Instructions

- The presentation is designed to present SEA and the new OECD Guidance in a logical way, with some illustrative cases.

- Please tailor this guide to suit your needs and audience. This means showing the slides that are most relevant to the target group, and perhaps adjusting their order.

- You can make use of the short comments under each slide in the Notes pages. If you open the file in Normal view (when the outline is to the left, you can see these notes – and also add your own). The notes pages can also be printed - choose Notes Pages.

- In some cases the Notes pages are very informative. They should be seen as background reading, not to be read out loud.

- At the back of the presentation we have gathered some extra slides that you can select from and add into the presentation, if appropriate.

- Good luck!

STRATEGIC ENVIRONMENTAL ASSESSMENT

in Development Cooperation

A short introduction

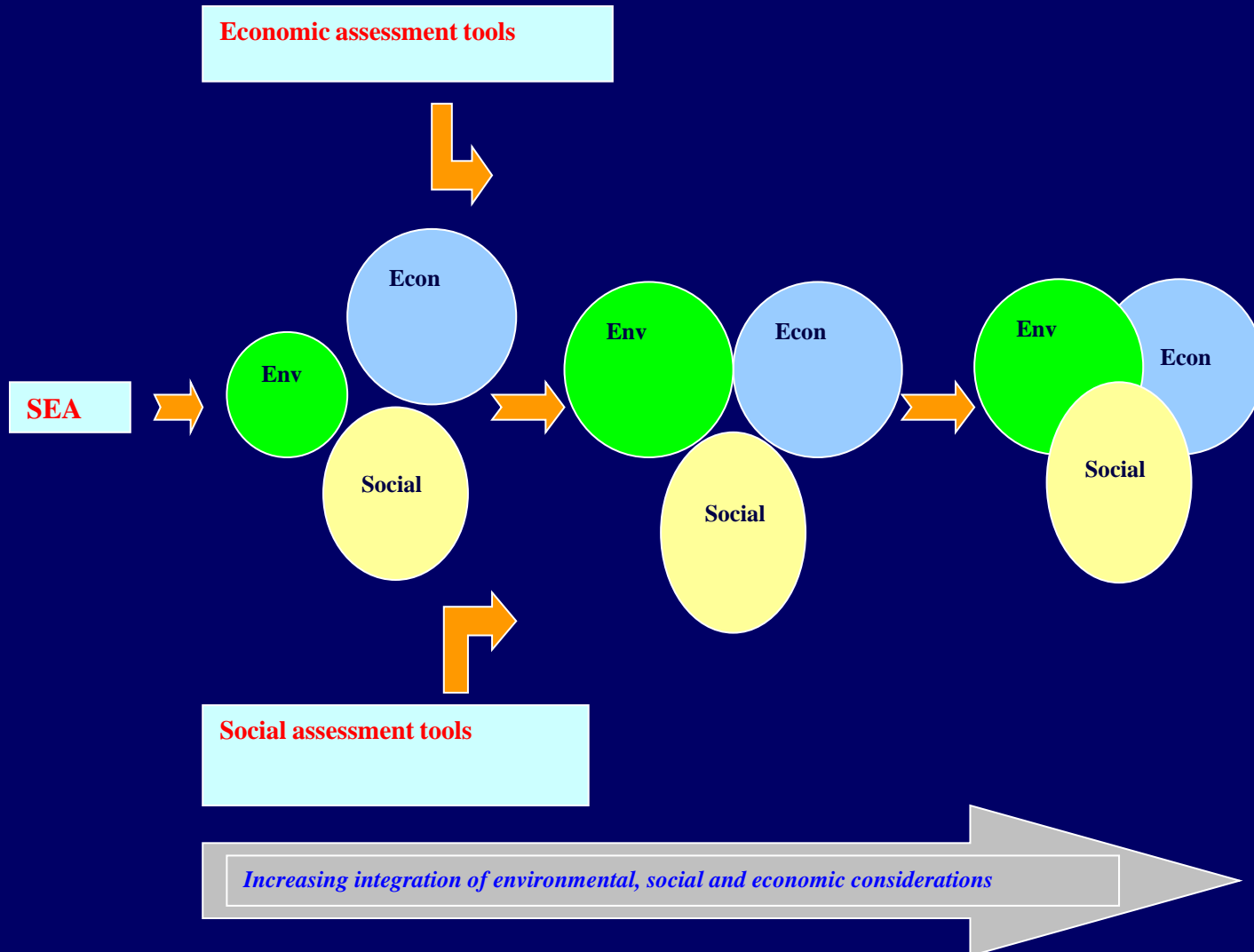# SEA is all about improving strategic decision-making

