

Strategic Assessment Approaches in National Planning and Policy Making of Countries in Asia and the Pacific

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1. Introduction

1.1 What problem is being addressed by strategic assessment approaches?

Early attempts in the modern era to deal with environmental problems in developed countries focused on fixing practical pollution problems through “end-of-pipe” command and control regulation. While this approach to environmental improvement has, on the whole, been successful in treating the symptoms of *existing* pollution, by definition it has not helped in the struggle to design more environmentally benign, or sustainable, development.

Following the publication of the World Commission on Environment and Development (Brundtland) report in the late 1980s (WCED 1987), more attention has been paid to the concept of sustainable development. One of Brundtland's most enduring offerings is the idea that development planning, at any level, may lead to better all round outcomes if environmental and social issues are considered alongside more traditional economic concerns.

A number of the central issues discussed in the report were reinforced at the 1992 UN Conference on Environment and Development (UNCED) in Rio de Janeiro, where Agenda 21 was adopted as the UN's blueprint for sustainable development. Both of these initiatives raised the idea that the driving forces of environmental damage could be most effectively addressed by integrating environmental considerations into the design and adoption of policies and strategic plans in all sectors.

The idea of integrated approaches to strategic planning and policymaking has now become widespread, and has spawned a whole new area of policy analysis and research³. As will become clear, there is considerable difference in the use of terms in this area of research and practice, as often occurs when new approaches and tools are being developed. This paper will use the term “strategic assessment” to define approaches that attempt to integrate environmental issues, social concerns, and traditional economic issues in strategic planning and policymaking.

The paper examines how this idea of strategic assessment has been adopted at the level of national planning in the Asia-Pacific region.

1.2 Research methodology

The following questions have guided this research, and answers have informed the development of this paper:

- Which countries in Asia-Pacific have applied strategic assessment approaches in national planning and policy making?
- What are the key features of these strategic policy assessment approaches:
 - are they used as ex post, or ex ante tools?

³ Eighty-two States Members of the United Nations have reported to the Commission on Sustainable Development (CSD) or to the DSD that they were implementing an NSDS in 2007.

- how do they link with government decision-making?
 - where do they fit on the “integration continuum”?
 - are they being used to improve administrative arrangements for integration?
 - do they provide mainly technical information, or do they also consider the adequacy of institutional frameworks?
- What have been the key lessons learned in the implementation of these tools?
 - What are driving forces or rationales behind implementing such tools in those countries?

1.3 Outline of the research paper

The research project was undertaken over a period of approximately 2 months. It consisted of a combination of literature review and primary research, the latter focused on a mailed survey questionnaire sent to 71 potential respondents in the Asia-Pacific region. The questionnaire is attached as Appendix 1.

The paper that documents this research is organized into the following sections:

- Section 2 outlines the historical development of strategic assessment approaches, focusing specifically on defining the different ways of thinking about integration inside policies, plans, and programmes; then moving on to examine how the different approaches differ; and concluding with a description of the kind of tools can be used in the application of the approaches.
- Section 3 introduces the body of the research, by reviewing the literature that deals with strategic assessment approaches in developing countries, and by introducing the primary research.
- Section 4 analyzes the research outcomes by examining the key features of the approaches used; the tools associated with the approaches; and lessons learned from the use of the approaches.
- Finally, Section 5 discusses some outcomes from the research study, including suggestions for encouraging the use of strategic assessment approaches, and ideas for future research.

2. Historical development of strategic assessment approaches (SAA)

2.1 Describing the different ways of thinking about PPP integration

Before beginning the primary research proper, an attempt needs to be made to define terms, as there is much uncertainty and lack of rigour in this area of policy analysis. Arguably, this hampers progress in the design and implementation of integration approaches (Hacking and Guthrie 2008).

First, for the purposes of this paper, we are primarily interested in the integration of environmental and social priorities into traditional economic development *planning* at the national level in developing countries. However, in Europe ... where most of the recent experience in integration has taken place ... the focus has been on *policy* integration⁴. There is also some experience in both developed and developing countries with integration approaches in *programmes*. For the sake of clarity, when this paper refers to integration approaches in general, the term “PPP” integration will be used. The variety of ways in which PPP integration takes place will be called “strategic assessment approaches” (SAA).

Second, it is important to describe the different ways of thinking about PPP integration, and to briefly describe and analyze how these approaches have been put into practice in developed countries. In theory, this should help when it comes to analyzing current and emerging practice in the Asia-Pacific region.

As was mentioned in the introduction, the idea that the environmental outcomes of high-level decisions might be improved if environmental concerns could be integrated into PPPs first took strong root after the publication of the Brundtland Report in 1987.

Initial activity took place in Europe, and was focused on the concept of *policy* integration. In the European Union, “environmental policy integration” (EPI) has the same legal status as a constitutional provision. Environmental policy as a whole - and the EPI principle in particular - were given legal status in the Single European Act (1987) (Title VI, Article 130r).

