

UNEP/KIPPRA

Capacity Building Workshop

for Policy Makers on the

Application and Use of Economic Instruments

for Sustainable Development

UNEP Headquarters, Nairobi, 23-25 February 2004

Workshop Report



Organised by the United Nations Environment Programme (UNEP) in collaboration with the Kenya Institute for Public Policy Research and Analysis (KIPPRA)



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I. Background

Capacity building continues to be UNEP's primary focus in its various activities. UNEP's member governments, through its Governing Council, have in recent years specifically requested UNEP to provide assistance to countries, particularly developing countries and countries with economies in transition, in the development and application of economic instruments at the national level.

To implement this mandate, UNEP has developed an integrated range of activities that advances both the theory and practice of economic instruments. Case studies that developed practical approaches to specific environmental problems at the national level have been complemented by policy work and analysis focusing in particular on economic instruments and on perverse incentive measures, their possible impacts as well as the development of reform packages. UNEP has also established a Working Group on Economic Instruments in 2001 comprising experts from academic, governmental, non-governmental and intergovernmental institutions from developing and developed countries to guide this work.

In view of the need to build the capacity of planners, environmentalists and decision makers on the use of economic instruments, UNEP's Division of Environmental Policy Implementation (DEPI) in collaboration with the Economics and Trade Branch (ETB) of the Division of Technology, Industry and Economics (DTIE), the Regional Office for Africa (ROA) of the Division of Regional Cooperation and Representation (DRC) and the Kenya Institute for Public Policy Research and Analysis (KIPPRA) organized a regional workshop for Africa. A report prepared by ETB on "Economic Instruments for Environmental Policy Making: Opportunities and Challenges" was extensively used by KIPPRA to prepare a draft training resource manual with the help of DEPI and ETB and was presented and discussed at the regional training workshop.

II. Objectives of the Workshop

The overall objective of the workshop was to strengthen the capacity of policy makers and practitioners to implement economic instruments. This was done by providing an understanding of the application and use of economic instruments for environmental and natural resources management in Africa.

The following specific objectives were achieved:

- Guided and trained participants from environmental authorities and research and training institutes in Africa on the use of Economic Instruments (EIs) under the particular circumstances prevailing in developing countries and led them towards EI-related activities at national level.
- Reviewed and tested the applicability of the draft of the training resource manual on the application and use of economic instruments for environmental and natural resources management.

III. Outcomes of the Workshop

The following outcomes were achieved from the workshop:

- Twenty participants from environmental authorities and research and training institutes from Southern Africa (South Africa), West Africa (Ghana, Nigeria and Senegal), East Africa (Ethiopia, Kenya, Tanzania and Uganda) and North Africa (Egypt), including one representative from the International Food Policy Research Institute/ African Capacity Building Fund (IFPRI/ACBF) were trained as trainers for carrying out capacity building activities on the application and use of economic instruments at national and sub-regional level.
- The draft training resource manual on the application and use of economic instruments for environmental and natural resources management was reviewed by the participants representing both the Ministries of Environment and research and training institutions (most of them were experts on natural resource management or environmental economics).
- Each country documented an environmental problem of national importance; worked on it in the course of the workshop applying the analytical tools provided and finally presented a possible EI-policy option at the end of the workshop.

IV. Recommendations from the Workshop

A number of recommendations were made during the concluding session of the workshop concerning the revision of the draft training resource manual and concerning possible follow-up activities:

- 1) *The participants made the following suggestions in order to improve the training resource manual:*
 - Include issues on how CACs and EIs affect livelihoods and food security as well as poverty alleviation.
 - More case studies from Africa are needed (because Africa has unique problems).
 - Include glossary to explain terminology.
 - Introduction to show the broader picture of economic and social problems (for people with less background in the topic).
 - Include more information on how to do the pre-assignment.
 - Include noise pollution as an environmental problem.
 - Elaborate further on the topic of political economy.
 - In topic 2 consider showing the total value of Environmental and Natural Resources Management (ENRM).
 - Make the manual available on CD-ROM.
 - Shorten some of the paragraphs that are too long and heavy for a manual (consider putting text into boxes).

- Append a list of environmental conventions (or provide links to them) - mention the applicability of EIs for MEAs implementation.
- Include polluters as possible targets for training.
- Include a list of institutions working in the area.
- Explain how to target the training to different groups and their particular needs.

It was further requested to produce the Training Resource Manual in other languages such as French and Spanish as well as Arabic and Swahili for wider information dissemination in other regions of the world.

2) The participants informed that they could undertake the following activities in their countries after having attended this training workshop and using the manual:

- Share information with colleagues and organize in-house trainings (e.g. within Environmental Authorities).
- Organize and conduct training workshops.
- Use the information to supplement or complement country training programmes with EIs.
- Use media to disseminate the information on EIs (e.g. through monographs and journals)
- Try to spread the information on EIs in national universities (e.g. motivate Ph.D. and Master's students to work on this topic).
- Present the information in local, national and international fora.
- Write and submit country specific-proposals to research on the applicability of EIs.
- Make reports to nominating institutions (e.g. to the Ministry of Environment and the Committees for Sustainable Development).
- Use the manual directly for policy implementation.
- Initiate case studies
- Introduce the manual to relevant government departments and institutions (e.g. in head of agency meeting of environmental institutions).
- Lobby for setting up of advisory committees on EIs.
- Obtain research grants to study on EIs and possibly publish the works.

3) The participants felt that there was a need to request support from their governments, UNEP and other institutions:

- Facilitate follow-up workshops to review activities and progress and ensure feedback.
- Help to compile case studies from Africa
- Promote networking for information sharing and capacity building (e.g. setting up a network of African environmental economists and a mailing list).
- UNEP to work closely with local institutions on ENRM.
- Assisting countries to set up comprehensive fiscal regimes to use EIs.
- Help countries to establish postgraduate training courses on the topic (such as CEEPA/AERC in Pretoria).
- UNEP to work with professional associations and research institutes on the issues.
- Ensure the involvement of the African Capacity Building Fund (ACBF).

