Making SEA More Relevant to Poverty Reduction Policies, Plans, and Programs

by Jonathan Hobbs

Mr. Jon Hobbs is an Environmental Policy Advisor at the United Kingdom's Department for International Development, leading its policy team on Environment for Development and the Minerals section of the Water, Energy and Minerals. He also Chairs OECD's Development Assistance Committee Task Force on Strategic Environmental Assessment. He was the Head of the UNEP's Cleaner Production Program and founded the World Business Council for Sustainable Development's Regional Partners in Southern Africa and Northern Europe. He worked for 15 years as corporate consultant on environmental policy and strategy issues for private sector and led the Southern African business delegation to the 1992 Rio Earth Summit and contributed to drafting the ISO international environmental management systems standards.

This module will cover the application of strategic environmental assessment, SEA, to development cooperation from the perspective of a bilateral agency. The way development assistance is being provided from richer nations to developing countries is changing, and this change is calling for a similar change in policy development and appraisal tools for both development agencies and for their developing country partners.

For this reason, there is considerable interest in tools such as SEA in the work of both the development agencies and their partners. To consider the application of SEA in development cooperation, we need to consider some fundamental definitional issues and then answer three important questions: Firstly, what are the root causes of environmental and development problems? Secondly, have we most effectively addressed these problems? And why is SEA an increasingly important part of this process?

It is fundamentally important to ensure that we all share the same appreciation of what we mean by the term "environment," or at least appreciate that we do not all have the same understanding of that term. For example, there's likely to be considerable differences in the way rich and poor people view their surrounding environments and the opportunities and the threats that it provides.

For many people, the environment is limited simply to the biophysical dimension only, the wildlife and the ecological issues. In fact, the environment is a complex of not only the tangible biophysical dimensions, but also the less tangible social, economic, and cultural dimensions.

It's important to appreciate that the environment is multidimensional, uncertain, interconnected, dynamic, and very, very complex. Environmental management, therefore, requires a multidisciplinary, holistic, balanced, and an integrated approach to decisionmaking.

Does it get it? Not very often. What it frequently gets is simplistic solutions. But simplistic solutions applied to complex situations often fail to provide real solutions. They simply move the problem from one dimension of the environment to another.

For example, the solution to a polluting stack may be to fit flue gas desulfurization operators to a power plant. This will reduce particulates getting into the air or the atmosphere and may clean the emissions, but will result in a problem of what to do with the particulates now that they have been trapped, and that will involve disposal on the land.

Similarly, an environmental solution may solve an environmental problem, but in the process it may at the same time create a social or economic problem.

Having established the characteristics of the concept environment, we should now know what the main environmental problems are. But if I was to ask you what are the main environmental problems facing the world, I think I know what the answers may be. You'd probably come up with climate change, loss of biodiversity, soil erosion, and possibly even deterioration in water quality. These, of course, are the right answers, but they are, however, all essentially in the biophysical domain. Nor are they really the root causes of environmental problems. They are the manifestations of some more fundamental issues that result in these environmental problems.

The real root causes of environmental problems are, for a start, technologies and policies. We develop technologies and even policies without really knowing what environmental and social impacts they may have. Of course, technology has helped us in many ways to eradicate some diseases and increase food production. However, there are also many examples of technologies and policies that have had unanticipated consequences, such as the eventual discovery that chlorofluorocarbons, CFCs, were depleting the stratospheric ozone layer.

Another root cause of environmental problems is affluence or, indeed, the excesses of affluence. We all want to be affluent, but those that can afford the excesses of affluence are demanding more and more materials to fuel more and more consumptive lifestyles. These lifestyles are unsustainable. To use a cliche, the rich nations are living off the capital in the environmental bank account and not the interests, and that is unsustainable.

Attitudes are also a cause of environmental problems. Too often the environment is considered to be an expensive luxury or a peripheral activity in critical decisionmaking. Yet it is the management and sustained use of natural resources or natural capital that provides the foundations for sustained economic growth, and that in turn contributes to political stability.