Jordan and Lenschow (2006) claim that EPI in its initial phase was seen as a specialized task, where one institution, most often the department for the environment, was responsible for developing integration strategies for all departments and co-ordinating all integration activities. These authors go on to claim that the results were “rather disappointing”, the argument being that many sector policies remained largely unchanged in their policy core, with only incremental changes being accepted that could be handled at reasonable cost.

Over time, EU guidance has changed as a response to this early uncertainty, and as part of the regular evaluation of the 5-yearly Environmental Action Programmes. Possibly the most significant shift has been the renaming of EPI in 2005 as ‘sustainability policy integration’, making it appear less biased towards the environment and more in tune with the EU's agenda of creating jobs and boosting growth.

A more recent, and arguably more radical European initiative, has been the introduction of the concept of Integrated Sustainability Assessment (ISA). This is a term developed by the MATISSE (Methods and Tools for Integrated Sustainability Assessment) project, which was funded by the European Commission (DG Research) within the 6th Framework Programme, and undertaken from 2005-2008. The claim is made that most practical applications of sustainability assessment (such as Sustainability Impact

⁴ As will become clear, experience with integration approaches in the Asia-Pacific region has tended *not* to be with policies, but rather has been more heavily focused on strategic planning (at different levels of government).

Assessment, Integrated Assessment, Regulatory Impact Assessment, and the EU regime of Impact Assessment, referred to as (S&R)IA) fulfill a pragmatic role in screening already-tabled sectoral policy proposals that have no sustainability orientation *per se*.

According to the MATISSE project, while the demand for screening will continue, the real contribution of sustainability assessment lies in its potential use in strategic level analyses where the objective is to help develop long-term, cross-sectoral policies expressly designed to contribute to sustainable development. MATISSE contributors claim that sustainability assessment is concerned with exploring alternative paradigms/regimes and improving the prospects for implementing promising elements of these. This depends upon a new conceptualization of sustainability assessment as an integrative process at the science-policy-society interface, and up-streaming it within the policy process (Weaver and Rotmans 2006, p.4 and Jäger, Bohunovsky, and Binder 2008).

This conceptualization is similar to that proposed by other researchers who use the term “sustainability assessment” to describe their work. Pope, Annandale, and Morrison-Saunders (2004), for example, outline three different ways of thinking about sustainability assessment (EIA-driven integrated assessment, objectives-led integrated assessment, and assessment for sustainability). Their third-mentioned conception is similar to ISA as defined in the MATISSE project.

The idea that policy integration or assessment approaches have matured over time, from simple “after-the-fact” EIA to more sophisticated sustainability-enabling methods, such as the MATISSE approach, is a common one in the research literature. Dalal-Clayton and Sadler (2005), present a four-generation development model as follows:

Table 1: An evolving paradigm: from EIA, to SEA, to SA

Paradigm/level/stage	Key characteristics
1 st Generation – Project EIA	Includes social, health and other impacts, cumulative effects and biodiversity
2 nd Generation - SEA	Applies to PPPs and legislation
3 rd Generation – towards environmental sustainability assurance	Use of EIA and ESA to safeguard critical resource and ecological functions and offset residual damage; plus environmental accounting and auditing of natural capital loss and change
Next generation – towards sustainability appraisal (SA)	Integrated or full cost assessment of the economic, environmental and social impacts of proposals

Source: Dalal-Clayton and Sadler (2005)

Direction from the EU has led to take-up of the policy integration idea by individual member states. One of the most active countries has been Britain, which has used the term Environmental Policy Appraisal (EPA) as an “umbrella” under which other Department-specific approaches fit (such as, for example, Integrated Policy Appraisal as used by the Department of Transport, Local Government and the Regions). EPA was formally introduced, along with a raft of other EPI mechanisms and tools in 1990

(Department of the Environment 1990). In 2004, EPA was superseded by the more high profile Regulatory Impact Assessment under the leadership of the Cabinet Office. This new approach is meant to assess for regulatory as well as economic, societal and environmental impacts of new policy proposals. Reviews of the use of EPA approaches over approximately 15 years have occasionally been critical, pointing out that the majority of EPAs assessed only one option, and were perhaps more suitable to *ex-post* rather than *ex ante* assessment (Russel and Jordan 2006, p.2).

Another country that has attempted to implement the EU direction in an innovative fashion is Switzerland. It has anchored sustainable development in the object article of the new Federal Constitution. It intends to align its policies with the goals of sustainable development. In order to strengthen the influence of sustainable development on the political planning and decision-making process, the Federal Council's 2002 Sustainable Development Policy mandates the Federal Office for Spatial Development to develop a system of sustainability assessment (Swiss Federal Office for Spatial Development 2004). The Office's detailed work has resulted in a sustainability assessment procedure that consists of three phases: relevance analysis; impact analysis; and assessment/optimization.