Annexes

ANNEX – I: Proceedings of the Workshop

1. Summary of Day One

1.1 Introductory and welcome remarks (Session 1)

The introductory and welcome remarks were made by Mr. Nirmal Andrews (Chief, Capacity Building Branch/ DEPI, UNEP), who after welcoming the participants went ahead to state the workshop objectives. Then Mr. Shafqat Kakakhel, Deputy Executive Director of UNEP, welcomed the participants to the workshop. He reiterated the need for sustainable development and particularly the use of EIs for environmental and natural resources management. Next, Dr. Hezron Nyangito, (Ag. Executive Director, KIPPRA) expressed his gratitude to UNEP for the collaboration with KIPPRA in producing the draft training resource manual and voiced his wish for future collaboration. This was followed by a vote of thanks by Mr. Sekou Toure, Regional Director/Regional Office of Africa (ROA).

1.2 Introduction to the Workshop (Session 2)

This session started with self-introduction of all the participants as well as the resource persons.

Ms. Vera Weick from UNEP-ETB then gave a packaged presentation of the Branch's activities. This included the objectives of ETB, its main programme areas and the challenges of environmental economics. She also highlighted the genesis of UNEP-ETB's Working Group on EIs. In this regard, she outlined its purpose and major outputs, among them the report 'The Use of Economic Instruments in Environmental Policy: Opportunities and Challenges', copies of which were distributed to the participants. Another report exploring the use of EIs in the context of the three biodiversity-related MEAs (i.e. CBD, CITES and Ramsar) was also brought to the attention of the participants.

Dr. Moses Ikiara, KIPPRA, then gave a road map of the training resource manual through his presentation 'About the Manual'. Some of the issues coming up after the presentation were:

- The possibility of making the manual a step-by-step tool for policy implementation.
- Issues of power shifts and power play related to the use of EIs.
- The need to show the scope and limitations of EIs.
- The need to convince people/communities about capacity building on environmental issues e.g. through environmental awareness.
- Mechanism(s) for ensuring identification of relevant training needs from the training needs analysis.

1.3 Presentation on Natural Resource and Environmental Management Policy: Theoretical Overview (Session 3)

Dr. Erick Mungatana, KIPPRA/CEPA, presented a theoretical overview of Natural Resource and Environmental Management. Based on the fundamental tenets of environmental and resource economics, the presentation defined clearly the two broad categories of problems: resource over use and pollution. These were powerfully backed by the theory of renewable resources. Taxonomy of pollutants was presented to the participants and the optimal allocation levels of both stock and fund pollution was derived.

1.4 Country Presentations on Problems and Experiences with Policy Instruments (Session 4)

Dr. Desta Mebruta of ROA then chaired two sessions that dealt with country examples on environmental problems and already existing experiences with EIs. Nine countries made presentations: Ghana – deforestation, Ethiopia – land use (soil erosion), Uganda – small scale mining (sandstone excavation), Tanzania – water pollution in Lake Victoria, Egypt – air pollution, Nigeria – management of waste from cassava processing, Senegal – over fishing, South Africa – land and soil degradation and Kenya – destruction of forests. (For further details see Annex-II). The environmental problems were identified by means of a pre-assignment done by the participants prior to the workshop.

The main features of the discussion following the country presentations were:

- Wide coverage of case studies – due to diversity of the problems.
- Scope of the problems presented is very broad. There is a need to address more specific issues in the further course of the workshop.
- Recognition of EIs in most countries.
- The issue of institutional capacity to be addressed in the implementation, public participation and stakeholder involvement, and the importance of property rights.
- Taxes, charges, levies, environmental funds, and provision of incentives were identified as potential EIs.
- The issue of forest guards and corruption in forest management.
- The question how to supplement or complement CAC(s) with EI(s).
- The importance of monitoring and evaluation in the use and development of EIs.
- UNEP could provide technical assistance for the case studies presented but the decision to apply the policy instruments must be from the countries themselves.

1.5 The Policy Context of Environmental Management Instruments (Session 5)

Dr. Moses Ikiara provided insights on how political and economic structures influence performance of CACs and EIs. In this pursuit, baseline institutional, legal, economic and political conditions, which are critical for successful policy implementation, were evaluated. In particular: a legal authority that operates efficiently, supportive political structure, proper fiscal

norms, removal of perverse incentives, and the ability of implementing agency to work with interest groups and stakeholders were identified as very important baseline conditions to consider.

The following comments and suggestions emerged during the discussion that followed:

- The need of a policy framework for the policy instruments as part of the baseline conditions.
- The issue of operationalizing the concepts and various conditions. The CACs aspect remains weak in many African countries due to SAPs implementation (retrenchment).
- Capacity building for political leadership lacking in Africa (What is the potential for this? Can we get the political leaders to support environmental issues?).
- Government ownership of resources; the issue of conflicting interests (Does it mean EIs can't work in case of multiple interests? Related to this is the idea of intricate power play).
- Ensuring consistency and continuity especially in unpredictable governance structures (i.e. instability of governments).
- Issues to deal with poverty and resource degradation - especially the use of EIs by poor societies –(to the extent of compromising subsistence!)
- Target advocacy groups for training on the design and implementation of EIs.
- Ownership of ENRs – the importance of property rights.

2. Summary of Day Two

2.1 Review of Command and Control Measures (CACs) (Session 6)

Dr. Erick Mungatana discussed three broad categories of CACs, their mode of operation, and their potential or real problems, namely:

- Direct provision of public goods.
- Regulation of technology - bans and zones.
- Regulation of performance.

The following issues came up during the discussion:

- Possibility of combining different CACs.
- Examples of CACs in rural areas – lots of examples e.g. bans on hunting and farming on catchment areas .
- Incidences of non-compliance with CACs.

