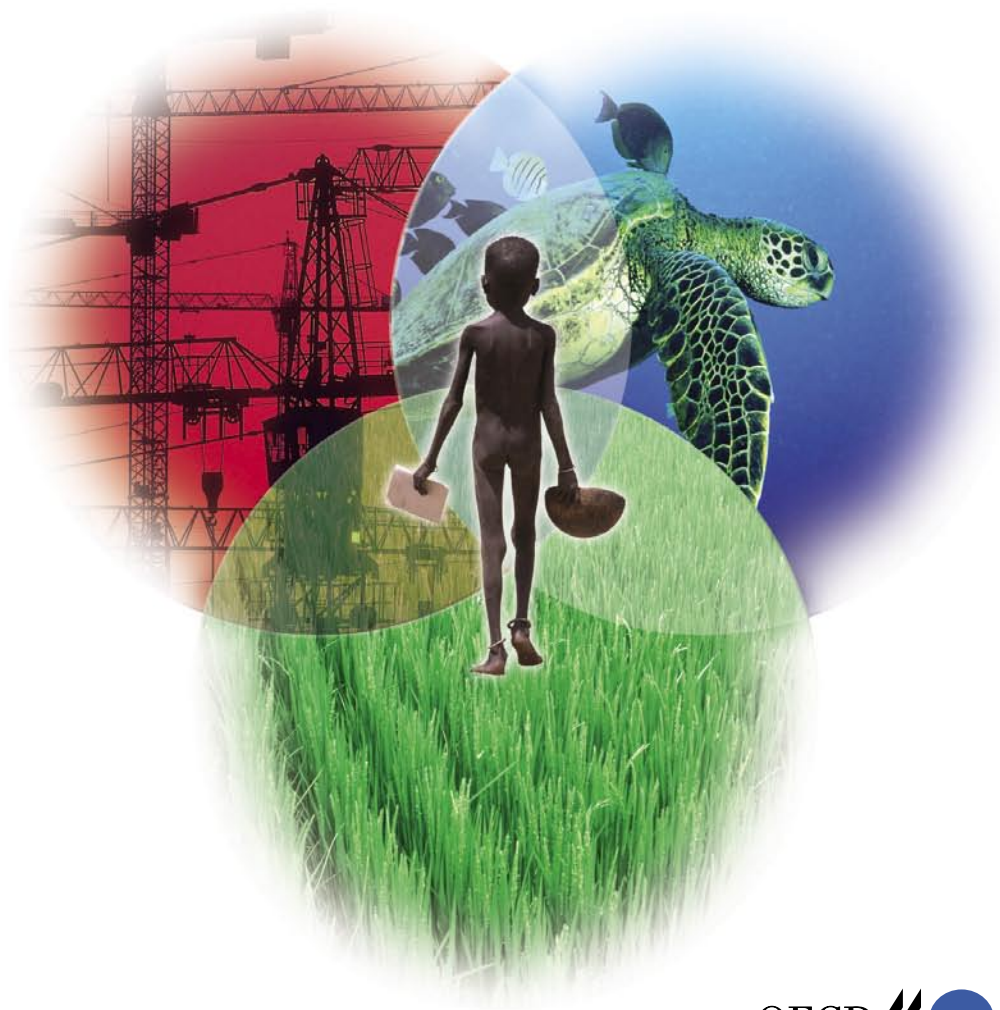


Applying Strategic Environmental Assessment to Development Co-operation



Introduction

There is increasing recognition of the value and importance of Strategic Environmental Assessment (SEA) in development co-operation. Several agencies and countries, including developing countries, have introduced legal or other provisions to formalize SEA as a planning requirement at international, national and regional levels.

The need for SEA is becoming more urgent as development agencies change their emphasis from supporting individual projects to providing support for broad policies and strategies. Traditional environmental assessment tools, developed primarily for project level planning and management, are less effective when applied to policies, plans and programmes.

However, while SEA approaches are widely recognized to be the most appropriate response to this new need, ways of operationalising SEA in practice have been varied. This has been inevitable in its formative stages.

