



# Environment in International Development



...towards a safe and just world

New Zealand's International  
Aid & Development Agency

# NZAID POLICY FOR ENVIRONMENT IN INTERNATIONAL DEVELOPMENT

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# INTRODUCTION

This policy outlines New Zealand's approach to environmental issues in international development assistance. It will guide NZAID's work with developing country partners. The policy is also intended to guide New Zealand's involvement in multilateral fora and its involvement with developing country government agencies, civil society and NGOs in helping developing country partners to realise their environmental development goals.

NZAID's individual programme strategies will apply the policy at operational level, spelling out environmental issues of significance to poverty elimination in the context of partner priorities.

The mainstreaming component of this policy, including an update of the 1990 policy direction on environmental impact assessment, will be detailed in the *NZAID Cross-Cutting Policies' Plan of Implementation* and the agency's Risk and Impact Assessment Tools.

NZAID's overarching policy statement, *Towards a Safe and Just World Free of Poverty*, along with other supporting policy statements, mainstreaming plans of implementation, and programme strategies, can be found on NZAID's website, [www.nzaid.govt.nz](http://www.nzaid.govt.nz)

This policy document is in two parts. Part 1 sets out NZAID's analysis of the links between environment, poverty, and sustainable development. Part 2 details New Zealand's priorities for environment in international development assistance.

Environmental sustainability is the foundation on which strategies for achieving all the ... Millennium Development Goals must be built, because environmental degradation is causally linked to problems of poverty, hunger, gender inequality, and health. Protecting and managing the natural resource base for economic and social development in developing countries, especially, and changing consumption and production patterns, particularly in wealthy nations, are fundamental requirements for improving human health and well-being. Integrating the principles and practices of environmental sustainability into country policies and planning programs is therefore a key to successful poverty reduction strategies.

*Investing in Development (2005): Millennium Project Report to the UN  
Secretary-General*

### NZAID ENVIRONMENT POLICY SUMMARY

#### Goal

A protected and enhanced natural resource base for sustainable development and poverty elimination.

#### Areas of focus

New Zealand will place a high priority on engagement in the following two areas, while remaining responsive to partner needs:

##### **1. Enhanced capacity of poor people to manage their environment, including:**

- sustainable management of terrestrial, marine and freshwater resources crucial to their livelihoods;
- preparation for, and response to, natural disasters;
- preparation for, and response to, long-term environmental change such as climate change;
- accessing of environmentally sound and locally appropriate technologies, including for energy, water and waste management.

##### **2. Improved environmental governance for the poor by:**

- integrating environment into national development planning;
- developing locally appropriate policy, legislation, structures, processes and strategies for land and resource planning within accountable governance frameworks;
- assisting in the resolution of land and resource ownership issues, including access and benefit sharing, and reducing environment-related conflict;
- achieving locally appropriate environmental protection and enhancement;
- including communities in environmental governance.

#### Approach

NZAID will implement this policy by concentrating on the areas of focus in programming and policy engagement, and by mainstreaming environmental sustainability into all its work:

- **Programming:** The policy will guide the development of bilateral and regional programme strategies. It will also guide NZAID's engagement in international fora and processes via the agency's Multilateral Engagement Strategy.
- **Policy engagement:** The policy will provide guidance to NZAID policy dialogue with developing country partners, regional agencies, New Zealand agencies working in development assistance, and in regional and multilateral fora.
- **Mainstreaming:** NZAID will ensure that best practice environmental management is applied to all NZAID programme activities.
- **Operating principles:** NZAID will implement this policy according to the operating principles in the agency's policy statement, Towards a Safe and Just World Free of Poverty.



## **PART 1: ENVIRONMENTAL SUSTAINABILITY AND POVERTY ELIMINATION**

### **ENVIRONMENT, POVERTY AND COMMUNITIES**

Natural resources are the principal assets of poor people. It is widely recognised that poor people are the most severely affected when the environment is degraded, or access to natural resources is limited or denied. They suffer most when water, land and air are polluted. Poor people are often those most exposed to environmental hazards and the least capable of coping when disasters such as droughts, floods or cyclones occur. They may have little option but to use already limited local resources, and in doing so they may contribute to environmental degradation.

The ability of poor people to manage their environment is influenced by a number of factors. For rural poor – who comprise three quarters of all poor people – lack of access to land, resources, capital, and management and technical capacity, can be significant issues. For urban poor, limited access to water and sanitation are likely to be major problems. Population pressures are increasing in many poor and ecologically fragile zones in urban as well as rural areas. These can contribute both to increased poverty and accelerated environmental degradation.

