



Recommendation of the Council  
concerning an Environmental  
Checklist for Possible Use by  
High-Level Decision-Makers in  
Bilateral and Multilateral  
Development Assistance  
Institutions

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## **Date(s)**

Adopted on 22/02/1989

## **Background Information**

The Recommendation concerning an Environmental Checklist for Possible Use by High-Level Decision-Makers in Bilateral and Multilateral Development Assistance Institutions was adopted by the OECD Council on 22 February 1989 on the proposal of the Environment Committee (now called Environment Policy Committee) and the Development Assistance Committee (DAC). Noting that the DAC had developed a set of "Principles for Project Appraisal", the Recommendation aims to ensure that environmental aspects are taken into account – for both bilateral and multilateral development assistance – in the identification, planning, implementation and evaluation of projects and programmes.

**THE COUNCIL,**

**HAVING REGARD** to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

**HAVING REGARD** to the Recommendation of the Council of 23 October 1986, on Measures Required to Facilitate the Environmental Assessment of Development Assistance Projects and Programmes [C(86)26(Final)];

**HAVING REGARD** to the agreement of the Council of the OECD at Ministerial level at its meeting on 18 and 19 May 1988 that the Organisation should continue its work on developing common approaches to the environmental review of bilateral and multilateral assistance projects as a further contribution to sustainable development [C(88)107];

**MINDFUL** of the need for Member countries to take into account the possible impacts of their activities on the environment and to strive for closer co-operation with developing countries;

**NOTING** that the DAC has developed "Principles for Project Appraisal" with specific provisions for environmental protection [DAC(88)3(Final)];

**On the proposal of the Environment Committee and the Development Assistance Committee;**

**I. RECOMMENDS** that Governments of Member countries:

- a) Ensure that for both bilateral and multilateral development assistance, environmental aspects are taken into account in the identification, planning, implementation and evaluation of those development projects which are proposed for funding;
- b) Make available the "Environmental Checklist for Possible Use by High-Level Decision-Makers" (included in Annex I) to:
  1. Their senior officials responsible for approving bilateral development assistance projects, and
  2. Their Representatives on the Boards of Multilateral development assistance institutions;
- c) Encourage those officials-identified in b) 1 and 2 above to make use of the Environmental Checklist before approving or disapproving proposed development assistance projects; and
- d) Encourage the officials mentioned above to give attention to the environmental effects of decisions on programme assistance as well as those related to projects.

**II. INVITES** Member countries to exchange information on their experience in using the "Environmental Checklist" for bilateral and multilateral development assistance projects.

**III. INVITES** the Development Assistance Committee in co-operation with the Environment Committee to:

- a) Monitor the way in which the "Environmental Checklist" is brought to bear in both bilateral and multilateral development assistance decision-making;
- b) Present a report in three years' time on the extent of the effectiveness of OECD Member countries in integrating improved environmental analysis and evaluation into bilateral and multilateral project development and decision-making including the voluntary application of the "checklist" and other related methodologies.

**IV. REQUESTS** the Secretary-General to transmit this Recommendation to multilateral development assistance institutions and other competent international organisations with a view to fostering a better environmental review of development assistance projects by all donors.

## ANNEX I

### ENVIRONMENTAL CHECKLIST FOR POSSIBLE USE BY HIGH-LEVEL DECISION-MAKERS

#### I. Impact Identification

1. Does the project have an impact on any environmentally sensitive areas?\*
2. Is there a clear statement of the significant **beneficial** and **adverse** environmental effects of the project? Have the risks been evaluated?\*
3. Has attention been paid to offsite effects (so-called upstream and downstream effects), including transboundary effects, and to the possible time-lag before effects are exhibited?\*

#### II. Mitigation Measures

4. What mitigation measures are proposed and what alternative sites have been considered?\*
5. What lessons from previous similar projects have been incorporated into the environmental assessment of this project?
6. Have concerned populations and groups been involved and have their interests been adequately taken into consideration in project preparations? Is resettlement involved? Are appropriate compensatory measures envisaged?\*

#### III. Procedures

7. How have environmental guidelines used by the agency and the recipient government been taken into consideration?
8. In which phases of the decision-making process has the environmental assessment been included?\*
9. How have the beneficial and adverse environmental effects of the project been integrated into the economic analysis of the project?
10. Have developing country authorities responsible for environmental protection been consulted in the preparation of the project? Are the central authorities in the developing country responsible for project approval aware of the environmental impact of the project and have they approved the environmental measures to be included?\*

#### IV. Implementation

11. Do developing country institutions need strengthening to make the environmental measures effective, and, if so, what action is foreseen?\*
12. How and by whom will the environmental impact and mitigation measures be monitored during and after implementation?
13. Have needed environmental measures been costed and are there adequate and realistic assurances for their funding?