2.2 Benefits and Objectives of Economic Instruments (EIs) (Session 7 +8)

Dr. Moses Ikiara presented the benefits of EIs over CACs. Six benefits of EIs were discussed: cost reduction (leading to win-win outcomes), incentive for innovative technology, better resource allocation, self-enforcement by firms, increased transparency and cost recovery. The functional objectives of EIs were also discussed in great detail.

The following issues emerged from the discussion:

- The need for monitoring and evaluation (M&E) for both CACs and EIs.
- The issue of 'a human face' in implementing EIs.
- Market failure in the use of EIs.
- The distinction between environment and natural resources.
- The issue of revenue generation - what happens to the revenue generated?
- What about equity issues in the use of EIs?
- Potential conflict in the use of EIs as a result of governance issues.

Dr. Erick Mungatana then carried on with the review of EIs and gave a presentation of 5 price-based EIs (namely: (1) Pigovian taxes; (2) Taxes, Charges and Earmarking; (3) Taxes on inputs and outputs; (4) subsidies and subsidy removal; (5) deposit refund, tax subsidy and other two-part tariffs -deposit refund system and refunded emission payments) and 2 property rights based instruments ((1) tradable permits; and (2) creation of property rights). For each of these instruments, Dr. Erick Mungatana discussed its mode of operation, empirical applications and potential or real problem in application. Relevant case studies for each were also outlined.

The following issues emerged from the discussion:

- Refunded emission payment as a Voluntary Agreement (VA).
- Pigovian taxes - applicability in the cassava case in Nigeria!
- Tradable permits - level of control and monitoring important in case of non-functioning markets.
- Taxes – the issue of incidence and shifting them.
- Tradable permits - is it a CAC in disguise?

Dr. Moses Ikiara completed the discussion on EIs by making a presentation on Information and Legal Based Instruments under three broad categories; (1) liability and other legal instruments, (2) voluntary environmental agreements, and (3) provision of information.

The discussion that followed focused on:

- Information based instruments - what is the role of environmental education?
- Green Products (GPs) in developing countries (What makes the people in these countries insensitive to them?)
- Role of UNEP in helping firms in reaping benefits of GEF and other facilities.
- Role of religion in environmental conservation.
- Issues of cost of litigation (including the critical issue of the independence of judicial institutions).
- The idea of social capital as a necessary baseline condition.

2.3 Working Groups on Case Studies on the Use of EIs in other countries (Session 9)

Ms. Vera Weick organised the participants into four working groups to work on four different case studies describing the use of EIs in different countries. Each of the groups was required to analyse the case study according to the following guiding questions provided by her:

- 1) What is the environmental problem described in the case study?
- 2) What are the baseline conditions in the country (legal, fiscal, government)?
- 3) What is the economic instrument chosen? What is its goal?
- 4) Who are the main stakeholders involved?
- 5) What are the main factors for success or failure?
- 6) What message can you take for your own country case?

The groups reported back to the plenary on the following:

- A brief description of the country situation.
- The main objective of the economic instrument applied.
- The main factors for success or failure.

The groups presented the following four case studies to the plenary followed by a discussion of the lessons learned for each case:

Group I: Recovering fees from resource use: Grazing cattle on public land in the Philippines

Country situation:

EIs recognised since 1961.
Charges earmarked for pasture development.
Legal system in place.
Governmental institutions put in place – DENR, ERDB.
Few ranches initially.

Objective of EI applied:

Sustainable management of the grazing land.

Stakeholders:

Ranchers, government departments, researchers, politician, immigrants, etc.

Factors for failure:

Lack of coordination, high fees, lack of consultation, political interference, migrants, weak EPA (no funds).

Group II: Limiting access to publicly owned resource: St. Lucia Mankote mangrove management

Situation:

Unsustainable management of the mangrove.

Baseline conditions:

Ineffective legal instruments.

Poor funding of EPA.

Property rights vested in the government.

Main objective of EI applied:

To transfer property rights from government to community.

To secure the interests of local community in resource management.

Stakeholders:

Local population.

Cooperative groups.

Government (Fisheries Department)

NGOs.

Fishermen.

Land developers.

Main features of success:

Transfer of property rights to community.

Formation of co-operative groups.

Involvement with a regional NGO.

Capacity building of the local population in ENRM.

Adherence by communities to rules and regulations.

Lessons learned:

Clear assignments of property rights.

EPAs should be well funded.

Proactive NGOs.

Capacity building (training and retraining) of communities in resource management.

Recognition of stakeholders in ENRs and respect for their rights.

Group III: Reduction of nutrient loadings to the environment: Tradable permits in Australia and Fees in China

Description of situation:

Nutrient discharge to waterways in Australia (Hawkesbury-Nepean River).

Curb emission from factories in China.

Environmental problems:

Reduction of nutrient loadings into waterways (water pollution) in Australia.

Air pollution in China.

Baseline conditions:

Legal aspect (regulatory).
Governance – capacity to monitor under local authority body.
Infrastructure facilities for sewage treatment.
Fiscal.

Economic instruments chosen:

Tradable permits in Australia.
Tax rebates and emission fees in China.

Goals:

Reduction of pollution – water and air.

Main stakeholders - Australia

Government.
Industrialists.
Local regulatory bodies.
Livestock keepers.
Fishermen.
Households – water and sanitation.
Sydney Water Corporation.

Main stakeholders – China:

Government
Industrialists
Citizens (households).
Local environmental authorities.

Main factors for success in Australia:

Functioning legal system.
Governance.
Infrastructure.
Capacity to monitor.
Setting of targets.

Main factors for failure in China:

Lack of prerequisites for success (legal, governance, etc).
Lack of monitoring and enforcement.

Lessons:

The prerequisite conditions for success must be in place, effective and efficient.
Government must have capacity to monitor and enforce.
Regulations must be in place to facilitate success of EIs.
Political will and sincerity of purpose.