Integrated approaches to environmentally sustainable development that include community participation are particularly important for addressing the needs of the poor. They are especially significant where communities retain strong day-to-day decision-making roles in resource use, or where government service delivery at the level of individual communities is limited. Participatory approaches to development assistance have shown that community-based solutions can be locally owned and sustained over time.



### Community-based conservation in the Pacific

For more than 20 years, Pacific environmental protection followed a model of national-level action based on national parks and reserves legislation. This achieved a very small number of protected areas and many of these were never able to be formally gazetted because of disputes with communities over land and resource tenure issues. In the past 10 years community-based, sustainable development has seen many hundreds of protected areas established by customary landholders. The majority are operated successfully, to the benefit of local communities. Community-based conservation areas are now the main means by which Pacific governments realise national conservation targets.

Action to reduce the negative impacts of the environment and environmental change must involve community partnership and, in particular, the participation of those groups otherwise less able to participate: women, young people and those without secure access to land and natural resources. Such action must also be based on detailed understanding of issues at community and national levels.

**Summary:** *Poor communities, in both rural and urban settings, are particularly vulnerable to environmental degradation. Action to reduce negative impacts at this level must involve community partnership and enhancement of community capacity.*



### INTERNATIONAL AGREEMENTS AND NZAID'S POLICY STATEMENT

In 1987 the World Commission on Environment and Development defined sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". It has also been defined as "improving the quality of human life while living within the carrying capacity of supporting ecosystems"<sup>1</sup>.

The 2002 Johannesburg Plan of Implementation (JPOI) represents the most recent global consensus on sustainable development. It asserts that "poverty eradication, changing unsustainable patterns of production and consumption, and protecting and managing the natural resource base of economic and social development are overarching objectives of, and essential requirements for, sustainable development". The JPOI promotes "the integration of the three components of sustainable development – economic development, social development and environmental protection – as interdependent and mutually reinforcing pillars".

*"Human activities are having an increasing impact on the integrity of ecosystems that provide essential resources and services for human well-being and economic activities. Managing the natural resources base in a sustainable and integrated manner is essential for sustainable development."*

Johannesburg Plan of Implementation (2002)

At the United Nations Millennium Summit in September 2000, world leaders agreed to the Millennium Declaration. This contained a statement of values, principles and objectives for international action in the twenty-first century. The declaration states that no efforts must be spared to counter the threat of the planet being irreversibly spoiled by human activities. It reaffirms the principles set out in Agenda 21, the 1992 programme for global action to ensure sustainable development.

<sup>1</sup> *Caring for the Earth: A Strategy for Sustainable Living* (1991). The United Nations Environment Programme, World Wildlife Fund for Nature, World Conservation Union

## International Agreements

Following the summit, eight Millennium Development Goals (MDGs) were developed as a blueprint for achieving the commitments of the Millennium Declaration and to galvanise efforts to meet the needs of the world's poorest people. MDG 7 identifies the importance of environmental sustainability to poverty elimination:

### **MDG Goal 7: Ensure environmental sustainability<sup>1</sup>**

*Target 9:* Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.

*Target 10:* Halve, by 2015, the proportion of people without sustainable access to safe drinking water.<sup>2</sup>

*Target 11:* By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers.

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<sup>1</sup> In 2001 the United Nations adopted a framework of indicators to measure progress against the MDG targets.

<sup>2</sup> The Johannesburg Plan of Implementation added a parallel target for sanitation to target 10.

New Zealand is committed to the JPOI and the MDGs, and recognises that sustainable development and poverty elimination are only possible if the environment is adequately taken into account. Therefore, NZAID's policy statement, *Towards a Safe and Just World Free of Poverty*, directs New Zealand's international development assistance to:

- have a central focus on eliminating poverty in developing countries;
- maintain a core geographic focus on the small island developing states of the Pacific;
- achieve as one of its four strategic outcomes, sustainable and equitable development, in particular:
  - sustainable natural resource management (marine, freshwater and terrestrial);
  - maintenance of biodiversity.

**Summary:** *New Zealand is committed to international agreements that give a high priority to sustainable development. NZAID's policy statement reflects this commitment and identifies the need to consider protection of the environment a key pillar of poverty elimination.*



### THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

The natural environment is a crucial component of sustainable development. Ecosystems provide food and water; affect the climate, regulate floods and disease; support processes such as soil formation and nutrient cycling; and provide recreational, spiritual, religious and other non-material benefits<sup>2</sup>. Together these can be described as ecosystem services.