Another significant strategic assessment approach that has had a major impact on regulatory systems around the world is Strategic Environmental Assessment (SEA). According to the OECD's SEA Guidance document, SEA refers to a range of "analytical and participatory approaches that aim to integrate environmental considerations into policies, plans and programmes, and evaluate the inter-linkages with economic and social considerations". (OECD 2006, p.17).

SEA evolved from environmental impact assessment (EIA), which had its genesis in the late 1960s as a technique for dealing with the potential negative impacts of infrastructure projects. As a consequence, SEA has sometimes found it difficult to move beyond assessment of existing policies, plans, and programmes (so-called *ex post* assessment) to a role as a strategic assessment approach. However, SEA is maturing rapidly, and is without doubt the most pervasive of all the strategic assessment approaches outlined here. Estimates vary, but it is clear that SEA, in some form, operates in over 50 countries around the world (Dalal-Clayton and Sadler 2005).

Finally, it is important to comment briefly on PPP integration as it relates to development cooperation, as this will be of prime interest to most members of SDplanNET.

The international development "community" has taken to PPP integration with enthusiasm over the last ten years. Donors have focused on applying PPP integration thinking to their own programmes, and also to the PPP-related activities that they fund in partner countries.

Much of what donors do is supported by detailed guidance documents. For example, the European Commission has produced an Environmental Integration Handbook for EC Development Cooperation (European Commission 2007). This deals with environmental integration in: programming; sector policy support programmes; general budget support, and in traditional development projects.

The OECD's SEA Guidance document, mentioned earlier, includes checklists and guidance notes for the application of SEA at different levels of PPP including, national overarching strategies, programmes, and plans (OECD 2005, p.72).

The World Bank maintains an extensive website that documents its SEA experience, and presents an SEA “toolkit” (World Bank 2009). The Bank also has a separate website, dealing with SEA experience in Asia and the Pacific (www.worldbank.org/eapenvironment/sea-asia). The World Bank is also active in trialing SEA at the “mature-integrated” end of the SEA continuum. An example of an initiative taking place in developing countries is the World Bank’s “institutions-centred SEA” (I-SEA) approach. A recent set of trial SEA activities is based on the OECD DAC SEA Task Team idea that SEA applied at the policy level requires a particular focus on the political, institutional and governance context underlying decision making processes. The World Bank has taken the concept of institutions-centred SEA (I-SEA) and is currently trialing it in a small sample of developing countries (including China and Bangladesh). Results of the evaluation of the I-SEA trial should be available in the first half of 2010.

UNEP's Economics and Trade Branch has also produced a draft paper on integrated policymaking for sustainable development that builds substantially on the Branch's work with integrated assessment of trade policies, although this is not a manual.

A considerable amount of donor activity focuses on “environmental mainstreaming”, which is the final strategic assessment approach discussed here. In many respects, this term can be thought of as an “umbrella” for most of the other approaches outlined here. Mainstreaming is a concept that has been championed by UNEP, UNDP, and the World Bank.

UNDP and UNEP have actively encouraged the inclusion of environmental, poverty and climate issues into national, high-level policies as part of their Poverty and Environment Initiative. The joint UNDP/UNEP Guidance Note on Mainstreaming Environment into National Development Planning presents a three-phase approach (understanding poverty-environment linkages; integrating environment into national development processes; and building implementation capacity) and a set of indicators of successful environmental mainstreaming. This Guidance, and mainstreaming itself, is currently being trialed in Bhutan, Vietnam, Bangladesh, Philippines, Timor-Leste, Afghanistan, and Papua New Guinea (UNDP/UNEP 2008a and 2008b).

The concept of environmental mainstreaming is also being promoted by the World Bank, especially with respect to the design of Poverty Reduction Strategy Papers (PRSP), and Poverty Reduction Support Credits (PRSC). PRSPs were introduced in 1999 by the World Bank and the IMF as a precondition for low-income countries to access debt relief and concessional financing from both organizations. By the end of 2006, 64 countries were engaged in the PRSP process (World Bank, 2006a).

The Strategy Papers were introduced as an instrument to help fulfill the need for countries to strategically examine current and planned macroeconomic structural policies and programmes, so as to specifically identify opportunities to promote long-term growth, reduce poverty and achieve the MDGs. In theory, they have also

presented an opportunity for countries to incorporate sustainability thinking into national-level planning. A comprehensive review of environmental mainstreaming in PRSPs/PRSCs undertaken by the World Bank in 2004, showed that (a) there is considerable variation across countries; (b) the average level of mainstreaming is low; and (c) there is a strong tendency for full PRSPs to better integrate environmental considerations than interim PRSPs (Bojö et al, 2004).

