C and no EIA is required.

The 'Common Approaches' further recommends that the Members should benchmark their projects standards against host country standards, against one or more relevant environmental standards and guidelines published by the World Bank Group or the other International Financing Institutions and against the safeguard policies published by the World Bank Group (against all three at the same time). If the host country standards and relevant international standards differ, the projects should comply with the more stringent set of standards.

MFA follows the cycle below in the the processing of the concessional credit applications⁶²:

- *Project proponents prepare a feasibility study for the project (guidelines exist),*
- *Proponents submit the application and feasibility study to to Finnvera and/or MFA)*
- *Finnvera conducts preliminary evaluation of credit worthiness and sends comments to MFA,*
- *MFA conducts preliminary assessment of the proposal (technical assistance inputs from the outside consultant),*
- *MFA commissions an appraisal of the proposal (technical assistance inputs from the outside consultant), and*
- *MFA approves or rejects the project.*

At any stage MFA may require changes to the project or the proposal may be rejected.

In the MFA procedure, environmental impact is assessed at two stages, during preliminary assessment and during appraisal. The preliminary assessment of the feasibility study (conducted as a desk study) includes stock-taking of the

⁶¹ OECD.2003. Recommendation on Common Approaches on Environment and Officially Supported Export Credits. Available at: www.oecd.org

⁶² Concessional Credits of Finland. Guidelines for Feasibility Studies (2002) and other documents in: global.finland.fi/english/projects/concessional/ accessed on 3 March 2006

potential environmental impacts and how those should be addressed at the appraisal stage.

The generic Terms of Reference for project appraisals require the appraisal teams to assess:

- *if environmental impacts in the widest sense have been taken into account in project design;*
- *what are the impacts of the project's intended operations on the state of the environment;*
- *existing partner country laws from the environmental viewpoint and compatibility of the project with them.*

MFA asks the appraisal teams to deliver the Environmental Impact Questionnaire of Finnvera to the respective authorities in the partner country; the form should be duly completed and signed by the respective authorities in the partner country.

In 2005 MFA re-introduced reporting requirements for the Finnish suppliers. The supplier needs to provide a bi-annual progress report on the implementation of the project to the MFA. Format of the progress report is free at the moment. In addition, MFA may undertake review missions to inspect individual projects in the future.

There were projects in the concessional credit sample which may fall in Category A or B of the OECD DAC recommendations. The OECD Common Approaches-document is a recommendation only. Yet, it would be justified for MFA to review the concessional credit approval process and incorporate the recommendations of the Common Approaches –document.

EIT appropriations: Applications for EIT funds are submitted by companies planning to invest and develop commercial projects, which include economic or industrial cooperation or technology transfer, in developing countries. The instrument was commonly used as a seed grant to prepare a feasibility study of a larger project. The application documents and project reports of all reviewed interventions reflected environmental considerations reasonably well. Preliminary analysis of environmental impacts was included in the project descriptions. Also the internal form that the MFA used to review the applications addressed the environment sufficiently.

Finnfund: Finnfund serves the private sector in providing long-term investment loans and risk capital for projects in developing countries and transition economies outside the EU. Finnfund works in close collaboration with European and other development financiers and is a member of the Association of the European Development Finance Institutions (EDFI). Investment proposals are approved by the Board of Directors.

Finnfund has both an Environmental Policy (2005) and Environmental Manual (2005) to guide its operations. The two documents codified the practices that had been used for environmental assessment and management earlier. The Environmental Policy includes instructions on environmental assessment and environmental management at different stages of project cycle. Finnfund's environmental adviser conducts an initial Environmental Assessment of all projects that are considered for financing.

Projects are classified in four environmental categories based on the information submitted by the client:

- *Category A: Projects with potentially significant adverse environmental impacts that may affect an area broader than the project site*

itself. In practice, this means new production facilities and significant extensions of existing facilities in sensitive sectors, and projects located in sensitive areas or in their immediate vicinity.

- *Category B: Projects with moderate environmental impacts that are less adverse than those in category A projects and that are easier to manage than in category A projects.*
- *Category C: Projects with minimal or no adverse environmental impacts.*
- *Category FI: Indirect investments to external funds that invest in private companies in their country of operations.*

For Category A projects Finnfund requests the client to conduct an EIA that fulfils international standards (comparable to standards of the International Finance Corporation, IFC) and to develop an Environmental and Social Management Plan (ESMP). For Category B projects environmental information requirements are tailored based on operational characteristics and other relevant aspects of the project to be reviewed. Subject to findings in Finnfund's environmental review, an ESMP may be required. Category C projects don't require environmental review in Finnfund. Regarding Category FI (indirect investments with potential adverse environmental impacts) Finnfund will assess among other things Environmental and Social Management System of the Fund in question.

The project's environmental performance will be benchmarked against the requirements of local legislation and international environmental standards. For benchmarking purposes, the technical standards of the World Bank Group and the safeguard policies associated with social impacts are used primarily. Standards of the regional development banks may be applied if the proponent or other financiers are more familiar with them. The project must meet the requirements of local legislation and the standards of the World Bank in all essential details.

The responsibilities of different staff members in processing and reviewing the applications are clearly outlined in the Environmental Manual. The initial Environmental Assessment is the duty of the environmental adviser. Also the client's responsibilities are clear; the client needs to provide the information, conduct EIA(s) or other studies needed and develop and implement ESMPs as required by Finnfund. Finnfund includes detailed clauses on e.g. implementation of environmental and social management plans, including timetables for necessary actions into the contracts (category A and B projects). Also clauses for non-compliance are included depending on the project. In case of category A projects, additional relevant issues to be agreed are timetable and content of independent environmental and social audits. In such cases where Finnfund is a partner of a consortium of development financing institutions, these will be jointly negotiated.

From the beginning of 2006, Finnfund has one full term environmental adviser. The adviser's duties include environmental impact assessments, taking part in the negotiations and following-up of the terms of agreements concerning environmental issues. During 2003-05 Finnfund and Finnvera shared the services of an environmental adviser (Finnfund 25% - Finnvera 75%).

The sample of Finnfund projects included one project rated in environmental category A, three projects in category B and one project in category FI. Finnfund has developed environmental practices and policies that are comparable to international standards. Finnfund applies the principles defined in the Environmental Policy in practice.

Some reasons for poor mainstreaming

The findings in this study fully support the conclusion MFA has itself earlier made: environment has not been successfully mainstreamed in any of the sectors⁶³. This is a finding that applies to all instruments working with governments or civil society. Some of the cited reasons why environmental mainstreaming is not taking place are:

- *Development Policy alone is not sufficient guidance; there are many and confusing policies; priorities are not clear.*
- *there are no tools or mechanisms enforcing mainstreaming of environment (in comparison, there is now a Gender Mainstreaming Strategy and Action Plan, there has been emphasis on gender since 1980s, tools for gender analysis and incorporation have been developed and applied).*
- *The environment seems no longer to be at the top of the political or development agenda.*
- *individuals involved with interventions at various stages of the programme cycle may not have the proper skills and knowledge.*

The PCM guideline has become outdated. The intent was clear - the guidelines even advocate for participatory EIAs as part of the project formulation process – but it has not been fulfilled. The present study provides a strong impression that environment is added as an afterthought into the project designs – brought up only in the separate chapter where the intervention's compatibility with the strategic goals of Finnish development cooperation are discussed.

“What is not in the background analyses or policy dialogue will not be in the TOR of a project. What is not in the TOR will not be in the budget.”⁶⁴

5.3 Key findings and recommendations

Environmental financing

The fact that there is no target for environmental financing (including financing of the environment as a cross-cutting issue) gives the various Departments, Units and Embassies the leeway to consider the environment as a secondary issue although it is an important target in itself in the development policy and a cross-cutting issue in development cooperation. A set financial target would provide an incentive and reporting on achievement of the target will ensure enforcement. Likeminded countries (e.g. Denmark and the Netherlands) have set such targets.

The energy and climate strategy for Finland requires the MFA to develop a plan for the execution of CDM projects. As part of this exercise the role of CDM as one complementary tool for development cooperation could be explored in the fields of renewable energy and village scale forestry projects.

- MFA must set a target level for environmental financing.
- Once such a target is in place and if it requires an increase in environmental funding, then:

⁶³ Ulkoasiainministeriö. 2004. Kehityspoliittisen ohjelman vuosiarviointi 2004. 25.10.2004; Ulkoasiainministeriö. 2005. Kehityspoliittisen ohjelman vuosiarviointi. Lähete. HEL0779-34. 21.10.2005. KEO-01

⁶⁴ STAKES, National Research and Development Centre for Welfare and Health. 2003. Label us Able. A Pro-active Evaluation of Finnish development co-operation from the disability perspective. Ministry for Foreign Affairs of Finland.

- There are several alternative windows for increased funding that MFA could use for increasing both mainstream and convention specific funding as Finnish ODA level gradually rises. Examples are the global trust funds (e.g. on environmental governance, energy) and regional programmes which e.g. UNDP and UNEP established as a follow-on of the WSSD summit in 2002, convention secretariats or convention specific funds.
- MFA should also increase the levels of financing to the convention specific funding instruments since several conventions that are important for developing nations (e.g. CITES and Ramsar Convention) receive only nominal support at the moment
- MFA needs to improve the management and information systems to allow recording of appropriations and disbursements both for the principal objective and other significant objectives. This is needed for producing reliable information for reporting and management review, for valid statistics and for OECD DAC reporting as well.

Environmental mainstreaming

The identification and design phases are crucial for incorporating environmental considerations in all project components as a cross-cutting issue. Better technical input is needed at that stage – the TORs need to be case specific and reflect the environmental situation and challenges at proposed sites / countries. MFA needs simple tools and straightforward mechanisms to ensure effective mainstreaming of the environment. There is a need to institutionalize better the checks and balances that environmental consideration has been properly carried out. There is a need for upgrading the skills and knowledge of personnel regarding the environment as a cross-cutting issue and on the approaches, tools and mechanisms to be used.

Finnfund's formalised environmental practices and policies are comparable to international standards. On the basis of the project sample, it is apparent that Finnfund applies the principles defined in the Environmental Policy in practice. Considering the scope and volume of Finnfund's activities, the staff resources allocated for environmental assessment and management are adequate.

The current process that MFA applies for environmental assessment and management of concessional credits is not fully in line with the recommendations of the OECD's Common Approaches nor with equivalent procedures of international financing institutions.

- A review form to address environmental considerations should be developed which would then be submitted to the Quality Assurance Group together with other intervention documents.
- MFA's environmental advisors should review all interventions from the mainstreaming point of view at the appropriate stage (this requires additional resources).
- Bilateral and regional projects / programmes remain a valid instrument. MFA should revise the guidelines for project cycle management, also to reflect the changed operational modalities for projects and programmes (i.a. PRS, budget support, sector wide approaches, harmonization of procedures)
- Continuous and wide training programmes on the environment as a cross-cutting issue should be carried out. Training should be arranged in close cooperation with MOE on issues such as: international conventions; the concept of sustainable development;

- specific EIA and SEA tools; environment-poverty linkage; environment as a cross cutting issue.
- Before providing budget support the MFA should assess the country's current PRSP to assess the extent to which the government is committed to the principles of sustainable development and environment. If it is clear that sustainable development and environment are not mainstreamed at the highest level, then the budgetary support model should not be considered.
 - Sector support at a strategic (including institutional) level can have significant environmental impacts (this applies to programmes and projects as well). Addressing these should follow the SEA approach so that a clear understanding can be reached as to how the support will affect the environment.
 - MFA should review and revise the concessional credit application process to bring the environmental assessment and management processes at par with international standards.

6. Monitoring, Evaluation, Internal Auditing and Reporting as Management Tools

6.1 Project and programme level monitoring and evaluation

Monitoring and evaluation are covered under the MFA's Guidelines for Programme Design, Monitoring and Evaluation. *Monitoring* is continuous assessment of the implementation of the project which can be based on formal progress reporting but should also be done on an informal basis. Basically monitoring is a management tool which should lead to corrective measures and decisions as needed. MFA's Guidelines outlines issues that should be monitored in a project or programme. Essentially the intention is to assess the achievement of the objectives and results of the project. Each project should develop its own monitoring system with the necessary indicators. Ideally the system should follow the partner country's own monitoring and reporting systems although few countries have developed such systems. Sometimes projects can contribute to developing the country's own system.

The Guidelines describe the process of monitoring and gives examples of what to monitor and how. The Guidelines do not specify the environment as a particular issue to be monitored. The example outline of a monitoring report mentions the environment as one of the many sustainability items. Study of some examples shows that often environmental issues are covered only very formally and superficially, as a compulsory item rather than an issue that really would have been assessed in the process of monitoring implementation of the project and changes in its operational environment.

Regular reporting on projects is the most common way of monitoring implementation, particularly in the MFA which is far away from the projects. Effective monitoring is however often hampered by the poor quality of the reports which focus more on activities and inputs rather than on results, possible problems and future risks.

Monitoring is used in practice as a tool for management of the single project that is monitored. There is no established system through which the lessons learned from one project could be transferred to the improvement of other projects.

Evaluation is a one time assessment of an ongoing or completed project. An evaluation can also cover larger sectoral, thematic or policy issues. The assessment usually covers the design, implementation as well as the outcome of the project. A less deep going evaluation of an ongoing project is sometimes also called a mid term review. The main purpose of an evaluation is

- *to provide an informed basis for necessary corrections in an ongoing project*
- *to provide lessons learned that could be fed back to the organization in order to improve future projects and aid policy, and*
- *to increase accountability.*

Usually an evaluation assesses the relevance, impact, effectiveness, efficiency and sustainability of a project. Also the compatibility with Finland's development cooperation policy is assessed. Sustainability of the project is judged by the policy environment, economic and financial feasibility, institutional capacity, socio-cultural aspects, participation and ownership, gender, environment and appropriateness of the technology. In principle, each of the above issues should be addressed in every evaluation. The ToR for an evaluation should raise other issues which are specific or important in the evaluation in question.

An evaluation could thus cover environmental issues as a specific theme. In regular project evaluations the environment is a regular sustainability issue and thus evaluations should normally and continuously provide the necessary information for monitoring the environment as a cross cutting theme. However, in practice evaluations often cover environmental questions only rather superficially and formally, without making any real assessment to that effect.

In sector programmes and direct budget support both monitoring and evaluation are tasks that are jointly implemented by the donor coalition in collaboration with the partner government. MFA and Embassies could emphasise environment e.g. by providing environmental expertise (outsourced if necessary) to the review exercises and joint missions.

Evaluation reports are usually presented in a meeting to the MFA where several interested parties can be present. Thereafter, the evaluation report is studied by the Unit for Sectoral Policies, which prepares a summary report and recommendations for the consideration of the Management Group of KEO. Regional Departments, who have the responsibility for preparing and implementing projects, are not present in the Management Group. The Management decides then what action should be taken on the basis of the evaluation report. It is also up to the Management Group to decide if and how implementation of the decision should be monitored.

Internal auditing has been basically a fiscal audit of projects. An attempt has been made to develop the audit process in the direction of a performance audit. With one or two exceptions the bulk of audits are still, however, almost purely fiscal audits.

6.2 Result oriented annual reporting

The MFA, like other Government units, prepares an annual report to the government auditors and treasurer's office. According to the new instructions⁶⁵

⁶⁵ *Ohje toimintakertomuksesta valtion virastoille ja laitoksille*, Valtiokonttori, 17.12.2004

the report shall include information on the achievements of the Ministry, its closing balance and an analysis of its productivity (tuloksellisuus). The report should include all information which is relevant for directing the MFA. As the MFA is also applying result oriented management the annual report serves as a tool in monitoring the achievement of the set targets and fulfillment of the plans.

The annual report shall include issues such as a management review in which management is supposed to describe the changing operational environment and assess productivity and its development as well as the impact of operations. The impact is a basis also for setting the targets. This review is supposed to develop in the direction of a private company's management review in connection with publicizing the annual operative result.

An important part of the annual report is a description and consideration of the productivity of the MFA. Productivity will be weighed against the set result targets. However, the instructions stress that only major and most important targets will be reported on. Therefore, monitoring of achievement of environmental targets will depend on whether and which kind of targets have been set for environmental inputs and interventions. If clear targets have been set and indicators developed the annual report would seem a good mechanism for monitoring results. If the environment is considered a less important issue it would not be included in the annual report.

In addition to this annual report the MFA also submits an annual report to the Parliament. This report is more descriptive and has traditionally not included an analysis of achieving set targets or assessment of impact of the operations. It remains to be seen if the Government's new internal reporting system will influence also the annual report to the Parliament.

6.3 Annual assessment of implementation of the Development Policy

Since 2004 the MFA has begun annually to assess the implementation of the Development Policy. The first assessment was made in October 2004, less than a year after the policy was adopted by the Government. The second assessment was made towards the end of 2005. This process could provide a tool for securing that policies the Government has adopted and guidelines the MFA has set are also implemented in practice. Thus far it is difficult to assess how well the process has served its purpose due to the short time it has been in use.

The MFA is in the process of developing indicators for its mid-term and annual plans and the indicators will reflect the priorities of the Development Policy. An assessment of the achievements can then be assessed more clearly based on indicators. Thus far only part of the indicators have been developed.

The development policy emphasises that Finland's development cooperation interventions should have Finnish value added. In the 2004 assessment the environment, environmental policy or environmental technology are not mentioned as specific areas for Finnish value added among the several areas that are mentioned. The assessment notes the difficulties and challenges in mainstreaming the cross cutting themes including environment. Additional work is needed so that the adopted policies will become practice. To this end a specific team for cross cutting issues was set up within the MFA. The assessment also notes the need for forward looking planning which would set targets for sectoral and thematic goals.

6.4 Key findings and recommendations

The new instructions on annual reporting, which reflect the result oriented management system provide a good basis for an effective feed back mechanism. The required assessment is meant to influence the following years annual planning. The system would be effective on monitoring impact and achievements regarding environmental inputs as well, provided that a clear financial target and possible other targets are set and a necessary indicators developed.

The Government's internal annual reporting system is supplemented by the annual assessment of the implementation of the Development Policy. Also there, the priority set for the environment and the development of indicators will judge the effectiveness of the system as regards the assessment of environmental interventions.

The environment is not a specific item for monitoring or evaluation at the project or programme level, apart from being one of the sustainability items. The environment is often covered lightly in the monitoring and evaluation process.

- The environment should be one of the priority issues in target setting and annual reports. Reporting on financial inputs to the environment is an effective way of enforcing greater priority.
- Indicators should be developed for reporting on achievements regarding the environment.
- As the project management guidelines are updated, the role of the environment should be strengthened as a monitoring and evaluation item and more detailed guidelines should be developed.

7. Conclusions and Recommendations

7.1 Conclusions

Policy context

The environment is well covered in the Development Policy both as a policy objective in itself and as a cross cutting issue in development cooperation. However, there is no environmental strategy or guidelines for implementing the policy as it relates to the environment. There is a host of other policy documents but no overall assessment of the policies or guidance or any indication of priority between them, thus making it more difficult to implement the policies. A country strategy is being prepared in at least one long-term partner country. Experience from that strategy should provide the MFA with sufficient information to decide whether a country programme can be helpful in setting priorities between the various policies at the country level.

Organisation, resources and responsibilities

The MFA and MOE have both a role to play in the management and implementation of environmental considerations in Finland's development policy and development cooperation. The cooperation between MFA and MOE is generally speaking good. There could be closer cooperation also as regards Finnish bilateral development cooperation where the MOE at present is not much involved. Further institutionalisation of the cooperation between the Ministries would provide the necessary continuity.

The human resources need strengthening both at the MFA and the Embassies as regards environmental expertise and experience in order to assure that the environment would be actively pursued both as a goal in itself in the development policy and as a cross-cutting theme in development cooperation. The rapid rotation of the personnelacerbates the problem. Continuous environmental training would over time alleviate the shortcoming.

The devolution of powers from the MFA to the Embassies without a good strategy or operational guidelines and sufficiently skilled and knowledgeable human resources will further weaken the possibilities of taking the environment into account as a policy issue or a cross cutting theme.

Planning and management procedures

There are established planning mechanisms within the MFA. However, by tradition the mechanisms are geared mainly for preparing medium-term and annual plans which are related to the Government's budgeting process. Therefore, they have not thus far provided a tool for specific environmental or sectoral planning. The mechanisms would seem to be flexible enough to provide a tool also for strategic sectoral planning if so desired, for instance for the environment.

There is little cooperation between the different Departments within the MFA regarding environmental issues which could be helpful in strategic planning. The environment has only exceptionally been a topic of discussion at the country negotiations between Finland and the long-term partner countries.

The fact that there is no target for environmental financing (including financing of the environment as a cross-cutting issue) gives the various Departments, Units and Embassies the leeway to consider the environment as a secondary issue although it is an important target in itself in the development policy and a cross-cutting issue in development cooperation. A set financial target would provide an incentive and reporting on achievement of the target will ensure enforcement.

The energy and climate strategy for Finland requires the MFA to develop a plan for the execution of CDM projects. As part of this exercise the role of CDM as one complementary tool for development cooperation could be explored in the fields of renewable energy and village scale forestry projects.

Indicators related to the planning mechanisms are being developed. This will provide a management tool for monitoring the performance in achieving set targets. However, the management information system does not provide the necessary statistical information for instance regarding environmental financing which would be needed in addition to other indicators.

Operational modalities and environmental management

The assessment of environmental considerations at various stages of the project cycle is not well institutionalised and mostly seems to be rather superficial and ad hoc. The resources of the MFA's environmental advisors should be directed mainly at environmental consideration as a cross-cutting issue.

The identification and design phases are crucial for incorporating environmental considerations in all project components as a cross-cutting issue. Better technical input is needed at that stage – the TORs need to be case specific and reflect the environmental situation and challenges at proposed sites / countries. MFA needs simple tools and straightforward mechanisms to ensure effective mainstreaming of the environment. There is

a need to institutionalize better the checks and balances that environmental consideration has been properly carried out. There is a need for upgrading the skills and knowledge of personnel regarding the environment as a cross-cutting issue and on the approaches, tools and mechanisms to be used.

Monitoring, evaluation, internal auditing and reporting

The new instructions on annual reporting, which reflect the result oriented management system provide a good basis for an effective feed back mechanism. The required assessment is meant to influence the following years annual planning. The system would be effective on monitoring impact and achievements regarding environmental inputs as well, provided that a clear financial target and possible other targets are set and a necessary indicators developed.

The Government's internal annual reporting system is supplemented by the annual assessment of the implementation of the Development Policy. Also there, the priority set for the environment and the development of indicators will judge the effectiveness of the system as regards the assessment of environmental interventions.

The environment is not a specific item for monitoring or evaluation at the project or programme level, apart from being one of the sustainability items. The environment is often covered lightly in the monitoring and evaluation process.

7.2 Recommendations

Findings	Conclusions	Recommendations
Environmental strategy development		
While the environment has been taken well into account at the policy level there is no strategy or guidelines for implementation of the policy.	There would be a need for an environmental strategy or guidelines. Present planning processes should be used for developing strategic targets. Country strategies for partner countries should be considered.	MFA and MOE should jointly develop an environmental strategy where policy objectives of the Development Policy and International Environmental Policy would be addressed. MFA's mid-term and annual planning processes should be developed to include sectoral or thematic planning targets (financial and possibly others). The environment could be a pilot case in that respect.
There are no financial targets for the environment.	A financial target would be an incentive for more actively promoting environmental interventions.	MFA should set a target level for environmental financing in the mid-term and annual plans.

Findings	Conclusions	Recommendations
	<p>A financial target, if set high enough, will give opportunities for seeking new channels for environmental financing.</p>	<p>Once such a target is in place and if it requires an increase in environmental funding, then examples of channels are:</p> <ul style="list-style-type: none"> - funding some of the global trust funds and regional programmes which e.g. UNDP and UNEP established as a follow-up of the WSSD summit in 2002. - increased funding to the convention specific funding instruments.
Environmental policy and strategy management		
<p>Environmental consideration is not well institutionalized. It depends heavily on the interest and knowledge and experience of individual staff members.</p>	<p>There is a lack of environmental skills, particularly at the MFA but also partly at the Embassies.</p>	<p>MFA should provide continuous environmental training to the staff (including MFA and the Embassies) to over time develop better environmental knowledge and skills. Training should be arranged in close cooperation with MOE on issues such as: international conventions; the concept of sustainable development; specific EIA and SEA tools; environment-poverty linkage; environment as a cross cutting issue.</p>
<p>There is little cooperation between MFA and MOE in the field of bilateral development cooperation.</p>	<p>Outsourcing some of the environmental tasks to MOE, particularly regarding environment-specific projects, MFA's resources could be directed more actively towards mainstreaming of environment.</p>	<p>Cooperation between MFA and MOE should be further institutionalised at all levels. Some of the environmental tasks could be outsourced for instance to MOE particularly regarding environment-specific projects. MFA's own environmental advisors should be available for environmental consideration as a cross-cutting issue which requires a combination of development and environmental knowledge.</p>
	<p>Environmental consideration should be better institutionalised within MFA.</p>	<p>A review form and checklists to address these should be developed which would then be submitted to the Quality Assurance Group together with other intervention documents.</p>

Findings	Conclusions	Recommendations
<p>The environment has only exceptionally been discussed at the country negotiations with partner countries although it is a priority target in policy statements and cross-cutting issue in development cooperation.</p>	<p>Discussion of the environment with partner countries from time to time will be a channel for encouraging them for more active implementation of MEAs and a forum for discussing possible support they may need.</p>	<p>The environment should be taken as a separate policy item on the agendas of country negotiations every three years or so. Environment as a cross cutting issue should be discussed in connection with development cooperation as need be.</p>
<p>The present management information and statistical systems do not allow monitoring environmental financing as a whole.</p>	<p>Without reliable information management cannot direct well implementation of the Development Policy.</p>	<p>The management information system, data collection and statistical system should be urgently revised so as to allow the necessary reporting and monitoring.</p>
		<p>One a strategy is in place, indicators should be developed for monitoring achievements regarding the environment and achievement should be reported on and monitored by the management.</p>
<p>The environment is not well covered in project preparation.</p>	<p>The project cycle management guidelines are not followed well as regards the environment. More practical tools should be developed in the guidelines for mainstreaming the environment.</p>	<p>The guidelines for project cycle management should be reviewed and strengthened with tools and guidance on how to take environmental consideration into account, particularly at the project preparation stage and also to reflect the new operational modalities.</p>
<p>New aid modalities may further hamper environmental consideration. The new modalities require their own guidelines (for Budget Support Cooperation they exist, for sector programmes they have been drafted) and new working approaches (e.g. joint monitoring with other donors).</p>	<p>New modalities should also be covered by the project cycle guidelines.</p>	<p>MFA's internal and external guidelines should be revised to incorporate SEA as appropriate. SEA should be applied before taking decisions on participation in direct budget support and SWAp's.</p>

Annex 1. Terms of Reference



1. BACKGROUND

1.1. International Environmental Commitments

Since the United Nation's Conference on Human Environment in 1972, increasing attention has been paid to the environmental aspects of international development co-operation in many international fora. The United Nations Conference on Environment and Development (UNCED) held in Rio de Janeiro in 1992 was a very important event in this process. The framework conventions on climate change and biodiversity were signed, and the Rio Declaration, the Agenda 21 and the Forest Principles were approved. As a follow-up to UNCED, the international convention to combat desertification and drought was negotiated and agreed upon. These and many other environmental conventions include obligations binding on the developing countries and obligations for industrialised countries to support them. Special Funds have been established for financing the implementation of some of the conventions, particularly for supporting developing countries. Examples include the Global Environment Facility (climate, biodiversity, ozone, persistent organic pollutants and desertification conventions), the Multilateral Fund (ozone convention), the Global Mechanism (desertification convention), Prototype Carbon Fund (climate convention) and the Least Developed Countries Fund (climate convention).

