Step 7. Proposing mitigating measures

After the main conflicts or necessary trade-offs across the sustainability impacts in the economic, environmental and social domains have been identified, the next step is to consider mitigating measures. In other words, what are the possible alternatives and solutions? This step, which builds on and is closely related to Step Six, develops measures or frameworks for minimising the potential negative effects and strengthening the positive sustainable aspects of the policy proposal. The intent is to avoid or reduce undesired impacts, while nurturing the desired impacts as much as possible.

Areas already displaying a continuous downward trend and which would be further negatively affected by the proposed policy should receive special attention. Relevant questions include whether there is a downward trend in individual criteria; whether the negative impacts are irreversible; whether there are minimum sustainable development requirements which are not being met; whether there is scope to improve the proposal for these individual criteria; and whether there are opportunities to lessen negative impacts through ancillary measures.

Scenarios and modelling can be used to show how mitigating measures will affect outcomes in the three dimensions. The scenarios should identify the central driving and inhibiting factors of future developments by varying the assumptions about the directions these factors might take. These scenarios can incorporate modifications and supplementary measures to enable the three sustainable development dimensions to be better balanced.

For negative effects identified in any of the domains, the following mitigation hierarchy should be followed: first avoid, second reduce, and third offset. Some basic rules should be respected in the appraisal process (Hugé, 2008):

- ensure a full justification for a partially non-sustainable option by the party proposing this option;
- avoid significant negative effects;
- ensure the future is protected (no transfer of negative effects to next generations); and
- ensure explicit, open and sound arguments for the choices proposed (transparency).

Preference should be given to those scenarios in which none of the three sustainability dimensions is too strongly impaired. The proposed options should all meet the following minimum requirements: (i) environmental standards established to protect human and environmental health; and (ii) living standards in keeping with social well-being or to safeguard human rights. The aim is to develop “win-win” situations where mutually-reinforcing gains can strengthen the economic base, ensure equitable living conditions, and protect and enhance the environment. Where this is impossible, the trade-offs should be clearly indicated to guide decision-makers.

In the case of the environment, for example, proposed policy reforms in different sectors can have both positive and negative impacts and necessitate appropriate mitigating measures. In many cases, different types of policy instruments – regulations, taxes, legal frameworks – can be combined to produce more optimal outcomes. For example, agricultural land reforms may require equity considerations and skills training to prevent damaging ecological side effects. Fiscal reforms should ensure that new tax levies or relief also help internalise environmental costs. Trade liberalisation may need to be accompanied by stronger environmental regulation and enforcement to stem the offshore movement of polluting sectors.

SOURCE: GUIDANCE ON SUSTAINABILITY IMPACT ASSESSMENT (OECD 2010)
The importance of formulating alternatives is to move from a problem description towards concrete solutions. The advantage of this approach is that innovation and prevention are stimulated and several risks are reduced. It also has a positive effect on public participation, as different perspectives and options have been included. The possible impact on administrative burdens should be taken into account when proposing alternatives.