

Case Studies of SEA at the Policy Level

by David Annandale

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We're going to look at four issues this morning. We're going to look at what is policy EA, how do we define it, and how does it relate to the new Chinese EIA law. I'm going to talk to you a little bit about the focus of policy EA to date, and then look in some detail at two case study examples, and then finish briefly by looking at some general lessons that have been learned from policy EA.

So let's talk about defining policy environmental assessment and how it relates to the new Chinese law.

If you remember back to Session 1.5, policy EA had already been defined at that point, and the main purpose of this video is to provide you with some case studies as to how it's worked in other countries around the world. But before we get to the case studies, I want to spend a few minutes introducing some general ideas about the focus of policy EA to date and the lessons that have been learned. And I want to say a few things about what the new Chinese law has to say about policy EA.

First, in Session 1.5, we defined the term "policy" to mean a broad statement of intent, including an objective and a broadly stated course of action to meet the objective. We learned that a policy can be either private or public, explicit or implicit, statutory or non-statutory.

In terms of government decisionmaking, it can be further defined as a general course of action or proposed overall direction that a government is or will be pursuing and that guides ongoing decisionmaking.

It's clear from earlier presentations in this course that, generally speaking, policy EA takes place at the highest level in the hierarchy of PPP--policies, plans, and programs. For example, Dr. Bailey in Session 1.5 argued that plans are a more specific outline of a strategy for implementing a policy, and that programs are groups of projects. And that's the notion of tiering that you will have heard mentioned on a number of occasions during this course.

While I feel that the definition that's been given to you already is generally true, the practical situation isn't as clear as the above-mentioned structure suggests. And this point relates specifically to the distinction in the new Chinese law between land use and regional plans and

sector plans. It also relates to the issue of the specific exclusion of policies from the Chinese law. Let me elaborate a little bit.

For example, in the Chinese law, in the new Chinese law, a land use plan will be subject to SEA. If the land use plan is at a broad geographic level, for example, a national or regional level, it could well have implications for planning in a range of sectors. For example, a national land use plan will have implications for national transport planning.

With the tiering concept in mind, it's difficult to conceive of undertaking a strategic environmental assessment on a national land use plan without then undertaking SEA on, for example, transport planning. Transport planning clearly needs broad sector thinking, and it has policy implications.

What I'm trying to say is that even though the new Chinese law expressly excludes policies from SEA, in practice the experiences gained from policy EA around the world will be of direct relevance to you in your work, especially in relation to land use planning and sector planning.

Let's have a look then at the focus of policy environmental assessment to date. Where has it focused? Unlike other forms of SEA where the body of available experiences is quite reasonable now, in the case of policy EA there's much less material to call on, much less experience to call on. Most experience has been in sector environmental assessment and regional environmental assessment. And quite clearly that has sometimes had a policy focus. I won't discuss examples in this presentation because they'll be touched on in-depth by other presentations given in Session 3.3, where we look at sector-specific EA implications, and Session 3.5, where I will look at experiences of international development institutions.

Other examples of policy environmental assessment have tended to focus on legislation or bills, national planning and/or land use planning, and privatization. Some examples of where SEA has applied to legislation include bills to amend laws on tenancy in Denmark; a bill on private urban renewal and protection of the coastal zone, also in Denmark; amendments to a grain transportation act in Canada; and also applied to the North America Free Trade Agreement (NAFTA).

Examples of where SEA has been applied to national planning include in Ireland and Portugal; where it's been applied for national land use plans include Denmark at the national level and also a range of municipal land use plans in Europe. And, finally, some examples of where policy environmental assessment has been undertaken on privatization include privatization of industry, agriculture, and energy in Poland.

Having provided you with that quick introduction to the broad specifics of policy environmental assessment, I'd like to look now at two case study examples that you might think about and think in terms of the relevance to the Chinese situation. I want to look at SEA as it was undertaken as part of the Irish National Economic Development Plan and also SEA as it was applied to energy policy in the Czech Republic.

So let's turn to the Irish National Development Plan. As you can imagine, national economic development plans are high-level interventions. In Europe, there are grants provided by the EU called structural funds, and their purpose is to enable some economies that are at the periphery in Europe to come into line with other more developed member states and to achieve ultimately some level of social and economic cohesion. So the so-called structural funds in the EU go to the core countries.

The EU requires that those regional plans produced to access structural funds include an assessment of their impact on the environment. So the financing of those plans requires strategic environmental assessment to take place.

In the case of the most recent Irish National Development Plan, 1994-1999, SEA was carried out under Framework Regulation EES2052/88 and a revised EEC Regulation 2081/93. In addition, the EEC wrote an informal set of guidelines regarding the environmental profile component of the request to undertake strategic environmental assessment, and the process took six months to complete in all.

So what the plan looked like was a multi-year, multi-sector national economic development plan. SEA was required because regulation of the EU required it to take place. But it was also undertaken to appraise the environmental situation in the country at the time, to evaluate the impact of strategies contained in the plan in terms of sustainable development, and to ensure compliance with the EU environmental rules.

Let's have a look at the approach taken and the methodologies used to undertake strategic environmental assessment associated with the Irish National Development Plan.

First of all, the EU requires countries to follow a six-stage strategic environmental assessment process to get access to structural funds. First of all, they need to prepare an environmental profile, which is a state-of-the-environment report, if you like, for the country. And that became a chapter in the plan itself. The next step is for that so-called environmental profile produced by the Irish Government to be evaluated by the EU. Then the third step is for bilateral negotiations to take place between Ireland and the EU. The fourth step is for the EU itself to complete what's called a community support framework, or a CSF. Fifth stage is to define the forms of intervention that will take place in the plan itself. And then there's a monitoring and evaluation step at the end.