The United Nations Commission on Sustainable Development (CSD) was created in December 1992 to ensure effective follow-up of the UNCED and to monitor and report on implementation of the UNCED agreements. The Forest Principles defined at UNCED were followed by the Intergovernmental Panel on Forests, then the Intergovernmental Forum of Forests, and since October 2000 the discussion has been carried out by the United Nations Forum of Forests.

In September 2000, the member states of the United Nations (UN) adopted the Millennium Declaration. Following consultations among international agencies and the specialised agencies of the UN, the General Assembly recognised the so called Millennium Development Goals (MDGs) as part of the road map for implementing the Millennium Declaration. One of the MDGs (#7) is to ensure environmental sustainability of development. A UN High Level meeting ("Major Event") will be held in September 2005 to review the

progress made in the fulfilment of all commitments contained in the Millennium Declaration.

The World Summit on Sustainable Development (WSSD) held in Johannesburg in 2002 was a follow-up meeting to the UNCED. In the Political Declaration and the Plan of Implementation agreed in the WSSD, more than 100 countries, including Finland, confirmed their commitments made in the UNCED and in the Millennium Declaration. The Plan encourages all states, for example, to formulate and implement national strategies for sustainable development and integrated water resources management plans by 2005, with support to developing countries.

The United Nations Environment Programme (UNEP) plays a central role in promoting the implementation of the objectives of the UNCED and WSSD, increasing coherence among environmental conventions and providing information, policy advice and capacity building for sustainable development. The UNEP hosts several environmental convention secretariats and is one of the implementing agencies of the Global Environment Facility.

The 6th Environment Action Programme of the European Community (Environment 2010... 2001) identifies the need to integrate environmental concerns and objectives into all aspects of the EU's external relations. In 2001, the European Council adopted the EU Sustainable Development Strategy. In 2002, its external dimension (Towards a Global Partnership... 2002) was endorsed. These texts together form the basis of the comprehensive EU Sustainable Development Strategy which guides the EU in its internal policies and in supporting the developing countries to achieve development that is environmentally, socially and economically more sustainable. One of the priority objectives defined is to "ensure that current trends in the loss of environmental resources are effectively reversed at national and global levels by 2015". The Strategy will be reviewed and revised in 2005.

In the "Bonn Political Declaration", made in the 6th Conference of the Parties (COP) of the climate convention in 2001, the EC, the EU Member States and five other countries pledged USD 410 million annual funding (by 2005) to support developing countries in their climate-related activities. This was included in the decisions concerning the support of the industrialised countries to the developing countries made in the 7th COP in 2001 as part of a package deal (the Marrakech Accords) concerning the implementation of the Kyoto protocol. Finland's share of the EU commitment is USD 6.4 million annually.

In November 2004, the Council of the EU approved the Action Plan (2004-2008) to accompany the EU Strategy on Climate Change in the Context of Development Co-operation. In the Action Plan the EC and the Member States made a commitment to mainstream climate change into the EC and Member States' development co-operation and to support developing countries in adaptation, mitigation and capacity development.

Since early 1980's, the Organisation of Economic Co-operation and Development (OECD) through its Environment Committee and Development Assistance Committee (DAC), particularly its Network (former Working Party) on Environment and Development Co-operation, has provided the international development co-operation agencies with policy and practical guidance for incorporating environmental considerations into development

co-operation⁶⁶. In 2001, the OECD environment ministers adopted the OECD Environmental Strategy for the First Decade of the 21st Century (OECD 2001a) in which they committed to "continue and improve bilateral and multilateral co-operation with non-member countries, including the transfer of environmentally sound technology and capacity building for environmental management". The OECD/DAC monitors the development co-operation of the member countries through a Creditor Reporting System, and it has produced statistics and carried out country studies on environmental aspects of development co-operation (e.g. Geoplan International & Project Services International 1996; OECD 2002a).

In March 2005, Ministers, Heads of Aid Agencies and other Senior Officials representing some 60 partner countries and more than 50 multilateral and bilateral development institutions endorsed the Paris Declaration on Aid Effectiveness. The Declaration committed the donors and partner countries, among other things, to strengthen the application of environmental impact assessment (EIA) for projects, to apply common approaches for strategic environmental assessment (SEA) at the sector and national levels, and to continue the development of technical and policy capacity necessary for environmental analysis and for enforcement of legislation. The Declaration also identified a need for deepening the progress and addressing the implications of global environmental issues in these processes.

It has been recognised in the various international events and policy documents, particularly in the WSSD and its Plan of Implementation, that tackling environmental degradation is an integral part of effective and lasting poverty reduction. The achievement of the MDG #7 (Ensure environmental sustainability) is a prerequisite for sustainable achievement of other MDGs, in particular eradicating extreme poverty and hunger (#1), promoting gender equality and empowerment of women (#3), reducing child mortality (#4), and combating major diseases (#6). The poor often depend directly on a wide range of natural resources and ecosystem services for their livelihoods; they are often the most affected by adverse health impacts of environmental pollution; and they are particularly vulnerable to environmental hazards and environment-related conflicts (Kaipola 2002; Laine et al. 2002; Linking Poverty Reduction and... 2002; OECD 2001b, 2002b; Towards a Global Partnership... 2002).

Many of the international environmental conventions identify measures that directly improve the livelihoods of the poor. Particularly the desertification convention aims at poverty reduction. It recognises the special vulnerability of the poorest and least developed countries to the impacts of land degradation and the inter-linkages between desertification, food security, health and environmental exile.

1.2. Finnish Policies, Guidelines and Legislation

The government of Finland is committed to follow the above road map to environmentally, socially and economically sustainable development in its development co-operation. The need to take environmental issues into

⁶⁶ The most recent DAC environmental guidelines are titled "Poverty-Environment-Gender Linkages" (OECD 2001b), "Strategies for Sustainable Development" (OECD 2001c) and "Integrating the Rio Conventions into Development Co-operation" (OECD 2002b). The guidelines can be downloaded from the website: http://www.oecd.org/findDocument/0,2350,en_2649_34421_1_119820_1_1_1,00.html.

consideration in Finland's development co-operation has been identified since 1973 in a number of official policy papers and reports concerning Finnish development co-operation (see Salminen 1992; Hildén ym. 1999).

The general environmental policy of Finland's development co-operation is documented in:

- Finland's Development Cooperation in the 1990s (1993);
- Decision-in-Principle on Finland's Development Cooperation (1996);
- Finland's Policy on Relations with Developing Countries (1998);
- Operationalisation of Development Policy Objectives in Finland's International Development Cooperation (2001);
- Development Policy - Government Resolution (2004).

The environmental goals and principles of Finland's development co-operation have been defined with diverse phrasing in the above policy documents. Since 1998, prevention of global environmental problems or threats has been included in the 3-5 main development policy objectives. More specifically, the policies of the 1990s identified the following environmental priorities, for example:

- integration of environmental considerations into all development co-operation activities;
- encouraging environmental programmes and the development of environmental administration in developing countries;
- supporting development countries in fulfilling their environmental obligations, particularly those arising from international environmental conventions;
- promotion of cleaner production and transfer of environmentally more sound technologies;
- development of economic environmental policy instruments.

According to the 2001 and 2004 policy papers, the main goal of Finland's development co-operation is to contribute to the eradication of extreme poverty from the world. The prevention of environmental threats remains as one of the main goals in the Development Policy and is mentioned as an activity that helps to achieve poverty reduction. Further reflecting the poverty-environment linkages, the Development Policy (2004) acknowledges that "it is impossible to achieve sustainable well-being and reduction of poverty unless the environment is taken care of". Therefore, consideration of environmental issues is mentioned as one of the three cross-cutting themes in the implementation of the Development Policy.

The Policy also identifies several environment-related focus areas, such as:

- sustainable management and protection of natural resources;
- access to clean drinking water and sanitation services;
- sustainable use and conservation of forests;
- sustainable energy solutions;
- advocating change in production and consumption patterns;
- supporting partner countries in implementing global environmental agreements and processes;
- supporting the inclusion of the principles of environmentally sustainable development in national poverty reduction strategies (PRSs);
- supporting specific environmental programmes and projects.

The Government Programme (24 June 2003) emphasises Finland's role as an active participant in international co-operation to solve global environmental problems and to promote international environmental policy, particularly through implementing the commitments made in the Kyoto Accords and the WSSD and through strengthening global environmental governance.

In February 2002, the Ministry for Foreign Affairs (MFA) approved an action plan for the implementation of environmental conventions in Finland's development co-operation (Ulkoasiainministeriö 2002). It defines the conventions that are most relevant to development co-operation and identifies potential means for their implementation.

The MFA's Guidelines for Programme Design, Monitoring and Evaluation (2000) include a general requirement to incorporate environmental considerations into project planning. The draft Guidelines for Environmental Impact Assessment in Development Assistance (1989) are no longer in use in practice.

The Finnish legislation concerning development co-operation does not include provisions for environmental considerations. The only relevant juridical instrument is the Environmental Impact Assessment Act (468/1994) which includes a general requirement for systematic environmental assessment in strategic planning (i.e. preparation of policies, strategies and programmes) of Finnish state authorities, including the MFA.

In principle, the above environmental policy objectives - the related opportunities as well as challenges - concern all forms and instruments of Finland's bilateral, regional and multilateral development co-operation and Finland's involvement in the EC development co-operation.

According to the Development Policy, Finland aims at making better use of EC development co-operation instruments to achieve its own development policy goals. Finland is also to improve the effectiveness of its multilateral contributions by a more coherent approach in the UN's operative development organisations, specialised organisations, regional organisations, international financial institutions and the governing bodies of international conventions. Furthermore, co-operation and co-ordination between multilateral and bilateral development co-operation is to be enhanced for mutual support and synergy.

In order to improve the effectiveness and impact of Finland's bilateral development co-operation, the main strategy adopted is to focus on a smaller number of partner countries - so called long-term partner countries - and larger country programmes. In these countries, Finland's support is to be directed to three sectors or development programmes at most. The programmes and sectors are to be selected through dialogue with the partner countries and be based on priorities set in their national poverty reduction strategies (PRs), Finnish policies, Finland's strengths in relation to the MDGs, an analysis of the value that Finland can add to the development processes, and the inputs by other development partners (Finland's Report... 2004, 14). The Policy does not address the fact that the degree of integration of environmental considerations in PRs and their associated documents varies considerably across countries and the average level and quality of environmental mainstreaming is low (Beloff et al. 2005; Bojö and Reddy 2001; 2003a,b; Bojö et al. 2004).

The Development Policy sets the objective of a gradual transition from project-specific to programme-based co-operation. This refers to supporting

increasingly the implementation of the PRSs and sectoral programmes through budget support or joint financing arrangements with other donors. Work is also going on to encourage various public sector institutions and the private sector for more active involvement in developing countries through developing existing and new instruments for promoting such partnerships. Furthermore, some environmentally significant changes have been made to instrument-specific policies. For example, the 1996-2001 policy papers restricted the use of Finnish concessional credits mainly to environmental and social sectors, but the 2004 Development Policy abandoned this principle.

2. JUSTIFICATION, OBJECTIVES AND PURPOSE OF THE EVALUATION

According to the conclusions of the previous environmental evaluation of Finland's development co-operation (Hildén et al. 1999), there has been a genuine commitment to identify environmentally sound activities, and Finland has succeeded in developing an environmental portfolio of bilateral development co-operation projects. The evaluation also concluded that the frequency of environmentally problematic issues had decreased due to a change in the funding policy, but the inclusion of environmental aspects in all activities had not developed systematically, and the procedures for mainstreaming the environment had not been institutionalised. The evaluation recommended that the MFA should develop clear and operational strategies, guidelines, procedures and practices and ensure adequate resources for managing environmental issues in the different forms of Finnish development co-operation. Now, six years after, it is time to review the subsequent developments.

A recent study (Beloff et al. 2005), commissioned jointly by the MFA and the Finnish Ministry of the Environment, concluded that the overall environmental financing in Finland's development co-operation has turned to a decreasing trend in the year 2003 which is in contradiction with the Finnish environmental development policy objectives. The study recommended that the reasons for this development and measures to reverse the trend should be identified.

Due to the evolving international and Finnish development policies and the other emerging opportunities and challenges, the MFA is now considering the need for elaborating a new environmental strategy for Finland's development co-operation. In order to obtain a comprehensive view of the current situation and specify the needs and priorities for a (possible) new environmental strategy, the MFA has decided to commission an Evaluation of Environmental Management in Finland's Development Co-operation.

The purpose of the evaluation is to provide the MFA with information that will be needed as a basis for defining a new environmental strategy for Finland's development co-operation, including priorities and measures for the effective implementation of the strategy. The evaluation shall contribute to the work of the MFA "Team for Cross-Cutting Themes" which promotes the mainstreaming of all cross-cutting themes in Finland's development co-operation. In addition, the evaluation shall provide an input to the efforts of the Development Policy Committee (appointed by the Cabinet in October 2003) to monitor and steer Finnish development policy work.

Therefore, the evaluation shall primarily:

- 1) Analyse the relevance, compatibility, consistency, coherence and co-ordination of the environmental policy of Finnish development co-operation in relation to international environment and development commitments and other Finnish environmental and development policies.
- 2) Assess the recent developments and the current status of implementing the environmental policy objectives of Finland's development co-operation in terms of:
 - supporting developing countries in their efforts to protect the environment; and
 - integrating environmental considerations in all Finnish development co-operation activities.
- 3) Assess the effectiveness of the current environmental management system of Finland's development co-operation, i.e. the mechanisms, organisation and resources for implementing the environmental policy.
- 4) Identify and prioritise the development needs, opportunities and constraints relating to the above issues and make practical, realistic recommendations for a new environmental strategy, including measures that may be required for improving the environmental management system of Finland's development co-operation.

3. SCOPE OF WORK

3.1. General Approach and Framework of the Evaluation

The general approach of the evaluation is to be **strategic** and **process** oriented, with an emphasis on systems and procedures for managing environmental issues in development co-operation. It shall focus on examining the **mechanisms and instruments** for translating relevant Finland's international commitments, policy statements and legal requirements to the strategic and operative planning, decision-making, implementation, monitoring and evaluation of development co-operation. By focusing on the **environmental management system**, the approach will enable comparison with the management of other cross-cutting themes of the Finnish development co-operation policy. The analysis shall cover the key elements of the international environmental management system standards (ISO 14001 and EMAS), including:

- policies, strategies and action programmes;
- operative planning, decision-making and management procedures;
- organisational structures, responsibilities and resources;
- operation and implementation;
- monitoring, evaluation, auditing and reporting;
- management review and feed-back mechanisms.

The evaluation shall cover all forms of Finland's development co-operation, including **bilateral** and **regional** co-operation and Finland's participation in **multilateral** co-operation (through UN organisations, international financing institutions, special funds and governing bodies of international environmental conventions) and in the **EC** development co-operation.

The evaluation shall review the procedures, guidelines, intervention portfolios, statistics and overall evaluations related to all bilateral development co-operation funding instruments, such as:

- budget support;
- programme-based co-operation;
- grant-funded government-to-government projects;
- concessional credits;
- economic, industrial and technological (EIT) appropriations;
- Finnfund's operations;
- local co-operation funds managed by Finnish embassies;
- support to non-governmental organisations' development co-operation (through Finnish NGOs, international and regional NGOs and the development co-operation foundations managed by Finnish NGOs);
- development research funding;
- Clean Development Mechanism;
- other (emerging) instruments for public and private sector co-operation.

In the evaluation of the mainstreaming of the environmental considerations in the strategic and operational levels, a sample of strategies, intervention documents and reports and sectoral evaluations shall be reviewed covering the following "sectors" of development co-operation:

- forestry
- agriculture and (integrated) rural development;
- water supply;
- education;
- health;
- infrastructure (energy, industry).

It is important to utilise the results of the recent Gender Baseline Study (Kosana Ltd 2005) and the sectoral evaluations of Finland's development co-operation, particularly those concerning the co-operation on water supply and sanitation (2001:1), forestry (2003:2), education (2004:1) and health (2005:3). The materials produced in the on-going preparation of a strategy for the forest-related development co-operation shall also be reviewed.

The issues, subjects and tasks of the evaluation are specified in the Section 3.2. below. They are structured into six sub-sections that are closely interlinked.

3.2. Issues, Subjects and Tasks of the Evaluation

3.2.1. Policies, Strategies and Action Programmes

The following tasks shall be carried out in the evaluation of Finland's development policies, strategies and action programmes:

- Assess the relevance of the official environmental policies of Finland's development co-operation since 1998, particularly to what extent the government policy documents reflect Finland's commitments to implement the objectives and obligations agreed upon in the relevant international processes and fora, such as the UNCED, WSSD, CSD, UNEP, OECD, EU and international environmental conventions.

- Analyse the compatibility, consistence and coherence of the environmental policy objectives with other relevant development (co-operation) policy objectives of Finland.
- Assess and prioritise the (potential) needs for elaborating the environmental policy of Finland's development co-operation.
- Assess to what extent the environmental policy objectives of Finland's development co-operation and the poverty-gender-environment linkages have been reflected and operationalised in Finland's development co-operation strategies and action programmes and in the norms and guidelines concerning the preparation procedures of such strategies and action programmes, by reviewing the following strategies and action programmes and the associated norms and guidelines:

- the general strategies (balanced scorecards) of the MFA, its departments and units responsible for development co-operation;
- the latest annual result management plan ("tulostavoitteet") of the MFA;
- the latest 4-year operational and financial plans ("toiminta- ja taloussuunnitelma") of the MFA and its departments responsible for development co-operation;
- the latest annual decision on the allocation of commitments ("sitoumusvaltuuksien kohdentamispäätös");
- the latest annual operational plans ("vuosisuunnitelma") of the MFA, its departments and units responsible for development co-operation, and the latest annual operational plans of the Finnish embassies/missions in the long-term partner countries and those responsible for Finland's representation in multilateral development agencies and the EC (the latest plan of each unit);
- current regional strategies of the MFA concerning developing countries;
- the latest background analyses, mandates and agreed minutes (Notes for the Record) of bilateral consultations with the long-term partner countries (one set of these documents per country);
- the "transition strategies" of Finland's co-operation with Egypt, Namibia and Peru;
- the latest UN strategy of the MFA and the latest strategies and consultation mandates concerning multilateral development co-operation (UN agencies, international financing institutions, special funds and governing bodies of international environmental conventions);
- the latest MFA strategy/strategies concerning the EC development co-operation;
- the current strategies and/or action programmes concerning development co-operation sectors mentioned in the Section 3.1. above and the cross-cutting themes;
- the current strategies concerning the bilateral development co-operation instruments mentioned in the Section 3.1. above;
- the MFA communication/information strategy regarding Finland's development policy;
- the current "action plan for the implementation of environmental conventions in Finland's development co-operation".

- Assess to what extent the requirement of strategic environmental assessment in Finland's Environmental Impact Assessment Act 468/1994/24§ and the associated guidelines of the Ministry of the Environment (1999) has been met in the formulation of the above policies, strategies and action programmes and in the associated norms and guidelines.
- Assess the significance of the above strategies and action programmes in terms of operationalisation and implementation of the environmental policy objectives of Finland's development co-operation; identify the most important strategic entry points for environmental considerations.
- Review the recent report of the State Audit Office (Valtiontalouden tarkastusvirasto 2003) on the result management in Finland's bilateral development co-operation in view of operationalising of the environmental policy objectives of Finland's development co-operation.
- Assess the need and identify practical, realistic measures as per the need for improving the MFA strategic planning and associated norms and guidelines required to operationalise effectively the environmental policy of Finland's development co-operation; compare possible alternatives, such as i) formulating a separate environmental strategy, ii) preparing a joint strategy for all cross-cutting themes, and iii) enhancing other strategies and action programmes.
- Identify the needs, opportunities and potential measures for maximising the synergy of the (possible) new environmental strategy with the various sectoral and thematic strategies of Finland's development co-operation, particularly those on rural development, forestry, water, energy, health, education, gender equality, rights and status of women and girls, rights of easily marginalised groups, democracy and good governance.

3.2.2. Operative Planning, Decision-Making and Management Procedures

In the evaluation of operative planning, decision-making and management procedures of Finland's development co-operation, the following tasks shall be performed:

- Assess to what extent environmental policies, strategies and considerations, particularly the principles of environmental impact assessment (EIA), have been integrated in:

- the definitions and guidelines concerning the management procedures relating to the various development co-operation funding instruments mentioned in the Section 3.1. above;
- the management guidelines and tools supporting the relevant MFA and Finnfund staff, e.g. the electronic project cycle management tools ("hankehallinnon ohjeistus") available in the MFA intranet;
- the mandate and operational procedures, guidelines and tools of the new Development Co-operation Quality Team ("kehitysyhteistyön laatuyhmä") of the MFA;
- the current MFA Procurement Policy and Manual;
- the definitions of procedures and in the guidelines concerning Finland's decision-making on the allocation of funds to multilateral organisations and Finland's involvement in the project approval and

monitoring of relevant multilateral development co-operation agencies and of the EC development co-operation.

- Assess the need and identify practical, realistic measures for elaborating the definitions and guidelines that may be needed to integrate effectively the environmental considerations into the above operative planning, decision-making and management procedures.

3.2.3. Organisational Structures, Responsibilities and Human Resources

The evaluation of the organisational structures, responsibilities and human resources of Finland's development co-operation shall concentrate on the following tasks:

- Assess to what extent and how clearly the responsibilities concerning the management of environmental considerations have been defined and divided in the management structures of the MFA and Finnfund and in the relevant mandates, norms, guidelines and task-specific competence profiles of their staff; identify the key responsibilities.
- Review the recent study on the administrative and resource development needs (Saana Consulting Oy 2004) and the measures planned and/or implemented by the MFA as a response to the recommendations of the study, and make conclusions on the organisational structure, the human capacity and related development needs of the MFA in view of the management of environmental considerations in Finland's development co-operation.
- Review the results of the "Mapping of Experiences on the Delegation of Management of Development Co-operation to Embassies", undertaken by the MFA in spring 2005, in view of the environmental management.
- Assess how the environmental responsibilities and relating human resource needs are taken into consideration in the personnel strategies of the MFA and Finnfund.
- Assess whether the environmental policies and management are sufficiently integrated into the Training Course on International Affairs ("KAVAKU") and in the regular internal staff training of the MFA and Finnfund, based on the available information and training material; assess the significance of the staff training to the quality of the environmental management in the MFA and Finnfund.
- Assess the level, need, possibilities and constraints of the MFA and Finnfund to "outsource" human resources to support their staff in the management of environmental considerations.
- Analyse the roles and significance of the MFA "Team for Cross-Cutting Themes", the National Commission on Sustainable Development and the Development Policy Committee in promoting and monitoring the implementation of the environmental policy objectives in Finland's development co-operation.
- Assess the need and identify practical measures as per the need to clarify the definition and division of environmental responsibilities and strengthen the human resources of the MFA and Finnfund, taking into

account which environmental management tasks can realistically be expected to be performed and by whom; compare possible alternatives for strengthening the human resource base.

3.2.4. Operation and Implementation

This component of the evaluation comprises two parts:

- 1) environmental financing (quantitative); and
- 2) environmental mainstreaming (qualitative).

Environmental financing shall be interpreted as financing of interventions the primary or partial objectives of which are environment-related. Environmental mainstreaming is manifested in e.g. identification of environment-gender-poverty linkages, environmental impact assessments, environmental management plans and environmental enhancement measures.