Group IV: Subsidizing transition to more sustainable alternatives: forest in Brazil, land management in Dominican Republic and management of species in Turkey

Environmental problems:

Brazil – deforestation.

Dominican Republic – soil degradation.

Turkey – threatened wild Turkish bulbs.

Lessons:

Explore appropriate fiscal measures.

Enforcement with community involvement.

Proper channeling of external aid.

Proper targeting of subsidies to initiate development.

3. Summary of Day Three

3.1 Country Presentations by the nine countries (Session 10)

In this session the participants went back to their own country problems that they had presented in session 4. During the presentations, each country's participants utilized the knowledge gained in the previous two days and identified a shortlist of policy instruments that could solve the environmental and natural resources management (ENRM) problem they had earlier identified for their country. (For further details, see Annex-II).

3.2 Policy Design and Implementation (Session 11)

Dr. Walter Odhiambo of KIPPRA presented the last topic of the training resource manual the objective of which is to assist policymakers in choosing an effective environmental policy package that will address the environmental problems given the existing institutional capabilities and environmental policies in a country. The presentation focused on the following four main phases encompassing both policy choice and implementation:

- Phase 1: Assembling existing information.
- Phase 2: From template to draft policy options.
- Phase 3: Engaging stakeholders and refining policy choice.
- Phase 4: Policy implementation and evaluation.

The following salient issues emerged during the discussion session:

- Need to include an assessment of the social benefits (besides the social costs) emanating from the policy as well as the assessment of the sustainability issues.
- The inter-linkages between various stages in the process.
- How does evaluation feed back to the process?
- Factoring in governance structures (and their elements such as stability and predictability) in the process.

- The role of strategic EIA in the process.

3.3 Closing of the Workshop (Session 12 + 13)

Mr. Anisur Rahman reviewed the workshop proceedings and expressed his gratitude to the workshop participants. Ms. Vera Weick presented the workshop recommendations. Dr. Kola Adebayo, University of Agriculture, Nigeria, on behalf of all the participants expressed his gratitude to UNEP and KIPPRA for organizing and conducting the workshop.

Mr. Svein Tveitdal, Director/ DEPI & DEC, before making the closing statement, walked the participants through the genesis of sustainable development and UNEP's role in it. He affirmed UNEP's commitment to participate in the process of capacity building and also asked the same from the participants.

Annex – II: Country Presentations

COUNTRY PRESENTATIONS ON ENVIRONMENTAL PROBLEMS AND USE OF POLICY INSTRUMENTS				
Country Env. Problem	Analysis of Problems	Identified Economic Instruments (EIs)	Identified Command and Control Measures (CACs)	Further Recommendations
1. Ghana Deforestation in Ghana Resource over use	<ul style="list-style-type: none"> ➤ Land tenure system - sharing of forest benefits 	<ul style="list-style-type: none"> ➤ Reforestation (Reforestation Fund) ➤ Social responsibility ➤ Community Forestry Development Committee ➤ Timber utilization contract ➤ Banning of import duty for timber ➤ Assignment of responsibility of bushfires to a particular institution ➤ Reward scheme for those preventing bushfires ➤ Setting up bushfire voluntary agreement 	<ul style="list-style-type: none"> ➤ Collaborative Forest Management ➤ Bushfire law 	
2. Ethiopia Off-site effects of soil erosion on a hydro power (HP) dam in Ethiopia Resource over use	<ul style="list-style-type: none"> ➤ Soil erosion due to deforestation ➤ Land tenure ➤ Imperfect agricultural markets and poor infrastructure ➤ Subsistence farming ➤ Diminishing farm sizes ➤ Soil degradation ➤ Siltation of Koka hydro power dam, and loss of power ➤ Sediment contamination of municipal water reservoir 	<ul style="list-style-type: none"> ➤ Tenure reform- assignment of property rights ➤ Subsidies for farmers to use soil conservation methods 		<ul style="list-style-type: none"> ➤ Appropriate Land tenure policy ➤ Catchment protection

<p>3. Uganda</p> <p>Gaping sandstone excavation pits</p> <p>Resource over use</p>	<ul style="list-style-type: none"> ➤ Environmental and health problem 	<ul style="list-style-type: none"> ➤ Performance bonds ➤ Emergency trust funds ➤ Charges, which should be earmarked for rehabilitation. The charges may be managed by the local government, since it will be difficult for NEMA to do so. There's the problem of shifting the charge to the consumers. ➤ The setting up of committees, coupled with environmental education (awareness). 		<ul style="list-style-type: none"> ➤ Macro-economic framework ➤ Private sector participation
<p>4. Tanzania</p> <p>Water pollution in Lake Victoria</p> <p><u>Transboundary pollution</u> problem</p>	<ul style="list-style-type: none"> ➤ <i>Potential effects:</i> <ul style="list-style-type: none"> - Health - Habitat destruction - Fish decline - Water hyacinth ➤ <i>Cause(s) of problem:</i> <p>Institutional:</p> <ul style="list-style-type: none"> - regulatory - enforcement <p>Socio-economical:</p> <ul style="list-style-type: none"> - industrial production - waste disposal municipal 	<ul style="list-style-type: none"> ➤ Pollution charges ➤ Deposit refund system ➤ Performance bonds ➤ Inadequate capacity for implementation or high costs of M&E 	<ul style="list-style-type: none"> ➤ Standards 	
<p>5. Egypt</p> <p>Air Pollution</p>	<ul style="list-style-type: none"> ➤ Air pollution problem due to human activities 	<ul style="list-style-type: none"> ➤ Pollution taxes on inputs and output 		<ul style="list-style-type: none"> ➤ Controlling pollution and smog ➤ Auto exhaust in urban and rural areas
<p>6. Nigeria</p> <p>Management of waste from cassava processing</p>	<ul style="list-style-type: none"> ➤ High concentration of cassava processing especially in urban areas 	<ul style="list-style-type: none"> ➤ Creation of property rights (who owns water, who owns dumpsites) ➤ Provision of information ➤ Institutional capacity building 		<ul style="list-style-type: none"> ➤ Create employment in the waste management sector