However, it is poverty that is the main concern of development agencies, and poverty is not often regarded as an environmental problem. People in poverty, through no fault of their own, are not generally inclined to think about sustainability or long-term horizons. Their priority, of course, is to survive on a day-to-day basis.

This is not allocating blame to the poor for all the world's environmental problems. Without doubt, the wealthy lifestyles cause most of the environmental damage. But we need to understand the interplay between poverty and environment.

We also need to separate some of the myths from the reality. This interpretation is only true up to a point because we also need to recognize that not only is poverty a root cause of

environmental problems, but also the reverse is true: Environmental degradation contributes to poverty.

A vicious circle exists, and poverty and environmental degradation grow alongside each other. They are interdependent. From the definition we have given to environment and to environmental problems, we now know that environmental management is certainly a complex activity, dealing with many diverse issues. We know the environmental developmental trends that need to be addressed. Biophysical or environmental quality trends, such as air or water quality, are usually downwards. Socioeconomic or developmental trends, such as poverty, AIDS, or child labor, are generally upwards.

In the rural areas of developing countries, only three in ten people have access to clean water and improved sanitation. Sixty-four percent of energy used in Sub-Saharan Africa comes from traditional energy sources, such as wood or cow dung. HIV/AIDS is now the most common cause of death in Africa.

Since 1960, over ten million people have been killed in conflicts in Africa, and a lot of these are caused by access to or competition over scarce resources. One-point-two billion live in abject poverty, including just under half of the population of Sub-Saharan Africa.

That brings us to another important definitional need. How exactly do we define poverty? Poverty is also a complex and multidimensional concept that has economic, social, political, environmental, and other facets. Poverty is not only a question of low or no incomes, although it is often expressed in these absolute terms, such as the World Bank's definition of poverty being survival on $US1 a day or less.

Poverty can also be relative and relate to a lack of access to education, health, and other essential services, or what we call the basic needs dimension. It could be a lack of self-respect and dignity that poor people experience, or what we call the social exclusion dimension. Or it could be a risk or likelihood of falling into poverty and insecurity and a relative exposure to sudden shocks, such as droughts or floods, or what we call the vulnerability dimension. There's also a transient dimension to poverty which describes when people move in and out of it.

From an environmental perspective, it is important to appreciate that the poor suffer disproportionately from environmental degradation. This may be because ill health, insecurity, and lack of assets make them more vulnerable than those with access to more resources to handle changes in their environment. The importance of recognizing this perspective is that it follows that, if poverty and environment, or development and environment, are considered to be interlinked, then addressing poverty will have environmental benefits, and addressing environmental concerns will serve to reduce poverty.

Better understanding the links between poverty reduction and environmental management is important in promoting environment in the development agenda and development needs in environmental agendas. The poverty-environment linkages are the keys with which to unlock the development cooperation world for environmental professionals. Without this appreciation,

environment stands in danger of being considered a break on development and a hindrance to poverty reduction goals.

A holistic approach provides the opportunity for environmental professionals to engage in poverty reduction and development work to ensure that the successes that are achieved are indeed sustainable.

Strategic environmental assessment, SEA, is one of the tools for us to do this effectively. The way development assistance is being provided is changing, and this is to make it more effective. The days of thousands of individual little projects set up by different and sometimes competing donor agencies are ending. The history of development projects is littered with well-intentioned projects that failed to survive beyond the departure of the aid agency. These projects amounted to little more than handouts, often bypassing developing countries' governments themselves.

Increasingly, development assistance is pitched at more strategic assistance by contributing to developing country budgets rather than projects. This new approach has the advantage that it ensures that assistance is better focused on the interests, needs, and priorities of developing countries themselves, and not those of the development agency. This helps to increase the prospects for greater ownership by the developing country and, consequently, the sustainability of the initiatives and their outcomes.

It also helps to increase the capacity of the developing country to design and implement its own strategies. But for this change to be successful, there is a need for some preconditions to be met internationally, nationally, and in terms of good governance.