The following tasks shall be carried out:

Environmental financing

- On the basis of the recent study (Beloff et al. 2005) and complementing statistical and intervention portfolio information, make conclusions on the recent trends (2001-2004) and current status in the overall amount of environmental financing provided through all forms and instruments of Finland's development co-operation.
- Analyse the distribution of environmental financing between the forms and instruments of co-operation, multilateral organisations, sectors, regions, countries, the most relevant international environmental conventions and other environmental objectives and obligations agreed upon in the relevant international fora (to the extent the available information allows).
- Assess the degree of taking advantage of potential synergies between the environmental conventions and issues on one hand, and between the forms and instruments of co-operation on the other.
- Assess and compare the opportunities and constraints of the various forms and instruments for environmental financing, with special attention to environmental budget support and programme-based co-operation (taking into consideration the experiences of the PROAMBIENTE programme in Nicaragua).
- Make conclusions on the degree of achieving the environmental policy objectives of Finland's development co-operation in terms of environmental financing; assess the need for and identify and prioritise measures as per the need to develop the environmental financing in accordance with Finland's development policy.

Environmental mainstreaming

- Assess to what extent the environmental policy objectives and environment-gender-poverty linkages have been mainstreamed in interventions of relevant sectors as defined in the Section 3.1. above, by analysing the results of the relevant sectoral evaluations (see Annex 2)

and the available documentation throughout the management cycle of the following sample of interventions:

<p>Bilateral and regional grants</p> <ul style="list-style-type: none"> • budget support provided to Mozambique • budget support provided to Nicaragua; • Rural development sector programme (FOMEVIDAS), Nicaragua; • Quang Tri Rural Development Project, Phases II and III, Vietnam • Sector Programme for the Educational Sector, Mozambique; • Support to the Education Sector Strategic Plan, Zambia • Sector Programme for the Health Sector, Mozambique; • Adult Lung Health Initiative, Kyrgyz Republic • Development of Water Supply in Small Cities, Vietnam • Community Water Supply Management Support Programme, Phase III, Namibia • Development of decentralisation and municipal administration (PROGESTION), Nicaragua; • Capacity Building for Local and Regional Authorities, Namibia • Support to Asian Institute of Technology AIT, Phase III • Mekong Project Development Facility, IFC
<p>Concessional credits</p> <ul style="list-style-type: none"> • Rao II Bridge Project, Phase I, Vietnam • Pinatubo Waterways Rehabilitation Project, the Philippines • Luoyang Dairy Project, China • Hefei Aquatic Product Project, China • Rural electrification project, Honduras
<p>Economic, industrial and technological (EIT) appropriations</p> <ul style="list-style-type: none"> • a sample of 5 projects with potential environmental impacts to be selected by the evaluation team in co-operation with the responsible MFA unit.
<p>Finnfund's operations</p> <ul style="list-style-type: none"> • a sample of 5 projects with potential environmental impacts to be selected by the evaluation team in co-operation with Finnfund.
<p>Local co-operation funds</p> <ul style="list-style-type: none"> • a sample of 5 projects with potential environmental impacts to be selected by the evaluation team.
<p>Support to Finnish NGOs' development co-operation</p> <ul style="list-style-type: none"> • Highway of Tourism, Nicaragua (Kansainvälinen Solidaarisuussäätiö) • Irrigation project in Northern Nicaragua (Kansainvälinen Solidaarisuussäätiö)

- Health Programme, Mozambique (Suomen Punainen Risti)
- Health Centre Project, Benin (Frikyrklig samverkan/Finlands svenska baptistmission)
- Training of teachers in Chimoio, Mozambique (U-landshjälp från folk till folk)
- Village training programme, Vietnam (Fida International)
- Ghindir Rayitu Integrated Rural Development Project, Ethiopia (Kirkon ulkomaanapu)
- Expansion of the 4H-project, Tanzania (Suomen 4H-liitto)
- Rehabilitation of Aira Hospital, Ethiopia (Suomen lähetysseura)

- Assess to what extent environmental policy objectives and environment-gender-poverty linkages, have been integrated in the MFA's involvement in the preparation of development co-operation strategies and in the project approval and monitoring of relevant multilateral development agencies and the EC, by reviewing the available documentation of the MFA on selected processes since year 2001 (to be identified by the evaluation team in consultation with the responsible MFA units).
- Identify needs, opportunities and challenges for improving the environmental mainstreaming in the operations of Finland's development co-operation.

3.2.5. Overall Monitoring, Evaluation, Auditing and Reporting Systems

The evaluation of the systems for the overall monitoring, evaluation, auditing and reporting of the implementation of Finland's development co-operation policy shall focus on the following tasks:

- Assess how the results of the previous environmental evaluations (Hildén et al. 1999; Osterbaan & Kajaste 1999; Punkari et al. 1999; Ødum et al. 1999; Meynell et al. 1999) have been utilised by the MFA and to what extent their recommendations have been implemented, as relevant to this evaluation, by reviewing the relevant documentation available in the MFA.
- Assess to what extent environmental considerations and the implementation of environmental development policy objectives have been integrated into:

- the Terms of Reference and reports of the recent country, region, sector and/or instrument specific evaluations commissioned by the MFA (Annex 2);
- recent internal and external audits of the MFA and Finnfund (2001-2004);
- annual operational reports of the MFA, its departments and units responsible for development co-operation and the latest annual operational reports of the Finnish embassies/missions in the long-term partner countries and those responsible for Finland's representation in multilateral development agencies and the EC (the latest report of each unit), and the relating MFA norms and guidelines;
- annual development co-operation reports (2001-2004) of the MFA to the Parliament:

- annual MFA review of the Development Policy (2004);
- Finland's Report on the Millennium Development Goals (2004);
- the overall monitoring, evaluation and reporting system of Finnfund.

- Assess to what extent development co-operation activities and environment-gender-poverty linkages have been included in the latest Finland's national communications and reports on the most relevant international environmental conventions.
- Review the recent report of the State Audit Office (Valtiontalouden tarkastusvirasto 2003) on the result management in Finland's bilateral development co-operation, in view of monitoring, evaluating, auditing and reporting the implementation of environmental policy objectives in Finland's development co-operation.
- Assess the usefulness of the MFA's statistical systems for monitoring, evaluating, auditing and reporting the implementation of the environmental policy objectives in Finland's development co-operation.
- Make conclusions on the quality of the overall monitoring, evaluation, auditing and reporting systems of the MFA and Finnfund in terms of environmental management; assess the need and identify and prioritise measures as per the need to develop these systems.

3.2.6. Management Review and Feed-Back Mechanisms

The evaluation shall investigate how the (top) management bodies of the MFA and Finnfund review the implementation of the environmental policy objectives in Finland's development co-operation and give feed-back within their organisations (on e.g. corrective actions, when needed). The analysis shall be based on the mandates and task descriptions of the bodies, memoranda of their meetings in years 2004-2005 and interviews of the key personnel.

4. PLAN OF WORK

4.1. Collection of Data and Information

Documents will form the main source of data and information for the evaluation. For example the following categories of documentation are expected to be needed in the evaluation:

- the main documents defining the international environmental commitments to the implementation of which Finland is expected to contribute through official development assistance (ODA);
- the policies, strategies, action programmes and legislation concerning Finland's development co-operation;
- the norms, guidelines and administrative decisions, which define the organisation, responsibilities and procedures for the management of environmental issues in the strategic and operative planning, decision-making, implementation and monitoring of Finland's development co-operation and the management tools provided to the relevant staff for assuming these responsibilities;

- documentation providing data on the human resources and the human resources development efforts in Finland's development co-operation administration for the management of environmental issues;
- statistical (quantitative) data on environmental financing in Finland's development co-operation;
- the main documents of the sample of bilateral and regional interventions (Section 3.2.4.) throughout the management cycles;
- documentation which illustrate Finland's involvement in the strategic as well as operative management processes of multilateral development agencies and the EC;
- reports of the previous environmental evaluation of Finland's development co-operation (1999); recent reports of country, sector, theme and instrument specific evaluations of Finland's development co-operation; relevant internal and external audit reports; national communications and reports for the most relevant international environmental conventions; and annual reports of the development co-operation administration.
- memoranda of the meetings of the (top) management bodies of Finland's development co-operation administration;
- other relevant international and Finnish study reports.

The MFA will provide the evaluation team with basic MFA links and documentation prior to the start-up of the evaluation. The evaluation team itself, however, has the main responsibility for collecting the necessary documentation in the beginning and in the course of the evaluation.

The collection of documents shall be complemented through interviews of key personnel of the MFA and Finnfund. The Finnish embassies/missions in the long-term partner countries and those responsible for Finland's representation in multilateral development agencies and the EC, the key representatives of the Finnish Ministry of the Environment, the National Commission on Sustainable Development and the Development Policy Committee may need to be contacted for documents and additional information. The evaluation team has the responsibility for organising all the pertinent communication, interviews and meetings.

The candidate evaluation teams (tenderers) are expected to highlight in their proposals the intended methodology for the collection of data and information for the evaluation.

4.2. Analysis

It is expected that the candidate evaluation teams will specify in their proposals the analytical tools they intend to use in the evaluation. It is important that the evaluation report uses a clear chain of analysis which can be summarised as: data-analysis-conclusions-recommendations. The key concepts and terms used in the evaluation shall be clearly defined. All value judgements shall be justified with clear argumentation and/or reference to the basis of the judgements. If divergent interpretations on significant issues emerge during the evaluation, they shall be clearly identified in the evaluation report.

4.3. Reporting and Presentation of the Results

The reporting and presentation of the results of the evaluation shall be carried out as follows:

Tasks	Timing
Submission of a detailed outline of the evaluation report to the MFA for comments	Not later than one month from the signing of the consultancy contract
Submission of a brief progress report to the MFA	Three months after the start-up of the evaluation
Submission of a draft evaluation report to the MFA by e-mail	Not later than five months from the signing of the consultancy contract
Presentation of the main conclusions made in the draft report by the evaluation team in an internal MFA meeting	Within one week from the submission of the draft evaluation report
Comments of the MFA staff and other stakeholders to the draft report	Within two weeks from the meeting
The final evaluation report , which incorporates the received comments to the extent possible, shall be submitted to the MFA electronically in WORD and PDF formats and in ten (10) hard copies completely ready for printing and publishing	Not later than six months from the signing of the contract

The reporting language is English. The draft and final reports shall include executive summaries (maximum six pages) in English and Finnish. The approved final report will be published in the evaluation report series of the MFA.

The MFA is considering a possibility of organising a seminar to relevant stakeholders in Finland to discuss the results of the evaluation. Should this materialise, at least the co-ordinator of the evaluation team will be invited and expected to present the findings of the evaluation in the seminar.

5. THE EVALUATION TEAM

The evaluation team should consist of **two or three experts**, one of which shall act as a co-ordinator of the team. The experts should preferably have previous successful working experience as a team. The evaluation team should together have the following qualifications:

- profound knowledge of international environmental policies, conventions and other commitments relevant to the evaluation;
- strong acquaintance with Finland's development co-operation policies, strategies, procedures, guidelines, instruments and administration;
- extensive experience in management and/or evaluation of international environmental and development co-operation;
- expertise in quality/environmental management systems (Q/EMS), environmental impact assessment (EIA) and strategic environmental assessment (SEA);
- knowledge and understanding of poverty-gender-environment linkages;
- fluency in Finnish (part of the documentation will be in Finnish);
- satisfactory command of Spanish (part of the documentation will be in Spanish);

- excellent command of English, particularly writing skills.

Gender balance and a qualified expert from a developing country (preferably one of the long-term partner countries of Finland's development co-operation) in the evaluation team is an asset.

6. MANDATE

The evaluation team is entitled and expected to contact the key personnel of the MFA, Finnfund, Ministry of the Environment and other organisations relevant to the evaluation and discuss with them all the relevant issues related to the evaluation. The team is not authorised to make any commitments on behalf of the Ministry for Foreign Affairs of Finland.

The Unit for Evaluation and Internal Auditing of the MFA has the right and responsibility to advise and comment the work of the evaluation team.

Annex 2. Persons Interviewed

Email, telephone, individual and/or group interviews have been conducted with the following persons.

1. Aho, Markku, MFA
2. Antila, Sinikka, MFA
3. Blumenthal, Gisela, MFA
4. von Bonsdorff, Max, MFA
5. Blåsten, Anni, Savcor Indufor Ltd
6. Daher, Taija, MFA
7. Dalal-Clayton, Barry, OECD DAC Network on Environment and Development
8. Eerola, Hannu, MFA
9. Erkkilä, Antti, Embassy of Finland, Tanzania
10. Eskelinen, Jouko, MFA
11. Frestadius, Saara, MFA
12. Ghanime, Linda, Bureau for Development Policy, UNDP
13. Haapala, Tapani, MFA
14. Hakkarainen, Outi, Coalition for Environment and Development
15. Heikkinen, Elise, Embassy of Finland, Namibia
16. Heinimaa, Sauli, MFA
17. Horstia, Eero, CoPlan Consulting
18. Hukka, Pekka, MFA
19. Ikäheimo, Erkki, Soil and Water Ltd
20. Jauhainen, Jyrki, University of Helsinki
21. Junnila, Matti, MFA
22. Juola, Veli, Embassy of Finland, Tanzania
23. Järsta, Antero, MFA
24. Kangasniemi, Jaakko, Finnfund
25. Karakoski, Jussi, MFA
26. Leppäniemi, Matti, Econet Engineering
27. Alanko, Kari, Embassy of Finland, Vietnam
28. Kalela, Aira, Ministry of the Environment
29. Karanko, Kari, MFA
30. Karkovirta, Pekka, Finnvera
31. Karvinen, Anu, Embassy of Finland, Nepal
32. Katila, Marko, MFA
33. von Kaufmann, Annukka, Plan Finland
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Annex 4. Draft International Policy of the Ministry of Environment

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1. JOHDANTO

Ympäristöhallinnon kansainvälinen yhteistyö on varsin laajaa. Sen vuoksi on tärkeä määritellä yhteistyölle selkeät painopisteet, tavoitteet ja toimenpiteet. Tässä strategiassa on asetettu kuusi painopistealaa: kestävän kulutuksen ja tuotannon edistäminen, ilmaston muutoksen hallinta, luonnon monimuotoisuuden suojelu, metsien suojelu, vaarallisten aineiden hallinta sekä Itämeren suojelu ja vesivarojen suojelu. Nämä painoalat perustuvat ministeriön voimassa olevaan strategiaan ja siihen perustavaan toiminta- ja taloussuunnitelmaan sekä talousarvioon. Kansainvälisen yhteistyön strategia täydentää näin ministeriön strategista suunnittelua.

1.1 Strategian rakenne ja rajaukset

Yllä mainitut painopisteet muodostavat strategian tärkeimmän osan. Kunkin painopisteen osalta esitetään tavoitteet ja toimenpiteet. Painopisteiden lisäksi esitetään yhteistyön järjestelyt kokonaiskuvan saamiseksi. Painopisteet ohjaavat yhteistyötä yhdessä tai useammassa järjestössä. Yhteistyön kannalta tärkeimmät toimintafoorumit ovat Suomen ja EU:n yhteistyö Venäjän kanssa, alueellinen yhteistyö ja maapallonlaajuinen yhteistyö.

Yhteistyön alueellinen ja sisällöllinen kehitys on läheisessä vuorovaikutuksessa kansainvälisen toimintaympäristön muutoksiin. Tätä koskevia huomioita esitetään ennen painopisteiden ja yhteistyötahojen kuvausta.

1.2 Strategian aikaväli

Strategian tavoitteet on asetettu pitkällä tähtäyksellä. Ne perustuvat maapallonlaajuisessa kansainvälisessä yhteistyössä asetettuihin tavoitteisiin, joista tärkeimmät ovat YK:n vuosituhat- ja Johannesburgin kestävän kehityksen huippukokouksen tavoitteet. Lisäksi kansainvälisen ympäristöyhteistyön tärkeitä tavoitteita on asetettu ympäristösopimuksissa ja niiden elimissä. Nämä maapallonlaajuiset tavoitteet ohjaavat usein myös alueellista ja kahdenvälistä toimintaa.

Strategian toimenpiteet koskevat keskipitkän aikavälin toimia 3-5 vuoden aikana.

1.3 Ympäristöministeriö kansainvälisenä toimijana

Ympäristöministeriön kansainvälisen yhteistyön tavoitteena on ensisijaisesti Suomeen kohdistuvien tärkeimpien uhkien torjuminen. Suomen päästöt voivat olla merkityksettömiä maapallonlaajuisten uhkien aiheuttamisessa, mutta yhteisesti sovittavilla toimilla on ympäristömme kannalta ratkaiseva vaikutus, kuten esimerkiksi ilmaston muutoksen torjunnalla. Vastuun kantaminen maapallon laajuisten ongelmien ratkaisemisessa, kuten köyhyyden vähentämisessä luonnonvarojen asettamisissa puitteissa, vaikuttaa välillisesti omaan ympäristöömme ja hyvinvointiimme. Yhteisesti sovittavat pelisäännöt ja määräykset vauhdittavat innovaatioita ja luovat edellytyksiä teknologian ja osaamisen viennille.

Ministeriön toiminta perustuu ympäristöasioiden yhdentämiseen ja kumppanuuksien hakemiseen. Tavoitteena on rohkaista muita toimimaan yhteisten

tavoitteiden suuntaan. Luontevia kumppanuuksia rakennetaan kotimaassa, EU:ssa ja globaalilla tasolla.

Tämä strategia koskee ympäristöministeriön toimia. Strategian toteuttamisessa ympäristöministeriö toimii läheisessä yhteistyössä muiden ministeriöiden, erityisesti ulkoasiainministeriön kanssa. Toimenpideoasia ei tässä vaiheessa ole koordinoitu ulkoasiainministeriön tai muiden ministeriöiden kanssa. Koordinointi tehdään käytännön yhteistyön eri vaiheissa.

Lähes kaikki maapallonlaajuinen yhteistyö kulkee Suomessa EU-koordinaation kautta. Metsäkysymysten yhteensovittamista varten on lisäksi erityinen ministeriryhmä. YK:n kestävän kehityksen toimikunnan asioiden valmistelussa koordinaatiovastuu on ulkoasiainministeriöllä. Yhteistyön toteuttamiseen osallistuu myös Suomen ympäristökeskus ja joissakin tapauksissa, erityisesti lähialueyhteistyössä myös alueelliset ympäristökeskukset.

EU:sta on tullut yhä tärkeämpi toimija kansainvälisessä ympäristöyhteistyösämme. EU:n kautta voimme saada omaa painoarvoamme huomattavasti laajempaa vaikuttavuutta. Saamme myös EU:lta arvokasta tukea Venäjä-yhteistyön kehittämisessä. Tässä strategiassa ei kuitenkaan tarkastella selkeästä EU-yhteistyötä, jossa pyritään EU:n sisäisen politiikan tai lainsäädännön kehittämiseen.

Suomi on EU-troikassa 2006 alusta lähtien ja EU-puheenjohtajana saman vuoden heinäkuun alusta. Tämä tarjoaa erinomaisen mahdollisuuden edistää kansainvälisen yhteistyön toteutumista tärkeillä painopistealueilla. Puheenjohtajalla on mahdollisuus vaikuttaa yhteistyön järjestämiseen ja neuvottelujen sujumiseen. Puheenjohtaja ei kuitenkaan voi ajaa ensisijaisesti omia näkemyksiään, vaan tärkeä osa työstä koostuu näkemysten yhteensovittamisesta.

Suomen troikka- ja puheenjohtajuuskaudelle näyttää muodostuvan varsin laaja asialista. Kaikkiaan osallistumme troikassa 11 ja omalla puheenjohtajuuskaudellamme 12 tärkeän kokouksen kannanmuodostukseen ja neuvotteluihin. Lisäksi valmistelemme viisi keväällä 2007 pidettävää kokousta. Muiden ministeriöiden toimesta järjestettävien kokousten asialistalla on myös tärkeitä ympäristöasioita. Troikka- ja puheenjohtajuuskauden tärkeimmät kansainväliset asiat koskevat ilmastomuutoksen hallintaa, biodiversiteetin suojelua ja kestävän energia- ja teollisuuspolitiikan valmistelua YK:n kestävän kehityksen toimikunnassa ja YK:n ympäristöohjelman hallintoneuvostossa.

Puheenjohtajuuskauden kansainvälisten tehtävien hoitaminen on lähiajan tärkein prioriteetti.

1.4 Tarvittavat resurssit

Tässä strategiassa ei ole käsitelty resursseja. Kansainvälisessä yhteistyösämme on kuitenkin selkeä tarve resurssien priorisointiin. Strategian painopisteet, tavoitteet ja toimenpiteet antavat pohjan resurssien ohjaamiseen.

2. TOIMINTAYMPÄRISTÖN MUUTOKSET

Kannaltamme tärkeimmät toimintaympäristön muutokset koskevat globalisaation vahvistumista, EU:n laajentumista ja Venäjän talouskasvua.

2.1 Globalisaation vahvistuminen

Gloaalihallinta edellyttää yhteisten pelisääntöjen vahvistamista. Ympäristönäkökulma on saatava osaksi muita politiikkoja. Tämä edellyttää toimivien kumppanuuksien rakentamista.

Globalisaatio on lisännyt kansainvälistä yhteistyötä ja keskinäistä riippuvuutta kaikilla aloilla. Tavara- ja palvelukauppa ja teknologiavirrat ovat kasvaneet ennen näkemättömällä tavalla. Myös tuotantorakenteet ovat muuttuneet. Yli kolmannes teollisuustuotannosta tapahtuu nykyisin Itä-Aasiassa, Euroopan osuus on enää vain kymmenes. Yhä suurempi osa kehitysmaiden yrityksistä on osa monikansallisten yritysten tuotantoverkkoja.

Globalisaation näkyviä piirteitä on väkirikkaiden kehittyvien maiden, kuten Kiinan, Intian, Brasilian ja Venäjän nopea taloudellinen kasvu ja kytkeytyminen osaksi maailmantaloutta. Silti suuri osa ihmiskunnasta, erityisesti vähiten kehittyneissä maissa, elää edelleen äärimmäisessä köyhyydessä. Globalisaation mukanaan tuoma taloudellinen kasvu ei takaa hyvinvointia kaikille, ellei sen hyötyjä jaeta tasapuolisemmin.

Kasvu ei myöskään takaa hyvinvointia, jos se tapahtuu ympäristön kustannuksella. Maailman tuotannon, kulutuksen ja liikenteen kasvu lisää energian ja luonnonvarojen käyttöä sekä päästöjä ympäristöön. Luontoon kohdistuva rasitus on moninaista: ilmasto lämpenee, maaperä köyhtyy, metsät häviävät, luonnon monimuotoisuus köyhtyy, kemikaalien käyttö ja jätteet lisääntyvät sekä juomavesi vähenee. Yksistään sillä, millaisiin tuotanto- ja kulutustapoihin Kiinan ja Intian talouskasvu jatkossa perustuu, tulee olemaan valtava vaikutus koko maapallon ympäristön tilaan.

Myös ympäristöpolitiikka globalisoituu. Kansainväliset ympäristösopimukset ja YK:n kestävän kehityksen huippukokouksen toimintaohjelma tarjoavat työvälineitä maapallon laajuisten uhkien torjumiseen. Ympäristösopimusten tiukentamisen lisäksi tarvitaan niiden mahdollisimman laajaa noudattamista, jolloin taakanjako voidaan toteuttaa oikeudenmukaisella tavalla ja torjua vapaamatkustajuutta. Sopimusten toteuttaminen avaa myös uusia markkinoita ympäristömyönteisten teknologioiden kehittämiseksi, tuotteiden ja palvelujen kehittäjille ja tuottajille.

Kansainvälisen ympäristöpolitiikan vahvistaminen ei kuitenkaan yksin riitä. Tarvitsemme menettelytapoja, joilla varmistetaan, että esimerkiksi kansainvälinen investointi-, rahoitus-, kauppa- ja teknologiapolitiikka tukevat johdonmukaisesti köyhyyden vähentämistä, kestävästä kehitystä ja globaaleja ympäristötavoitteita. Tarvitsemme yhteistyötä, joka edistää yritysten yhteiskunta- ja ympäristövastuuta. Kehitysmaat tarvitsevat tukea osallistuakseen kansainväliseen ympäristöyhteistyöhön.

2.2 EU:n laajentuminen

EU:n laajentumisen myötä avautuu mahdollisuus kehittää Itämeren alueesta vahva poliittinen toimija.

EU:n laajeneminen toukokuussa 2004 kymmenellä uudella jäsenellä on aiheuttanut lähiympäristössämme ja EU:n toiminnassa merkittäviä muutoksia. Erityisen myönteistä on, että Baltian maiden ympäristölainsäädäntö ja hallinto vahvistuivat jo jäsenneuvottelujen myötä ja että Suomeen ilman ja veden kautta tulevat päästöt vähenevät.

Vaikka Baltian maiden, samoin kuin Puolan, tuotanto kasvaa ja aiheuttaa uusia ympäristöön kohdistuvia paineita, talouden vahvistuminen ja EU:n tuet avaavat uusia mahdollisuuksia ympäristönsuojelun vahvistamiseen.

Baltian maiden talouskehityksen vahvistuminen on johtanut lähialueyhteistyömme tarkistamiseen. Lahjamuotoiset ympäristöinvestoinnit on lopetettu Baltian maihin. Sen sijaan vuoden 2006 aikana jatketaan teknistä yhteistyötä, jonka tarkoituksena on muun muassa vahvistaa ympäristöhallintoa ja auttaa näitä maita hyödyntämään EU:n tukia.

Laajenemisen myötä on avautunut mahdollisuus tehdä Baltian maiden kanssa tiivistä poliittista yhteistyötä kumppanuuksien hakemiseksi EU:ssa. Meillä on yhteinen intressi kehittää EU:n raja-alueyhteistyötä EU:n uuden naapurisuuspolitiikan kautta, vahvistaa Pohjoisen ulottuvuuden ohjelmaa ja EU-Venäjä –yhteistyötä.

2.3 Venäjän talouden kasvu jatkuu

EU:n laajenemisen myötä Venäjän asema EU:n ulkosuhteissa nousee. Näköpiirissä on, että EU voi kohdistaa myös enemmän tukea ja resursseja lähialueillemme.