<p>7. Senegal</p> <p>Over fishing</p> <p>Resource over use</p>	<p>Principal causes of over fishing:</p> <ul style="list-style-type: none"> ➤ Open access ➤ Fishing agreements ➤ Enforcement of regulation 	<ul style="list-style-type: none"> ➤ Charge systems/ Annual fess ➤ Institution of licenses ➤ Annual rebate fees for local fishing councils ➤ Access fees ➤ Subsidy removal ➤ Liability insurance 	<ul style="list-style-type: none"> ➤ Institute local fishing councils as the legal frameworks ➤ Conclude fishing agreements with foreign firms ➤ Having inspectors on boats 	<ul style="list-style-type: none"> ➤ Some fishing techniques banned ➤ Regulatory framework
<p>8. South Africa</p> <p>Land and soil degradation</p>	<p><i>Background to causes:</i></p> <ul style="list-style-type: none"> ➤ Colonialism ➤ SAPs ➤ Global trade regimes ➤ Apartheid and policies (Native Land Act) <p><i>Consequences of problem:</i></p> <ul style="list-style-type: none"> ➤ Land displacement ➤ Disproportionate access to viable land ➤ Loss of livelihoods ➤ Impact on food security ➤ Loss of biodiversity 	<ul style="list-style-type: none"> ➤ Creation of property rights- particular categories of users ➤ Subsidies for agrarian reform (access to inputs, credit, training, agricultural extension) 	<ul style="list-style-type: none"> ➤ Land Reform programme ➤ Redistribution ➤ Tenure Reform ➤ Restitution 	<ul style="list-style-type: none"> ➤ Land transfer (willingness to sell and willingness to buy) ➤ Increase in state expenditure into land reform ➤ Agrarian reform-sustainable livelihoods ➤ Provision of land
<p>9. Kenya</p> <p>Destruction of forests</p>	<p><i>Effects:</i></p> <ul style="list-style-type: none"> ➤ Soil erosion ➤ Reduction of water, energy potential, building materials, wildlife habitat <p><i>Causes:</i></p> <ul style="list-style-type: none"> ➤ Lack of institutional capacity ➤ Property rights ➤ Ignorance on the value of the forests 	<ul style="list-style-type: none"> ➤ Creation of property rights-giving people back their forests ➤ Charges on forest products ➤ Polluter pays ➤ User charges for water users (e.g. municipalities) 	<ul style="list-style-type: none"> ➤ Capacity building for regulatory institutions as well as local communities ➤ Community based committees-devolution of forest management 	<ul style="list-style-type: none"> ➤ Harvest Bans ➤ Stoppage of shamba systems ➤ Market creation ➤ Community forestry ➤ Forestry management fund

Annex – III: Evaluation of the Training Course

UNEP/KIPPRA: Capacity Building Workshop for Policy Makers on the Application and Use of Economic Instruments for Sustainable Development, UNEP Headquarters, Nairobi, Kenya 23 – 25 February 2004

(11 participants filled in the evaluation forms)

A: Presentation of Individual Sections and Training Topics

1) Individual Sections:

Sections 1-4: 1- The Manual in perspective 2- Capacity Building and the environment 3- Training needs assessment 4- Course design, delivery and evaluation	<u>To be evaluated with respect to:</u> - Coverage of the subject - Ease of comprehension - Sufficiency of background information - Relevance of material - General Organization - Trainer’s knowledge of the topic - Trainer’s presentation skills
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Ranking on a scale: poor-fair-good-very good-excellent

(a) All the participants (that handed in evaluation forms) evaluated the sections to be good, very good or excellent with a tendency to very good. None of them considered them to be poor or fair.

Written comments (provided by participants):

- Conducive environment for training of that kind
- Difficulties with English language
- Training manual should have a component for producers (polluters and resource users)
- Capacity building involves Training-of-Trainers as well as researchers to create local case studies

(b) To be added or deleted:

- Section 1: Linkage between environmental problems and globalisation, food security and poverty alleviation
- Section 2/3: include polluters as target group
- Section 4: add adequate parking space with respect to “choosing the venue”

(c) Most useful / least useful:

- Training needs assessment (which gives a hands-on step by step procedure)
- The case studies on EI and NRM policy

- All sections are very useful
- Section 5 (which contains the necessary tools)

2) Individual training topics

<p>Section 5: Topic 1: Introduction Topic 2: NRM: Theoretical Overview Topic 3: Political Context Topic 4: CACs Topic 5: EIs Topic 6: Policy Design and implementation</p>	<p><u>To be evaluated with respect to:</u></p> <ul style="list-style-type: none"> - Coverage of the subject - Ease of comprehension - Sufficiency of background information - Relevance of material - General organization - Trainer's knowledge of the topic - Trainer's presentation skills
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Ranking on a scale: poor-fair-good-very good-excellent

(a) All the participants (that handed in evaluation forms) evaluated the topics to be good, very good or excellent with a tendency to very good. Only once an aspect was considered to be fair.