The evolving nature of SEA makes prescriptive guidelines inappropriate at this point. Instead, broad guiding frameworks and principles are needed to help bring greater coherence to practice, and to better respond to the need to align behind developing country partner processes.

The OECD/DAC has developed Policy Guidance to support the accelerated application of SEA in development co-operation. The Guidance encourages greater harmonization of SEA approaches based on best practice experiences. It has been developed as an aid for decision makers and practitioners working in development co-operation.

The purpose of this brochure is to introduce the concept and value of SEA as applied to international development. It draws from the “*Good Practice Guidance on Applying Strategic Environmental Assessment (SEA) in Development Co-operation*” (forthcoming).

“Environmental sustainability is one of today’s three top development challenges”
James Wolfensohn (World Bank President) retirement speech, 2004

“The long term success in meeting all of the MDGs depends on environmental sustainability” **UN Millennium Ecosystem Assessment, 2005**

*“Donors and partner countries jointly commit to:
- Develop and apply common approaches for “strategic environmental assessment” at the sector and national levels.”*

Paris Declaration on aid effectiveness - Ownership, Harmonisation, Alignment, Results and Mutual Accountability, 2005

What is SEA?

The OECD Development Assistance Committee defines SEA as:

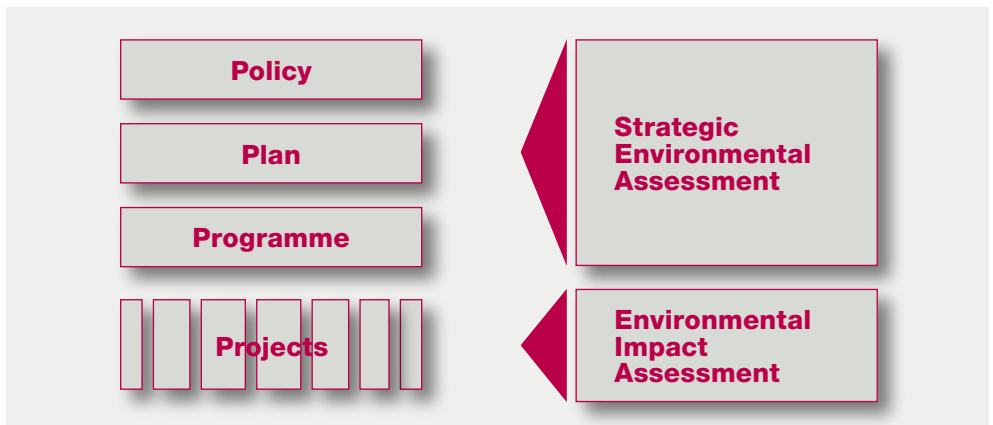
“Analytical and participatory approaches to strategic decision-making that aim to integrate environmental considerations into policies, plans and programmes and evaluate the inter linkages with economic and social considerations.”

SEA is applied at the very earliest stages of decision-making both to help formulate policies, plans and programmes and to assess their potential development effectiveness and sustainability.

This distinguishes SEA from more traditional environmental assessment tools, such as Environmental Impact Assessment (EIA), which have a proven track record in addressing the environmental threats and opportunities of specific projects but are less easily applied to policies, plans and programmes.

SEA: an approach for mainstreaming and upstreaming environmental sustainability in the decision-making hierarchy

Decision-making can be viewed as a hierarchy. At the top of this hierarchy are policies in support of long term goals. These policies are given greater definition by plans or programmes of actions with discrete time lines and targets. They are ultimately put into effect by projects on the ground. SEA ensures the higher orders of this hierarchy take account of environmental threats and opportunities. As a complement to this, the more detailed process of EIA addresses the prediction, avoidance and management of discrete project-specific environmental opportunities and threats.



Why is SEA relevant to the international development agenda?

Environmental sustainability underwrites sustained economic growth, which in turn supports political stability – necessary for effective sustainable development and attainment of all the Millennium Development Goals (MDGs) endorsed by the United Nations General Assembly in 2000. Without recognizing the importance of environment in their decision-making, the ability of development planners to produce lasting positive outcomes will be significantly impaired.