Venäjä-yhteistyöhömme vaikuttavat useat kehitystrendit. Tärkein niistä on Venäjän talouden vahvistuminen lähialueillamme, erityisesti Pietarin alueella. Odotettavissa oleva kasvun jatkuminen lisää energiankulutuksen, infrastruktuurien ja liikenteen kasvua ja päästöjä ympäristöön

Samaan aikaan Venäjän ympäristöhallinto on heikentynyt. Ympäristöasiat eivät ole prioriteetti valtion keskushallinnossa. Lähialueyhteistyö on kuitenkin sujunut suhteellisen hyvin Pietarin ympäristöhallinnon kanssa.

Vaikka ympäristönsuojelu ei ole keskushallinnon prioriteetti, ympäristöhyötyjä saavutetaan kuitenkin tuotannollisista syistä tapahtuvien investointien kautta ja kansainvälisillä markkinoilla toimivien yritysten kehittäessä ympäristötoimiaan. Mahdollisesti alkavan JI-yhteistyön kautta on saavutettavissa kasvihuonekaasujen päästövähennyksien lisäksi myös muita ympäristöhyötyjä.

Venäjän talouden vahvistumisen myötä tarkistetaan hallituksen lähialuestrategia ja kohdennetaan yhteistyötä EU:n kautta painottuvaksi. Ympäristöministeriö on laatinut uuden Venäjä-strategian vuosille 2006 – 2010.

3. KANSAINVÄLISEN YHTEISTYÖN PAINOALAT

3.1 Kestävä tuotanto- ja kulutus

YK:n pääsihteeri Kofi Annan arvioi ennen Johannesburgin kestävän kehityksen huippukokousta, miten kansainvälinen yhteistyö on edistynyt vuoden 1992 YK:n ympäristö ja kehitys -konferenssin päätösten toimeenpanossa. Hän nimesi keskeisimmiksi taka-askeliksi seuraavat: 1) tuotantoa ja kulutusta ei ole onnistuttu muuttamaan kestävämmälle pohjalle, 2) kehitysrahoitus ei ole lisääntynyt toivotulla tavalla ja 3) kestävän kehityksen näkökulmaa ei ole riittävästi yhdenmukaisesti investointi-, teknologia- ja kauppapolitiikkaan.

Johannesburgin tärkeimpiä uusia yhteistyösitoumuksia on Suomen ja EU:n aloitteesta syntynyt päätös laatia 10-vuotinen kestävän kulutuksen ja tuotannon ohjelmakehikko. Tavoitteena on vauhdittaa taloudellista kehitystä ja vähentää sen ympäristövaikutuksia. Kehikkoa valmistellaan osana YK:n kestävän kehityksen toimikunnan (CSD) vuoteen 2017 ulottuvaa työohjelmaa, joka rakentuu kaksivuotisista temaattisista jaksoista. Ensimmäisinä pääteemoina olivat vesi, sanitaatio ja asuinyhdyskunnat. Tulevia tärkeitä aiheita ovat energia, teollisuus, ilmasto, maatalous ja liikenne. Päätökset kulutuksen ja tuotannon kannalta keskeisistä toimista tehdään kunkin teeman yhteydessä. Lisäksi kulutus ja tuotanto on erillinen pääteema vuosina 2010-2011. Silloin sovitaan myös kansainvälisen kehikon täsmentämisestä ja jatkotyöstä.

YK:n kestävän kehityksen toimikunta ja YK:n ympäristöohjelma UNEP ovat käynnistäneet sarjan vuorovuosin alueellisesti ja maapallon laajuisesti pidettäviä asiantuntijakokouksia, joissa käsitellään kulutus- ja tuotanto-ongelmien ratkaisuja ja hyviä kokemuksia. Työn tueksi on perustettu temaattisia asiantuntijaryhmiä, joiden työstä vastaa johtomaa. Lisäksi UNEP tukee puhtaan tuotannon keskustusten perustamista ja toimintaa.

EU on merkittävä talousalue ja sen toiminta tuotanto- ja kulutustapojen kehittämisessä ratkaisevan tärkeä. Eurooppa-neuvosto on päättänyt, että EU ottaa johtavan aseman kulutuksen ja tuotannon muuttamisessa. Unioni on tehnyt arvion omista toimistaan. Lisäksi ollaan arvioimassa EU:n kestävän kehityksen strategian toteutumista. Suomi on esittänyt, että EU:n tulisi tehdä oma ohjelma kestävän kulutuksen ja tuotannon vauhdittamiseksi. Olemme myös edistäneet kestävän kulutuksen ja tuotannon politiikkaa lähialueilamme mm. tukemalla sitä koskevien seminaarien järjestämistä.

Tavoitteet

Kestävät tuotanto- ja kulutus ovat tunnustettu osa YK:n vuosituhat -tavoitteiden ja Johannesburgin toimintaohjelman toteuttamista. Ne tukevat luonnonvarojen kestävästä käytöstä ja köyhyyden poistamista. EU:lla on johtava asema kestävien kulutus- ja tuotantotapojen edistämässä.

Toimenpiteet

Ympäristöministeriö on aloitteellinen sekä valtioneuvostossa, EU:ssa että maapallon laajuisesti kestävän kulutuksen ja tuotannon toimien sisällyttämiseksi kansainvälisiin strategioihin ja ohjelmiin. Ministeriö

- **tekee konkreettisia esityksiä YK:n kestävän kehityksen toimikunnan sektorikohtaisia ohjelmia (erityisesti energia, teolli-**

- **suus, maatalous ja liikenne) sekä YK:n ympäristöohjelman kaksivuotisia ohjelmia varten;**
- **toimii aktiivisesti EU:n ja YK:n hankintapolitiikan muuttamiseksi kestäväälle pohjalle;**
- **tukee kestävän tuotannon ja kulutuksen edistämiseen liittyviä toimia alueellisessa ja kahdenvälisessä yhteistyössä;**
- **huolehtii suomalaisen osaamisen ja käytännön esimerkkien tarjoamisesta kansainväliseen työhön kestävän kulutuksen ja tuotannon edistämiseksi;**
- **tekee aloitteita sen puolesta, että Suomen ja EU:n kauppapolitiikka ja kehitysyhteistyö tukevat osaltaan kestävien tuotanto ja kulutustapojen leviämistä, ympäristöyönteisten teknologioiden käyttöä sekä kestävän kulutuksen ja tuotannon kapasiteetin rakentamista kehitysmaissa.**

3.2 Ilmastonmuutos

Kansainvälinen ilmastopolitiikka perustuu YK:n ilmastomuutosta koskevalle puitesopimukselle (United Nations Framework Convention on Climate Change, 1992), joka tuli voimaan 1994. Sopimus asettaa ilmastomuutoksen hillitsemiselle yleiset tavoitteet, periaatteet ja puitteet. Sitä täsmentävä Kioton pöytäkirja (Kyoto Protocol to the United Nations Framework Convention on Climate Change, 1997) astui voimaan 16.2.2005. Se velvoittaa teollisuusmaita vähentämään kuuden kasvihuonekaasun päästöjä keskimäärin vähintään 5,2% vuoden 1990 tasosta vuosien 2008-2012 aikana. EU:n yhteinen päästövähennysvelvoite on 8 %, ja se on jaettu EU:n taakanjakosopimuksen mukaisesti maakohtaisiksi velvoitteiksi. Suomen velvoite on vakauttaa päästöt vuoden 1990 tasolle (0 %:n vähennys). Kioton pöytäkirja jättää maiden itsensä päätettäväksi, millä keinoin ne täyttävät velvoitteensa.

Lisäksi teollisuusmailla on veloitteita tukea kehitysmaita ilmastopoliittisten toimeenpanossa, ilmastomuutoksen hillitsemisessä ja siihen sopeutumisessa sekä kansallisten ilmastotoimien ja kasvihuonekaasupäästöjen raportoinnissa. Vuonna 2001 EU ja viisi muuta teollisuusmaata sitoutuivat vuodesta 2005 alkaen tukemaan kehitysmaita 410 miljoonalla US dollarilla vuodessa. Suomen vuotuinen osuus rahoitussitoumuksesta on 6.4 miljoonaa US dollaria.

Ilmastopoliittisen järjestelmän kehittäminen Kioton pöytäkirjan velvoitekauden jälkeen on merkittävä haaste. Erityisesti on tähdennetty kehitysmaiden päästökaikitystä, koska Kioton pöytäkirjan sitoumuskausi 2008 - 2012 jättää kehitysmaat sitovien päästövähennysvelvoitteiden ulkopuolelle. Kehitysmaiden päästöt kasvavat nopeasti ja niiden oletetaan ohittavan teollisuusmaiden päästöt 10 – 20 vuodessa. Ilmastomuutoksen ongelmaa ei voida ratkaista ilman, että kehitysmaat saadaan mukaan toimimaan päästöjen rajoittamiseksi.

Kioton pöytäkirjan voimaantulo on parantanut mahdollisuuksia keskustella avoimemmin seuraavasta neuvottelukierroksesta. Laaja osanotto ja kattavuus vaatii uudenlaisia lähestymistapoja. Seuraavan neuvottelukierroksen käynnistämistä odoteltaessa tutkimuslaitokset, kansainväliset järjestöt yms. ovat tehneet paljon tausta-analyysyjä. Toistaiseksi mitkään mallit eivät ole nousseet muuta varten otettavammiksi vaihtoehdoiksi.

Arktisen neuvoston jäsenmaat ovat vastuussa kolmanneksesta maailman kasvihuonekaasujen päästöistä. Arktiset alueet toimivat myös ilmastomuutoksen maailmanlaajuisena vertailuryhmänä.

Eurooppa-neuvosto vahvisti keväällä 2005 EU:n tavoitteeksi, että maapallon keskilämpötila ei saisi nousta ilmastonmuutoksen vuoksi yli 2 °C astetta, sekä tähdensi maailmanlaajuisesta osallistumista päästövähennyspyrkimyksiin, vuoropuhelua tulevista strategioista ja kehittyneiden maiden erityistä vastuuta. Siksi EU:n mielestä tässä vuoropuhelussa tulisi harkita päästökäytöskäytännöksiä joilla kehittyneiden maiden päästöt vähenisivät 15 – 30 %:lla vuoteen 2020 mennessä verrattuna vuoteen 1990. Vähennysaaroja tarkastellaan suhteessa tavoitteen saavuttamiseksi tarvittaviin keinoihin ottaen huomioon kustannus- ja hyötynäkökohdat. Keskeisenä tavoitteena on, että kaikki teollisuusmaat, erityisesti Yhdysvallat sekä tärkeimmät kehitysmaat sitoutuvat osallistumaan päästöjen rajoittamiseen ja vähentämiseen.

Köyhyyden lievittäminen kehitysmaissa on ilmastotavoitteiden saavuttamiselle sekä suuri haaste että mahdollisuus. Ilmaston kannalta on oleellisen tärkeää, että esim. pitkävaikutteiset investoinnit kehitysmaiden energiatarpeiden tyydyttämiseksi toteutetaan ympäristöllisesti kestäväällä tavalla.

Kehitysmaiden ilmastotoimien rahoitus on yksi tulevaisuuden haasteista. Tällä hetkellä tuki tulee pääosin julkisen kehitysyhteistyön varoista. Julkisen kehitysavun mahdollisuudet rahoittaa kehitysmaiden ilmastotoimia ovat kuitenkin rajalliset.

Valtioneuvoston työnjaon mukaan ympäristöministeriöllä on vetovastuu kansainvälisissä ilmastoneuvotteluissa. Suomen EU-puheenjohtajakaudella vastamme EU:n kantojen yhteensovittamisesta ja kansainvälisten neuvottelujen läpiviemisestä EU:n osalta. Suomi varautuu siihen, että neuvotteluprosessi on kriittisessä vaiheessa EU-puheenjohtajuuskautellamme, jos esimerkiksi päätös neuvottelumandaatista osuu tehtäväksi ilmastopöytäkirjan 12. osapuolikokouksessa loppusyksystä 2006.

Tavoitteet

- **EU (ml. Suomi) panevat toimeen ilmastopöytäkirjan velvoitteet;**
- **vuoden 2012 jälkeistä kautta koskevat Suomen tavoitteet tukevat EU:n yleisiä pyrkimyksiä. Hallitusohjelman mukaan ilmastonmuutoksen pysäyttämiseksi toimitaan aktiivisesti kaikki maat kattavan uuden neuvottelukierroksen aloittamiseksi. Neuvotteluihin valmistaudutaan ottaen huomioon kansantalouden kilpailukyky;**
- **EU (ml. Suomi) toteuttaa kehitysmailla vuonna 2001 antamansa rahoituslupauksen, ja ilmastotoimenpiteiden rahoitus tulee osaksi kehitysmaiden kehityssuunnitelmia ja kehitysyhteistyötä. Kehitysrahoituslaitosten toiminta, tutkimus ja teknologiayhteistyö vastaavat ilmastohaasteisiin.**

Toimenpiteet

Ympäristöministeriö toimii yhteistyössä muiden ministeriöiden kanssa:

- **Suomen ja EU:n kantojen valmistelemiseksi ilmastopöytäkirjan ja Kioton pöytäkirjan kokouksiin ja Suomen kantojen ajamiseksi näissä kokouksissa; tähän kuuluu myös ilmastokäytännöiden käsittely EU:n huippukokouksissa;**
- **laajapohjaisten neuvottelujen käynnistämisen tukemiseksi kaikilla relevanteilla foorumeilla kuten EU:n huippukokouksissa, EU:n ja kolmansien maiden välisissä korkean tason ta-**

- paamisissa sekä Suomen puheenjohtajakaudella järjestetävässä ASEM –huippukokouksessa;
- ilmastoasioiden edistämiseksi alueellisessa yhteistyössä kuten Pohjoismaiden Neuvostossa, Arktisessa neuvostossa ja Barentsin neuvostossa;
- ilmastoasioiden edistämiseksi kahdenvälisessä yhteistyössä, erityisesti Venäjän, Kiinan, Intian ja Suomen kehitysyhteistyön kumppanimaiden kanssa;
- Kioton pöytäkirjan yhteistoimeenpanon ja puhtaan kehityksen mekanismin käytön edistämiseksi kumppanimaiden kanssa; yhteistoimeenpanosta valmistetaan erillinen strategia; lisäksi valmistellaan Suomen osallistumista kansainväliseen päästökauppaan;
- tarvittavan kansainvälisen tietopohjan vahvistamiseksi ja tiedonvaihdon edistämiseksi esimerkiksi Kansainvälisessä ilmastopaneelissa (IPPC) ja OECD:ssa.

Ympäristöministeriö toimii yhteistyössä ulkoasiainministeriön kanssa:

- ilmastoasioiden valtavirtaistamiseksi Suomen kehityspolitiikkaan;
- kehitysmaille annetun maksulupauksen täyttämiseksi Suomen osalta (6.4 miljoonaa US dollaria/vuosi);
- kehitysmaiden tukemiseksi, jotta ne voivat osallistua Ilmastopöytäkirjan ja Kioton pöytäkirjan toimielinten toimintaan.

3.3 Biologinen monimuotoisuus, metsien biodiversiteetin turvaaminen ja bioturvallisuus

YK:n tukeman Millennium Ecosystem Assessmentin (2005) mukaan väestönkasvu ja taloudellisen toiminnan laajentuminen ovat johtaneet käytännössä melkein kaikkien maapallon ekosysteemien dramaattiseen muuttumiseen. Tämän seurauksena on ollut nopea biodiversiteetin väheneminen.

Biodiversiteetin väheneminen tai muuttuminen näkyy maapallon tasolla selvästi siten, että suurimmalla osalla luonnonvaraisia eläin- ja kasvilajeja populaatioiden koot ja levinneisyysalueet ovat pienenemässä. Hyvin tutkittujen eliölajiryhmien, kuten esimerkiksi nisäkkäiden, lintujen, sammakkoeläinten ja havupuiden lajistoista 10-50% on uhanalaisia. Lajien sukupuuttoon kuoleminen taso on noussut 1000 -kertaiseksi maapallon historian arvioidusta normaaliarvosta. Lisäksi maapallon eri osien lajisto samankaltaistuu tulokaslajien johdosta ja kotieläinten ja viljelykasvien perintöaines kaventuu jatkuvasti.

Biodiversiteetin väheneminen tai muuttuminen on tekijä, jolla voi olla arvaamattomat seuraukset, sillä biodiversiteetti ja ihmisten hyvinvointi ovat monilla tavoin toisistaan riippuvaisia. Luonnon tarjoamista ekosysteemipalveluista, kuten ravinto, puhdas vesi ja hydrologisen kierron ylläpito, hiilensidonta, ravinteiden kierrätys ja puuaines, hyötyy koko ihmiskunta. Näiden ilmaisupalvelujen arvon on arvioitu ylittävän koko maapallon yhteenlasketun kansantuotteen.

Elinympäristöjen häviäminen erityisesti maankäytön muutosten seurauksena on tärkein monimuotoisuuden köyhtymistä aiheuttava tekijä. Vuosittain muutetaan noin kaksi prosenttia maapallon alkuperäisistä luonnonympäristöistä maa- ja metsätalousmaaksi ja rakennetuksi ympäristöksi. Luonnon monimuotoisuuden kannalta väärin suunnatut yhteiskunnalliset kannustimet ja taloudelliset tuet edesauttavat tätä kehitystä. Ne myöskin heikentävät use-

assa kehitysmaassa väestön ravitsemuksen kannalta tärkeän eläin- ja kasvilajiston asemaa.

Ilmastonmuutoksella on tulevaisuudessa merkittävä vaikutus luonnon monimuotoisuuteen. Aavikoitumisen lisääntyminen ja kuivien kausien pidentyminen ovat erityisen ongelmallisia kehitysmailla, joissa paikallisella lajistolla on suuri merkitys väestön ravinnossa. Toinen keskeinen ongelma-alue ovat arktiset alueet, joiden lajistoilla ei ole mahdollisuutta siirtyä muualle ilmaston lämmetessä.

Biologisella monimuotoisuudella on ratkaiseva merkitys pyrkimyksessä kestäväan ja kehitykseen. Johannesburgin kestävän kehityksen huippukokouksessa 2002 asetettiin maailmanlaajuinen tavoite hidastaa merkittävästi biologisen monimuotoisuuden köyhtymistä vuoteen 2010 mennessä. Eurooppa-neuvosto hyväksyi Göteborgissa 2001 EU:lle oman, tiukemman tavoitteen, jonka mukaan biologisen monimuotoisuuden köyhtyminen tulisi pysäyttää vuoteen 2010 mennessä.

Maapallonlaajuisen yhteistyön keskeinen väline on biologisen monimuotoisuuden suojelua koskeva yleissopimus (Convention on Biological Diversity, CBD, 1992). Biodiversiteettisopimuksen keskeinen periaate on ekosysteemi-lähestymistapa, joka perustuu maa-alueiden, vesistöjen ja elollisten luonnonvarojen integroituun hoitoon ja niiden suojelun ja kestävän käytön tasa-veroiseen edistämiseen.

Useat soveltamisalaltaan rajatut tai alueelliset sopimukset edistävät myös biodiversiteetin suojelua. Esimerkkeinä voidaan mainita kosteikkojen suojeluun keskittynyt Ramsarin sopimus (1971) ja muuttavia luonnonvaraisia eläinlajeja koskeva Bonnin sopimus (Convention on Migratory Species, CMS, 1979) ja tämän alasopimukset. Sopimuksilla on yhteistyösopimukset biodiversiteettisopimuksen kanssa. Muita tärkeitä biologista monimuotoisuutta suojelevia sopimuksia ovat Euroopan luonnonsuojelusopimus (Bern, 1979) ja villieläinten ja -kasviston uhanalaisten lajien kansainvälistä kauppaa säätelevä yleissopimus CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora, 1974).

Myös geenitekniikan sovellusten lisääntyvä käyttöönotto asettaa uusia vaatimuksia luonnon monimuotoisuuden turvaamiselle. Muuntogeenisten organismien lisääntynyt maailmanlaajuinen käyttö on aiheuttanut tarpeen säännellä niiden käyttöä sekä niiden tuontia ja vientiä.

Biodiversiteettisopimukseen liittyvän Cartagenan bioturvallisuuspöytäkirja (Cartagena Protocol on Biosafety, 2000) tarkoituksena on ennalta varautumisen periaatteen mukaisesti vaikuttaa siihen, että eläviä muuntogeenisiä organismeja (LMO) siirretään, käsitellään ja käytetään tavalla, joka ei aiheuta haittaa luonnon monimuotoisuudelle erityisesti valtioiden rajat ylittävissä siirroissa. Pöytäkirjan merkitys on erityisen suuri kehitys- ja siirtymätalouksmailla, joiden bioturvallisuuteen liittyvää lainsäädäntöä, hallintoa ja tietotaitoa voidaan sen avulla kehittää ja tukea. Yksi pöytäkirjan toimeenpanon keskeisistä välineistä on bioturvallisuuden tietojärjestelmä (Biosafety Clearing-House, BCH), jonka avulla LMO:en vastaanottajamaat voivat tehdä perustelutuja tuontipäätöksiä.

Metsien suojelun ja metsien kestävän käytön kansainvälisen yhteistyön keskeisenä välineenä on ollut YK:n metsäfoorumi (United Nations Forum on Forestry, UNFF, 2000 -) ja sen edeltäjät. Varsinaiselle metsäsopimukselle ei ole vielä löytynyt edellytyksiä, vaikka tähän on pyritty jo vuoden 1992 YK:n kehitys- ja ympäristökonferenssista lähtien, jolloin hyväksyttiin metsien suojelua, kestävää hoitoa ja käyttöä koskevat periaatteet. Metsäsopimusasian käsittelyä jatketaan UNFF:n kuudennessa istunnossa helmikuussa 2006. Suomi on ollut aktiivinen kansainvälisen metsäsopimuksen aikaansaamisessa

ja tavoittelee neuvotteluprosessin käynnistämistä, joka turvaisi myöhemässä vaiheessa mahdollisuuden sitovien järjestelyjen aikaansaamiseksi.

Metsäasiat ovat lisäksi keskeisesti esillä ilmastopimuksen, biodiversiteettisopimuksen, aavikoitumissopimuksen ja kansainvälisen vesiyhteistyön yhteydessä.

Kansainvälisen metsäyhteistyön yhtenä haasteena ovat laittomat metsähakkuut ja niitä koskeva laiton kauppa. EU:n neuvosto käsittelee parhaillaan asetusta vapaaehtoisen lisensointijärjestelmän luomiseksi puutavaran tuonnille Euroopan Unioniin ja komission valtuuttamista kumppanuussopimuksista käytäviin neuvotteluihin.

Euroopan metsäministeriyhteistyön viides metsäministerikonferenssi pidetään 2007 Puolassa. Suomi on ollut aloitteentekijänä ja edistänyt vuonna 1990 käynnistettyä metsäministeriyhteistyötä. Kestävän metsätalouden kriteereiden ja indikaattoreiden kehittäminen on ollut keskeisellä sijalla. Keskeisiä aiheita metsäministeriyhteistyössä ovat tällä hetkellä metsien biologisen monimuotoisuuden suojelu, laittomat hakkuut, ilmastokysymykset sekä poikkisektoraalinen yhteistyö. Metsien merkitys vesien suojelussa on noussut entistä voimakkaammin esille.

Tavoite

Suomi ja ympäristöministeriö pyrkivät vaikuttamaan siihen, että maailmanlaajuinen tavoite hidastaa merkittävästi biologisen monimuotoisuuden köyhtymistä vuoteen 2010 mennessä saavutetaan.

Toimenpiteet

Ympäristöministeriö panostaa erityisesti

- maapallonlaajuisen luonnonsuojelualueverkoston perustamiseen ml. meriensuojelualueet (CBD) ja erityisesti suojelualueiden hoidon ja sen tehokkuuden arvioinnin kehittämiseen;
- Luoteis-Venäjän kestävän metsätalouden ja luonnon monimuotoisuuden suojelun kehittämisohjelmaan sekä lähialueiden ja arktisten luonnonsuojeluverkostojen kehittämiseen;
- ilmastonmuutoksen biodiversiteetille aiheuttamien vaikutusten vähentämiseen ja niihin sopeutumiseen (CBD);
- metsäluonnon biodiversiteetin suojelun ja kestävän käytön edistämiseen eri kansainvälisissä metsäprosesseissa ja metsien ekologisen, taloudellisen, sosiaalisen ja kulttuurisen roolin yhdistävän kansainvälisen sopimuksen tai muun asiakirjan edistämiseen sekä YK:n kansainvälisen kumppanuustoiminnan ja näitä koskevien rahoitusjärjestelyjen aikaansaamiseen;
- geneettisesti muunneltujen aineiden dokumentoinnista sopimiseen, vastuusäännösten hyväksymiseen sekä tietojärjestelmän toimeenpanoon ja kehittämiseen (Cartagenan bioturvallisuuspöytäkirja).

3.4 Vaarallisten aineiden hallinta

Maailmassa on tällä hetkellä käytössä noin 100 000 kemikaalia. Suomeen tuodaan tai täällä valmistetaan lähes 30 000 vaaralliseksi luokiteltua valmistetta, jotka sisältävät yli 5 000 vaaralliseksi luokiteltua ainetta. Myös haitallisten raskasmetallien kuormitus luontoon on lisääntynyt.

EU:ssa ja useissa muissa OECD-maissa markkinoille tulevilta uusilta kemikaaleilta on vaadittu 1980-luvulta lähtien erilaisia testejä niiden vaarallisuuden selvittämiseksi. Tätä ennen käyttöön otettuja, usein jo vuosikymmeniä käytettyjä kemikaaleja ei sen sijaan ole systemaattisesti testattu, eikä tietoa niiden vaaroista ympäristölle ja terveydelle ole koottu siten, että se olisi helposti saatavilla.