## ANNEX II

### EXPLANATORY INFORMATION RELATED TO CERTAIN QUESTIONS ON THE CHECKLIST

**Question 1:** Examples of environmentally sensitive areas include:

- a) Water sources;
- b) Soils and soil conservation areas;
- c) Areas subject to desertification; arid and semi-arid zones;
- d) Tropical forests and vegetation cover;
- e) Habitats of value to protection and conservation and/or sustainable use of fish and wildlife resources, particularly wetlands, mangrove swamps and coral reefs;
- f) Areas of unique interest (historical, archaeological, cultural, aesthetic, scientific);
- g) Areas of concentrations of population or industrial activities where further industrial development or urban expansion could create significant environmental problems (especially regarding air and water quality);
- h) Areas of particular social interest to specific vulnerable population groups (e.g., nomadic people or other people with traditional lifestyles).

**Question 2:** The types of projects for which a clear statement of environmental effects should be provided include those which involve:

- a) Substantial changes in renewable resource use (e.g. conversion of land to agricultural production, to forestry or to pasture land, rural development, timber production);
- b) Substantial changes in farming and fishing practices (e.g. introduction of new crops, large-scale mechanisation); use of chemicals in agriculture (e.g. pesticides, fertilizers);
- c) Exploitation of hydraulic resources (e.g. dams, irrigation and drainage projects, water and basin management, water supply);
- d) Infrastructure (e.g. roads, bridges, airports, harbours, transmission lines, pipelines, railways);
- e) Industrial activities (e.g. metallurgical plants, wood processing plants, chemical plants, power plants, cement plants, refinery and petrochemical plants, agro-industries);
- f) Extractive industries (e.g. mining, quarrying, extraction of peat, oil and gas);
- g) Waste management and disposal (e.g. sewerage systems and treatment plants, waste landfills, treatment plants for household waste and for hazardous waste).

The specific types of **beneficial** and **adverse** environmental effects can vary from project to project. For example, an irrigation project - paragraph c) above - can have the beneficial effect of creating a new potential for fresh water fisheries. At the same time it can have the adverse environmental effects of increasing salinisation, soil erosion, etc.

**Question 3:** An example of an offsite effect would be the negative effects on aquatic life downstream from an industrial site when effluents are not treated before their discharge into a river or other body of water.

An example of the importance of including considerations of time lag in the decision are the secondary impacts of roads which penetrate undisturbed natural areas as they are often followed by large scale (shifting) cultivation and environmental degradation.

**Question 4:** Mitigation measures are actions taken to diminish or alleviate negative environmental effects. Examples include:

- a) Treating industrial effluents before they are discharged into bodies of water;
- b) Providing noise barriers for highway and industrial projects;
- c) Establishing wildlife reserves and other protected areas to compensate for land taken for development purposes.

**Question 6:** Affected populations should participate in defining and understanding the problems in planning and implementing the solutions associated with development projects. This requires a heavy emphasis on equity considerations in development and the need to decentralise decision-making processes. This should be accompanied by efforts which help foster sustainable development and full participation on the part of rural populations.

**Question 8:** An environmental assessment of a project or programme should begin at the pre-feasibility or project proposal stage and be integrated with cost-benefit and engineering feasibility studies.

**Question 10:** One way for ensuring the dissemination of environmental information related to the project is through an inter-ministerial/agency consultative process in the developing country prior to making a final decision on the project.

**Question 11:** Examples of measures which can be taken to strengthen developing country governmental institutions include the provision of training courses in environmental assessment and management; the provision of environmental advisors to help government officials assess the environmental impacts that might be expected to arise from projects, programmes or policies and to inform decision-makers and the public of reasonable alternatives which would mitigate negative environmental impacts and enhance the quality of the human environment in the affected area. Private and non-governmental organisations might be supported to strengthen environmental awareness among local populations.

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\* See Annex II, drawn partly from the 1985 and 1986 OECD Council Recommendations on Environmental Assessment and Development Assistance C(85)104 and C(86)26(Final).

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