Written comments (provided by participants):

- Question: How much theoretical overview should be done in training for non-trainers?
- Time management was good; participatory approach complied with
- The content or approach is too focused on free market principles, more emphasis should be placed on market failures to encourage alternative policy options

(b) To be added or deleted:

- Topic 1: add short explanation of EIs
- Topic 2: add economic value of environment and natural resources (with emphasis on intrinsic value of natural resources)
- Topic 3: add broader socio-economic issues; have policy examples to apply EIs
- Topic 6: add redesigning of policies; add some applications and country policies

(c) Most useful / least useful:

- To understand the application and initiation of CACs and EIs
- All very useful
- Topic 6: It shows how one can coordinate and manage the process
- Case studies of EI and NRM policies

3) Any entire sections or topics to be added or deleted:

- African case studies (number to be increased) to be added
- References to be added

4) Other aspects of the training course

Aspect	Ranking	Comment
Duration of the training	4,1,3,5	- Need more time (say a week) - Not enough for non economists - Increase by one day
Relevance and adequacy of the case studies	4,3,3,5	- Not representative of African continent - Need African case studies - Increase Africa case studies
Relevance and adequacy of the assigned readings	4,3,5	More reference material needed
Relevance and adequacy of the pre-training assignment	4,4	One person did not benefit from it
Overall trainer's knowledge and presentation skills	5,4,5	

Ranking on a scale: (1) poor - (2) fair - (3) good - (4) very good - (5) excellent

Not all participants have filled in the table.

5) Impression of the training course as a whole:

Poor coverage of subjects				IIII	III I	Good coverage of subjects
Hard to understand	I		III	IIII	II	Easy to understand
Too general		I	III	III	II	Too specific
Boring			I	III	III II	Interesting
Insufficient background information	I	I	IIII	III		Too much background information
Not informative			I	IIII	III I	Informative
Not relevant to my needs			I	IIII	III II	Very relevant to my needs
Pre-training assignment inadequate		I	III	III	III	Pre-training assignment very adequate
Training not well organized			II	III	III II	Training well organized

Written comments (provided by participants):

How could the manual be improved?

- By taking in the comments provided by the participants (2x)
- Appropriately finalizing it and improving in the subsequent editions

- To incorporate case studies from Africa (2x)
- To provide manual in electronic form
- Needs to be user-friendly
- Length of paragraphs to be reduced
- Table of content to be provided
- By including the handouts
- Incorporate issues on linkages between environmental issues, globalisation and food security

How could the training course be improved

- Allocate adequate time for the training
- Increase the duration by one day and decongest the day's training to start a bit later and end day earlier to enable participants to do the case studies adequately
- More focus on policy framework to apply tools
- By role plays and energizers
- Include polluters as participants and address gender issues
- Include any other relevant material relating to EIs for ENRM What follow-up activities or materials would you like to see?
- Revised report
- UNEP needs to think about strategic follow-up so that training impact can have more outcome (e.g. better understanding of countries environment policy frameworks, follow-up on implementation and application of tools)
- Piloting, redesign and application
- Communication from UNEP to the participants and focal points officers
- Training manual provided and sent to participants
- Conduct further training and case studies

B: Course administration and facilities

Poor course administration				IIIIII	IIII	Good course administration
Poor course facilities			I	IIIIII	III	Good course facilities
Poor accommodation				III	IIIIII	Good accommodation
Poor meals and refreshments			I	IIII	IIII	Poor meals and refreshments

General written comments:

- On logistics: would be useful to provide punched files to organize course material
- Would be useful to invite both, environment and economic departments and encourage the participation of women
- Travel arrangement in one case very poor (long and circuitous route while there was a shorter and more straight forward route)
- Well thought out and organised training. Need to follow-up and implement similar subsequent training for consistency and upgrading skills and lessons learned
- Thank you very much for a well organized training workshop

Annex – IV: Participation List

UNEP/KIPPRA: Capacity Building Workshop for Policy Makers on the Application and Use of Economic Instruments for Sustainable Development, UNEP Headquarters, Nairobi, Kenya 23 – 25 February 2004

List of participants from countries and institutions

	Country	Name	Address
1.	Egypt	Dr. Bahaa El Din Mohamed Morsy	Ministry of State for Environmental Affairs 6 th of October city, District 11, Street No. 7, Building No. 17. Cairo Egypt Tel: (202) 8328018 Cell: (2012) 2744360 Fax: (202) 4444460 E.mail: Moodyy25@hotmail.com
2.	Ethiopia	Mr. Abebaw Asamnew	Environmental Protection Agency The Federal Democratic Republic of Ethiopia Ketema Kifle Ketema Keble 17, Hse # 228/18 P.O Box 12760, Addis Ababa, Ethiopia. Tel: 251-1-762942(Res) / 465007 (Off) Fax: 251-1-464882 E.mail: Abebaw202@yahoo.com
3.	Ethiopia	Dr. Samuel Gebre-Selassie	Ethiopian Economic Policy Research Institute P.O Box 34282, Addis Ababa, Ethiopia. Tel: 00251 1557459 Fax: 00251 1 565252 E.mail: sgebre_selassie@hotmail.com
4.	Ghana	Mr. Edward Osei Nsenkyire	Chief Director Ministry of Environment & Science P.O Box M232 Accra, Ghana Tel: 233-21-673336/666094 Fax: 233-21- 666828 E.mail: nest@ghana.com
5.	Kenya	Mr. Joash Akuma	Ministry of Environment, Natural Resources & Wildlife P.O. Box 30521 Nairobi Tel: 2716103 Fax: 2727622 E.mail:
6.	Kenya	Mr. Henry Kinuthia	Ministry of Environment Natural Resources & Wildlife Policy Research Coordinator P.O. Box 67839 Nairobi, Kenya Tel: 609013/27 Fax: 608997 E.mail: kinuthiahenry@yahoo.com