Euroopan komissio on tehnyt ehdotuksen uudeksi kemikaaleja koskevaksi yhteisölainsäädännöksi (ns. REACH –asetus). Mikäli asetus etenee aikataulun mukaisesti, se astuisi voimaan vuoden 2007 aikana. Lainsäädännön perusajatuksena on, että vastuu kemikaalien turvallisuudesta osoitetaan entistä selvemmin aineiden tuottajille, maahantuojille ja jatkokäyttäjille. Heidän tehtävänä on osoittaa, että ainetta voidaan käyttää turvallisesti. REACH-asetuksen toimeenpanon myötä Euroopan unionissa tuotetaan suuri määrä tietoa ja kokemusta kemikaalien riskienhallinnasta, mikä voidaan jakaa kansainvälisesti. Tiedot kerätään Helsinkiin perustettavaan Euroopan kemikaalivirastoon, jonka tietopankista tiedot kemikaalien vaarallisista ominaisuuksista ovat kaikkien saatavilla.

Kansainvälinen työ kemikaalien riskienhallinnan parantamiseksi on edennyt viime vuosikymmeninä ripeästi. Ensimmäisenä kemikaalisopimuksena voidaan pitää otsonikerroksen suojelua koskevaa Wienin yleissopimusta (Vienna Convention for the Protection of the Ozone Layer 1985) ja sen vuonna 1987 solmittua Montrealin pöytäkirjaa otsonikerrosta heikentävistä aineista (Montreal Protocol on Substances that Deplete the Ozone Layer). Myös vaarallisia jätteitä (voivat sisältää vaarallisia kemikaaleja) koskeva Baselin sopimus astui voimaan 80-luvulla.

Kansainvälisen kaupan kohteina olevia tiettyjä vaarallisia kemikaaleja ja torjunta-aineita koskevan ilmoitetun ennakkosuostumuksen menettelyä koskeva Rotterdamin yleissopimus (Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, PIC, 1999) astui voimaan vuonna 2003. Sopimuksen tarkoituksena on välittää informaatiota erityisesti kehitysmaille niihin tuotavien kemikaalien vaarallista ominaisuuksista. Tieto on toimitettava vastaanottajamaan viranomaiselle silloin, kun kemikaali on viejämaassa kielletty tai sitä on tiukasti säännelty.

Pysyvistä orgaanisista yhdisteistä (Stockholm Convention on Persistent Organic Pollutants, POP, 2001) solmittu Tukholman sopimus astui voimaan toukokuussa 2004. Sopimuksen tavoitteena on lopettaa kokonaan maapallonlaajuista riskiä aiheuttavien pysyvien, kertyvien ja myrkyllisten kemikaalien tuotanto ja käyttö. Arktisilta alueilta saadut tulokset vaikuttivat oleellisesti sopimuksen syntyyn, ja sen toimeenpanossa UNEP:lla on aktiivinen yhteistyö Arktisen neuvoston kanssa. Lisäksi sopimuksella säädellään vastaavia ominaisuuksia omaavia kemikaalipäästöjä tavoitteena tällaisten päästöjen jatkuva vähentäminen.

Vuonna 1992 pidetyssä Rion ympäristökonferenssissa perustettiin hallitustenvälinen foorumi kemikaaliturvallisuuden parantamiseksi (Intergovernmental Forum for Chemical Safety). Foorumin avulla on pyritty tukemaan erityisesti kehitysmaita ja siirtymätalouden maita kemikaaliriskien hallinnassa välittämällä riskeihin liittyvää tietoa ja kokemusta.

Johannesburgissa huippukokouksessa 2002 UNEP sai tehtäväkseen koordinoita kemikaalifoorumin, WHO:n, ILO:n, FAO:n ja muiden relevanttien kansainvälisten järjestöjen avustuksella kansainvälisen kemikaalistrategian (Strategic Approach to International Chemical Management, SAICM) valmistelua. Tavoitteena on, että strategia voidaan hyväksyä vuoden 2006 alussa UNEP:n hallintoneuvoston kokouksen yhteydessä pidettävässä kansainväli-

sessä konferenssissa (International Conference for Chemical Management, ICCM).

Strategia sisältää poliittisen tavoiteasiakirjan sekä konkreettisista toimista koostuvan ohjelman, jotka on tarkoitus vahvistaa ministereiden poliittisella julkilausumalla. Strategian pitkän aikavälin tavoite on saavuttaa vuoteen 2020 mennessä kemikaalien riskienhallinnassa maailmanlaajuisesti sellainen taso, ettei kemikaalien käytöstä ja valmistuksesta aiheudu merkittävää haittaa ympäristölle tai terveydelle. Konkreettiset toimet kohdistuvat riskien vähentämiseen ml. pysyvät, kertyvät ja myrkylliset yhdisteet ja raskasmetallit, hyvän hallinnon edistämiseen, kemikaalien vaaraominaisuuksia koskevan tiedon kokoamiseen ja välittämiseen, kemikaalien laittoman kaupan estämiseen, lasten terveyden ja työterveyden parantamiseen, maatalouden hyvien käytäntöjen edistämiseen sekä maataloudessa käytettävien myrkyllisimpien torjunta-aineiden riskien hallintaan.

Lisäksi UNEP on käynnistänyt toimet raskasmetalleista aiheutuvien riskien vähentämiseksi. Pisimmällä ovat toimet elohopeasta aiheutuvien haittojen ehkäisemiseksi. Lyijystä ja kadmiumista aiheutuvien maailmanlaajuisen riskien kartoitus on myös aloitettu. Euroopan unionin tavoitteena on, että erityisesti elohopealle ja myöhemmin mahdollisesti myös kadmiumille ja lyijylle saadaan neuvoteltua sitovat kansainväliset säännöt.

Tavoite

Ympäristöministeriön tavoitteena on, että vaarallisten aineiden riskien hallinta paranee maailman laajuisesti (riskit hallitaan 2020 mennessä) ja työtä ohjataan systemaattisesti kansainvälisen kemikaalistrategian (SAICM) välityksellä. Strategian toimeenpanoa tarkastellaan määrävälein ja sen toimeenpanoon ohjataan tarvittavat varat. Kansainvälisten kemikaalisopimusten toimeenpano etenee ja sopimusten välinen yhteistyö vahvistuu. Raskasmetalleja koskevat kansainväliset sopimusneuvottelut käynnistyvät.

Toimenpiteet

Ympäristöministeriö toimii läheisessä yhteistyössä sosiaali- ja terveysministeriön kanssa ja

- edistää kansainvälisen kemikaalistrategian (SAICM) valmistamista niin, että se voidaan hyväksyä ministerikonferenssissa helmikuussa 2006 Dubaissa;
- osallistuu yhteistyössä muiden EU-maiden kanssa kansainvälisen kemikaalistrategian prioriteettien määrittelyyn ottaen huomioon kemikaalihallinnon tarpeet maailmanlaajuisesti yhteiskunnan eri lohkoilla. Tässä yhteydessä huolehditaan siitä, että Euroopan kemikaalivirastoon koottava tieto kemikaalien ominaisuuksista saadaan maailmanlaajuisen käyttöön;
- tukee Tukholman sopimuksen ja Rotterdamin sopimuksen toimeenpanoa ja toimeenpanon valvonnan seuraamiseksi kehitettäviä mekanismeja;
- jatkaa kemikaaleja (erityisesti raskasmetallit ja POP:t) koskevaa yhteistyötä Arktisessa neuvostossa ja tukee yhteyttä maapallonlaajuisen yhteistyöhön;
- toimii yhteistyössä ulkoasiainministeriön kanssa niin, että Suomi ja EU tukevat kehitysmaiden kapasiteetin vahvistamis-

- **ta erityisesti Tukholman ja Rotterdamin sopimusten sekä SAICM:n toimeenpanemiseksi;**
- **edistää UNEP:n hallintoneuvostossa 2007 tehtävää päätöstä kansainvälisten sopimusneuvotteluiden aloittamisesta.**

3.5 Itämeren suojelu ja kansainvälinen vesiensuojelu

3.5.1 Itämeriyhteistyö

Itämeren suojelu on hallituksen selkeä prioriteetti. Asian tärkeys ja kiireellisyys tunnustettiin hyväksymällä 2002 Suomen Itämeren suojeluohjelma. Ympäristöministeriö on vuonna 2005 antanut tämän toteuttamista varten Itämeren ja sisävesien suojelun toimenpideohjelman

Itämeren ja erityisesti Suomenlahden tila ovat huolestuttavia. Rehevöitymisestä johtuen Suomenlahdella on odotettavissa merileväkukintoja sääoloista riippuen. Lisäksi pienet lahdet kasvavat umpeen ja hapettomien pohja-alueiden koko kasvaa koko Itämerellä.

Vaarallisten aineiden ja öljyn kuljetus Itämerellä lisääntyy. Öljynkuljetusten arvellaan kaksinkertaistuvan nykyisestä 70 miljoonasta tonnista vuoteen 2010 mennessä.

EU:n laajentuminen 2004 on lisännyt merkittävästi Baltian maiden ja Puolan mahdollisuuksia vähentää päästöjään. Näiden maiden lainsäädännön ja hallinnon vahvistuminen sekä talouden kasvu vaikuttavat myönteisesti koko alueen ympäristöön. Toisaalta maatalouden ja liikenteen päästöjen odotettu kasvu uhkaa johtaa rehevöittävien päästöjen lisääntymiseen. EU:n työkaluja ovat mm. vesipuitedirektiivi, muu lainsäädäntö ja tuleva meristrategia sekä maatalouden ympäristöohjelma ja muut rahoitusvälineet.

EU:n ja Venäjän yhteistyö- ja kumppanuussopimus, neljä yhteistyöaluetta ja rahoitusvälineenä toimiva naapuruusinstrumentti (vuodesta 2007, siihen saakka INTERREG ja TACIS -ohjelmat) luovat pohjan yhteistyön toteuttamiseksi Itämeren ja Suomenlahden tehostetuille suojelutoimille. Myös Pohjoisen ulottuvuuden ympäristökumppanuus tarjoaa hyvän työkalun.

Ympäristöministeriöllä on uusi Venäjä-strategia 2006 – 2018, joka määrittelee painopisteet tukimuotoiselle toiminnalle. Investoinnit Pietarin vesisektoriin ovat kustannustehokkain tapa parantaa Suomenlahden tilaa. Pietarin lounaisen jäteveden puhdistamon valmistumisen jälkeen vielä n. 20% Pietarin jätevesistä laskee käsittelemättöminä Suomenlahteen. Suomen intressissä on saada aikaan kansainvälisiä rahoitusjärjestelyjä näiden käsittelylle. Muita painopisteitä ovat öljyntorjunnan parantaminen ja vaarallisten aineiden hallinta.

Venäjän ja Viron kanssa käynnistettiin 2004 kolmikantayhteistyö Suomenlahden suojelua varten. Tarkoitus on tukea konkreettisten hanke-esitysten valmistelua EU:n raja-alueohjelmista rahoitettavaksi. Ensimmäiset hankeesitykset on jo jätetty komissiolle.

Itämeren suojelusopimuksen (1974, uudistettu sopimus 1992) tarjoaa myös toimivan yhteistyöfoorumia, Venäjä tuntee tässä yhteistyössä toimivansa tasavertaisella pohjalla muiden rantavaltioiden kanssa. IMO:n toiminta puolestaan saattaa tarjota laajemmin hyväksytyjä pelisääntöjä, joita voidaan soveltaa Itämeren alueella.

Tavoitteet

- pitkällä aikavälillä Itämeren ekologinen tila paranee kansallisilla toimilla ja kansainvälisellä yhteistyöllä, keskeisenä tavoitteena rehevöitymisen pysädyttäminen ja vaarallisten aineiden päästöjen lopettaminen;
- myös Suomen rannikkovesien tila paranee ja niiden tila on hyvä vuoteen 2015 mennessä;
- merenkulun haitalliset ympäristövaikutukset vähentyvät ja merenkulun turvallisuus lisääntyy;
- Itämeren kalakannat elpyvät ja Itämeren alueella saavutetaan alueellisesti ja biologisesti edustava meri- ja rannikko- luonnon suotuisa suojelun taso.

Toimenpiteet

Ympäristöministeriö

- tukee Suomen Itämeriohjelman linjausten (Itämeren rehevöitymisen, vaarallisten aineiden päästöjen vähentämisen ja öljyntorjunnan tehostamisen) mukaisten hankkeiden valmistelua ja hallinnon ja muun kapasiteetin vahvistamista;
- tekee aloitteita HELCOMin toiminnan kehittämiseksi aktiiviseksi ja reagoivaksi toimijaksi;
- toimii EU:n meristrategian tavoitteiden toteuttamiseksi ja tukee EU:n meripolitiikan vihreän kirjan tavoitteiden toteuttamista merenkulun haitallisten ympäristövaikutusten vähentämiseksi;
- tehostaa Venäjä-strategiansa mukaista lahjamoitoista apua jäljellä olevalla keskipitkällä aikavälillä Suomenlahteen tulevien päästöjen vähentämiseksi ja varautuu Pietarin vesisektorin prioriteettihankkeiden tukemiseen yhdessä muiden rahoittajien kanssa;
- tukee Venäjän ja Viron kanssa toteutettavaa kolmikantayhteistyötä Suomenlahden suojelussa;

- hankkii Itämeriohjelman toteuttamiseen tarvittavaa poliittista tukea ja kansainvälistä rahoitusta erityisesti EU:ssa tehtävän yhteistyön kautta;
- toimii ulkoasiainministeriön kanssa yhteistyössä lähialuestrategian valmistelussa ja pyrkii siihen, että uudessa strategiasa tehdään selkeät ympäristösektoria tukevat linjaukset ja että sektorin rahoitus säilyisi vähintään nykyisellä tasolla.

3.5.2 Kansainvälinen vesiensuojelu

Vuosituhahtiippukokouksessa absoluuttisen köyhyyden poistamista koskevassa tavoitteenasettelussa puhtaan veden saatavuus määriteltiin keskeiseksi tekijäksi. Vailla puhdasta vettä tällä hetkellä on n. 1,2 miljardia köyhää. Kun puhtaan veden saatavuus on suuressa määrin riippuvainen jäteveden puhdistuksesta, liitettiin Johannesburgin huippukokouksessa tähän sanitaatopalvelujen tarjoaminen. Näitä vailla on 2,4 miljardia köyhää. Johannesburgin kestävän kehityksen huippukokouksessa hyväksyttiin myös tavoite, että maat laativat vuoden 2005 loppuun mennessä vesivarojen yhdenmukaisesti käyttöä, hoitoa ja suojelua (IWRM) koskevat suunnitelmat.

Johannesburgin huippukokouksen toimintaohjelman seurantaan koskevassa kansainvälisessä yhteistyössä on käsitelty 2004 - 2005 UNEP:ssä ja YK:n

kestävän kehityksen toimikunnassa vesivarojen kestävää käyttöä ja sanitatiopalveluja. Kestävän kehityksen toimikunta hyväksyi yksityiskohtaisia suosituksia koskien perusvesipalvelujen turvaamista, vesivarojen yhdennettyä käyttöä, hoitoa ja suojelua (IWRM) sekä sanitaatiota.

YK:n kestävän kehityksen toimikunnan ja UNEP:n lisäksi vesivarojen kestävää hallintaa käsitellään mm. joka kolmas vuosi World Water Councilin järjestämässä Maailman vesifoorumissa. Seuraava istunto pidetään Meksikossa 2006.

Suomi on osallistunut Johannesburgin huippukokouksessa EU:n tekemän vesialoitteen EECCA-osion (Itä-Eurooppa, Kaukasus ja Keski-Aasia) edistämiseen sekä tukenut myös muita vuosituhannen julistuksen ja Johannesburgin kokouksen vesiä koskevien suositusten toimeenpanoa.

Suomi on sijoittunut kärkisijoille kahdessa viime vuosina tehdyssä kansainvälisessä vesivarojen hallintaa koskevassa vertailussa. Vesisektori on myös perinteisesti ollut vahva yhteistyöalue kehitysyhteistyössämme. Tätä taustaa vasten Suomella on erinomaiset edellytykset huolehtia omasta vastuustaan vesivarojen kestävän hallinnan kansainvälisessä yhteistyössä.

Suomella on rajavesistosopimukset Venäjän kanssa vuodesta 1964, Ruotsin kanssa vuodesta 1971 sekä Norjan kanssa vuodesta 1980. Rajavesiyhteistyöllä edistetään vesiensuojelua yhteisissä vesistöissä ja saatuja kokemuksia hyödynnetään UNECE:n yhteistyössä sekä maailmanlaajuisessa yhteistyössä liittyen vesiensuojeluun ja vesivarojen yhdennettyyn suunnitteluun.

Tavoite

Ympäristöministeriö edistää vesivarojen laadun suojelua ja kehittämistä osana vuosituhattavoitteiden ja Johannesburgin kestävän kehityksen suositusten toteuttamista.

Toimenpiteet

Ympäristöministeriö

- edistää yhteistyössä ulkoasiainministeriön, maa- ja metsätalousministeriön sekä muiden yhteistyötahojen kanssa vesivarojen yhdennettyä suunnittelua (IWRM) ja rajavesiyhteistyötä koskevien suositusten toimeenpanoa vesiä koskevissa globaaleissa ja alueellisissa prosesseissa;
- toimii aloitteellisesti rajavesiyhteistyössä ottaen huomioon mm. EU:n vesipolitiikan asettamat vaatimukset kansainvälisille vesialueille;
- toimii yhteistyössä ulkoasiainministeriön kanssa kehitysyhteistyön ympäristölinjausten valmistelussa ja pyrkii korostamaan vesivarojen kestävän käytön hallinnan tärkeyttä osana vuosituhannen julistuksen suositusten (mm. köyhyyden vähentäminen) toimeenpanoa.

4. KANSAINVÄLISEN YHTEISTYÖN JÄRJESTELYT JA PROSESSIT

Seuraavassa tarkastellaan kansainvälisen yhteistyön tärkeimpiä järjestelyjä. Tämä on tarpeen kokonaiskuvan saamiseksi kansainvälisestä yhteistyöstä. Edellä kuvatut painoalat ohjaavat yhteistyötä joko yhdessä tai useassa järjestelyssä: lähialueyhteistyössä, alueellisessa yhteistyössä tai maapallonlaajuisessa yhteistyössä.

4.1 Maapallonlaajuinen yhteistyö

Maapallonlaajuisen kestävä kehityksen edistämiseksi ja ympäristöongelmien hallinnassa **tärkeimpiä ovat**: YK:n ympäristö/kestävän kehityksen konferenssit (Tukholma 1972, Rio de Janeiro 1992 ja Johannesburg 2002) ja niiden päätösten toteuttamista edistävä **YK:n kestävä kehityksen toimikunta (CSD)**, **YK:n ympäristöohjelma (UNEP)** sekä **kansainväliset ympäristösopimukset**. Ympäristöongelmien kehitys ja niiden ratkaisumahdollisuudet riippuvat myös **kansainvälisen kaupan ja rahoituksen sekä kehitysyhteistyön** järjestämisestä.

4.1.1 YK:n kestävä kehityksen toimikunta, CSD

YK:n kestävä kehityksen huippukokouksessa Johannesburgissa 2002 hyväksyttiin toimintaohjelma ja poliittinen julistus, jotka täydentävät kaksi vuotta aikaisemmin hyväksyttyä YK:n Vuosituhajulistusta. Tärkeä viesti on, että köyhyyden poistaminen voi pitkällä tähtäyksellä tapahtua vain asettamalla kehitys ja taloudellinen kasvu luonnonvarojen ja ympäristön asettamiin puitteisiin.

Johannesburgin tärkeimpiä päätöksiä (Suomen ja EU:n aloite) on kestävä kulutuksen ja tuotannon kymmenvuotisen ohjelman rakentaminen.

Johannesburgin ja kymmenen vuotta aikaisemmin hyväksytyn Agenda 21 -ohjelman toteutumista edistää YK:n kestävä kehityksen toimikunta. Toimikunnan työssä painotetaan kestävä kehityksen kolmen ulottuvuuden (taloudellinen, sosiaalinen ja ympäristö) tasapainoista yhteensovittamista, kun taas YK:n ympäristöohjelma keskittyy mandaattinsa mukaisesti ympäristönäkökulmaan.

Toimikunnalla on vuoteen 2017 ulottuva työohjelma, joka koostuu kahden vuoden jaksoista. Ensimmäisen vuoden aikana arvioidaan yhteistyön kehitystä ja toisena vuotena tehdään tarvittavat päätökset sitoumusten saavuttamiseksi.

Ympäristöministeriön tavoitteena on, että kunkin teeman - erityisesti energian, teollisuuden, liikenteen ja maatalouden - osalta hyväksytään vahvat johtopäätökset ja toimitasuositukset kestävien tuotanto- ja kulutustapojen edistämiseksi. Seuraavana kaksivuotiskautena energia- ja teollisuusteemoja käsiteltäessä tavoitteena on kansainvälinen yhteisymmärrys uusiutuvien energialähteiden käytön lisäämisestä. Tavoitellaan teollisuuden ympäristövastuun vahvistamista, vapaaehtoisten sitoumusten lisäämistä ja puhtaan teknologian edistämistä.

Ympäristöministeriö osallistuu kutakin teemaa koskevien aloitteiden valmisteluun yhteistyössä ulkoministeriön ja muiden sektoriministeriöiden kanssa sekä toimii niiden sisällyttämiseksi EU:n toimiin. Lisäksi valmistelemme EU:n troikassa CSD:n toukokuun 2006 istuntoa ja osallistumme puheenjohtajan päätelmien tekoon. Suomen EU-puheenjohtajakaudella valmistelemme CSD:n toukokuun 2007 päätöksiä. Yhteydenpito CSD:n sihteeristöön, puheenjohtajistoon ja merkittäviin neuvottelukumppaneihin ovat tärkeä osa työtä.

4.1.2 YK:n ympäristöohjelma, UNEP

YK:n ympäristöohjelman (United Nations Environment Programme, UNEP, 1972) tehtävänä on seurata maailman ympäristön tilaa, edistää ympäristölainsäädännön kehitystä ja vahvistaa sen toimeenpanoa. Ohjelma koordinoi koko YK-järjestelmän ympäristöä koskevia toimenpiteitä, lisää eri toimijoiden tietoisuutta ja edistää niiden yhteistyötä. UNEP toimii myös asiantuntijana kehitysmaiden ympäristölainsäädännön, -hallinnon ja -osaamisen vahvistamisessa. UNEP:n työ konfliktien ja katastrofien jälkeisten ympäristöongelmien selvittämiseksi on saanut viime vuosina paljon kiitosta.

UNEP:n toiminnasta ja budjetista päättää joka toinen vuosi kokoontuva hallintoneuvosto. Välivuosina on ministerifoorumi ja hallintoneuvoston erityisistunto.

UNEP:n budjetti perustuu vapaaehtosiin maksuihin, mikä on pitänyt rahoituksen alhaisena ja epävakana. Koska UNEP toimii ohjelman statuksella, sillä ei ole samanlaista poliittista arvovaltaa kuin erityisjärjestöillä. Siksi Eurooppa-neuvosto on Ranskan ja Saksan aloitteesta päättänyt, että EU ajaa neuvottelujen käynnistämistä YK:n ympäristöjärjestön perustamiseksi osana YK-reformia.

Suomen ja ympäristöministeriön tavoitteena on vahvistaa maapallonlaajuista ympäristöyhteistyötä ja YK:n ympäristöhallintoa. Siksi kannatamme UNEP:n rahoituspohjan laajentamista, kehitysmaiden tukemista koskevan Balin strategisen suunnitelman toimeenpanoa, UNEP:n tieteellisen pohjan vahvistamista sekä pitkällä tähtäyksellä UNEP:lle rakentuvan YK:n ympäristöjärjestön perustamista.

Vahvistamme UNEP:n toimintaa erityisesti Suomelle tärkeissä kysymyksissä, kuten kestävien tuotanto- ja kulutustapojen ja kemikaalien sääntelyn edistämisessä. Kannatamme UNEP:n ja EU:n kemikaaliyhteistyön lisäämistä EU:n työn hyödyntämiseksi maapallonlaajuisesti.

Ympäristöministeriö hoitaa UNEP-asioita yhteistyössä ulkoministeriön kanssa. Osallistumme EU-troikassa helmikuussa 2006 pidettävän UNEP:n ministerifoorumin ja hallintoneuvoston erityisistunnon valmisteluun ja päätösten neuvotteluihin sekä valmistelemme puheenjohtajuuskaudella kevään 2007 UNEP:n hallintoneuvoston istuntoa.

4.1.3 YK:n asuinyhdyskuntaohjelma, UN-Habitat

YK:n asuinyhdyskuntaohjelman (Asuinyhdyskuntakomissio 1978, ohjelma UN-Habitat 2002) tehtävänä on edistää sosiaalisesti, taloudellisesti ja ympäristön kannalta kestävästä kaupunkistumisesta. Se seuraa yhdyskuntien tilaa, määrittelee poliittisia toimintalinjoja ja antaa asiantuntija-apua kansallisten toimintavalmiuksien parantamisessa. Habitat on laajentanut toimiaan myös konfliktien jälkeisten asumisongelmien ratkomiseen muun muassa Kosovossa, Irakissa, Afganistanissa ja Somaliassa.

UNEP:iin verrattuna Habitatin toiminta on painottunut enemmän tekniseen apuun. Habitatilla on laajoja tehtäviä YK:n vuosituhatuippukokouksen ja Johannesburgin huippukokouksen sitoumusten toteuttamisessa. Niihin kuuluvat kelvollisten asuntojen järjestäminen 100 miljoonalle slummeissa asuvalle ja sanitaatiopalvelujen tarjoaminen puolelle niiden puutteessa olevalle.

