

Sustainable Governance Systems and SEA

by Ernesto Sanchez

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Today I would like to speak about experiences with the Strategic Environmental Assessment in Latin America, and we are going to focus on the case of Colombia. The goal of this presentation is to describe Colombia's approach to the Strategic Environmental Assessment, mainly through policies. You know that the Strategic Environmental Assessment has been defined as a formalized and systematic process of evaluating environmental effects of policies, plans, and programs.

Today we would like to focus mainly on Colombia's evolving approach to Strategic Environmental Assessment through policies, and we would like to stress that this talk is on policies mainly because most of the Strategic Environmental Assessment cases that you are going to be looking at in this workshop refer to plans and programs.

Why Colombia? First let me give you some idea of where Colombia is located and also some basic data about Colombia.

As you can see in this slide, Colombia is located in the northern part of South America. It is very close to the Panama Canal. The arrow shows the place where the country is located, mainly in the northern part of Ecuador and Peru and in the western part of Brazil and also surrounded by the Pacific Ocean and the Atlantic Ocean.

The main data on Colombia are that its population is around 43 million people, the surface area is about 1.1 million square kilometers, and some of the economic data could give you a good idea of the state of development in Colombia.

Right now, infant mortality is about 19 deaths per 1,000 children. That compares very well with similar countries in the same state of development. In the case of China, for example, I think that the data on infant mortality goes about 31 children per thousand.

Life expectancy is about 72 years in Colombia, while in the case of China, it is around 71 or 70.7. And the gross national income per capital goes around in Colombia \$1,900. It is somehow \$1,000 more than the gross national income in China.

The presentation that we have organized today has five main sections. The first section will give you an overview of Strategic Environmental Assessment practices in our Region, the Latin America and Caribbean Region. The second section will focus on the use of the Strategic Environmental Assessment at the national policy level, and we are going to be discussing how environmental analyses were used to mainstream environmental considerations into Colombia's

Constitution of 1991 and also into the National Development Plans for 1990 to 1994 and 1994 to 1998.

The third section will be focusing on case studies of Strategic Environmental Assessment for sectoral reforms. And the two cases studies that will be introduced on sectoral reforms are going to be on water supply and sanitation and then on electric power. And we will have a third case on transport system and regional plan that provided the basis also to issue a regional policy for transportation in Colombia.

Based on those case studies, the fourth section will focus on the lessons learned with the use of SEA applied to policies.

And finally, we will be discussing the outlook of SEA in the context of Colombia, based on recent discussions that the Bank has had with the Colombian Government to implement what is called sustainable governance systems, mainly, a Strategic Environmental Assessment process for policies.

So let's start with the first section. The countries in Latin America and the Caribbean have been incorporating Strategic Environmental Assessment in two main ways. The first approach has been the approach of using programmatic environmental impact assessment and environmental frameworks through infrastructure developments and infrastructure programs and also land use plans.

There are several cases of infrastructure projects, such as a road in Bolivia or a hydrocarbon pipeline that goes from Bolivia to Brazil, that have used this approach to programmatic environmental impact assessment.

The second approach, the one that we are going to be focusing on today, is the one on using Strategic Environmental Assessment as a tool to mainstream environmental considerations into policies.

The first approach is the approach that is widely documented in the literature and in the EIA, the Environmental Impact Assessment experiences in the European Union and in some industrialized countries such as the United States. This approach is based on compliance with environmental regulations. In the Latin America and Caribbean Region, we have environmental laws that require this kind of approach for Strategic Environmental Assessment. And some regulations that are illustrative of this requirement are the Chilean and Dominican Republican laws.

This approach sees the SEA as a comprehensive environmental impact assessment that includes cumulative impacts and also provides a framework for environmental due diligence.

The main value-added of this approach is to come out with environmental management plans that guide the way that environmental mitigatory measures are undertaken to minimize or to deal with environmental impacts of programs and plans.

Now, the second approach, the approach to Strategic Environmental Assessment for policies, has been used also in the Latin American Region successfully for different kinds of national policies. At the level of the Constitution and National Development Plans, the case of Colombia is probably one of the best cases. In cases of reforms such as the one in water policy, we have the cases of Argentina and Colombia. In energy policy, design and implementation, we have the case of Brazil and also Colombia. And in the case of policy reforms in tourism and energy, water and forestry, Mexico has good case studies.

This second approach, the approach of the Strategic Environmental Assessment to policies, is a proactive approach that moves away from compliance, and it is based on an early consensus on the terms of reference of the whole process. This is what is called "scoping."

This approach is also characterized by inter-institutional coordination, not only among governmental agencies and private sector organizations, but also civil society and nongovernmental organizations.

This approach is also based on understanding the political economy that is behind the process of decisionmaking at the social level, and this is mainly done through stakeholder analysis. This approach, the approach of SEA to policies, is also based on trying to raise the level of the discussion of environmental goals to the same level that economic and social goals have had previously.

At the end, the whole goal of this approach is to make sustainable commitments to build synergies between poverty alleviation, economic growth and environment, and to ensure that the intra-generational equity considerations and also long-term growth and poverty reduction goals are accomplished.

The approach that I am describing through policies and plans, the one that we are going to be discussing further in this presentation, has been used to provide a blueprint for mainstreaming environmental variables in key economic sectors, focusing mainly on assuring that poverty reduction and improved quality of life goals are attained throughout processes of consensus-building and social learning.