- **The final goal of an SEA is not a 'well done' SEA, but 'better' decisions that contribute to development outcomes.**

What is SEA ?

"**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**"

OECD DAC, 2006

Family of approaches, using variety of tools (not a single, fixed or prescriptive approach)

OECD

Economic assessment tools

Econ

Env

SEA

Social

Env

Econ

Social

Env

Econ

Social

Social assessment tools

Increasing integration of environmental, social and economic considerations

Paris Declaration on Aid Effectiveness

§40-42

Donors and partner countries jointly commit to:

- *Strengthen the application of EIAs and deepen common procedures for projects, including consultations with stakeholders; and develop and apply common approaches for "strategic environmental assessment" at the sector and national levels*

- *Donors have achieved considerable progress in harmonisation around environmental impact assessment (EIA) including relevant health and social issues at the project level. This progress needs to be deepened, including on addressing implications of global environmental issues such as climate change, desertification and loss of biodiversity.*

- *Continue to develop the specialised technical and policy capacity necessary for environmental analysis and for enforcement of legislation*

Relevance of SEA to international development agenda

- **Environmental sustainability underwrites sustained economic growth, which underpins political stability – necessary for effective sustainable development and attaining MDGs**

- **SEA directly supports MDG7: "to integrate the principles of sustainable development into country policies and programmes and reverse loss of environmental resources".**

- **Paris Declaration on Aid Effectiveness highlights importance of SEA in harmonising approaches to environmental assessment (§40-42).**

Increasing value and importance of SEA

- Donors and countries are introducing legal and other requirements for SEA

- Emphasis of aid is changing from projects to strategic support (policies, plans and programmes)

- Traditional assessment tools for project planning less effective at these levels - need an upstream, holistic approach