Habitatin työohjelmasta ja budjetista päättää joka toinen vuosi kokoontuva hallintoneuvosto. Välivuosina kokoontuu Maailman kaupunkifoorumi.

Suomen ja ympäristöministeriön tavoitteena on edistää kaupunkien ekologista, sosiaalista ja taloudellista kehitystä sekä vähätuloisten asuinolojen paran-

tamista. Suomi on pitänyt tärkeänä, että Habitat keskittyisi nykyistä enemmän normatiiviseen toimintaan operatiivisen toiminnan sijaan.

Ympäristöministeriö hoitaa Habitat-asioita yhteistyössä ulkoasiainministeriön kanssa. Osallistumme EU-troikassa kesäkuussa 2006 pidettävän Maailman kaupunkifoorumin istunnon valmisteluun.

4.1.4 Globalisaation hallinta, kauppa, investoinnit ja ympäristö

Ympäristöministeriö pyrkii vahvistamaan kestävästä kehitystä globalisaation ja kansainvälisen kauppapolitiikan johtavana periaatteena. Maailmantalouden vapautuminen luo ympäristön suojelulle sekä uusia mahdollisuuksia että haasteita. Siksi on keskeistä vaikuttaa kansainväliseen kauppaa- ja investointipolitiikkaan.

On tärkeää, että kansainvälinen kauppa samoin kuin voimakkaasti lisääntyvät suorat ulkomaiset investoinnit tukevat kestävästä kulutusta ja tuotantoa. Korkea ympäristönsuojelun taso ja tieto-taito ovat myönteinen kilpailukykytekijä ja voivat avata Suomelle ja EU:lle uusia kansainvälisiä markkinoita. Suomella on erityisosaamista esimerkiksi kestävien energialähteiden käytössä, vesihuollon ja sanitaatiopalvelujen järjestämisessä sekä kestävässä metsätaloudessa.

Maailman kauppajärjestön (World Trade Organization, WTO) 2002 käynnistyneellä Dohan kierroksella neuvotellaan monista ympäristön kannalta tärkeistä kysymyksistä. Kauppa ja ympäristö -aihe on poliittisesti vaikea. Monet maat, erityisesti kehitysmaat, pitävät ympäristömääräyksiä vientiään vastaan kohdistuvina kaupan esteinä. WTO-neuvottelut ovat edenneet hyvin hitaasti. Seuraava poliittisen tason tilannearvio tehdään WTO:n ministerikokouksessa Hongkongissa joulukuussa 2005. On mahdollista, että neuvottelujen loppuraportti osuu Suomen puheenjohtajuuskaudelle.

Suomen ja EU:n WTO-tavoitteena on, että kauppa- ja ympäristösopimusjärjestelmät tunnustetaan tasavertaiseksi kansainvälisen oikeuden osaksi ja että ympäristösopimusten osapuolten ristiriidat ratkaistaan ensisijaisesti ympäristösopimusten puitteissa. Pyrimme saamaan keskeisille ympäristösopimuksille tarkkailija-aseman WTO:hon. Muita keskeisiä tavoitteita ovat: ympäristötuotteiden ja -palveluiden tullien alentaminen ja kaupan esteiden vähentäminen sekä ympäristön kannalta haitallisimpien maatalous- ja kalastustukien vähentäminen.

Ministeriö tukee myös ympäristömerkintäjärjestelmien tunnustamista, tekijän- ja teollisuus oikeuksia koskevan TRIPS-sopimuksen ja biodiversiteettisopimuksen suhteen selventämistä sekä kehitysmaiden markkinoillepääsyn edistämistä ja kauppa- ja ympäristövalmiuksien vahvistamista.

Ympäristöministeriö toimii tavoitteiden toteuttamiseksi yhteistyössä ulkoministeriön ja muiden sektoriministeriöiden kanssa. Osallistumme ja vaikuttamme EU:n kannanmuodostukseen ja toimintaan WTO- ja muissa kauppaa ja ympäristöä koskevissa neuvotteluissa.

Ympäristöministeriö toimii kestävästä kehityksen periaatteiden vahvistamiseksi myös investointipolitiikassa. Teemme aloitteita sen puolesta, että kansainväliset rahoituslaitokset investoivat mm. ympäristömyönteisiin energia-, liikenne- ja jätehuollon infrastruktuureihin ja raportoivat investointien ympäristövaikutuksista. Teemme aloitteita myös yritysten kansainvälisen ympäristövastuun edistämiseksi. Osallistumme menettelytapojen kehittämiseen, joilla voidaan ohjata ja rohkaista ulkomaisia suoria sijoituksia tukemaan kestävästä kehitystä ja ottamaan huomioon ympäristönäkökohdat.

Globalisaation, kaupan ja ulkomaisten investointien ympäristövaikutusten hallintaa käsitellään kasvavassa määrin myös YK:n ympäristöohjelmassa UNEP:ssä, YK:n kauppaja-kehityskonferenssissa UNCTAD:ssä ja Taloudellisen kehityksen ja kaupan järjestössä OECD:ssä.

4.1.5 Ympäristönäkökulma kehitysmaasuhteissa

Kehitysmailla on keskeinen rooli maapallonlaajuisten ympäristöongelmien ratkaisemisessa. Siksi on tärkeää sisällyttää ympäristönäkökulma osaksi kehitysmaasuhteita.

Hallituksen kehityspoliittisessa ohjelmassa (2004) ympäristökysymykset ovat yksi kehityspoliittikan prioriteeteista. Lisäksi ympäristökysymysten huomioon ottaminen on läpileikkaava teema kaikessa kehitysyhteistyössä. Kuitenkin viime vuosina ympäristöhankkeiden määrä ja rahoitus etenkin kahdenvälisessä yhteistyössä on ollut laskussa. Ympäristöministeriön ja ulkoasiainministeriön välillä on sovittu säännöllisestä korkean tason yhteydenpidosta ja tilanteen kartoittamisesta. Parhailaan tehdään arviota kehitysyhteistyön ympäristönäkökulman toteutumisesta, jonka jälkeen tehdään kehitysyhteistyön ympäristölinjaus.

Ministeriö toimii läheisessä yhteistyössä ulkoasiainministeriön kanssa ja tekee aloitteita tulevaa kehitysyhteistyön ympäristölinjausta varten.

Kehitysmaat ovat tärkeä neuvottelukumppani useissa kansainvälisissä ympäristösopimuksissa. Sopimusten toimeenpano edellyttää köyhiltä mailta huomattavia ponnistuksia, mm. ympäristöhallinnon vahvistamista, raportointijärjestelmien ja valvonnan kehittämistä. Ympäristösopimusten toimeenpano ei voi olla irrallaan maiden kehityspoliitikasta. Toimeenpanon tukeminen ja kehitysmaiden osallistumisvalmiuksien vahvistaminen sisältyvät tärkeimpien sopimusten velvoitteisiin ja Suomen kehitysyhteistyötä ohjaaviin linjauksiin.

Rahoituskysymykset nousevat usein keskeisiksi, kun kehitysmaiden kanssa neuvotellaan uusista sopimusvelvoitteista. Ympäristöministeriö ja ulkoasiainministeriö toimivat yhteistyössä varmistaakseen, että Suomi huolehtii omalta osaltaan sopimusneuvotteluissa kehitysmailla annetuista rahoituslupauksista. Toimimme aloitteellisesti, jotta ympäristösopimusten velvoitteiden toimeenpanoa ja kehitysmaiden valmiuksien vahvistamista tuettaisiin myös järjestöjen, ohjelmien ja rahoituslaitosten toiminnassa.

Maailman ympäristörahoisto GEF toimii usean ympäristösopimuksen rahoittajana. Parhailaan käydään neuvotteluja GEF:n neljännessä pääomakorotuksesta, joka ulottuu 2010 saakka. Neuvottelujen tuloksellinen loppuun saattaminen on edellytys kansainvälisten ympäristösopimusten toimeenpanolle kehitysmaissa. Ympäristöministeriö tekee aloitteita ulkoasiainministeriölle GEF:n rahoituksen vahvistamiseksi ja toiminnan mahdolliseksi laajentamiseksi.

Kehitysmaiden toimintavalmiuksia rahoitetaan ulkoasiainministeriön pääluokasta. Ympäristöministeriö ja Suomen ympäristökeskus toimivat asiantuntijoina. Suomen ja Kiinan yhteistyöpöytäkirja uudistettiin keväällä 2002. Suomen ja Intian TTT-sopimuksen alaisuuteen perustettiin ympäristöryhmä 2002. Virallisia vierailuja on toteutettu tärkeimpien kehitysyhteistyön kumppanimaiden kanssa. Ympäristöministeriö on aloitteellinen poliittisen dialogin käymisessä ja asiantuntijayhteistyön järjestämisessä Suomen kannalta tärkeimpien kehitysmaiden kanssa.

Ympäristöministeriön tavoitteena on vahvistaa kestävä kehityksen ympäristönäkökulmaa Suomen ja EU:n kehityspoliittisissa linjauksissa ja niiden toteutuksessa. Ympäristöministeriön tavoitteena on

myös, että Suomen kehitysyhteistyön ympäristörahoitus nousee ja ympäristönäkökulma sisältyy kaikkiin kehitysapua ohjaaviin strategioihin ja instrumentteihin.

Ympäristöministeriö toimii EU:n troikassa ja puheenjohtajuuskaudella läheisessä yhteistyössä sopimusneuvottelujen kannalta tärkeimpien kehitysmaiden kanssa.

4.1.6 Maapallonlaajuiset ympäristösopimukset

Suomi on jäsenenä yli sadassa kansainvälisessä ympäristösopimuksessa. Keskeisimmillä maapallonlaajuisilla sopimuksilla pyritään ilmastomuutoksen torjumiseen, yläilmakerroksen otsonikerroksen suojeluun, luonnon monimuotoisuuden suojeluun, kemikaalien aiheuttamien haittojen hallintaan, merien suojeluun sekä vaarallisten jätteiden kansainvälisten siirtojen ja käsittelyn valvontaan. Näitä on käsitelty tarkemmin painopisteluvussa.

Ympäristöministeriön tavoitteena on, että sopimukset vahvistuvat ja niiden välinen synergia ja yhteistyö paranevat. Tätä tukevat toimeenpanoa (compliance) ja vastuuvollisuutta (liability) koskevien säädösten kehittäminen. Sopimusten yhteistyön parantamisella tavoitellaan kansainvälisen ympäristöhallinnon vahvistamista, koska näköpiirissä ei ole nopeaa edistymistä ympäristöjärjestöjen perustamisessa.

4.2 Alueellinen yhteistyö

4.2.1 Alueelliset neuvostot

Suomen lähialueilla toimii useita järjestöjä, joiden tarkoituksena on tiivistää alueen yhteistyötä ja viedä alueen keskeisiä asioita EU:hun ja maapallon laajuiseen yhteistyöhön. Tärkeimmät ovat: Pohjoismaiden neuvosto ja ministerineuvosto, Itämeren valtioiden neuvosto, HELCOM, Arktinen neuvosto ja Barentsin Euroarktinen neuvosto sekä VASAB. Niissä kaikissa tehdään vahvaa ympäristöpoliittista työtä ja edistetään pohjoisten alueiden kestävä kehitystä. Neuvostojen välisen työn synergian vahvistaminen on ajankohtainen tavoite.

Suomi on toiminut aktiivisesti näiden järjestöjen toiminnan kehittämisessä ja ollut aloitteellinen erityisesti HELCOMin, Arktisen neuvoston ja Barentsin neuvoston perustamisessa. Merkittävää on ollut yhteistyön luominen erilaisia poliittisia ja taloudellisia järjestelmiä edustavien maiden välille, ja ympäristölle onkin tullut sillanrakentajan rooli.

Pohjoismaiden ministerineuvoston (Nordiska ministerrådet, NMR, 1971) ympäristöministerit kokoontuvat 2-3 kertaa vuodessa ja neuvoston alaisena toimii virkamieskomitea ja kahdeksan työryhmää. Lisäksi asuntonministerit toimivat myös säännöllisessä yhteistyössä. Koko neuvoston toimintaa ollaan keskittämässä.

Ympäristö ja kestävä kehitys säilyvät edelleen prioriteettina (ohjelmat vuoteen 2008). Ympäristöyhteistyö kohdistuu lähialueisiin, EU-yhteistyöhön ja globaaliasioihin. Vuoden 2006 alusta astuvat voimaan uusi Venäjä-ohjelma ja Arktisen yhteistyön ohjelma ja niitä tukevat budjettilinjat. Suomi ottaa Pohjoismaisen puheenjohtajuuden 2007, ja tavoitteena on yhteistyön rationali-

sointi edelleen. Prioriteetti annetaan sellaiselle työlle, joka tuottaa selkeän lisäarvon.

Itämeren neuvosto (Council of the Baltic Sea States, CBSS, 1996) kokoontuu säännöllisesti ulkoministerikokoonpanossa ja ad hoc pohjalla pidetään muita ministerikokouksia mm. ympäristöministeritasolla. Neuvoston työtä pyritään kehittämään siten, että se tuottaa synergiaetuja Barentsien Euroarktisen neuvoston työn kanssa erityisesti ilmaston ja energiayhteistyön aloilla.

Itämerikomission (HELCOM, Baltic Marine Environment Commission, 1974) työtä on käsitelty edellä Itämeren suojelun yhteydessä.

Arktisen neuvoston (Arctic Council, AC, 1996) ja **Barentsin Euroarktisen neuvoston** (Barents Euro Arctic Council, BEAC, 1993) alueet ovat osittain päällekkäiset. Kanada ja Yhdysvallat eivät osallistu viimeksi mainittuun. Barentsin neuvoston työhön osallistuvat hallitusten lisäksi alueelliset toimijat. Työn yhtymäkohdat arktisen neuvoston kanssa ovat viimeaikoina lisääntyneet (alueelliset yhtymäkohdat tai samat aiheet: ilmasto, luonnonsuojelu ja "hot spots").

Arktisen neuvoston poliittinen merkitys on siinä, että, maapallon laajuiseen yhteistyöhön muutoin kriittisesti suhtautuva Yhdysvallat on aktiivisesti mukana Venäjän kanssa alueen yhteistyön kehittämisessä. Yhdysvallat suhtautuu varauksellisesti esimerkiksi kansainväliseen ilmastokeskusteluun, mutta on samaan aikaan toiminut Arktisen ilmastoryhmän puheenjohtajana ja selvitysten vetäjänä.

Barentsin Euroarktisen neuvoston yhteistyössä keskeisellä sijalla on Luoteis-Venäjän hankeyhteistyö. Pohjoismaiden ympäristöinvestointirahasto (NEFCO) ja AMAP ovat osoittaneet 42 pahiten saastuttavaa lähdettä ja 52 investointikohdetta näiden poistamiseksi. Suomen ympäristöpuheenjohtajuuskaudella on käynnistetty neuvottelut useiden hankkeiden toteuttamiseksi ja hankeyhteistyötä Arktisen neuvoston kanssa. Suomi, Ruotsi, Norja ja Islanti ovat perustaneet Barents Hot Spot Facilityn (3,2 M€), jota NEFCO hallinnoi.

Suomen puheenjohtajakaudella on edistetty myös puhtaan teknologian ohjelmaa ja Luoteis-Venäjän metsien suojelua. Suomen ympäristöpuheenjohtajuus päättyi syksyllä 2005, mutta Suomi ottaa koko neuvoston puheenjohtajuuden marraskuussa 2005. Tällöin Suomella on mahdollisuus jatkaa synergiaetujen vahvistamista sekä EU:n toiminnan aktivointia alueella.

Baltian maiden itsenäistyminen loi paineen niiden osallistumisen järjestämiselle ja aiheutti Itämeren alueella yhteistyöbuumin. EU-jäsenyyden myötä prioriteetit ovat muuttuneet. Baltian mailla on selkeä tarve yhteistyön rationalisoimiseen ja tiivistämiseen tarvittavien resurssien ohjaamiseksi EU-työhön.

Itämeren alueeseen liittyy myös merkittäviä kehittämismahdollisuuksia alueiden käytön alalla. EU:n jäsenmaat ovat hyväksyneet toimintasuunnitelman (territorial agenda), jonka toteuttamisessa Suomi puheenjohtajuuskaudellaan on keskeisenä toimijana. Tarkoituksena on rakentaa Itämeren alueen omaa identiteettiä ja lisätä alueen painoarvoa eurooppalaisena toimijana.

Suomen ja ympäristöministeriön tavoitteena on luoda vahva sisältö territoriaalisen koheesion käsitteelle ja korostaa reuna-alueiden asemaa vahvistamalla monikeskeisyyden ja tasapuolisen saavutettavuuden periaatteita. Yhteistä hyväksyntää haetaan myös alueellisen diversiteetin käsitteelle, joka korostaisi suuralueiden, kuten Itämeren alueen identiteettiä ja yhteistyön merkitystä. Itämeren alueen vahvistaminen on tavoitteena myös VASAB-yhteistyössä.

Suomen tavoitteena on lisäksi Itämeren alueen vaikuttavuuden lisääminen EU:ssa. Tässä työssä mukana olisivat EU:n vanhat pohjoiset jäsenmaat Suomi, Ruotsi ja Tanska, uudet Baltian jäsenmaat sekä Saksa ja Puola. Tavoitteena on luoda vahva pohjoinen yhteistyöverkko Välimeren maiden rinnalle. Yhteistyön edetessä on huolehdittava myös siitä, että alueen EU:hun kuulumattomat jäsenet ovat työssä mukana.

Ympäristöministeriön tavoitteena on myös neuvostojen toiminnan kriittinen tarkastelu ja synergiaetujen vahvistaminen.

Ministeriö toimii läheisessä yhteistyössä ulkoasiainministeriön kanssa ja tekee aloitteita komissiolle, neuvostoille ja hakee neuvostojen jäsenmaiden tukea.

4.2.2 YK:n Euroopan talouskomission yhteistyö (UNECE) ja yleiseurooppalainen ympäristöministerikonferenssi

Suomi on osallistunut vuodesta 1955 YK:n Euroopan talouskomission työhön (UN Economic Commission for Europe, UNECE). Neuvostoliiton hajoamisen jälkeen itsenäiset valtiot liittyivät järjestöön, jolloin sen jäsenmäärä nousi 55:een. Myös Yhdysvallat ja Kanada osallistuvat yhteistyöhön.

1980-90 -luvulla Euroopan talouskomissiolla oli tärkeä merkitys alueen ympäristösopimusten, erityisesti ilmansuojelusopimusten neuvottelussa ja toimeenpanossa. Vaikka nykyisin EU:n ympäristölainsäädäntö kattaa suuren osan ilmansuojelusopimusten toimialasta, sopimusten toimeenpanon tehostamisella on edelleen suuri merkitys EU:n ulkopuolisissa ECE-maissa, mukaan lukien Venäjällä. Lisäksi kyseisten sopimusten globaali merkitys on kasvamassa sitä mukaan kun tieto päästöjen, kuten pienhiukkasten kaukokulkeutumisesta on lisääntynyt ja vaikutukset ihmisten terveyteen ja ympäristöön ovat tarkentuneet. Myös Yhdysvaltojen ja Kanadan aktivoituminen on osoituksena tällaisesta kehityksestä. Myös liikenteen ja ympäristön terveysnäkökohdat ovat ajankohtaisia kysymyksiä ja johtaneet kansallisen yhteistyön tiivistymiseen ympäristön ja terveyden alalla Suomessa.

Komission alaisena toimii kaikkiaan viisi ympäristösopimusta, jotka koskevat ilman epäpuhtauksien kaukokulkeutumista (1985) ja sen kuusi lisäpöytäkirjaa, rajavesistöjen suojelua (1992), teollisuusonnettomuuksia (1992), ympäristövaikutusten arviointia (1997) ja kansalaisten osallistumista ja ympäristötiedonsaantia (1998). Suomi on merkittävästi vaikuttanut näiden kaikkien sopimusten aikaansaamiseen ja sisältöön. Siksi on tärkeää, että EU ml. Suomi joko vapaehtoisen rahoituksen tai asiantuntija-avun turvin huolehti osaltaan tulevaisuudessa sopimusten toteuttamisesta ECE-alueella.

EU:n laajentumisen myötä järjestön tehtäväksi on tullut EU:n jäsenmaiden ja sen ulkopuolisten alueen maiden yhteistyön kehittäminen ja EU:n ulkopuolisen alueen ympäristöhallinnon vahvistaminen. Tätä varten perustettiin 1980-luvun lopulla Environment for Europe –prosessi. Århusissa 1998 pidetyssä ministerikonferenssissa työn painopiste siirtyi Itä-Euroopan, Kaukaasian ja Keski-Aasian (Eastern Europe, Caucasus and Central Asian, EECCA-maat) suuntaan, kun tälle alueelle hyväksyttiin ympäristöstrategia. Seuraava, kuudes kokous on suunniteltu pidettäväksi Serbia-Montenegrossa syksyllä 2007.

YK:n Euroopan talouskomissio on hoitanut myös Taloudellisen yhteistyön ja kehityksen järjestön (OECD) ulkopuolisten maiden ympäristöpolitiikan maatutkintoja. Lisäksi ECE toimii YK:n kestävä kehityksen toimikunnan istuntojen alueellisen valmistelukokouksen järjestäjänä ja Environment for Europe –prosessin yhtenä sihteeristönä.

ECE:n samoin kuin muiden YK-järjestöjen työn tehostaminen on tärkeä kysymys. Myös yleiseurooppalaisten ministerikonferenssien työn jatkamista on tarkasteltava kriittisesti ja tarvittavat johtopäätökset tulee tehdä 2007 konferenssissa. Eräs mahdollisuus olisi korvata kyseisen konferenssin toiminta kehittämällä yhteistyötä EU-maiden ulkopuolisten Itä-Euroopan ja Keski-Aasian maiden kanssa. Toiminta voisi keskittyä tukemaan näiden maiden osallistumista ympäristösopimusten toimintaan ja niiden toimeenpanoon, maatutkintoihin ja niiden suositusten sekä EECCA-maiden ympäristöstrategian toimeenpanoon. Useat näistä maista täyttävät kehitysyhteistyön kriteerit, jolloin EU-maat voivat tukea näiden maiden ympäristöhallintoa kehitysyhteistyöllä. Tällainen yhteistyö edistäisi niin kaukokulkeutuvien kuin ympäristönettomuuksista aiheutuvien päästöjen hallintaa kyseisillä alueilla.

ECE tukee myös asumista koskevaa yhteistyötä. Suomi on tehnyt merkittävää työtä asumisen tilastoinnin järjestämiseksi. Euroopan tilastoinnin kehittämisellä on myös laajempaa kansainvälistä merkitystä käsitteistön ja menetelmien yhdentämisen kannalta.

Lisäksi Suomi osallistuu laajasti eurooppalaiseen standardointityöhön ja rakennusalan pysyvän komitean työhön, jolla on osaltaan kilpailukykyä ja vientä vahvistava rakennusalan vaikutus.

Ympäristöministeriön tavoitteena on YK:n Euroopan talouskomission työn arvioinnin pohjalta tehtävien ECE:n toiminnan keskittämistä ja tehostamisesta koskevien suositusten toteuttaminen.

Ministeriö toimii tavoitteen toteuttamiseksi ensisijaisesti EU:n kautta ja huolehtii osaltaan vapaaehtoisen rahoituksen tai asiantuntija-avun turvin ECE:n ympäristösopimusten toimeenpanosta ECE-alueella (ml. Venäjä). Ministeriö pitää ympäristöä ja terveyttä koskevan näkökulman vahvistamista tervetulleena uudelleensuuntauksena ECE-yhteistyössä.

4.2.3 EU:n naapuruuspolitiikka ja EU:n välimerikumppanuus

EU:n laajentumisen jälkeen on EU:ssa hyväksytty naapuruuspolitiikan periaatteet, joita toteutetaan maakohtaisin ohjelmin. Poliitiikan tavoitteena on EU:n lähialueiden talouden ja poliittisen vakauden vahvistaminen. Ympäristö on osa yhteistyötä. Yhteistyö koskee Ukrainan, Valkovenäjän ja Moldovan lisäksi kolmea Keski-Aasian maata (Armenia, Azerbaidzhan ja Georgia). Lisäksi yhteistyö kattaa kymmenen Välimeren eteläpuolista maata.

Ohjelmalla on yhtymäkohtia Barcelonan välimerikumppanuuteen, jossa ympäristönsuojelu on yksi prioriteetti. Suomi on tukenut välimerikumppanuutta osoittaakseen solidaarisuutta EU:n eteläisten maiden ongelmille ja saadaksesen tätä kautta tukea Pohjoisen ulottuvuuden ohjelmalle. Välimeren maiden ensimmäinen ympäristöministerikonferenssi järjestettiin Helsingissä 1997, jolloin hyväksyttiin edelleenkin voimassa oleva alueen ympäristöohjelma. Suomen ympäristökeskus on alueen ympäristötekniikan keskuksen asiantuntijana.

Ympäristöministeriön tavoitteena on ympäristön ja kestävän kehityksen integrointi naapuruusohjelmiin. Ympäristöministeriö seuraa naapuruuspolitiikkaa ja tekee aloitteita rahoitusinstrumenttien ja ympäristön kannalta merkittävien järjestelyjen valmistelussa. Ministeriö seuraa naapuruusohjelmaa ja tekee tätä koskevia aloitteita.

4.2.4 Taloudellisen kehityksen ja yhteistyön järjestö, OECD

Taloudellisen yhteistyön ja kehityksen järjestö tarjoaa mahdollisuuden kansainvälisen ympäristöpolitiikan tausta-analyysien tekemiseen ja kansallisiin politiikka-arviointeihin osallistumiseen. Viime aikojen hyödyllisimpiä töitä ovat olleet mm. ilmastopolitiikkaan ja taloudellisten ohjauskeinojen käyttöön liittyvät selvitykset.