Improved management of the natural resource base is therefore crucial to sustainable development. It is also crucial for poverty elimination. Various international fora have identified ecosystem services that must be protected and enhanced if poverty is to be eliminated. For example, the JPOI refers to the need to ensure poor people's access to safe drinking water and sustainable energy sources. The 2005 Mauritius Plan of Implementation<sup>3</sup> identifies a number of ecosystem services important to small island states, including fisheries resources, climate regulation, and absorption of waste. All of these require protection and enhancement through, respectively, improved fisheries management, better adaptation to climate change, and improved waste management.

Decline in ecosystems services presents a threat to poverty elimination efforts. In 2000 the United Nations Secretary-General called for the Millennium Ecosystem Assessment to consider the consequences of ecosystem change for human well-being. The assessment, which was released in 2005, concluded, "The loss of services derived from ecosystems is a significant barrier to the achievement of the Millennium Development Goals to reduce poverty, hunger and disease"<sup>4</sup>.

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<sup>2</sup> Millennium Ecosystem Assessment Report, 2005, UNEP.

<sup>3</sup> In January 2005 a UN global meeting in Mauritius focused on the needs of small island states and produced the Mauritius Programme of Action for the Sustainable Development of Small Island Developing States.

<sup>4</sup> Millennium Ecosystem Assessment Report, 2005, UNEP.



The environmental, social and economic components of sustainable development are interdependent and therefore influence poverty elimination in complex ways and over varying timeframes. For instance:

- people living with HIV/AIDS are more vulnerable to the effects of environmental degradation such as desertification, which affects both livelihoods and health;
- increases in population density and urbanisation can degrade environmental resources such as drinking water sources. The resulting effects on health are likely to be greatest for poor people;
- lack of accountable governance frameworks for natural resource allocation can lead to unsustainable and/or inappropriate use of scarce natural resources;
- economic incentives can affect natural resources and subsequently vulnerable people; for instance, uncontrolled harvesting of forests can lead to increased risk of flooding and long-term soil infertility;
- other social factors such as changes in population or land tenure can alter resource use patterns, affecting poor people.

### **Examples of long-term environmental effects on poverty**

Felling of sandalwood in Aneityum, Vanuatu, during the 18th and 19th centuries has rendered significant land areas infertile and unable to support either subsistence gardens or plantations. The accelerated erosion associated with the clear-felling has also destroyed coral reefs and the fisheries around them.

Establishment of prawn farms in southern Thailand (and elsewhere in Asia) has salinised local water tables, destroying the capacity of neighbouring environments to support traditional rice cultivation. More affluent prawn-farming entrepreneurs have displaced local communities and increased their vulnerability to poverty.

## Environment and Sustainable Development

Development can often come in the form of new technologies, but these can usually assist poor people only if they are locally appropriate and environmentally sound.

Many of the processes that drive ecosystems – for example, climate change – operate over longer timeframes than other development issues. This can give rise to the perception that environmental issues are not a matter for urgent attention. However, international development experience shows that lack of attention to sustainable environmental management will undermine development outcomes. Environmental degradation can have significant and sometimes irreversible long-term effects that may lock in the conditions for inter-generational poverty. In recognition of these generational timeframes and the scale of societal change required to deal with environment and development issues, the international community, through the JPOI in 2002, called for renewed emphasis on education. This led to the UNESCO-driven Decade for Education for Sustainable Development, 2005-2014.

Although there are common themes in developing country priorities for sustainable development, there are also significant variations. This is particularly so for NZAID's core focus on countries in the Pacific.

### Pacific priorities for sustainable development

Throughout the Pacific there is a general dependence on natural resources for economic development, particularly through agriculture, fisheries and tourism, and to meet subsistence livelihoods. Pacific Island ecosystems are closely interdependent – for example, agricultural activities, can have direct and almost immediate impacts on lagoon and reef resources. Small island developing states are generally vulnerable to natural disasters. Economic and social recovery from such events is particularly dependent on the resilience of natural ecosystems.

Differences in sustainable development priorities are many. For instance, Pacific atoll states such as Tuvalu and Kiribati place a particular priority on sustaining fresh water sources and managing waste, while Palau places a high priority on building capacity to manage the environmental effects of infrastructure and tourism development. Pacific states also vary in the priorities they give to natural disaster preparedness; for instance volcanoes and earthquakes are recognised as posing a greater risk in the western Pacific than elsewhere.<sup>1</sup>

<sup>1</sup> *Environment Policy Information Survey and Assessment Report (2005), Pacific Environment Consultants Ltd*

**Summary:** Sustainable development and poverty elimination are only possible if environmental processes and timeframes are taken into account. Decline in ecosystems presents a threat to poverty elimination efforts. New technologies can only assist poor people if they are locally appropriate and environmentally sound.