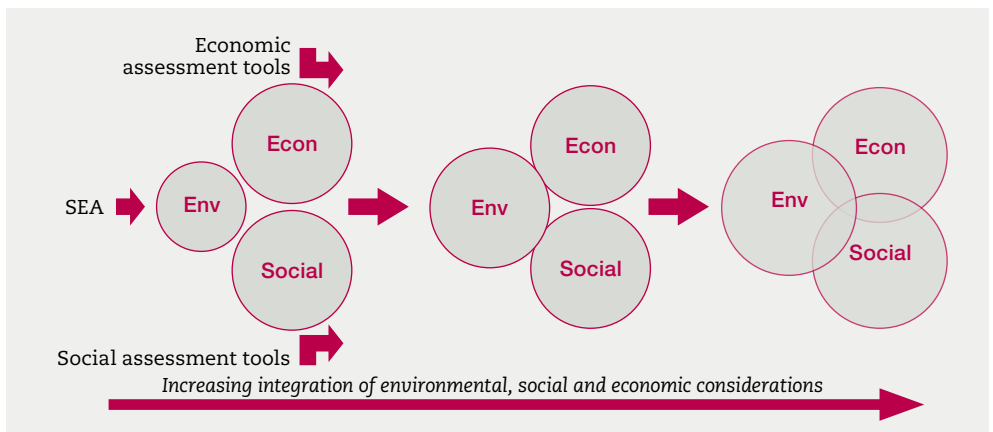
SEA directly supports the requirement of MDG 7 to ‘integrate the principles of sustainable development into country policies and programmes and reverse loss of environmental resources’.

SEA also meets the need for “the more holistic, integrated and balanced strategic decision-making” that was called for at the World Summit on Sustainable Development, 2002.

In March 2005, development officials and ministers from 91 countries endorsed the “Paris Declaration on Aid Effectiveness – Ownership, Harmonisation, Alignment, Results and Mutual Accountability”, which draws attention to the importance of SEA in the context of promoting harmonised approaches to environmental assessment.

SEA: a family of approaches using a variety of tools

SEA can be described as a family of approaches using a variety of tools, rather than a single, fixed and prescriptive approach. A good SEA is adapted and tailor-made to the context in which it is applied. This can be represented graphically as a continuum of increasing integration: At one end of the continuum, the principle objective is to ensure that environment is given due consideration alongside economic and social concerns in strategic decision-making. At the other end, the emphasis is more on the integrated assessment of and interplay between the environmental, social and economic factors.



The value of SEA in development co-operation

Applying SEA to development cooperation has benefits for both decision-making procedures and development outcomes.

It can:

- provide the environmental evidence to support more informed decision-making,
- identify new opportunities by encouraging a systematic and thorough examination of development options,
- prevent costly mistakes, by alerting decision-makers to potentially unsustainable development options at an early stage in the decision-making process,
- build stakeholder engagement in decision-making for improved governance,
- safeguard environmental assets for sustainable development with poverty reduction,
- facilitate trans-boundary co-operation around shared environmental resources and contribute to conflict prevention.

Case study: Strategic Environmental Assessment for Poverty Reduction in Ghana

In 2002, Ghana published its first Poverty Reduction Strategy. When drawing up this strategy, little attention was given to issues such as the positive and negative impacts of transport, agriculture and private sector development plans on the environment. It was therefore decided to carry out an SEA to adjust the strategy where needed. SEA was applied at both national and district levels, which helped refine development policy, modify district-level plans and revise planning guidelines. The main advantage of the SEA was its utility in the process of mainstreaming environment and sustainability in policies, plans and programmes at all levels. The SEA process is now being formally incorporated in Ghana's planning system.

Where can SEA be applied in development co-operation?

The OECD'S "Good Practice Guidance on Applying SEA in Development Co-operation" (forthcoming) identifies twelve key entry points for SEA.

Policy, Plans and Programmes led by Partner Country Governments:

1. Macro-level strategies and plans
2. Policy reforms and budget support programmes
3. National sectoral development programmes
4. Infrastructure investments programmes and plans
5. Spatial development programmes and plans
6. Transnational planning

Policies and plans of donor Agencies:

7. Country Assistance Strategies and Plans
8. Agency-wide sectoral development strategies
9. Donor sectoral-policies
10. Programmes and facilities to support private sector infrastructure investments
11. Independent International Reviews

Private sector initiatives:

12. Large scale projects primarily financed by the private sector in association with others

Guidance notes, incorporating checklist questions and case-studies have been identified for each of these entry points and can be found in the Guidance.