A third and final important issue of definition relates to the distinction between “tools” and “approaches”. The literature often makes the mistake of describing strategic assessment approaches as “tools”. Each of the approaches described here uses one or more, and sometimes many more, distinct tools. For example Strategic Environmental Assessment can make use of multi-criteria analysis as a tool for ranking option choices, or it could use GIS to do the same thing. So, “tools” are defined here as the specific instruments that can be used to implement the approach in question. By way of further example, Pope (2007) defines SEA as a “form of practice”, and not as a tool. The OECD, in its SEA Guidance document, terms SEA as a “family of approaches using a variety of tools” (OECD 2005, p.32).

The situation can sometimes be even more confusing, as some practitioners consider some of the approaches to “nest” beneath others. For example, Dalal-Clayton and Bass (2009) consider that SEA is an environmental mainstreaming tool.

For the purposes of this research paper, the abovementioned approaches will be considered to be on the same hierarchical level. This paper will attempt to focus at the level of “approaches”, but with a realization that much of the literature and experience will confuse the terms “tools” and “approaches”.

2.2 How do the approaches differ?

The previous section provided a basic idea of the shared interests of the different strategic approaches to PPP integration. To further refine this project's research question, it is important to also analyze how these approaches differ.

Briefly, there are two main areas of difference. First, the approaches can be variously applied in either an *ex post*, or *ex ante* sense. *Ex post* approaches are applied after the PPP has already been designed and adopted. In a sense, *ex post* approaches are akin to traditional project EIA, which attempts to identify and evaluate the environmental impacts of development projects that have already been proposed (for example: roads; waste management facilities; and other infrastructure developments). *Ex post* strategic assessment approaches are only of limited use, because it is very difficult for their outcomes to influence the development of policies or plans (although there are some examples that will be outlined later).

In the *ex ante* or “before the fact” conception of strategic assessment, tools are used during the design of a national policy or plan. The intention is to directly influence PPP design, before the instrument is finalized. The main argument in favour of *ex ante* approaches is that they can potentially minimize negative environmental (and social) effects, and lead to a more efficient economic outcome. *Ex ante* approaches recognize

that the “develop now ... clean up later” attitude is outmoded in rapidly developing economies where natural capital is already reaching threshold levels.

On the whole, this research will concentrate on *ex ante*, or “before the fact” approaches.

The second main point of difference between strategic assessment approaches relates to how they treat environmental issues, at least with regard to the social and economic aspects of sustainability.

Some of the approaches discussed earlier focus only on introducing environmental issues into traditional economic development planning. Some variants of EPI and SEA, for example, are not concerned with balancing or trading-off economic, social, and environmental issues. They are primarily concerned with making sure that environmental issues get an appropriate “hearing”. Some commentators go as far as to suggest that these “pure” environmental mainstreaming approaches are not actually concerned with sustainable development outcomes *per se* ... only with raising the profile of previously neglected environmental issues. On the other side of the coin, there are critics of sustainability assessment (in particular) who see it as an insidious attempt to downplay hard won environmental regulation (Pope, Annandale, and Morrison-Saunders 2004).

This suggests another point of clarification. It is important to realize that there are different conceptions of “sustainability”⁵, and of the role of strategic assessment approaches/tools in reaching sustainable outcomes. The OECD DAC SEA Guidance explains this well when it states that:

“A good SEA is adapted and tailor-made to the context in which it is applied. This can be thought as a continuum of increasing integration: at one end of the continuum, the principle aim is to integrate environment, alongside economic and social concerns, into strategic decision making; at the other end, the emphasis is on the full integration of the environmental, social and economic factors into a holistic sustainability assessment” (OECD 2005, p.17).

The idea that different approaches to strategic assessment can be considered to fit on a “continuum of integration” is a popular one in the research literature (Hacking and Guthrie 2008, Scrase and Sheate 2002).⁶

This research will keep this idea of an “integration continuum” in mind when it reviews strategic assessment approaches and tools currently being used in Asia and the Pacific. An attempt will be made to place current initiatives along this continuum.

2.4 Strategic assessment tools

⁵ There are over 200 definitions of sustainable development, but for the purposes of this research, sustainable development policy and planning are achieved when economic, social, and environmental dimensions are given thorough (holistic) assessment.

⁶ Hacking and Guthrie (2008), attempt to develop a framework for clarifying the meaning of Triple Bottom-Line, Integrated and Sustainability Assessment by deriving a three-dimensional space within which to identify the degree of “sustainable development-directedness” of different approaches. Scrase and Sheate (2002) present 14 different definitions of the term “integration”.

A number of categorization schemes have been suggested by researchers as a way of ordering and thinking about strategic assessment tools that might be used in different strategic assessment approaches.

With respect to strategic assessment *tools*, there also exist a number of categorization schemes.

For example, Ness et al (2007, p.500) suggest that “integrated assessment tools” can be grouped into the following:

- conceptual modelling;
- system dynamics;
- multi-criteria analysis;
- risk analysis;
- uncertainty analysis;
- vulnerability analysis; and
- cost-benefit analysis.