7.	Nigeria	Mr. A. Sam Akpabio	Federal Ministry of Environment PMB 468, Garki-Abuja, Nigeria. Tel: 09-2340163 (Home) 080-23235964 (Mobile) Fax: 09-5237460 E.mail: Samakpabio2002@yahoo.com
8.	Nigeria	Dr. Kolawole Adebayo	Department of Agricultural Extension & Rural Development University of Agriculture, P.M.B 2240 Abeokuta, Nigeria. Tel: 234-2-803404687 E.mail: Kolawole_adebayo@hotmail.com
9.	Nigeria	Dr. Nelson Olalekan Magbagbeola	National Centre for Economic Management & Administration (NCEMA) 3 Oba Akinyele Avenue, Old Bodija PMB 85, U.I. Ibadan Nigeria Tel: 234 2 8100063/8103265 Mobile: 234-2-8034029547 Fax: 234 2 8100079 E.mail: lekkybrown@yahoo.com
10.	Nigeria	Mr. T.O Oni	Nigerian Institute of social & Economic Research (NISER) PMB 5, U.I.P.O , Ojoo, Ibadan Nigeria. Tel: 02 8102904 / 08033950670 E.mail: olukunlensis@yahoo.co.uk
11.	Senegal	Mr. Pape Gora Ndiaye	ENDA-rue 15 x Corniche Dakar- Senegal Tel: 221 823 5347 Fax: 221 823 67 13 E.mail: diapol@enda.sn
12.	Senegal	Mr. Michel Seck	Directorate of Environmental Assessment 106, rue Carnot, Dakar Senegal Tel: 221 821 0725 Fax: 221 822 1572 E.mail: michelseck@hotmail.com
13.	South Africa High Commission	Ms. Magdalene Williams	Deputy Permanent Representative P.O. Box 42441 Nairobi, Kenya Tel: 254 20 32063100 Fax: 254 20 32063236 E.mail: sahc@africaonline.co.ke
14.	South Africa	Ms. Michelle Pressend	Senior Researcher WSSD Deputy Director Dept. of Environmental Affairs and Tourism Private Bag X447, Pretoria, 0001, South Africa Tel: 27 12 3103656/3487 Fax: 27 12 322 1003 Email: mpressend@okat.gov.za mlpressend@yahoo.co.uk
15.	Tanzania	Mr. Robert P. Mtengule	Economist President's Office, Planning and Privatization P.O Box 9242, Dar Es Salaam

			Tanzania Tel: 255 22 2122215 Fax: 255 22 2121826 E.mail: Rmtengule@hotmail.com
16.	Tanzania	Dr. Kulindwa Kassim	Senior Research Fellow Economic Research Bureau University of Dar P.O Box 35096, Dar es Salaam Tanzania Tel: 255 741 338845 Fax: 255 22 241 0212 E.mail: erb@ud.co.tz
17.	Uganda	Dr. W.S. Gombya-Ssembajjwe	Associate Professor and Head, Department of Forest Management Faculty of Forestry & Nature Conservation Makerere University, P.O. Box 7062, Kampala, Uganda Tel: 256 41 543204/077441993 Fax: 256 41 533574 E.mail: ufric@starcom.co.ug gombya@forest.mak.ac.ug
18.	Uganda	Mr. Samuel Otuba	Ag. Assistant Commissioner – Planning Ministry of Water, Lands & Environment P.O Box 7096, Kampala, Uganda Tel: 256 41 258191 Fax: 256 41 230891 E.mail: sotuba@mwle.go.ug
19.	USA	Dr. Suresh Babu	IFPRI/ACBF Senior Research Fellow/Senior Advisor 2033 K Street, NW Washington DC 20855 Tel: 202 862 5618 Fax: 202 467 4439 E.mail: S.Babu@CGIAR.org

Other Participants

	NAME AND ADDRESS
1.	Mr. Shah Ahmed Shafi Bangladesh High Commission Acting High Commissioner P.O. Box 41645 Nairobi. Tel: 570467/701 Fax: 574133 E.mail: shah_ahmed_shafi@yahoo.com
2.	Dr. Hezron O. Nyangito Ag. Executive Director KIPPRA P.O. Box 5644 Nairobi. Tel: 2719971 Fax: 2719951 E.mail: hnyangito@kippra.or.ke

Resource persons from KIPPRA

	NAME AND ADDRESS
1.	Dr. Moses Ikiara Senior Analyst & Programmes Coordinator KIPPRA P.O. Box 56445, Nairobi Tel: 254 20 2719933/4 Fax: 254 20 2719951 E.mail: mmkiara@kippra.or.ke
2.	Dr. Walter Odhiambo Senior Analyst & Programmes Coordinator KIPPRA P.O. Box 56445, Nairobi Tel: 254 20 2719933/4 Fax: 254 20 2719951 E.mail: odhiambow@kippra.or.ke
3.	Dr. Erick Mungatana KIPPRA/CEEPA P.O. Box 56445, Nairobi Tel: 254 20 2719933/4 Fax: 254 20 2719951 E.mail:

UNEP's participation

	NAME AND ADDRESS
1.	Mr. Shafqat Kakakhel Deputy Executive Director United Nations Environmental Programme P.O. Box 30552 Nairobi, Kenya Tel: 254 20 624020 Fax: 254 20 623070 E.mail: Shafqat.kakakhel@unep.org
2.	Mr. Svein Tveitdal Director – DEPI & DEC United Nations Environmental Programme P.O. Box 30552 Nairobi, Kenya Tel: 254 20 623507 Fax: 254 20 623859 E-mail: Svein.tveitdal@unep.org
3.	Mr. Sekou Toure Director and Regional Representative Regional Office for Africa P.O. BOX 30552 Nairobi Tel: 254 20 624284 Fax: 254 20 623928 E.mail: sekou.toure@unep.org
4.	Mr. Nirmal Andrews Chief, Capacity Building Branch Division of Environmental Policy Implementation P.O. Box 30552 Nairobi, Kenya Tel: 254 20 623106 Fax: 254 20 623859 E.mail: Nirmal.andrews@unep.org
5.	Mr. Anisur Rahman Programme Officer Division of Environmental Policy Implementation P.O. Box 30552 Nairobi, Kenya Tel: 254 20 623669 Fax: 254 20 623859 E.mail: Anisur.rahman@unep.org
6.	Ms. Vera Weick Programme Officer Economics and Trade Branch (DTIE)