SEA helps to prevent costly mistakes
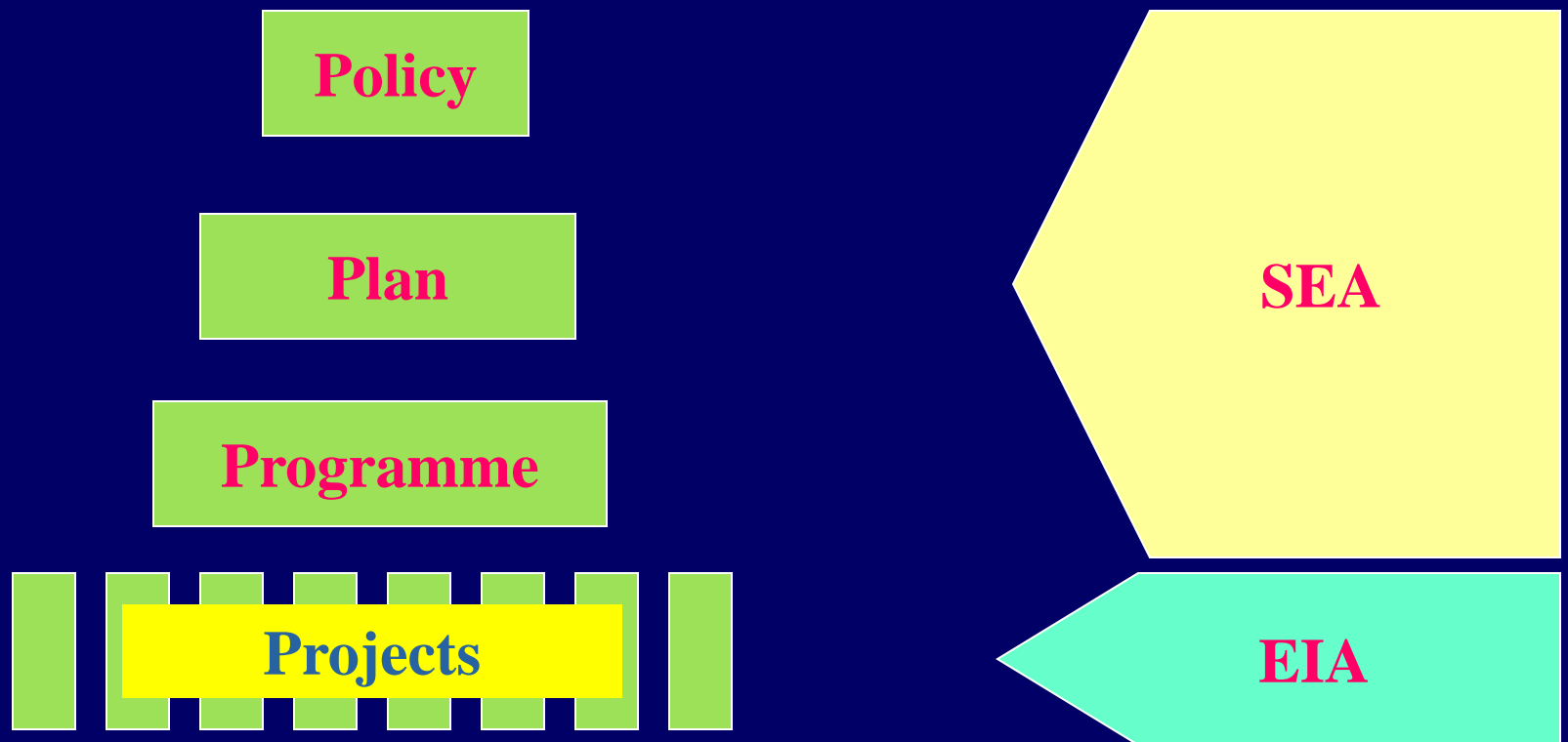
Case: Thermal Power Generation Policy, Pakistan

Issue

- This policy provided incentives for investments in thermal power generation

- Various investors were given the freedom to choose the site, the technology and the fuel

- No SEA was undertaken but Environmental Impact Assessments were made for the individual power plants

Key costs

- Relocation of plants due to public pressure and lobbying at considerable cost.

- Delayed delivery of energy.

Mainstreaming & upstreaming environmental sustainability in the decision-making hierarchy

OECD

Policy

Plan

Programme

Projects

SEA

EIA

EIA	SEA
• Projects	• PPP
• Project alternatives (limited range)	• Alternative scenarios (broad range
• Prepared/funded by project proponents	• Independent
• Obtaining permission (feedback to PPP rare)	• PPP implications for future lower-level decisions
• Linear process (feasibility to project approval)	• Multi-stage, Iterative process (feedback loops)
• Mitigating ESE impacts	• Balanced ESE objectives in PPP Development outcomes at macro level
• Cumulative impacts (limited)	• Focus on cumulative impacts

Value of SEA in development cooperation
Benefits for both decision-making procedures and development outcomes

- Provide **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** the environmental assets for sustainable development with poverty reduction
- Facilitate **trans-boundary co-operation** and contribute to **conflict prevention**

Key principles of SEA

- Be **integrated** with existing policy and planning structures

- Be **customised** to context

- Analyse potential **effects and risks** of proposal and its **alternatives**

- Identify environmental and other **opportunities and constraints**

- Address the **linkages and trade-offs** between environmental, social and economic considerations

- Be **transparent**

- Build **capacity** for both undertaking and using SEA

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Case: **SEA of Mexican Tourism sector**

Issue

- An SEA was run with an advisory body comprising representatives from different sectors including tourism, environment, forests, water, urban development, interior and finance ministries.