SEA builds on existing institutions

SEA does not seek to establish new and independent systems and procedures. It strives to ensure that a set of key principles are employed in existing systems, to reinforce their effectiveness.

SEA is a continuous and adaptive process focused on strengthening institutions and governance rather than a simple, linear, technical approach. SEA thus demands a focus on political contexts and institutional capacity strengthening.

Effective application of SEA in development co-operation rests on three prerequisites:

- Partner countries take ownership of the process wherever possible;
- Donors act within agreed explicit strategic frameworks;
- SEA principles are adapted to country contexts.

Capacity development and SEA

Practical experience of applying SEA has repeatedly highlighted two key challenges:

- 1) Lack of knowledge amongst decision makers regarding the potential value of SEA to development effectiveness
- 2) Lack of institutional experience of using systematic decision-making tools such as SEA.

Tackling those challenges requires capacity development. Important principles of effective capacity development for SEA are:

- Development outcomes and results-orientation: The final goal of capacity development for SEA is not a 'well done' SEA, but 'better' decisions that result in contributions to development outcomes (e.g. poverty reduction, improvement of living conditions).
- System-orientation: Capacity development is not restricted to skills of single individuals but addresses organisations and interacting communities (e.g. including the private sector NGOs and civil society organisations).
- Learning-orientation: For capacity to develop, it needs to be oriented to the continuous improvement of decision-making and implementation processes.
- Trust building: all participants involved in an SEA process should be able to gain confidence in the potentials and benefits of SEA-supported decisions, especially relevant to the decision-makers themselves.

KEY STAGES OF SEA

1. Establishing the context
2. Undertake the needed analysis with appropriate stakeholders
3. Informing and influencing decision-making
4. Monitoring and evaluating

Case study: Policy reform in the water and sanitation sectors in Colombia

A Strategic Environmental Assessment (SEA) was integrated when reviewing the water and sanitation sector in Colombia. As a result, recommendations were developed and implemented relating to the environmental obligations of local authorities and utility operators, wastewater discharge standards and capacity building for environmental management.

The OECD DAC

The Development Assistance Committee (DAC) is a key forum of major donors. They work together to increase the effectiveness of their common efforts to support sustainable development. The DAC concentrates on two key areas: a) how international development co-operation contributes to the capacity of developing countries to participate in the global economy, and b) the capacity of people to overcome poverty and participate fully in their societies.

DAC Members are: Australia, Austria, Belgium, Canada, Denmark, European Commission, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, and United States. The IMF, the UNDP and the World Bank are permanent observers to the DAC.

The OECD DAC Network on Environment and Development Co-operation

Sustainable development is a global issue that OECD and developing countries can only achieve through joint efforts. DAC work in this area is carried out primarily through the Network on Environment and Development Co-operation (ENVIRONET). The Network works to identify critical issues on the global sustainable development agenda and bring them to the attention of the Development Assistance Committee and other relevant OECD bodies. The objective is to help shape the response of development co-operation at the policy and operational levels. The ENVIRONET identifies the role of development co-operation in assisting developing countries address key challenges in sustainable development and formulates policy guidance for donors. This work is generally conducted in collaboration with partners in developing countries, as well as NGOs active in these areas. More information and publications are available at www.oecd.org/dac/environment.

The ENVIRONET SEA Task Team

In 2004 the OECD DAC Network on Environment and Development Co-operation established a Task Team on SEA to develop Guidance on SEA's application to development co-operation. The multi national and multi agency Task Team, together with co-opted individual experts from both developed and developing countries, have consulted widely in the process of developing good practice guidance for applying SEA to development co-operation. An implementation plan is piloting specific applications using the Guidance as a framework. The Guidance and critical progress reports will be made available at www.seataskteam.net.

This brochure summarizes the key messages of the "Good Practice Guidance on Applying Strategic Environmental Assessment (SEA) in Development Co-operation". (Forthcoming)

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