A second component that has been widely used on this approach to designing and implementing sectoral policies is to encourage public disclosure and transparency in order to strengthen accountability and overall governance.

And finally, the use of a mix of environmental policy instruments, including not only the regular command-and-control instruments but also economic instruments and decentralization and environmental impact assessment.

So with this overview, we would like to focus now on case studies in Colombia at the national policy level. The first case study is on the way environmental analysis helped to mainstream environmental considerations into Colombia's Constitution of 1991.

In order to accomplish the goal of mainstreaming those sustainability considerations in Colombia's Constitution of 1991, an environmental analysis was conducted from 1989 to 1990. This environmental analysis was undertaken by a think tank called Fedesarrollo, that mainly focused on analytical work with quantitative tools that led to several conclusions. The main one was the need to incorporate the environmental dimension into national development plans. To do that, the conclusions of the analysis pointed out the need to empower communities and to strengthen local governments and institutional capacities.

The analysis also pointed out the potential use of a mix of environmental policy instruments, moving away from the traditional use of command-and-control instruments that was invoked at that stage in Colombia.

The analysis also provided several conclusions and recommendations to take advantage of opportunities to mainstream these sustainability considerations at the highest level, at the Constitutional level.

With those conclusions and recommendations, the Constitutional Assembly, and particularly two of the members of the Constitutional Assembly that had previously worked in this environmental analysis, were quite influential in incorporating several articles to the Constitution so that at the end, the 1991 Constitution raised the level of environmental goals to the same level of economic and social goals. And this is at the national policy level, at the National Development Plan level.

The analysis also helped the Constitutional Assembly to incorporate in the Charter the establishment of all sorts of legal instruments to encourage accountability, public participation, and transparency in public decisionmaking. This was based mainly with the possibility to use an extensive mix of environmental policy instruments that incorporate, among others, economic instruments such as pollution taxes, environmental impact assessment, environmental mediation, and also command-and-control instruments.

At the end, more than 20 Articles of the Constitution stressed the need to mainstream environmental issues into the overall goals of development in Colombia.

With this basis, the Government started to work out what came to be the National Development Plan from 1990 to 1994, and then the one that was issued from 1994 to 1998. And the Constitution set the basis to give some priorities on how environmental mainstreaming was to be incorporated into these national plans.

The main priorities were set up including ensuring that conditions to support economic growth were provided; also, the priority to improve public health conditions, particularly those conditions associated with environmental variables. A third priority was the priority to reduce vulnerability through mainly land planning and land management. And this was accompanied by the design and implementation of demographic policy and improvements in the way the quality of life was tackled in each one of the National Development Plans.

A task team comprised of governmental officers from the National Planning Department and the Ministry of Finance, the Ministry of Development, and the Ministry of Health get together to

devise and design the basis of the National Development Plan. An environmental analysis was conducted. This environmental analysis concluded that in the past, there was a bias toward resource conservation versus urban environmental management and pollution control.

And actually, the analysis showed that this bias toward conservation, which at the moment was considered the main practice of environmental management in Colombia, was clearly shown in this slide, where you have in green the number of regulations and laws, decrees, and governmental resolutions that tackle resource conservation issues, and in brown, you have the urban and environmental management and pollution control regulations. Clearly, there was much more attention and much more focus on resource conservation on what is called the green agenda than on the brown agenda.

The analysis also showed that the way the green agenda was evolving had been accomplishing significant goals. One of them was that more than 8 percent of the national territory was totally or partially protected with national parks and forest reserves.

One more conclusion from this analysis, the analysis that was done to prepare the basis of the National Development Plan from 1990 to 1994, was that there was a lack of coordination, inter-institutional coordination, of the environmental authorities. Environmental functions were carried out by several organizations at the national level, and at the local level, there were very few of those organizations that were really effective in environmental planning and management.

With those findings, the National Development Plan was designed to create and formalize an inter-institutional coordination mechanism that now is called the National Institutional Environmental System. Also, that gave the basis to develop a legal and regulatory framework for environmental planning and management in Colombia with a mix of environmental policy instruments that balance all the green and brown agendas.

The slide that you are looking at right now shows how the national environmental system came out after the national environmental law of 1993 was issued. That law, the law that established this national environmental system, was developed mainly because of the mandate that was given in the National Development Plan from 1990 to 1994.

In 1994, a second Strategic Environmental Assessment was carried out. This one was undertaken by the Ministry of Environment and the National Department of Planning and used the help of several consultants mainly from universities, from the National University and also from the University of Los Andes. This environmental analysis was used to be the basis for discussions that were held with the local governments and with Congress people mainly in the regions, in several cities and several towns in Colombia, and then at the level of the Congress, and also pointed out the need to increase the financial resources allocated to environmental management and also highlighted a set of priorities.

The priorities that were highlighted as the most important to be undertaken from 1994 to 1998 were to focus on strategic ecosystems for ensuring economic growth; the second one was to ensure legal security for the allocation of water rights; the third one was to set population control

policy, and as I pointed out before, based on the former bias on the green agenda versus the brown agenda, priority was given to promote practices of urban environmental management.

A final priority of this National Development Plan that was issued in 1994 was the need to mainstream environmental considerations and clean production systems in key economic sectors. Those sectors that were identified in this National Development Plan included the water supply and sanitation sector, the energy sector, and the transportation sector.