It's generally considered that there were two strategic environmental assessment reports produced. The first was produced by the Irish Department of the Environment, and that was the environmental profile that became a chapter in the national development plan. The second SEA report was prepared by the EU itself and was included in the community support framework that was the responsibility of the EU.

The first report was presented in three sections: firstly, a description of the current environmental situation and key environmental issues, and, again, that was similar to how state-of-the-environment reports work. Secondly, it also included an examination of the existing labor and administrative framework; and thirdly, a description of the impacts that the plan itself might

have on the environment, focusing on expected changes and the degree to which preventative approaches, including the analysis of alternatives, were incorporated in the plan.

What key lessons were learned from this overall exercise? The first was that the first SEA report produced by the government was produced in parallel with the national plan itself and, in fact, became part of it. And this appears to be close to the so-called sustainability-led concept of SEA that you would have learned about in previous sessions, and it also influenced the plan itself to incorporate environmental issues into economic development.

A second key lesson is that the monitoring committees established in the sixth step of the process appear to be a good way to check on the implementation of the plan.

Let's move now to look at a slightly more involved strategic assessment job that was done in association with the Czech energy policy. Let me give you some context.

This was the first pilot strategic environmental assessment conducted in the Czech Republic. It was triggered by Article 14 of the Czech EIA Act, which requires strategic environmental assessment in certain circumstances. The proponent was the Ministry of Industry in the Czech Republic. It originally submitted a draft proposal to the government where one alternative was presented, where one energy policy alternative was presented. The Ministry of the Environment found out about this proposal and then required SEA to take place and appointed a consultant to carry it out.

The main issues addressed in the policy were whether limits to coal mining imposed in 1992 should be maintained; whether the government should proceed with the completion of a second nuclear power plant; whether the government should extend its support for conservation and renewables; and whether external environmental costs should be internalized. So there were four main issues that were addressed in the overall energy policy.

Why was SEA conducted in this case? Well, firstly, because the law required it to be. In practice, there were a number of alternative ways in which projected energy demand could be met, and SEA was used to find out which alternatives would have the most environmental impact.

Let me talk to you for a little while about the approach taken and the methods used because both approach and methods were slightly more sophisticated in this case than in the Irish National Development Plan that I presented to you a little while ago.

The consultants who were employed to produce the strategic environmental assessment of this policy applied a three-step process. First of all, they undertook a scoping exercise with one national public hearing to comment on the proposed methodology. The second step was the development of a draft SEA report. And the third step was a public review of that draft report.

The consultants established two external so-called expert teams. Team A consisted of 13 stakeholder experts, and their job was to define the main alternative energy policy approaches, determine time frames for evaluating those impacts, and establish environmental indicators to

compare those alternatives. The second team, Team B, consisted of 19 stakeholder experts who did prediction and evaluation of the impacts identified by Team A.

The third component of their work involved establishing another small expert group to undertake a multi-criteria analysis process to compare the alternatives against all environmental indicators.

There were three quite sophisticated alternatives developed as part of the policy itself. Alternative A had an energy sector developed using fossil fuels and the new nuclear power plant. Alternative B had the coal mining limit enforced and maintained, but imported fossil fuel was taking the place of that coal. And Alternative C, the final alternative, had an aggressive conservation and renewable proposal as well as full internalization of environmental costs.

Mathematical modeling and collective expert judgments were used to quantify predicted impacts of the alternatives, and as I mentioned, multi-criteria analysis used a survey of 32 respondents to develop weights for the environmental indicators. So values were incorporated into the process at that point.

What are the key lessons that can be learned from this strategic environmental assessment exercise?

The first was that while the process took 12 months to complete, it produced a rigorous and defensible outcome. In fact and in practice, the outcome was overturned by a new government, who decided to go with Alternative A rather than Alternative C, which was the highest-ranked alternative from the multi-criteria analysis concluded in the strategic assessment process.

What that tells us is that SEA is clearly a decision support tool, but it's not a replacement for political decisionmaking. So a new government decided not to institute the highest-ranked policy option but to take another course, and so SEA supported that decision and didn't, in effect, make it.

The final issue that I want to talk to you about is whether there are any general lessons that have been learned from policy environmental assessment, not just in relation to the two cases that I've shown you but more generally speaking over the years. And I think there are six things that are important that we note.

The first is that the concept of tiering or thinking about tiering from the policy level down to the project level is a useful method for organizing thinking about where impact assessment might fit and what methods might be appropriate.

Determining the best point at which to start policy EA is a matter of art, in my opinion, not science. Prior decisions need to be made about whether policy environmental assessment should be sustainability-led or EIA-driven, and I refer you back to earlier sessions that discuss the distinction between those concepts, especially from Maria Partidario.

The third important lesson, I think, is that good policy EA should always enable alternative policy options to be compared. It's a necessary component of strategic assessment at the level of

policy, the comparison of policy options. Different techniques allow for this kind of comparison and ranking to take place, and I introduced to you very briefly the idea of multi-criteria analysis in the Czech energy policy.

The fourth lesson is that there are significant efficiencies associated with policy environmental assessment. One is that better policy choices will be made, and so environmental mistakes won't need to be rectified if we do a good job of policy EA first. Another is that downstream project assessment might not need to be as elaborate as it used to be in the past if we do a good job of policy EA earlier in the process and higher up in the tiering structure.

Finally, consultation traditionally in the past over policy development can often be time-consuming and ineffective. Focusing consultation through policy EA I think is an efficient approach, especially when combined with tools such as multi-criteria analysis.