### THE IMPORTANCE OF GOVERNANCE AND PLANNING

New Zealand recognises that governance issues are central to environmental management, resource use and sustainable development generally. In particular, New Zealand acknowledges the importance of effective governance in preventing unsustainable and/or inappropriate use of scarce natural resources. Integrating the three components of sustainable development is dependent on appropriate and effective governance at all levels. Poverty can result from lack of access to natural resources and to the processes that govern their use and development. Frustration over real and perceived inequalities in access to natural resources is a common source of conflict.

In the Pacific region, community-based decision-making on land tenure and the daily management of natural resources means that national, sub-national and community governance structures must be well integrated in order to be responsive.

Environmentally sustainable development has been given a high priority by developing and developed countries alike, but governments tend to allocate national budgets to more immediate and easily recognised needs in education, health, law and justice. It is a challenge for developing countries to integrate the environment into national planning, yet it is perhaps the single most important policy issue for developing countries and their donor partners.

*"Integration across sectors is key to sustainable development. In order to ensure this integration, the policy actions required to address the interlinkages ... are vital. In this regard, a national sustainable development strategy, or an equivalent integrated national development plan, is an important policy action. In Johannesburg in 2002, we committed to have these in place by 2005. We reaffirmed that commitment in Mauritius earlier this year."*

Pacific Islands Forum Statement to CSD 13 (2005)

**Summary:** *Improving environmental governance and decision making at all levels - particularly through integrating environmental concerns into national planning - is crucial for sustainable development and poverty elimination.*

## PART 2: NZAID POLICY

### THE POLICY GOAL

The goal of the NZAID Policy for Environment in International Development is to bring about a protected and enhanced natural resource base for sustainable development and poverty elimination.

This reflects New Zealand's commitment to the Johannesburg Plan of Implementation, the Millennium Development Goals and NZAID's policy framework.

NZAID will meet the policy goal by focusing on the following two areas, while remaining responsive to partner needs:

#### **(i) Enhanced capacity of poor people to manage their environment**

NZAID will assist poor people improve their capacity to:

- sustainably manage terrestrial, marine and freshwater resources crucial to their livelihoods;
- prepare for, and respond to, natural disasters;
- prepare for, and respond to, long-term environmental change such as climate change;
- access environmentally sound and locally appropriate technologies, including for energy, water and waste management.

#### **(ii) Improved environmental governance for the poor**

NZAID will place particular emphasis on partner priorities for improving environmental governance, especially:

- integrating pro-poor environment issues – particularly community-based approaches to environmental management, adaptation to climate change, and population policies – into national development planning;
- developing within accountable governance frameworks locally appropriate policy, legislation, structures, processes and strategies for land and resource planning;
- assisting in the resolution of land and other resource ownership issues, including access and benefit sharing, and reducing environment-related conflict;
- achieving locally appropriate environmental protection and enhancement;
- including communities in environmental governance.



### **APPROACH**

NZAID will implement this policy by concentrating on the two areas of focus in both its programming and policy work, and it will mainstream environmental sustainability into all its activities. This approach is underpinned by some key operating principles.

#### **(i) Programming**

The policy is intended to guide the development of bilateral and regional programme strategies in the context of partner-specific priorities, influence the focus of other development programmes and assist in the identification of any particular New Zealand skills or resources that can add best value to partner-led, environmentally sustainable development. NZAID programmes will deliver assistance in the area of environmentally sustainable development with a particular focus on:

- facilitating the sharing of environmental knowledge, expertise and skills through training, mentoring and education;
- recognising and working with existing local capacity in, and knowledge about, environmental management.

#### **(ii) Policy engagement**

The policy is also intended to guide NZAID policy dialogue with developing country partners, New Zealand agencies working in development assistance, and in regional and multilateral fora as set out in NZAID's Multilateral Engagement Strategy. Some environmental issues of particular significance to the poor require NZAID advocacy and aid diplomacy in a range of fora and levels of engagement.



### **(iii) Mainstreaming**

This will operate on two levels; within programmes and in NZAID's organisational practice and procedures:

#### ***Within programmes***

New Zealand is concerned to ensure that all development assistance is planned and implemented using effective and participatory analysis of environmental risk, and incorporates appropriate environmental mitigation and enhancement practice. The NZAID Cross-cutting Policies Implementation Plan and its risk and impact assessment tools give specific guidance in mainstreaming environmental sustainability within programmes.