Kestävän kehityksen periaatteiden horisontaalinen työ ja eri sektoreiden yhteistyö, kuten ympäristö ja kauppa sekä ympäristö- ja maatalous ovat arvokkaita. Suunnitteilla on ympäristö- ja kehitysyhteistyöministeriöiden kokous keväällä 2006. Suomen ympäristöpolitiikan maatutkinta on suunniteltu käynnistettäväksi 2007.

Ympäristöministeriön tavoitteena on kehittää EPOCin toimintaa, osallistua kriittisesti OECD:n työn kehittämiseen ja strategisesti tärkeiden ympäristökysymysten käsittelyn uudelleen suuntaamiseen todellista lisäarvoa tuottavalla tavalla.

Ministeriön mukaan OECD:n haasteena tulevaisuudessa on muun muassa kestävä kulutus ja tuotantoa tukevien keinojen ja välineiden kehittäminen ja niiden käyttöönotto. Ministeriö tukee myös sektorikohtaisten ohjaus- ja muiden keinojen kehittämistä ja käyttöönottoa kestävä kehityksen toteuttamiseksi läpäisevästi. Lisäksi ministeriö pitää tärkeänä YK:n ilmastopimuksen toimeenpanoon, ilmastomuutoksen hillitsemiseen ja siihen sopeutumiseen tarvittavien selvitysten sekä keino- ja kustannusanalyysien jatkamista.

4.3 Kahdenvälinen yhteistyö

Ympäristöministeriöllä on Venäjä-yhteistyön strategia. Ministeriö on esittänyt näkemyksensä ulkoasiainministeriölle hallituksen lähialueyhteistyöstrategian uudistamista varten ja linjannut keväällä 2005 myös omaa toimintaansa ympäristöyhteistyön rahoitusyksikön työn järjestämistä varten. Uudet linjaukset ovat tarpeen EU:n laajentumisen jälkeen.

EU:n laajentumisen myötä Venäjä on noussut entistä tärkeämmäksi EU:n ulkosuhteissa. Yhteistyö keskittyy Venäjän lähialueilla toteutettaviin hankkeisiin.

Baltian maiden odotetaan jatkavan EU:n tuella ympäristöhallinnon vahvistamista ja päästöjen vähentämistä. Suomen lahjatuotoinen apu Baltian maihin on lakannut. Sen sijaan olemme tiivistäneet poliittista vuoropuhelua yhteistyön vahvistamiseksi EU:ssa. Myös asiantuntijayhteistyötä on jatkettu. Olemme saaneet Baltian maista myös vahvaa tukea EU:n ja Venäjän ympäristöyhteistyön kehittämisessä.

Suomen kahdenvälinen yhteistyö Venäjän kanssa nivoutuu entistä selvemmin alueellisissa neuvostoissa tehtävään yhteistyöhön. Molemmat vaikuttavat EU:n ja Venäjän väliseen yhteistyöhön ja tuottavat sille sisältöä.

4.3.1 EU:n ja Venäjän ympäristöyhteistyö

Suomen kannalta EU:n ja Venäjän ympäristöyhteistyön kehittäminen on ensiarvoisen tärkeä. EU:n kautta ja tuella voidaan ohjata kahdenväliseen yhteistyöhömmme verrattuna merkittäviä taloudellisia resursseja Luoteis-Venäjän ympäristöongelmien ratkaisemiseen. EU:n toiminnalla on myös merkittävä

poliittinen painoarvo. Viimeaikaisin esimerkki siitä on Venäjän Kioton pöytäkirjan ratifiointi.

EU:n ja Venäjän yhteistyö perustuu yhteistyö- ja kumppanuussopimukselle (Partnership and Cooperation Agreement, 1997). Toukokuussa 2005 pidetyssä EU:n ja Venäjän huippukokouksessa vahvistettiin yhteistyötä koskevat tiekartat. Ne toimivat yhteistyön asialistana. Ympäristö on osa taloudellista yhteistyötä. Tiekartat toimivat myös pohjana, kun kumppanuussopimuksen uusista järjestelyistä neuvotellaan.

Ympäristöyhteistyöhön kuuluu varsin laajasti Suomen tärkeänä pitämiä asioita, kuten ilmastopolitiikka, vesien- ja meriensuojelu, meriliikenteen ympäristöturvallisuus, ympäristösopimusten toimeenpano, lainsäädännön lähentäminen sekä metsien ja luonnonsuojelu. Se kattaa myös rajanläheisen yhteistyön.

Seuraavana haasteena on poliittisen tason ohjauksen ja konkreettisen yhteistyön käynnistäminen. Suomi tukee EU:n komission puheenjohtajan esitystä, jonka mukaan EU:n ja Venäjän kumppanuussopimuksen mukaisen neuvoston (troikkakokous ministeritasolla) tulisi kokoontua ympäristöministerien kokoonpanossa mahdollisimman pian, viimeistään Suomen EU-puheenjohtajuuskaudella. Kumppanuussopimuksen uudistamista koskevat neuvottelut ovat myös käynnissä Suomen puheenjohtajuuskaudella, kun uuden asiakirjan tulisi olla valmis 2007 aikana.

EU:lla on itäisiä ja eteläisiä naapureita varten naapuruuspolitiikka, jota toteutetaan maakohtaisilla ohjelmilla. Venäjä ei ole kuitenkaan kiinnostunut tästä, vaan korostaa, että yhteistyö perustuu kumppanuus- ja yhteistyösopimukseen. Naapuruuspolitiikan toimeenpanoa varten kehitetään parhaillaan rahoitusjärjestelyä, naapuruusinstrumenttia, joka on tarkoitus ottaa käyttöön 2007. Suomi pitää tärkeänä, että instrumentti kattaa myös Venäjän kanssa toteutettavan yhteistyön, johon sisältyisi myös nykyinen raja-alueyhteistyö. Nykyisen suunnitelman mukaan ympäristö on tärkeä osa instrumenttia. Toistaiseksi Venäjä-yhteistyötä rahoitetaan TACIS-varoista.

EU:n Pohjoisen ulottuvuuden yhteistyö kohdentuu EU:n laajentumisen jälkeen varsin läheisesti EU:n ja Venäjän yhteistyöhön. Pohjoista ulottuvuutta ollaan uudistamassa siten, että nykyinen vuonna 2006 päättyvä toimintaohjelma korvataan jatkuvasti voimassa olevalla poliittisella julistuksella ja sitä täydentävällä puiteasiakirjalla. Näiden viimeistely ajoittuu Suomen EU-puheenjohtajuuskaudelle. Ympäristöministeriö toimii läheisessä yhteistyössä ulkoasiainministeriön kanssa sekä suoraan EU:n jäsenmaiden ja Venäjän kanssa sen hyväksi, että Pohjoisella ulottuvuudella on jatkossakin vahva ympäristösisältö.

Alueellisten neuvostojen kautta on myös mahdollista vahvistaa EU:n pohjoisen ulottuvuuden toimia ja rahoitusta alueella. EU:n linjauksissa "Northern Dimension Beyond 2006" vahvistetaan alueellisten neuvostojen rooli. EU:n ja kansainvälisten rahoituslaitosten varoja on saatu jonkin verran neuvostojen identifioimiin hankkeisiin, mutta Suomi vahvistaa tätä kehitystä tulevaisuudessa.

Pohjoisen ulottuvuuden yhteistyö sisältää myös jatkossa hankeyhteistyötä. Tätä varten on kumppanuusrahasa (Northern Dimension Environmental Partnership Fund), jossa Venäjä on myös rahoittajana. Se sitoutui myös pääoman korotukseen keväällä 2005. Nykyinen pääoma on 225 miljoonaa euroa, josta 86 miljoonaa on varattu ympäristöhankkeisiin ja loput ydinturvasektorille. Kumppanuusrahasaon ensimmäisiä merkittäviä rahoitushankkeita on Pietarin Lounaisen jäteveden puhdistamolle myönnetty osarahoitus. Ympäristöyhteistyöstä onkin Pohjoisen ulottuvuuden ohjelmassa tullut esimerkki konkreettisia tuloksia tuottavasta työstä. Jatkossa tarvitaan aloitteita ympä-

ristökumppanuusrahastoa varten ja rahaston poliittisen ohjauksen ja tehokkaampien ja nopeampien ympäristövaikutusten aikaansaamiseksi.

Ympäristöministeriön tavoitteena on EU:n ja Venäjän ympäristöyhteistyön vahvistaminen näkyvien ympäristöhyötyjen aikaansaamiseksi.

Ministeriö toimii läheisessä yhteistyössä ulkoasiainministeriön kanssa ja tekee troikalle ja Venäjälle aloitteita.

4.3.2 Kahdenvälinen yhteistyö Venäjän kanssa

Suomen ja Venäjän välinen yhteistyö perustuu hallitustenväliseen sopimukseen (1985, uudistettu 1992). Yhteistyötä ohjaa ministeritasolla kokoontuva yhteistyökomissio. Kun Venäjän ympäristöhallinto on viime vuosina ollut jatkuvan muutoksen kohteena, virallisia yhteistyökomission istuntoja ei ole järjestetty. Ministerit ovat kuitenkin tavanneet säännöllisesti molemmissa maissa ja kansainvälisten kokousten yhteydessä. Yhteistyökomission toiminnan aktivoimisesta on nyttemmin sovittu. Ympäristöasiat ovat olleet säännöllisesti esillä korkeimman poliittisen tason tapaamisissa.

Yhteistyön tärkeimpiä tuloksia ovat olleet ilmansuojelun ja vesiensuojelun sopimukset (1990, 1992), joiden avulla on vähennetty rajan läheisiä päästöjä. Niitä tukemaan aloitettiin viime vuosikymmenen alussa lahjamuotoinen investointi- ja tekninen yhteistyö. Viidentoista vuoden aikana on Venäjän ympäristöinvestointeihin ja tekniseen apuun käytetty 53 miljoonaa euroa, kun koko lähialueyhteistyöhön on käytetty 140 miljoonaa euroa.

Suomen ja Venäjän kahdenvälisen yhteistyö tärkein kohde on Itämeren, erityisesti Suomenlahden tilan parantaminen. Hallituksen Itämeriohjelmassa on prioriteettina Suomenlahteen tulevien päästöjen vähentäminen erityisesti Pietarin alueelta. Tärkein lähiajan hanke koskee Pietarin Pohjoisen alueen kokoojaviemärin rakentamista, jonka osalta Suomi ja Ruotsi rahoittavat parhaillaan selvitystyötä. Lisäksi voidaan tukea Leningradin alueen päästöjen ja muiden Suomenlahden laskeuma-alueiden päästöjen vähentämistä.

Rehevöittävien päästöjen vähentämisen lisäksi tehdään yhteistyötä vaarallisten aineiden päästöjen vähentämiseksi ja merenkulun turvallisuuden ja öljyntorjunnan parantamiseksi.

Yhteistyö kattaa myös rajanläheisten hankkeiden ympäristövaikutusten arvioinnin ja ympäristövalistuksen ja koulutuksen. Yhteistyön tärkeänä tavoitteena on myös Venäjän ympäristöhallinnon vahvistaminen.

Metsien- ja luonnonsuojelussa on ollut pitkäaikaista ja laajaa yhteistyötä. Kärkihanke on Luoteis-Venäjän luonnonsuojelualueiden edustavuuden ja puutteiden arviointi. Menossa on kolmannen vaiheen ohjelma. Suomen ja Venäjän välillä on järjestetty kaksi metsähuippukokousta pääministereiden johdolla. Myös metsien suojelu on ollut näissä kokouksissa esillä.

Rakentamisen alalla on tuettu oppaiden ja normien kääntämistä.

Suomen on perusteltua jatkaa lähialueyhteistyötä Venäjän kanssa niin kauan, kuin tämä on oman ympäristömme kannalta kustannustehokas keino. Näköpiirissä on kuitenkin, että lahjamuotoinen tuki Venäjälle lopetetaan keskipitkällä aikavälillä, jolloin Suomenlahteen Pietarin ja Leningradin alueelta tulevien kunnallistalouden ja teollisuuden päästöjen tulisi olla käsittelyn piirissä.

Ympäristöministeriön käsityksen mukaan Venäjän supistuva lähialueyhteistyö pitäisi keskittää harvemmille sektoreille eli Pohjoisen ulottuvuuden Part-

nership -ohjelmien aloille (ympäristön suojelu, sosiaali- ja terveysala), jolloin niiden rahoitus voidaan pitää entisen suuruisena.

Merkittävä uusi yhteistyöala Venäjän kanssa koskee Kioton pöytäkirjan joustomekanismeja, erityisesti yhteistoimeenpanoa. Ensimmäinen Kioton pöytäkirjan toimeenpanoa koskevia järjestelyjä molemmissa maissa koskeva tietojenvaihto järjestettiin toukokuussa 2005. Tarkoituksena on käynnistää neuvottelut, jotka koskevat yhteistoimeenpanon järjestämistä.

Ympäristöministeriön tavoitteena on Suomen kannalta selvien ympäristöhyötyjen saaminen Venäjä-yhteistyössä. Tavoitteita toteutetaan keskipitkällä aikavälillä lahjamoitoisella alulla, jonka jälkeen siirytään normaaliin yhteistyöhön.

Ympäristöministeriö osallistuu hallituksen uudistetun lähialuestrategian valmisteluun ja pyrkii varmistamaan, että ympäristönsuojelu on edelleenkin strategian prioriteetti. Ministeriö toimii läheisessä yhteistyössä kauppa- ja teollisuusministeriön ja maa- ja metsätalousministeriön kanssa.

4.3.3 Yhteistyö Viron, Latvian ja Liettuan kanssa

Yhteistyö järjestettiin Baltian maiden itsenäistymisen jälkeen Viron kanssa sopimuksella (1991), Latvian (1994) ja Liettuan (1992) kanssa pöytäkirjalla.

Baltian maat ovat halunneet pitää yllä aikaisemmat yhteistyöjärjestelyt, ja kahdenväliset sopimukset ovat jatkuneet EU-jäsenyyden voimaantumisen jälkeen. Viron kanssa tehtiin lisäksi ns. viisaiden miesten selvitys yhteistyön jatkamisesta. Selvitys tuotti ympäristöyhteistyön alalla 12 suositusta, joiden toteutuminen ja yhteistyön jatkaminen on parhaillaan tarkastelun alla.

Viron, Latvian ja Liettuan kanssa on järjestetty ministeritapaamisia säännöllisesti ja näiden asialistalla on runsaasti EU-yhteistyöhön liittyviä asioita. Kiinteän yhteydenpidon jatkaminen puheenjohtajuuskauden yli on perusteltua, jolloin on aika tarkistaa linjauksia EU-politiikan näkökulmasta. Yhteistyön uudeksi painoalaksi nousee Itämeren alueen yhteistyön vahvistaminen EU:ssa.

Ympäristöministeriön tavoitteena on vahvistaa poliittista yhteistyötä Baltian maiden kanssa yhteisten intressien ajamiseksi erityisesti EU:ssa ja Itämeren alueella.

Annex 5. Significant multilateral environmental agreements, their specific funding mechanisms and Finland's support during 2001-2003

The table below is based on the joint assessment of environmental financing in Finland's development cooperation that MFA and MOE conducted in 2005. (Source: Ulkoasiainministeriö. 2005. *Kansainväliset ympäristösopimukset ja Suomen kehityspolitiikka.*)

Multilateral Environmental Agreement and convention specific funding mechanisms ⁶⁷	Support from Finland (2001-2003) average million EUR / year	Scope for increasing funding
MAIN INTERNATIONAL ENVIRONMENTAL CONVENTIONS:		
United Nations Convention to Combat Desertification (UNCCD)	EUR 3.7 million	
• Global Mechanism (GM)		x
• Global Environment Facility, GEF	x	
United Nations Convention on Biological Diversity (UNCBD) and the Cartagena Protocol on Biosafety	EUR 10.6 million	
• GEF	x	
United Nations Forum of Forests (UNFF) ⁶⁸	EUR 6.6 million	
• no specific funding mechanism		
United Nations Framework Agreement on Climate Change (UNFCCC) and the Kyoto Protocol	EUR 7.9 million	
• GEF	x	
• Least Developed Countries Fund (LDCF)	x	
• Special Climate Change Fund (SCCF, not operational before 2005)		x
• Kyoto Protocol Adaptation Fund (KPAF, not operational before 2005)		x
• Clean Development Mechanism (CDM), Joint Implementation (JI) and International Emissions Trading (IET)	x	x
The Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer	EUR 1.5 million	
• Multilateral Fund (MLF)	x	x
• GEF (for countries in transition)	x	
The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal	EUR 0.85 million	
• No specific funding mechanism		x
The Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (PIC)	EUR 0.28 million	
• Specific funding mechanism not yet established		x
The Stockholm Convention on Persistent Organic Pollutants (POPs)	EUR 0.3 million	
• GEF (specific funding mechanism not yet established)	x	x

⁶⁷ Financing can be channelled through e.g. multilateral organizations and bilateral programmes too.

⁶⁸ UNFF is an intergovernmental forum, not a convention.

Multilateral Environmental Agreement and convention specific funding mechanisms ⁶⁷	Support from Finland (2001-2003) average million EUR / year	Scope for increasing funding
CONVENTIONS SIGNIFICANT FOR DEVELOPING COUNTRIES:		
Convention on International Trade in Endangered Trade of Wild Fauna and Flora (CITES)	nominal	
• CITES-fund (with UNEP)		x
The Convention on the Conservation of Migratory Species of Wild Animals (also known as CMS or Bonn Convention)	nominal	
• Special fund administered by UNEP		x
Convention on Wetlands (Ramsar Convention)	nominal	
• GEF	x	
• Small Grants Fund		x
Convention Concerning the Protection of the World Cultural and Natural Heritage	nominal	
• UNESCO core budget	x	x
United Nations Convention on the Law of the Sea	nominal	
• United Nations general budget	x	x
International Plant Protection Convention (IPPC)	nominal	
• FAO core budget	x	x

Annex 6. Intervention Sample

Instrument	Notes
<p>Bilateral and regional grants:</p> <ol style="list-style-type: none"> 1. budget support provided to Mozambique 2. budget support provided to Nicaragua 3. Rural development sector programme (FOMEVIDAS), Nicaragua 4. Quang Tri Rural Development Project, Phases II and III, Vietnam 5. Sector Programme for the Educational Sector, Mozambique 6. Support to the Education Sector Strategic Plan, Zambia 7. Sector Programme for the Health Sector, Mozambique 8. Adult Lung Health Initiative, Kyrgyz Republic 9. Development of Water Supply in Small Cities, Vietnam 10. Community Water Supply Management Support Programme, Phase III, Namibia 11. Development of decentralisation and municipal administration (PROGESTION), Nicaragua 12. Capacity Building for Local and Regional Authorities, Namibia 13. Support to Asian Institute of Technology AIT, Phase III 14. Mekong Project Development Facility, IFC 	<p>A complete sample was included in the Terms of Reference.</p>
<p>Concessional credits:</p> <ol style="list-style-type: none"> 1. Rao II Bridge Project, Phase I, Vietnam 2. Pinatubo Waterways Rehabilitation Project, the Philippines 3. Luoyang Dairy Project, China 4. Hefei Aquatic Product Project, China 5. Rural electrification project, Honduras 6. Yanji Centralized Heating Project, China 	<p>Interventions from 1 to 5 were included in the Terms of Reference; the evaluator (Biota BD) added intervention number 6 to the sample.</p>
<p>Economic, industrial and technological (EIT) appropriations:</p> <ol style="list-style-type: none"> 1. Solar power to develop infrastructure facilities of the Central Region of Sri Lanka 2. Fish farming in Vietnam 3. Piloting of Finnkatt D catalysators in diesel-operated engines in Manila and Bangkok 4. Pre-feasibility study, export of solar energy equipment, Tanzania 5. Cooperation in the Environmental Impact Assessment for the Orinoco-project, Venezuela 6. Waste Water management with CBR-technology, feasibility study and training, Turkey 7. Improvement of waste water management in a garment factory in Windhoek, Namibia 8. Feasibility Study for Forestry Development Program, Kazakhstan 	<p>The evaluation team developed the sample in collaboration with the MFA officers responsible for EIT appropriations (ASA-31/33). The sample is representative both in terms of potential environmental impacts (positive, neutral, negative), different sectors and geographical coverage.</p>

Instrument	Notes
<p>Finnfund's operations:</p> <p>A sample of 5 projects was selected by the evaluation team in co-operation with Finnfund.</p> <p>The sample included:</p> <ul style="list-style-type: none"> • One project rated in environmental category A (EIA and Environmental and Social Management Plan Mandatory). • Three projects in category B (environmental review mandatory, requirements on ESMP depend on findings of the review), and • One project in category FI (indirect investment, inter alia environmental and social management system as requirement) 	<p>Finnfund released details on the projects and the applicable processes to the evaluation team on grounds of confidentiality.</p>
<p>Local co-operation funds:</p> <ol style="list-style-type: none"> 1. Ecuador: Youth training programme in governance, participation and leadership in Ecuador 2. Namibia: Institute for Public Policy Research, Democracy and Civic Education. Programme on democracy and governance, public opinion and public policy analysis. 3. Republic of South Africa, SPP, Surplus Peoples Project, Cape Town, Western Cape and NICRO (2004-2006), Muden economic development. 4. Nepal, Capacity Building of Women Cooperatives and Local Governance in Dhading District and Impact of Conflict on Protected Areas Management in Nepal, 2005-2006 5. Vietnam, Education, basic rights and improve livelihoods of minority peoples, LaoCai province (North of Vietnam), Research and Development Center for Population, Social and Environmental Affairs. 	<p>The evaluation team developed the sample to include interventions from different sectors and from Embassies managing both large and small LCF portfolios.</p>
<p>Support to Finnish NGOs' development co-operation:</p> <ol style="list-style-type: none"> 1. Highway of Tourism, Nicaragua (Kansainvälinen Solidaarisuussäätiö) 2. Irrigation project in Northern Nicaragua (Kansainvälinen Solidaarisuussäätiö) 3. Health Programme, Mozambique (Suomen Punainen Risti) 4. Health Centre Project, Benin (Frikyrklig samverkan/Finlands svenska baptistmission) 5. Training of teachers in Chimoio, Mozambique (U-landshjälp från folk till folk) 6. Village training programme, Vietnam (Fida International) 7. Ghindir Rayitu Integrated Rural Development Project, Ethiopia (Kirkon ulkomaanapu) 8. Expansion of the 4H-project, Tanzania (Suomen 4H-liitto) 9. Rehabilitation of Aira Hospital, Ethiopia (Suomen lähetysseura) 	<p>Complete sample was included in the Terms of Reference.</p>

Annex 7: Quantitative Analysis of Poverty Reduction Strategy Papers (PRSPs) for Poverty/Environment Linkages and Integration

This draft document is based on a World Bank document titled: Poverty Reduction Strategies and Environment, A Review of 40 Interim and Full Poverty Reduction Strategy Papers, Jan Bojo and Rama Chandra Reddy, June 2002, as well as discussions with the Canadian International Development Agency (CIDA)

Scoring:

0 = Issues not mentioned

1= Issues mentioned but not elaborated

2= Issues elaborated

3= Best practice on environment/poverty integration

PRSP Context

Does the PRSP?

	score	comment
Integrate environment as a cross-cutting theme?		
Consider environment as a strategic objective?		
Consider environment as an integral element of monitoring and evaluation?		
Consider environment as a theme which requires risk management?		
Evaluate environmental history and resultant situation of the country (cause and effect?)		
Integrate poverty environment issues into national development frameworks?		
Sub total		

Focus Issues

Does the PRSP?

	score	comment
Evaluate land use and resultant environmental problems (desertification, deforestation, erosion, overgrazing etc?)		
Evaluate issues related to loss of species and natural habitats?		
Evaluate water use and resultant environmental problems (access to potable water, water use and sustainable management, water quality and quantity, water equity)?		
Evaluate air issues and resultant environmental problems (air pollution, ozone depletion, greenhouse gasses, dust?)		
Respect Multilateral Environmental Agreements to which the country is a party (Ramsar, CBD,		

CMS, Climate Change etc)		
Evaluate natural resource methods of extraction and sustainability limits (including inputs such as energy, other raw materials?)		
Sub-total		

Causal Links Assessment

Does the PRSP?

	score	comment
Consider poverty profiles and resultant natural resource degradation (resource dependency and inequality?)		
Evaluate environmental vectors and resulting health issues (malaria, gastrointestinal illness etc) resulting from land, air, water or biomass degradation?		
Address environmental degradation and links to HIV/AIDs?		
Consider vulnerability of the population to social, economic and health stress due to environmental degradation and events (floods, storms, infertile soil etc)		
Address property rights and entitlements (land tenure, access, control over management?)		
Analyze economic catalysts and their relationship to environmental quality *price stability, market access, taxation, subsidies, policies, exchange rates, trade etc?)		
Make foreign investment more pro-poor and pro-environment?		
Encourage sustainable consumption and production?		
Enhance development cooperation and debt relief?		
Consider devolution of land and environmental management to local and community authorities (partnerships, co-management, decentralization, conservancies, empowerment?)		
Consider anti-corruption efforts to protect the environment and the poor?		
Consider gender equality in environmental management?		
Sub-Total		

Response Systems

Does the PRSP?

	score	comment
Consider how the environment can be managed sustainably (regulation, legislation, policy, taxation, incentives, voluntary, environmental		

standards, co-management, institutional development?)		
Evaluate how the country's ecosystems have the capacity to buffer any serious natural disasters or environmental shocks?		
Consider economic valuation of natural capital (including commercial and social use functions as well as ecological functions)?		
Implement pro-poor environmental fiscal reform?		
Integrate poverty – environment issues into economic policy reforms?		
Encourage more private sector involvement in pro-poor environmental management?		
Address how the environment can be monitored and evaluated regularly?		
Evaluate how investment in natural resources can be improved (land and water resources management and conservation, air quality, sustainable extractive industry management?)		
Expand access to environmentally sound and locally appropriate technology?		
Evaluate investment for human needs (health, housing, infrastructure, energy, water, education etc)		
Evaluate human and institutional capacity needs for sustainable environmental management?		
Sub-Total		