Key benefits

- The SEA enabled parties with different mandates over natural resources and other issues to make durable commitments and reach agreements with a long-term perspective.

- **Establishing the context**
  - **Screening: deciding whether an SEA is appropriate and relevant to the development of a policy, plan or programme**
  - **Setting objectives**
  - **Identifying stakeholders**

- **Implementing the strategy**
  - **Scoping: establishing the content of the SEA**
  - **Collecting baseline information**
  - **Identifying alternatives**
  - **Identifying how to enhance opportunities and mitigate impacts**
  - **Reporting**

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- **Informing and influencing decision-making**
  - **Making recommendations**

- **Monitoring and evaluating**
  - **Monitoring decision taken on the PPP and the results of their implementation**
  - **Evaluation of the SEA**

Where can SEA be applied in development cooperation ?

The DAC Guidance identifies 12 key entry points:

Policies, plans & programme led by partner country governments:

1. Macro-level strategies and plans
2. Policy reforms and budget support programmes
3. Country sector programmes
4. Infrastructure investments
5. Spatial development programmes and plans
6. Trans-national planning

Policies and plans of donor agencies:

7. Country assistance strategies and plans
8. Donor institutional strategies
9. Donor sector policies
10. Private sector infrastructure support facilities
11. Review Commission

Private sector initiatives:

12. Mega projects financed by the private sector in association with others

DAC Guidance on SEA: Contents

- **Executive summary**

- **Introduction**

- **Understanding SEA**

- **Benefits of using SEA in development cooperation**

- **Towards SEA good practice: principles and processes**

- **Applications of SEA in development cooperation**

  - **Guidance notes for 12 key entry points, eg**

    - **Direct budget support**

    - **Poverty reduction strategies**

    - **Country sector programmes**

    - **Country assistance strategies**

- **How to evaluate an SEA**

- **Capacity development for SEA in development cooperation**

- **Appendices**

Guidance note format

- **Introduction**: description of entry point

- **Information Box**: rationale for applying SEA and typical issues of process and substance

- **Checklist of Key Questions**: typical questions that would guide SEA in the specific context of the entry point

- **Case Studies**: to illustrate how SEA is applied and what outcome scan be achieved

Key challenges for capacity development and SEA

- Lack of knowledge amongst decision-makers on the value of SEA to development effectiveness

- Lack of institutional experience of using systematic decision-making tools such as SEA

An on-line copy of the DAC SEA Guidance and further information on the work of the OECD DAC Environet Task Team on SEA are available at:

www.seataskteam.net

Thank you

Extra slides

- Case studies

SEA can facilitate trans-boundary co-operation

Case: **Transboundary EA in the Nile basin**

Issue

- Nile countries rely on efficient water management
- Transboundary environmental assessment was carried out to coordinate their interests.

Key benefits

- Prioritised set of transboundary environmental threats and an environmental action plan.
- Enhanced regional cooperation on transboundary environmental and natural resources issues.
- Establishment of micro-grant fund to support community level initiatives.

SEA can safeguard the environmental assets for poverty reduction

Case: **SEA for Water Use, South Africa**

Key issues
- The catchment was under water stress and there was no surplus for allocation to new users;
- Inequity in allocating water resources between commercial sectors and the community existed.

Key benefits
- SEA helped to provide decision-makers with reliable data from the catchments for more informed decisions.

Principles of SEA – expanded set

- Establish clear goals
- Be integrated with existing policy and planning structures
- Be flexible, iterative and customised to context
- Analyse the potential effects and risks of the proposed policy, plan or programme, and its alternatives, against a framework of sustainability objectives, principles and criteria
- Justify the selection of preferred options and the acceptance of significant trade-offs
- Identify environmental and other opportunities and constraints
- Address the linkages and trade-offs between environmental, social and economic considerations
- Involve key stakeholders and encourage public involvement
- Include an effective, preferably independent, quality assurance system
- Be transparent throughout the process, and communicate the results
- Be cost-effective
- Encourage formal reviews of the SEA process after completion, and monitoring the outputs of the policy, plan or programme
- Build capacity for both undertaking and using SEA