#### ***Organisational practice and procedures***

NZAID's Cross-cutting Plan of Implementation will outline the Agency's compliance with the New Zealand Government's Govt<sup>3</sup> programme, Towards Sustainable Practice<sup>5</sup>.

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<sup>5</sup> Govt<sup>3</sup> is a parallel process to the NZ Government's Sustainable Development Programme of Action. In March 2005 the Cabinet decided that all core public sector agencies would participate in the Govt<sup>3</sup> initiatives. They are designed to address sustainable use of resources and best environmental practice.



### **OPERATING PRINCIPLES**

NZAID is guided by clear operating principles that are detailed in, and are an integral part of, the overarching policy statement, *Towards a Safe and Just World Free of Poverty*. Some of these principles have particular relevance to New Zealand's environmental development assistance:

#### ***Sustainability***

Agenda 21, the Johannesburg Plan of Implementation and the Mauritius Strategy reflect the global consensus that sustainable development can only take place if equal attention is paid to social, economic and environmental components. Achievement of the MDGs requires this. Environmental sustainability of development initiatives will therefore be considered from the outset of NZAID development planning, with any trade-offs being made transparently and openly. Wherever possible, environmental quality will be enhanced.

#### ***Partnership***

New Zealand recognises that successful and sustained development initiatives depend on the partnership of local participants. For this reason, the two areas of NZAID focus identified in this policy will be aligned to partner priorities and partner request. Initiatives will be developed, implemented and evaluated in close partnership with local stakeholders.

#### ***Participation***

Human well-being must be evaluated in conjunction with environmental sustainability. This requires a focus on individuals and communities, as well as on national and sub-national levels of governance. Assessment and analysis of environmental sustainability of New Zealand development assistance will be aligned with partner systems, use best-practice participatory process, and be tailored to specific circumstances and partner priorities.



### ***Equity***

New Zealand's development assistance will work to ensure that governance of natural resources is equitable, communities are empowered and the poor are included. In particular, New Zealand assistance will seek to strengthen the resource rights of the poor, especially the least empowered groups such as women, youth and the landless.

### ***Strategic approach to poverty elimination***

New Zealand recognises that the institutional arrangements governing resource issues are complex. They require interventions that are holistic, and integrate sectors and sector planning.

### ***Coordination***

NZAID is strongly committed to the Paris Declaration for Aid Effectiveness. New Zealand's environmental development assistance will seek to advance coordination of effort with other donors, agencies and NGOs to produce harmonised interventions that are aligned to developing country partners' plans and systems. The time scale for addressing many environmental concerns will require long-term commitments and partnerships.



## GLOSSARY OF TERMS

### **Conservation:**

Preserving and, when possible, renewing human and natural resources; the use, protection, and improvement of natural resources according to principles that will ensure their highest economic or social benefits. (US EPA)

### **Ecosystem:**

A dynamic complex of plant, animal, and micro-organism communities, as well as the non-living environment, interacting as a functional unit. Humans are an integral part of ecosystems. Ecosystems can vary enormously in size: for example, from a temporary pond in a tree hollow to an ocean basin. (Millennium Ecosystem Assessment, 2005).

### **Ecosystem Services:**

The benefits people obtain from ecosystems. These include provisioning services such as food and water; regulating services such as regulation of floods, drought, land degradation, and disease; supporting services such as soil formation and nutrient cycling; and cultural services such as recreational, spiritual, religious and nonmaterial benefits.

### **Environment:**

The combination of external physical conditions that affect and influence the growth, development and survival of organisms.

### **Environment mainstreaming:**

The incorporation of environmental sustainability into development policy, planning and programmes for long-term poverty elimination. Mainstreaming requires staff to carry out the necessary analysis to assess the environmental implications of their work, and to take the necessary steps to ensure that the environment is safeguarded and, where appropriate, enhanced.

**Environmental sustainability:**

Environmental sustainability implies living within the ecological capacity of the biosphere. (Caring for the Earth, IUCN/WWF 1993).

**Sustainable development:**

“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” (World Commission on Environment and Development, The Bruntland Commission, 1987). Put another way, it means maintaining the integration of economic development, social development and environmental protection over time.

**Sustainable livelihoods:**

A livelihood comprises the capabilities, assets and activities required for a means of living. A livelihood is sustainable when it can cope with, and recover from, stresses and shocks, and maintain or enhance its capabilities and assets now and in the future, while not undermining the natural resource base. (Carney et al. 1999)

**Pro-poor growth:**

Growth that involves the disproportionate growth of the incomes of the poor; where the income growth rate of the poor exceeds the growth rate of the non-poor. (Klasen 2003)



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