

# Unintended consequences of international philanthropy

Perry Gottesfeld

International development projects funded by foundation and public sector money have in recent years been increasingly subject to empirical measurement and assessment tools. New rigour has entered this field and both large and small funders have taken note. Noticeably lacking, however, has been any systematic effort to evaluate the likely indirect and unintended impacts on human health and the environment, either before projects begin or after they are completed. A formal assessment during the planning stages of development projects may identify and help prevent these undesirable outcomes.



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Perhaps the best-known example of international aid producing unintended harmful consequences is UNICEF's efforts in the 1970s to provide clean drinking water to Bangladesh by drilling deep bore wells. At the time, no efforts were made to test the aquifers for contaminants such as heavy metals. It wasn't until the early 1990s that a man visiting his family in Bangladesh became concerned about the increased frequency of skin lesions and other health effects in his hometown. He had the water tested for heavy metals and discovered high levels of arsenic. Authorities in Bangladesh and neighbouring areas of India are struggling to develop adequate water filtration systems to remove arsenic from thousands of wells but millions of people are still relying on drinking water with unsafe levels.

Even today some of the most respected institutions overlook the potential negatives of their programmes. The Gates Foundation, the World Health Organization and UNICEF, for example, are providing billions of vaccinations in developing countries annually. However, the project relies on single-use plastic syringes that are then burned in small furnaces, releasing a mixture of carcinogens and other toxic gases. Only recently have these programmes begun to explore alternatives for the collection and safe disposal of these waste products.

Photo on the contents page shows battery plates from dismantled batteries waiting to be melted down in a small-scale lead battery recycling facility in Kolkata, India.

Without proper care, even seemingly beneficial technologies such as solar power can come with a high price for health and the environment. The United Nations Environment Program (UNEP), in partnership with the UN Foundation and the World Bank, has been funding small-scale photovoltaic solar power projects for villages in Asia and Africa. Aimed at reducing global carbon emissions and providing sustainable energy at a reasonable cost, the programme facilitates low-interest loans for equipment purchases from subsidiaries of Shell, BP and other companies. The problem? All such systems rely on lead batteries for storage.

By depending on 19th century battery technology, these programmes are contributing to a global lead poisoning epidemic because they are failing to plan for the used batteries to be collected from remote villages and transported to environmentally sound recycling plants. As a result, this self-proclaimed sustainable technology will further contribute to a public health crisis that already affects three times more people than HIV/AIDS.

## Prevention through design

Environmental impact assessments (EIAs) are routinely performed by governments for domestic programmes and by international lenders for large infrastructure projects to identify and mitigate environmental damage before projects are undertaken, but few public or private aid programmes screen proposals in this way. For example, microfinance institutions that provide small loans to micro-entrepreneurs generally do not have the tools to evaluate environmental and social impacts (which might be significant in activities such as chemical-intensive agriculture and automobile repair). Further, current efforts to bring computers and the Internet to developing countries are relying on power from car batteries made of lead without considering how they are produced and recycled.

Most of these harmful outcomes could be predicted and most can be designed out or avoided. Potential tools for this include:

- ▶ environmental impact assessments;
- ▶ health impact assessments;
- ▶ integrated impact assessments;
- ▶ life-cycle assessments.

While environmental and health impact assessments focus on specific outcomes, integrated models consider all social, economic, environmental, health and other quality-of-life factors. Life-cycle assessment has

a narrower objective, examining the raw inputs, energy consumption, reuse and disposal of a given product. Such an exercise can facilitate the selection of more environmentally beneficial computers, cars, healthcare equipment, and other products. All these approaches rely on an interdisciplinary scrutiny that requires expert opinions to be integrated with stakeholder and community involvement.

Certainly the World Bank and others have used environmental impact assessments in the design stage of infrastructure projects, taking into account their air, water, land, human health, safety, and even social aspects. However, the Bank delegates the responsibility for preparing these EIAs to government borrowers rather than to a neutral entity and provides oversight and review only after the completion of the EIA report. Generally the Bank's applicants have more of a vested interest in seeing the loans approved and projects built than in dealing with concerns that may slow down or derail the effort.

Although few foundations have a routine screening process to look specifically at health, environmental or social outcomes, the traditional EIA can easily be adapted and carried out by independent consultants or staff working directly for the donor. They can be used to design strategies to mitigate some or all of the potential negative outcomes and can be tailored to fit the size, scope and nature of a development proposal.

Financial institutions have also developed general standards for screening investment decisions based on social and environmental criteria. The Equator Principles provide some minimum guidance to private investment, while the International Finance Corporation has developed more comprehensive industry-specific recommendations for environmental, health and safety that include performance targets. Although these programmes are not directly applicable to most donor assistance, they provide useful models for developing impact assessment tools.

Donors can also positively influence environmental quality with green purchasing programmes or other offsets. Some governments have begun to base purchasing decisions on environmental criteria such as recycled material content, energy efficiency, and less harmful chemical ingredients. Simple criteria may include looking at fuel consumption and emissions of vehicle fleets. An example of an offset would be to preserve appropriately located forestland to account for the carbon emissions from a given project.

Another approach to mitigating impact is to require all procurements in a project's supply chain to obtain environmental and/or social certification based on an existing standard such as SA 8000 or the Forest Stewardship Council (FSC) criteria for wood products where available. These measures include independent oversight and ensure minimum compliance with a basic code of practices.

### A Hippocratic oath for philanthropy

No philanthropist intentionally distributes hazardous materials or expects their work to have a negative effect on health or the environment, yet without careful planning these can result from even innocuous-seeming development projects.

Philanthropy can play a leading role in reversing the trends that are creating an unhealthy environment throughout the developing world. Every funding agency can start by pledging, as the Hippocratic oath enjoins doctors, to 'do no harm', and take some concrete steps to integrate health protection, community concerns, and the environment into development projects. There is a growing recognition of the need for this type of prevention-through-design approach. Environment, health and social concerns should not be compromised because of poorly designed philanthropic efforts. @

#### Comment

Rayna Gavrilova

I have often discussed the need for assistance-providing agencies to pay special attention to the **post**-project development of the initiatives they support, on the analogy that no investor in her/his right mind would spend money and forget about it the moment it is spent. Perry Gottesfeld's article strikes me as another example of how such an obvious and commonsense thing, which people practise constantly in their everyday lives, can be overlooked by donors with the noblest intentions.

No family would buy a dishwasher without figuring out how its presence will affect the use of space or the size of the electricity bill. Unfortunately, we have all seen over the years many instances of good ideas backfiring with unintended consequences – maybe not as devastating as the provision of arsenic-poisoned wells, but even so the damage to public perceptions and social capital can be extremely difficult to neutralize.

Unfortunately this defective practice is not limited to donors; it affects legislations and gigantic public works too. The requirement to carry out environmental impact assessments has disciplined many public institutions but the concept of integrated impact assessment sounds like the order of the day for responsible grantmaking. The donor/non-profit community should assume the leadership position in this self-imposed responsibility. 'Do good' is the first commandment in the book of charities and international help organizations. The second one should truly be 'Do no harm'. Rational assessment of anticipated consequences shouldn't be that difficult.