Dalal-Clayton and Bass (2002) add to this list with the following:

- narrative assessments;
- indicator-based assessments;
- contributing measurements and analyses;
- spatial analysis;
- system of national accounts;
- genuine domestic savings;
- ecological footprint;
- natural resource, materials and energy accounts;
- Human Development Index;
- sustainable livelihoods analysis;
- policy influence mapping;
- problem trees and causal diagrams; and
- community-based issue analysis.

The World Bank's Common SEA Tools website (World Bank 2009) attempts to categorise tools according to whether they are “analytical”, “descriptive”, or

“participatory”. Tools that are considered to fit within these categories are shown in Table 2.

Table 2: Tools for use in strategic assessment

Analytical	Descriptive
Case studies	checklists
Cost-benefit analysis	Impact matrices
Cost of environmental degradation analysis	indicators
GIS	
Institutional analysis (policy and capacity)	Participatory
Modeling and forecasting	interviews
Multi-criteria analysis	Scenario and visioning
Public environmental expenditure review	Public meetings and hearings
Risk analysis	surveys
Scenario and visioning	SWOT analysis
Baseline studies	Workshops and focus groups
Stakeholder analysis	
SWOT analysis	

Source: World Bank Common SEA Tools website

Even more voluminous lists can be found in other sources such as:

- OECD DAC SEA Guidance document (OECD 2006, p.73);
- the Impact Assessment Tools website of the European Commission Joint Research Centre Institute for Prospective Technological Studies (<http://iatools.jrc.ec.europa.eu/bin/view/IQTool/WebHome.html>);
- the Asian Development Bank’s Greater Mekong sub-Region Environmental Operation Centre’s Environmental Performance Assessment system (<http://www.gms-eoc.org/CEP/Comp3/Component3.aspx>);
- UNDP (2008), Generic Guidelines for Mainstreaming Drylands Issues into National Development Frameworks (this includes a very detailed list of tools that can be used in strategic assessment); and
- SDPlanNet’s webservice (“Advanced Tools for Sustainability Assessment “) (<http://www.sustainabilitya-test.net/>).

There are clearly many tools that can be applied when strategic assessment approaches are used. This research paper will touch on those that have been used in the Asia-Pacific region.

3. The use of strategic assessment approaches in developing countries

3.1 Review of the literature

There is a growing body of experience with the application of strategic assessment approaches and tools to national planning in the developing world, and it tends to consist of either detailed, single-country case studies, or more systematic multi-country analyses of specific assessment approaches or tools.

The majority of this research has been undertaken in Africa, and this is worthy of some brief comment, before moving on to the much smaller Asia/Pacific literature. The most often quoted recent examples of strategic assessment approaches in Africa are the initiatives taken to mainstream environmental and poverty issues into the PRSPs of Ghana, Benin, Rwanda and Tanzania.

In Benin, an *ex post* SEA of the first PRSP (2003-2005) was carried in 2005. This SEA aimed, amongst other things, to: synthesize existing information on the state of the environment in Benin; analyse the ways in which the first PRSP took into account environmental factors related to poverty; and identify relevant effects of the first PRSP on prior environmental objectives in order to better prepare SEA of the second PRSP for the period 2007-2009 (Ghanime, Risse, and Levine 2009).

The assessment showed that the first PRSP did not adequately consider the relationship between poverty, agriculture, and forestry. Nor did it properly analyze the environmental baseline situation. In addition, environmental issues were only dealt with in a sector chapter, as consisted of a “copy-and-paste” of the National Environmental Action Plan (Olearius et al 2008). In terms of the criteria listed in table presented in Appendix 2, the first PRSP did not meet minimum standards for “issues” or “causal link assessment”.

Taking into account lessons learned from the SEA of the first PRSP and from other African countries, the second PRSP (called *Stratégie de Croissance et de Réduction de la Pauvreté – SCRP*), currently in the final stages of preparation, aims mainly at defining a policy of sustainable economic growth and poverty reduction compatible with the MDGs. One of its specific aims is to ensure ‘greening’ of the PRSP by a better integration of environmental aspects and by improving the relations between environment and poverty through an integrated approach to SEA (Ghanime, Risse, and Levine 2009).

The SCRP was prepared by the Permanent Secretariat of the National Commission for Development and Fight Against Poverty, and involved the establishment of nine thematic groups. The ‘Environment and Quality of Life’ group was responsible for examining the environmental consequences of other sector policies, and for recommending responses to potential externalities.

Other aspects of “successful SEA” were also met, including better links to poverty reduction, significantly increased environmental spending, a chapter on “balanced development”, specific analysis of policy alternatives, and the injection of more environmental indicators.

Ghana was one of the first countries to make use of SEA as a vehicle for reviewing and refining a PRSP. A first draft of the Ghanaian Poverty Reduction Strategy (GPRS) was published early in 2002, but then reviewed and subject to *ex ante* SEA during 2003, as part of the issuing of the 2003-2005 GPRS. This GPRS was intended to be the overarching policy framework for the Government of Ghana and set the focus and tone of all other government policies.