	11-13, Chemin des Anémones, 1219 Chatelaine, Geneva Switzerland Tel: 41 22 91 78151 Fax: 41 22 91 78076 E.mail: Vera.weick@unep.ch
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6.	Mr. Desta Mebratu Programme Officer Regional Office for Africa P.O. BOX 30552 Nairobi Tel: 254 20 624044 Fax: 254 20 623928 E.mail: desta.mebratu@unep.org
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Annex – V: Workshop Agenda

UNEP/KIPPRA: Capacity Building Workshop for Policy Makers on the Application and Use of Economic Instruments for Sustainable Development
 UNEP Headquarters, Nairobi, 23-25 February 2004

Sunday January 22nd

Arrival of participants to Kenya

- Pre-assignment: Each participant receives an environmental problem identification questionnaire prior to the workshop
- Evening Assignment: Based on the questionnaire, participants from the same country to prepare a joint presentation (5-10 minutes) on the most important environmental or natural resources management problem/issues and any experience with economic instruments. The presentations will be made in the afternoon of the first day of the workshop.

Monday January 23rd

Time	Activity – Conference Room 4
9.00-10.15	Session 1: Opening Ceremony <ul style="list-style-type: none"> • Introduction and welcome remarks: Mr. Nirmal Andrews, Chief, Capacity Building Branch/DEPI • Statement: Dr. Hezron Nyangito, Ag. Executive Director, KIPPRA • Keynote Address: Mr. Shafqat Kakakhel, Deputy Executive Director, UNEP • Vote of Thanks: Mr. Sekou Toure, Regional Director/ROA
10.15-10.30	Tea Break
10.30-12.00	Session 2: Introduction to the Workshop – Mr. Nirmal Andrews <ul style="list-style-type: none"> • Self introductions and expectations regarding the workshop • Presentation of ETB Report (EI in environmental policy making) – Ms Vera Weick-ETB • About the Manual on Economic Instruments: (KIPPRA) <ul style="list-style-type: none"> ▪ Design and content ▪ Purpose and use ▪ Contribution to sustainable development ▪ Importance of training in natural resources management ▪ Discussion
12:00-1:00	Session 3: Natural Resource and Environmental Management Policy: Theoretical Overview (Chaired by Ms. Magdalene Williams, South African High Commission) <ul style="list-style-type: none"> • Overuse of resources • Pollution

	<ul style="list-style-type: none"> • Discussion
1.00-2.00	Lunch break
2.00-3.30	Session 4: Country presentations on problem and experience with EIs (Chaired by Mr. Desta Mebratu - ROA) <ul style="list-style-type: none"> • Presentations and discussions • Interactions among participants and resource persons
3.30-4.00	Tea break
4.00-5.00	Session 4: continued <ul style="list-style-type: none"> • Presentations and discussions • Interactions among participants and resource persons
5.00-6.00	Session 5: The policy context of environmental management instruments (Country to chair) <ul style="list-style-type: none"> • Presentation • <u>Discussion</u>
6.00	<i>End of day</i>

Tuesday January 24th

Time	Activity – Conference Rooms 5 & 8
9.00-9.15	Summary of the first day and program for the second day - Mr. Anisur Rahman-DEPI
9:15-10:00	Session 6: Review of CACs (Chaired by Mr. Anisur Rahman-DEPI) <ul style="list-style-type: none"> • Presentation • Discussion
10.00-10.30	Tea break
10.30-11.30	Session 7: Benefits and objectives of EIs (Chaired by Dr. Suresh Babu-IFPRI/ACBF) <ul style="list-style-type: none"> • Benefits of EIs • Functional objectives of EIs • Discussion
11.30-1.00	Session 8: Review of EIs (Chaired by Dr. Suresh Babu-IFPRI/ACBF) <ul style="list-style-type: none"> • Presentation • Discussion
1.00-2.00	Lunch break
2.00-2.30	Session 8: continued (Review of EIs) <ul style="list-style-type: none"> • Presentation • Discussion
2.30-3.30	Session 9: Working groups on case studies on the use of EIs in other countries -Ms. Vera

	Weick – ETB <ul style="list-style-type: none"> • Studying the cases in working groups • Preparation of presentation according to guiding questions
3.30-4.00	Tea break
4.00-5.00	Session 9: cont'd: <ul style="list-style-type: none"> • Presentation of results to the plenary • Discussion of lessons learned
5.00-6.00	Session 10: Preparation of country presentation (for the next day) (KIPPRA) <ul style="list-style-type: none"> • Introduction into the task • Time for discussion and preparation
6.00	<i>End of day</i>

Wednesday January 25th

Time	Activity – Conference Rooms 5 & 8
9.00-9:15	Summary of the second day and program for the last day – Mr. Anisur Rahman
9.15-10.45	Session 10: Country Presentations (Chaired by Dr. Kulindwa Kassim of Tanzania) <i>■ During the presentations, each country's participants utilize the knowledge learned to identify a shortlist of policy instruments that can solve the problem they had earlier identified for their country.</i>
10.45-11.00	Tea break
11.00-12.30	Session 11: Policy design and implementation (Chaired by Dr. Kulindwa Kassim of Tanzania) <ul style="list-style-type: none"> • Phase 1: Assembling existing information • Phase 2: From template to draft policy options • Phase 3: Engaging stakeholders and refining policy choice • Phase 4: Policy implementation and evaluation • Discussion
12.30-1.30	Session 12: Presentation of the recommendations, discussion and finalization - Mr. Anisur Rahman-DEPI
1:30-2:30	Lunch
2:30-3:30	Session 13: Closing <ul style="list-style-type: none"> • Review and next steps: Mr. Anisur Rahman • Presentation of the workshop recommendations: Ms. Vera Weick-ETB • Comments by one Participant – Dr. Kola Adebayo, University of Agriculture, Nigeria

	<ul style="list-style-type: none">• Closing Statement: Mr. Svein Tveitdal, Director/ DEPI & DEC <p><i>NB: Participants should return Evaluation Questionnaire</i></p>
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