Firstly, there is a need for mutually agreed goals and targets both internationally and nationally. Internationally, these are provided by the Millennium Development Goals, or MDGs. The UN General Assembly adopted the MDGs in 2000 as part of the Millennium Development Declaration. There are eight goals supported by 18 targets and 48 indicators. The MDGs address the eradication of poverty and hunger, universal primary education, promotion of gender inequality, reduction of child mortality, improvement in maternal health, combating diseases such as AIDS and malaria, and the one that arguably underpins all of the others, ensuring environmental sustainability.

In 2002, two years later, the Plan of Implementation that was agreed in Johannesburg, South Africa, at the World Summit on Sustainable Development, reinforced the MDGs.

Secondly, these internationally agreed goals need to be translated into national strategic frameworks, such as poverty reduction strategies or national sustainable development strategies. These strategies lay down how the country will translate the Millennium Development Goals and the Johannesburg Plan of Implementation into national reality.

Thirdly, as mentioned, there's a need for good governance to be in place--transparency, accountability, openness, strong government, and institutions. To ensure that the developmental assistance is going to be used for sustainable development and poverty reduction and the other

agreed goals, good governance needs to be supported by many things, not least of which rigorous policy appraisal tools.

SEA has become increasingly important in development cooperation in recent years. Changes in the way development assistance is provided has created a need for new approaches to environmental assessment. As development assistance has moved away from projects to these more strategic assistance, the utility of traditional environmental assessment approaches aimed at assessing the environmental impacts of projects has been reduced. The World Summit for Sustainable Development refers to, and I quote, "the importance of taking a holistic and intersectoral approach to policy development." The need is now for tools that can assess the environmental implications of policies, programs, and strategies, not just projects. This calls for assessment tools that can be applied higher up the decisionmaking hierarchy or the pyramid of sustainable development to ensure that the environmental and sustainability implications, risks, and opportunities of strategic decisions are taken into consideration.

SEA and the principles of SEA are increasingly being used in both the work of the development agencies, for example, to ensure environmental considerations are given due regard in Country Assistance Strategies, and in developing countries, for example, in application to national poverty reduction strategies, energy policy reforms, fiscal reforms, privatization programs or whatever.

To achieve the Millennium Development Goals and implement the Johannesburg Plan of Implementation, policy and institutional changes are necessary. It is increasingly becoming understood that environmental management measures also support food security, sustainability livelihoods, and health improvements, and other parts of the developmental agenda. An approach is necessary that both reduces poverty and ensures environmental sustainability.

SEA can ensure that environmental opportunities and constraints are reflected in developmental agency's strategies and in developing countries' national poverty reduction strategies. SEA also supports the development of good governance because it requires an open, transparent, accountable, and participative process.

In spite of some similarities, some aspects of SEA and EIA differ fundamentally. Typically, policies, plans, and programs set a broad direction or overall framework for specific development activities. At the policy level, decisionmaking processes tend to be fluid, iterative, and ongoing rather than having the clear structure and schedule of project planning and decisionmaking. These differences need to be reflected in the application of SEA in development cooperation.

An important difference is that SEA emphasizes processes rather than products. In EIA, there is a process, but it has a clear beginning and an end, and a product in the form of an environmental impact statement or an environmental impact report. In SEA, the process is largely open-ended and flexible.

The application of SEA in development cooperation is important because it recognizes the complexity of environment and is an integrative tool that facilitates the holistic cross-sector approach that is now required. It allows the links between poverty and environment to be better

addressed. It moves assessment processes up the decisionmaking hierarchy and so tends to address the root causes of environmental problems, the sources of the problems not their symptoms, making sure that such problems do not arise further down the decisionmaking hierarchy. The results will cascade down this hierarchy and streamline lower-level decisionmaking processes such as those relating to project-level environmental impact assessment.

Used systematically, SEA will assist with the early integration of environmental alongside social and economic considerations in policy and strategy formulation and identify what is necessary to maximize positive opportunities or mitigate negative risks. Strategic environmental assessment is meeting the need for integrated and balanced decisionmaking. It enables decisionmakers to develop policies and strategies that are based on sound analysis and understanding of their sustainability implications and will assure the outcomes of the decisions will be more sustainable.

By being proactive, decisionmakers can avoid the costs and missed opportunities that have all too often been associated with inadequate information and limited choices.