The full SEA was made up of two distinct elements: a top-down assessment of the impact of the policies contributed by 23 ministries to the GPRS and a bottom-up exploration of the issues raised by implementation of policies at district and regional levels⁷. The SEA focused on:

- review of the extent to which environmental opportunities and risks were recognised and addressed under the five linked GPRS themes of macro-economy, production and gainful employment, human resource development, the vulnerable and excluded, and governance;
- detailed analysis and discussion on each policy leading to recommendations for revision, replacement and addition; and
- examination of the sustainability of district level plans – the principal vehicles for implementing the GPRS.

All the key ministries were exposed to SEA processes and guided on how to incorporate environmental issues into policy formulation. Benefits of the SEA included: refinements to development policy; and alterations of district level plans and revision to planning guidelines to include environmental considerations in planning at Sector and District levels. National planning guidelines are now formally required as part of policy formulation and budgeting in the GPRS process. Active participation of stakeholders (including politicians, the finance sector and NGOs) and use of SEA at all levels of decision-making has led to greater emphasis on the role of SEA in improving the processes whereby the policies themselves are translated into budgets, programmes and activities. This harmonised development objectives, including alignment with the MDGs and other regional and national strategies.

Different tools (matrices, sustainability test, baseline review, and Geographic Information Systems) were used and a wide range of stakeholders was involved in the SEA process as evidenced by the endorsement of the process by 27 Ministries, Departments and Agencies, and 108 district assemblies (out of 110), parliamentary representatives, civil society, non-governmental organizations, the Bank of Ghana and private businesses (OECD 2006, p.76).

Similar SEA exercises have been undertaken in the last few years in Rwanda (*SEA of the Rwanda Economic Development and Poverty Reduction Strategy*), and in Tanzania (*SEA of the Tanzania National Strategy for Growth and Reduction of Poverty 2005 – 2010*) (OECD 2006, pp.75-79).

7. The section that follows adapted from OECD (2006, p.76).

These exercises have been reviewed on more than one occasion, and some of the most significant outcomes are presented in Table 3.

Table 3: Important outcomes from the application of SEA to PRSPs in Benin, Ghana, Rwanda, and Tanzania

Useful for mainstreaming environment and sustainability into macro development frameworks such as PRSPs
Gave guidance and recommendations for the formulation of next generations of national development plans
Helped to structure and define the environmental content
Increased opportunities for resources mobilization
Opened political space to test policies and strategies through project recommendations emanating from the 'greened' PRSP.
Raised awareness of environmental issues in macro policy and planning
Helped to build capacity for environmental mainstreaming, and increased cooperation and collaboration between groups (e.g. planning and environmental agencies)
Provided the context for refining sector and district level plans and programmes
Helped to balance competing concerns relating to natural resources and economic conditions
Raised issues on what is needed for efficiently mainstreaming environment (e.g. data needed, support from sector and district leaders, etc.)
Assisted with refining priority and target setting for reaching the MDGs
Supported improved reporting on MDG progress

A much bigger sample of countries was used in the World Bank's 2004 evaluation of environmental mainstreaming in 53 PRSPs. Again, the majority of these countries were African, although the evaluation did include: Cambodia; Sri Lanka; Vietnam; Mongolia; Lao PDR; Bangladesh; Pakistan; and Nepal.

The study attempted to rank the countries according to how well they mainstreamed the environment in PRSPs. Two Asian countries – Cambodia and Sri Lanka – achieved a high ranking. The authors postulate that this is due to the quality of the process, suggesting that the use of inclusive and participatory tools may have a substantial impact on the degree of environmental mainstreaming (Bojo et al 2004, p.16)⁸. The

⁸ Of course, a high ranking in this study does not necessarily imply good actual environmental performance. The study only evaluated the incorporation of environmental issues into the PRSP documents. This raises the need to distinguish between process and outcomes.

World Bank study included a detailed “good practice” case study of Sri Lanka (Bojo et al 2004, p.25).

All of the above literature originates in studies of environmental mainstreaming of PRSPs. Additional independent research adds to this work. A study of mainstreaming in Lao PDR (author unknown, 2007), points to the successful inclusion of poverty-environment linkages and the establishment of an Environmental Protection Fund.

Much of the abovementioned literature focuses on “greening” of PRSPs, and attempts to evaluate how well the documents guide donor’s policies towards sustainable development. Arguably, however, what really matters is whether recipient countries integrate environmental and social considerations into their *actual strategic planning documents*. The point here is that very few of the articles and studies mentioned above pass comment on the linkage between PRSPs and the national strategic planning activities of the partner countries.

In a small number of countries (for example, Bhutan), the PRSP and the government’s national development plan are one and the same thing. Clearly, in cases such as this there is a perfect link between the PRSP and the recipient country’s strategic plan! However, recent criticism of PRSPs has suggested that important decisions are not always taken within the PRSP framework. This reinforces the view of “PRSPs as theatre” (Huge and Hens, 2007, p.248).