PRSP Development Process

Did the PRSP?

	score	comment
Have input from a broad range of environmental specialists, preferably in country?		
Have input from a broad range of policy, technical, social and scientific experts, preferably in country?		
Have input from a range of "publics" from the country and elsewhere?		
Have input from a range of environmental NGO's, and local environmental ministries and institutions?		
Allow sufficient time for proper consultation and redrafting?		
Sub-total		
TOTAL	Out of 120	

General indicators of a PRSP that has integrated poverty and environment issues together:

Assets of the Poor

- ✓ Skills and knowledge
- ✓ Health status and nutrition
- ✓ Clean water and sanitation
- ✓ Access to sustainable natural resources
- ✓ Access to financial resources
- ✓ Physical security and shelter
- ✓ Personal security
- ✓ Influence and Status
- ✓ Self-esteem and confidence
- ✓ Capacity to adapt
- ✓ Land Tenure

Opportunities to Use Assets

- ✓ Income generation (employment, self generated)
- ✓ Influence
 - ▶ Society (family and community)
 - ▶ Government policy
 - ▶ Private sector decisions
 - ▶ Environmental management

Enabling Conditions (barriers and links between assets and opportunities)

- ✓ Distance and mobility (physical and social)
- ✓ Information (access)
- ✓ Power relationships (gender, other)
- ✓ Systemic bias (gender, age, ethnicity)
- ✓ Social capital (social cohesion, conflict resolution, civil society mediation)
- ✓ Responsive Government (accountability, transparency, accessibility)
- ✓ Market
- ✓ Distribution systems and price
- ✓ Human and legal rights

Macro Environment and Potential Crisis (remedial or preventative; regional, national or international level → potential impact on the poor)

- ✓ Economic conditions
- ✓ Social Conditions
- ✓ Political Conditions
- ✓ Environmental Conditions

Expected Results

- ✓ Sustainable livelihoods
- ✓ Sustainable natural resource management
- ✓ Food security
- ✓ Personal security
- ✓ Physical security
- ✓ Health security
- ✓ Participation, voice
- ✓ Influence, pride, self esteem
- ✓ Relationship, sharing
- ✓ Sense of community and future
- ✓ Land tenure

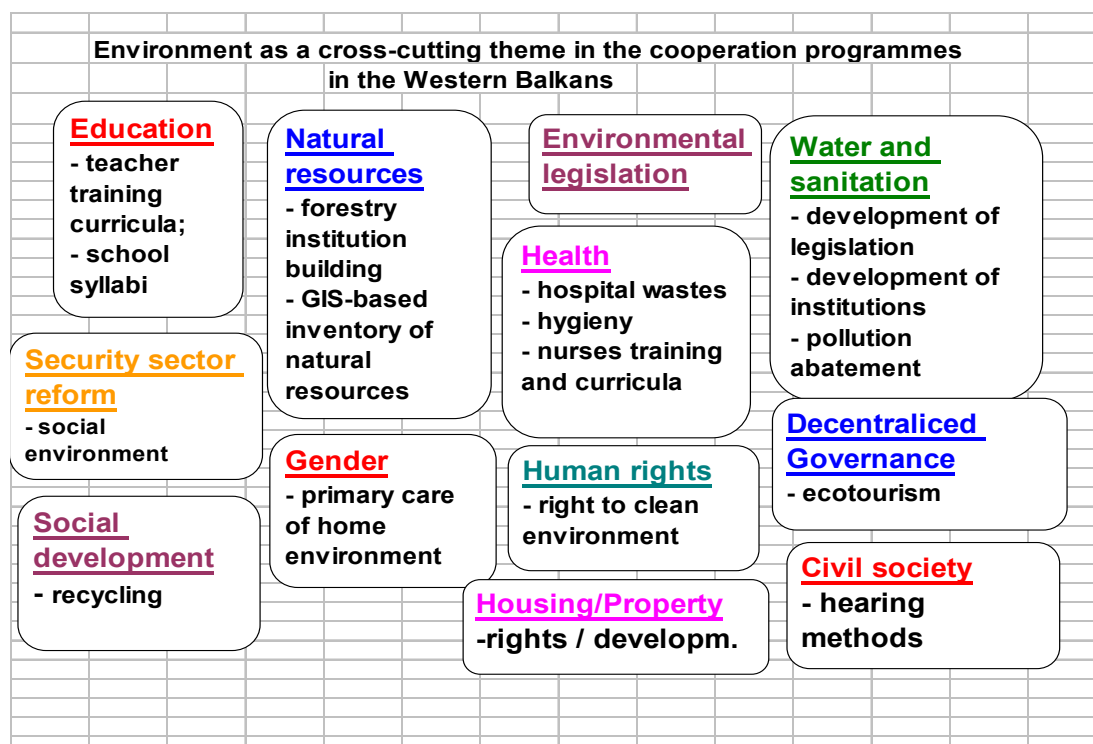
Annex 8. Some Examples of Environmental Mainstreaming

In this annex, some examples and ideas for possible further application in MFA interventions are presented. The review is by no means complete and it is quite possible that many better examples exist. Five cases are presented. They are:

1. Environmental mainstreaming in MFA's Western Balkans Programme
2. MFA's NGO Planning Manual
3. Environmental Screening Note and some checklists from DFID's Environment Guide (2003)
4. World Bank's environmental and social safeguards and an example of how biodiversity can be mainstreamed into rural development
5. Some checklists for SEA that the DAC Network on Environment and Development Cooperation has developed
6. The environmental impact screening form Finnvera applies in its export financing activities conducted according to the normal OECD terms.
7. IUCN experiences from mainstreaming gender equity into environmental management activities

Case 1. MFA's Western Balkans Programme (source: A Päivöke, MFA)

The chart below presents some good ideas how environment can be mainstreamed into many sectors and themes in bilateral aid instruments.



Case 2. MFA NGO Planning Manual (2005)

The MFA Unit for Non-Governmental Organisations revised the planning and reporting formats for NGOs in 2005. Below are an excerpt from the Application Form to provide an example of an environmental check list and procedures to follow at design stage.

Environmental impacts

Each alternative may also have different environmental impacts. When defining the project scope, the environmental risks as well as the opportunities for positive enhancement should be assessed. Impacts may occur during the actual implementation phase, or they may be long-term.

Each project should go through an environmental screening process. The aim is to identify if any risks are involved or if the positive opportunities require further analysis. Based on the screening, more detailed environmental assessment may be needed, or planning may continue without further study. The following issues may be considered during tentative screening:

- The sensitivity of the area's environment to disturbances: sensitivity to erosion or wear of vegetation cover, ecologically valuable and sensitive areas (e.g. mangrove forests), occurrence of natural disasters, etc.
- Direct and indirect impacts of the project implementation: impacts of construction, acquisition of raw materials, disposal of wastes due to project implementation, etc.
- Long-term environmental impacts: increased pressure on the use of natural resources, changing patterns of natural resources management (e.g. change in grazing rotation due to construction of wells), waste disposal, down-stream impacts, etc.
- Opportunities to prevent negative environmental impacts: appropriate waste management technology, environmental monitoring, construction of protective structures, etc.
- Opportunities for environmental enhancement: combining environmental awareness raising with health education, construction of tree nurseries beside the new water points, etc.

Based on the assessment, one may define whether the project is:

- a) An environmental project whose objectives are mainly environmental
- b) A project that may have significant environmental impacts
- c) A project that will not have significant environmental impacts

If the screening reveals a risk for significant environmental impacts, a more detailed assessment is necessary [group b)]. Several guidelines on environmental impact assessment (EIA) are available. In the case of a project belonging to group a), more detailed assessment is by default a part of the project.

Case 3. DFID's Environment Guide. A guide to environmental screening (2003)

DFID has procedures in place for environmental screening of interventions. The Environment Guide (latest update 2003) provides DFID staff advice on planning and managing the environmental appraisal of DFID interventions.

The objective of the guide is "to provide all DFID staff, particularly project officers, with sufficient advice and guidance to enable them to undertake environmental screening." The Guide provides advice and details procedures for initial environmental screening of interventions, and wider appraisal (EIA, SEA) processes. Advice is provided also for screening PRSPs and direct budget support. The guide makes a point that environmental screening should go hand in hand with developing the project concept (start from identification).

DFID uses the Environmental Screening Note (copy in the box below) in the initial screening. The Note needs to be signed by both the lead project officer and the appropriate environmental adviser.

<p>DFID Environment Guide. Environmental Screening Note (ESN)</p> <hr/> <p>Section A – Basic Information</p> <p>Project title: copy from concept note or other relevant document</p> <p>Project cost: may have to be an estimate at this stage – mentioning if agencies outside DFID are involved in co-funding</p> <p>Duration: may have to be an estimate at this stage</p> <p>Country: you will know this!</p> <p>Department: relevant funding department/s in DFID</p> <p>Lead project/desk officer: project officer identified for the intervention</p> <p>Officer responsible for environmental screening: may be same as above but please specify for monitoring purposes</p> <p>Brief description of intervention: this could be the 'purpose' of the intervention taken from the concept note. Please mention any specific aspects that are of particular relevance to the environment or to poor people's livelihoods.</p> <hr/> <p>Section B – Assessment</p> <p>Environmental issues: (refer to checklists in the Environment Guide) Please list the key environmental issues raised by this intervention. This might include:</p> <ul style="list-style-type: none">• opportunities to strengthen the environmental sustainability of this intervention; or• risks that need to be managed. <p>Please refer to the checklists in section 6, which are organised according to topics/sectors. These will offer further guidance, although the lists are not intended to be exhaustive.</p>

DFID Environment Screening Note, continued

Next steps: (where possible indicate the responsible officer and the time frame)

Summarise any actions to deal with the issues above, and who will be responsible for taking these actions forward.

The project officer should ensure that:

- these actions are reflected in project documentation including the log frame and project memorandum;
- a budget is set aside for these activities if necessary; and
- appropriate monitoring and evaluation is identified, and carried out through the project cycle management process.

If you are having trouble completing the ESN due to lack of information, there may be a need for further study. The best person to talk to is the environment adviser who can provide advice on further environmental investigation.

Any other comments:

This is a space for other relevant information such as:

- comments on capacity for environmental management in country;
- capacity of implementing institutions;
- comments on environmental trends in the country or region; or
- information on related environmental projects implemented by government or other donors.

Section C – Sign off

Environment adviser: Date:

Lead project officer: Date:

The DFID Environmental Guide also includes detailed checklists by development themes. Two checklists are attached as examples: a checklist for local government reform / decentralisation (governance) and a checklist for direct budget support.

DFID Environment Guide. Checklist for local government reform / decentralization (governance)

Opportunities

- Decentralisation can bring major environmental benefits by improving local level environmental governance and management, improving delivery of environmental services and enabling appropriate local solutions to environmental problems to be developed. Decentralised approaches are often more sensitive to local environmental conditions than applying 'one size fits all' solutions from central government.
- Local authorities usually have core environmental functions, such as physical planning, control of natural resources, solid waste management, and public health. These issues are often high priorities of the poor. An effective decentralisation process provides opportunities to deliver services in ways that are more responsive to the needs of local people, including the poor.
- Capacity-building can be provided at the local level to effectively implement core environmental functions, planning and environmental management. This might include strengthened capacity to regulate and monitor the environment and deliver services such as water, sanitation and waste management.
- Empowerment of communities and marginal groups can provide opportunities to give the poor greater voice and control over resources on which their livelihoods depend.

Risks

- Local authorities may not have adequate capacity to address environmental management issues, so their actions may be unsustainable or harmful. They may:
 - fail to integrate environmental issues into planning processes;
 - be unaware of opportunities for improved environmental management and the wise use of land, water and natural resources; or
 - have inadequate physical or human capacity to carry out their remit.
- Environmental issues are often geographically spread over a number of administrative boundaries – for example across watersheds or river basins. Such issues may not be adequately addressed unless local and national authorities work together.

DFID Environment Guide. Checklist for Direct Budget Support (DBS)

Opportunities

- Budget support is linked to poverty reduction strategies (PRSs) or national development plans, and is provided to help meet the targets set out in these strategies. Appropriate poverty-environment targets from the PRS should be included in the budget support monitoring framework.
- Plans for DFID budget support are often developed in conjunction with other donors, particularly the World Bank. Donors should work together to look at the integration of environmental issues into negotiation and implementation of this support (e.g. in the poverty reduction support credit agreement).
- It is often necessary, at an early stage of direct budget support, to carry out more data gathering and analysis in the form of a strategic environmental assessment, a country environmental analysis or other studies.
- Technical assistance is often provided to complement budget support. This could include capacity building for effective integration of environmental issues, and better environmental management.
- Environmental performance and impacts can be integrated into national accounting mechanisms to provide a more balanced analysis of the budget (this is known as 'green' accounting).

Risks

- The nature of budget support – where the funds contributed by donors cannot be separated from the national budget – involves an inherent risk. The government may undertake development activities that are environmentally damaging, unsustainable, or threatening to the livelihoods of the poor. This is an issue to which donors need to be sensitive.
- There may not be a suitable environmental management framework in place to ensure that the PRS will be implemented in a way that promotes environmental sustainability. Key aspects of a suitable framework include: an autonomous national agency responsible for environmental management, an active parliament and civil society, suitable regulations and laws that can be enforced.

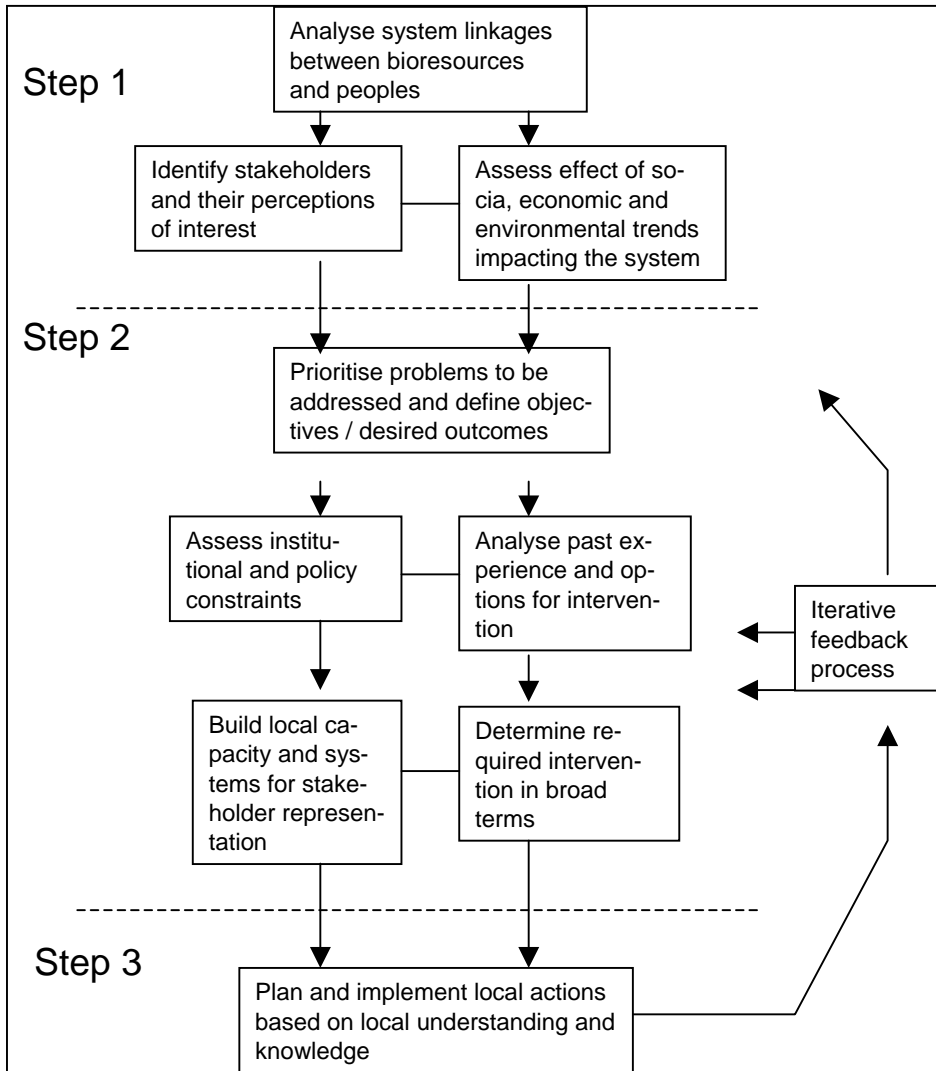
Case 4. World Bank's environmental and social safeguards and an example of how biodiversity can be mainstreamed into rural development

The World Bank has approached environmental mainstreaming in several ways. The environmental and social safeguards process is perhaps the Bank's most overarching attempt at mainstreaming. It has brought environmental specialists on every project team. Their function is to do EIAs (an integral part of safeguards process) and to help maximize environmental outcomes of the project.

In addition to the safeguards, the Bank has also had other attempts at mainstreaming environment - and biodiversity especially - through various means. The Environment Department Paper # 85 by Grimble and Laidlaw

(2002) "Integrating Biodiversity Concerns in Rural Development Projects and Programs" discuss mainstreaming biodiversity conservation in rural development. The chart below depicts a process for identifying and understanding bioresource problems from local perspectives and preparing rural development projects.

Step 1 is Analysing the System, Step 2 Developing a Vision and Rationale for Action and Step 3 Implementation and Feedback.



Case 5. Checklists for SEA from the DAC Network on Environment and Development Cooperation

The two checklists below are from the Good Practice Guidance on Strategic Environmental Assessment (SEA). Second draft, 14 December 2005.

DAC Working Group on Environment and Development Cooperation. Checklist of key questions for SEA on PRS

Decision/Activity

- Does the PRS adequately address the contribution of environmental issues to poverty reduction? Does it promote good environmental management as a means of tackling poverty reduction and economic growth?
- How well are environmental concerns, from national to local level, incorporated into the PRS structure? How far are they integrated across all PRS goals and objectives? What links, if any, are made between environmental issues and other sectoral objectives such as poverty reduction?
- How have environmental and natural resource issues been identified in sectoral reviews? Has there been a review of environmental expenditure? Are poverty-environment linkages used to prioritise poverty reduction sectoral targets and implementation measures?
- What can be learned for future revisions of the PRSP document and other PRSP processes, and what are the key next steps to improve pro-poor environmental outcomes through the PRS?
- How are the PRS objectives aligned with the Millennium Development Goals?, and is the PRS consistent with or linked to the MDG-based development strategy?

Linkages/Impacts

- Is there a clear understanding of the poverty-environment links within the country?
- How much do the country's main natural resource sectors contribute to economic growth? Are there opportunities for them to be better utilised to enhance pro-poor growth?
- Are the country's growth targets vulnerable to environment-related shocks? What needs to be carried out to improve the situation?
- What are the levels of dependence of the poor on environmental goods and services? How much employment or income-earning opportunities do natural resources provide, particularly to the poorest?
- Is there recognition of the effects of environmental hazards on health, livelihoods and vulnerability?
- Are the issues of illegal resource use and corruption within the natural resource sectors openly debated? How are they being tackled?

DAC Working Group on Environment and Development Cooperation. Checklist of key questions for SEA on PRS, continued

Institutional/Implementation

- Are key poverty-environment indicators included in the PRS monitoring plan? What is the institutional capacity for carrying out poverty and environmental monitoring and evaluation? What indicators have been developed for monitoring?
- What steps are in place to follow through to budget allocations and implementation programmes – taking account of priorities based on an analysis of poverty-environment linkages?
- Are any natural resource/environmental agencies undertaking new or expanded activities or changing the way they work to implement PRS related activities?
- Are government and donor funds sufficient to implement the PRS sustainability activities? Has the money filtered down to regional and local levels?
- Is co-ordination across government sufficient to deliver on the cross-cutting environmental and natural resource issues over time? Have new cross-departmental committees, groups and/or new units inside other ministries been established to deal with environmental issues? What changes to the institutional make-up are still needed, at all levels?

DAC Working Group on Environment and Development Cooperation. Checklist of key questions for SEA of policy reform and budget support

Decision/Activity

- What is the nature of the DPL (Development Policy Lending) or DBS (Direct Budget Support) programme and hence what level of analysis is to be applied? Are the goals and objectives of the macro-level programme broad or specific?
- Does the DPL or DBS explicitly support national environmental and sustainable development policies?
- Is there sufficient quantitative (as opposed to solely qualitative) information for the SEA?

DAC Working Group on Environment and Development Cooperation. Checklist of key questions for SEA of policy reform and budget support, continued

Linkages/Impacts

- Have the linkages between the proposed reforms and the environment been identified? Are these well understood or do they need further analysis?
- Have the "transmission channels" been identified and indirect or unexpected effects on the environment traced?
- Have specific measures been devised to counteract the potential negative effects of the proposed reforms? Alternatively, are there clear linkages to identify how other national policies/programmes are mitigating the potential negative effects?
- Is there potential for enhancing positive effects? Have these been maximised?
- When will effects materialize - within the life of the operation or beyond?
- What is the capacity of the environment to respond to the effects resulting directly or indirectly from the DBS programme?

Institutional/Implementation

- What is the proposed delivery method for the DPL or DBS programme?
- Are there any market, policy or institutional failures that need to be considered in order that operational design can be sensitive to the effects of distortions in other parts of the economy?
- What is the institutional capacity to understand and respond to the linkages between policies and the environment on a sustained and adaptive basis? What steps can be taken to support this process?
- What is the level of public concern at the local, national and international levels about the DBS programme? Does the government require the public disclosure of information and data about the environment and natural resources? Is public engagement part of the policy process?

Case 6. Finnvera environmental screening form

The attached form is the environmental screening form Finnvera applies in its export financing activities conducted according to the normal OECD terms. The screening form (and other requested information) is used to establish whether Finnvera export credit guarantee involves a project that requires environmental classification.



ENVIRONMENTAL IMPACT QUESTIONNAIRE
Confidential

1 General Information	Finnvera's guarantee number or date of application	Applicant	
	Exporter		
	Buyer	Country	
	Exported product(s) and a brief description of the project where the product(s) is(are) delivered to		
2 The Product	Does the exported product meet recognised environmental standards?		
	<input type="checkbox"/> Finnish/EU	<input type="checkbox"/> Host Country	
	<input type="checkbox"/> Other, please specify: _____	<input type="checkbox"/> None	
3 Environmental Impacts of the Project	Will the project have significant actual or potential, beneficial or reverse environmental impacts (air emissions, liquid effluents, wastes, noise, significant resource requirements or adverse social impacts like relocation of human settlement)?		
	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
	What kind of impacts?		
	Does the project meet recognised environmental standards?		
	<input type="checkbox"/> Finnish/EU	<input type="checkbox"/> Host Country	
	<input type="checkbox"/> Other, please specify: _____	<input type="checkbox"/> None	
	Does the project require a local environmental permit?		
	<input type="checkbox"/> Yes, please attach a copy	<input type="checkbox"/> No	
	Does the project fall under local environmental impact assessment (EIA) law?		
	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
	Has an environmental impact assessment (EIA), environmental audit, or other environmental study been prepared concerning the project?		
	<input type="checkbox"/> Yes, please attach a copy of the report	<input type="checkbox"/> No	
	Type and writer of the report:		
What is the exact geographical location of the project?			
What is the project site currently used for?			
<input type="checkbox"/> Residential area	<input type="checkbox"/> Industry	<input type="checkbox"/> Agriculture	<input type="checkbox"/> Virgin nature
<input type="checkbox"/> Other, please specify: _____			



ENVIRONMENTAL IMPACT QUESTIONNAIRE
Confidential

	Please indicate if the project will be located in, or could have an environmental impact on any of the following:	
	<input type="checkbox"/> Habitat of endangered flora or fauna or areas of high concentration of biological diversity	<input type="checkbox"/> Areas of particular social interest (e.g. habitats of indigenous or tribal groups)
	<input type="checkbox"/> Areas of unique cultural, historical, archaeological, or scientific value	<input type="checkbox"/> Tropical or subtropical forest or vegetation zone
	<input type="checkbox"/> National park or other protected area, or the margins of these (e.g. UNESCO World Heritage List: http://www.unesco.org/whc/heritage.htm)	<input type="checkbox"/> Coastline, river basin, coral reef, wetlands, mangroves, or other sort of areas close to a vulnerable aquatic ecosystem
	<input type="checkbox"/> Area subject to erosion, desertification, salinisation, or other sort of soil damage	<input type="checkbox"/> Area prone to seismic activity
	<input type="checkbox"/> None of the above	
	Has there been any environmental accidents at the project? Or has the project had any administrative or court proceedings or public complaints due to environmental problems?	
<input type="checkbox"/> Yes, please specify below:		
<input type="checkbox"/> No		
4 Signature	The information above has been given to the best of our knowledge and understanding. We undertake to inform Finnvera without delay if the information concerning environmental impacts of the project changes or if anything comes to our knowledge which proves the above information to be incorrect. We also undertake to provide you with any further information, if requested.	
	Contact person	Telephone number
	Signed on behalf of (company name)	Official signature
	Place and date	Name (block capitals)

Case 7. IUCN website www.genderandenvironment.org

In March 2006, IUCN relaunched the website on gender initially launched in 2002 (www.genderandenvironment.org). Among other things, the website contains case studies, manuals and fact sheets that address mainstreaming of the gender perspective throughout environmental projects and a broad range of initiatives. The site addresses the gender-environment link e.g by providing information related to gender policy, including treaties, international agreements, national policies and policy-making guidelines,