This conclusion is amplified by a review of the PRSP process and the environment in Vietnam. It points to weak analysis of poverty-environment linkages and the low influence of the PRSP (termed the Comprehensive Poverty Reduction and Growth Strategy) on internal Government planning processes (Nguyen and Stewart 2005).

A smaller literature exists around PPP integration that is not related to the World Bank PRSP process. For example, Annandale (2008) and UNDP/UNEP (2008a), outline successful early attempts to mainstream environmental concerns into the 5-year National Development Plan of Bhutan. OECD (2006) presents case studies of: Sector EA of the Indonesia Water Sector Adjustment Loan; SEA of the Great Western Development Strategy (akin to a national development strategy because of the size of the population); and SEA of the Mekong River Commission Basin Development Plan.

It is also clear that much of this research has been undertaken on the influence of one strategic assessment approach, notably SEA. A new review by the World Bank (Dusik and Xie 2009) reviews the use of SEA in six Asian countries (China, Vietnam, Indonesia, Malaysia, Philippines, and Thailand). It attempts to find answers to questions such as:

- how does SEA link with decision-making?;
- what issues are addressed by SEA?;
- are SEAs being used to improve administrative arrangements for integration of environmental issues in development planning?; and
- what analytical approaches are being used for conducting SEA?

The World Bank review indicates that, to be successful, SEA practice in the East Asia and Pacific region appears to require:

- greater ownership of SEA by planning authorities and increased use of SEA as a planning-support tool;
- gradual integration of SEA into decision-making that respects the specific features of planning processes in the respective countries and facilitates undertaking of SEA whenever a suitable window of opportunity for its application arises;
- using SEA for analyzing environmental and social concerns and encouraging gradual inclusion of economic issues into assessment frameworks;
- greater use of simple and participatory assessment techniques that can operate even in situations of significant data gaps;
- using SEA for evaluating institutional capacities for management of significant side-effects of ongoing and proposed developments; and
- facilitation of thorough inter-institutional consultations during SEAs and gradual improvements in the overall transparency of SEA processes to the public.

3.2 The primary research

This research paper is based partly on a review of the existing literature, and partly on primary research undertaken during mid-2009. A questionnaire survey was designed, and emailed to 71 potential respondents⁹ in the Asia-Pacific region. The survey was aimed predominantly at senior national-level strategic planning officers, but with some forms mailed to environmental regulatory staff.

Initial response was poor, and so a follow-up email and selected telephone calls were made to attempt to improve the response rate. Eventually, responses were obtained from nine countries. Some of these responses were not all that useful, as they misunderstood the intention of the survey and focused their answers on the standard project approval process.

The poor response rate could be explained by “survey fatigue”, as all potential respondents were busy senior government officers. However, the wrongly focused responses suggest another possible reason ... that the basic concepts underlying the questions are perhaps not all that well understood.

Useful responses were received from: China; Indonesia; Philippines; Nepal; Malaysia; Thailand; and Cambodia. These were supplemented by interviews undertaken in Afghanistan, Bhutan, and Vietnam.

⁹ A copy of the questionnaire survey form is attached as Appendix 1.

4. Analysis of the research outcomes

This section of the paper attempts to draw together common themes that can be divined from the literature, and from the primary research. It begins with a summary of the key features of SAA being used in the Asia-Pacific region, and continues with a discussion of “lessons learned” from the use of SAA.

4.1 Key features of the approaches used

4.1.1 SEA

Without doubt the most often-used SAA in national-level strategic planning is SEA. SEA exists in some form in almost all of the countries that responded to the survey, and in a majority of Asia-Pacific nations. However, it has not often been used with national-level strategic planning.

Most recent high-level experience in Asia and the Pacific is with regional and sector planning. For example, in the World Bank’s recent review of SEA application in East Asia (Dusik and Xie 2009), six of the fourteen SEA case studies focused on “area-based” planning; another six dealt with sector plans (such as for tourism and hydropower), and the remaining two were large scale infrastructure programmes.

In recent years there has been a growing use of SEA, in its *ex ante* and *ex post* forms, in Asian national sector planning. The primary research uncovered SEA associated with the tourism sectors in Cambodia, China, and Fiji; hydropower development in Vietnam; and industry policy in Bhutan.

Since its origins in the 1990s, SEA has also been regularly applied to spatial planning. Much of the early World Bank experience with SEA focused on what it termed “regional SEA” (World Bank 2005a). The survey response from China pointed to the extensive pilot SEAs that have been undertaken associated in regional planning. In 2006 alone, SEA was applied in 10 administrative regions, and in connection with 10 major “special plans”¹⁰. In its survey response, the Chinese Ministry of Environmental Protection stated that it wants to extend the demonstration work on SEA to include participation in a “national productivity arrangement and development plan” such as the Nationwide Strategic Plan on Increasing 100 billion Food Throughput (2009-2020), and promotion of SEA as part of the development of a range of economic zones.¹¹

Another high-profile example of the use of SEA in regional planning is the 2005 Preliminary SEA of the Great Western Development Strategy (GWDS) (Dusik and Xie 2009). Because of the physical and population size of the area, this work roughly approximates SEA of a national development plan. The objective of the assessment

¹⁰ P-EIA in China is applied to “General Plans” (e.g. land use plans, and plans for the development and utilization of regions, river basins and sea waters) and to “Special Plans” (including industry, agriculture, animal husbandry, forestry, energy, water conservancy, transportation, urban construction, tourism, and natural resource management).

¹¹ Economic Zone Encircling Bohai Bay, the West-bank Economic Zone of Taiwan Strait, Economic Zone of China Northern Gulf, Economic Zone of Chengdu and Chongqing, Energy and Chemical Intensive Zone at the middle and upper reaches of the Yellow River.

was to outline environmental risks associated with the GWDS. The SEA investigated possible modifications to the strategy, and prepared mitigation measures for major environmental effects. The SEA was commissioned by the State Environmental Protection Administration (SEPA) as an ex-post assessment to provide information for negotiations on the GWDS with other line ministries.

In some countries, SEA is explicitly not applied to policymaking. For example in China, SEA (termed “P-EIA”) can only be applied to plans and programmes¹². This tends to place plans and programmes into special relief, so in theory we might expect to see SEA applied to national development planning. However, as mentioned above, this has not been the case. Some examples of countries where SEA has been experimented with at the level of national development planning might provides some clues as to why its use at this level in Asia and the Pacific has been so sparse.

Bhutan is an example of a country with an inclusive SEA law, where application of SEA to national planning is legally mandated¹³. Sitting beneath the *Environmental Assessment Act 2000*, the SEA regulation requires that:

“any agency that formulates, renews, modifies, or implements a policy, plan or program including Five Year Development Plans which may have a significant effect on the environment, shall perform a SEA in accordance with this regulation, before the proposal is adopted or submitted to the Royal Government of Bhutan”.

This regulation would appear to give a strong mandate to whichever government agency is charged with implementing a SEA system. However, Bhutanese bureaucratic politics post-2002 made it impossible to put this regulation into practice. The main reason appears to have been reluctance on the part of powerful development Ministers to have their policies, plans, or programmes (PPP) subject to what they perceived to be a new “regulatory hurdle”. In addition, and perhaps as a consequence of this situation, the agency that ended up with default “ownership” of the SEA regulation – the National Environment Commission (NEC) - was reluctant to push for its implementation. Some NEC officers believed that carriage of SEA should not, in fact, belong with the

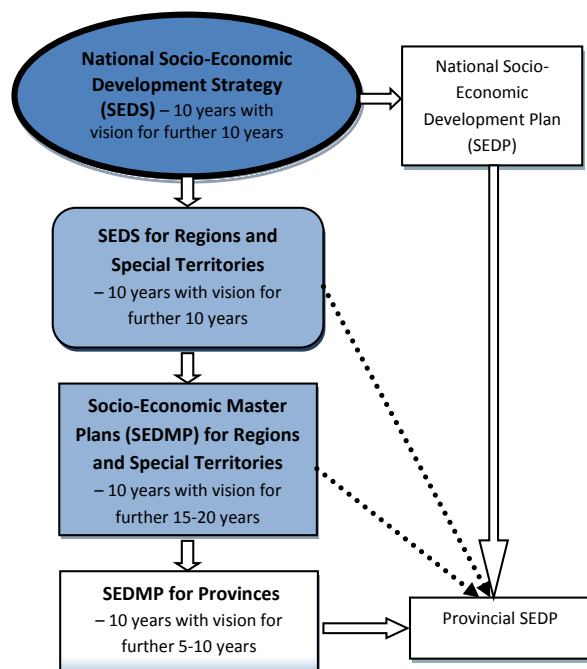
12 On 12 August, 2009 this year the State Council of the Central People's Government of the People's Republic of China approved a new national regulation on environmental assessment of plans. This put into effect a legal requirement under the PRC EIA law promulgated in 2003. On 21 August 2009, the State Council swiftly promulgated the regulation on the environmental assessment of plans. This new regulation will come into full effect in October 2009, According to the regulation approved on August 12 by the State Council, environmental assessments are required before the planning of developments are approved. Under the regulation, environmental assessment of various types of plans will be conducted by local environmental authorities while provincial projects must be evaluated by environmental authorities under the State Council. The regulation covers all development activities, from land use and the development of rivers or oceans, to development projects related to industrial, agricultural, husbandry, and forestry sectors as well as energy, water conservation, transportation, urban construction, tourism, and exploration of natural resources. There are provisions in this regulation for public participation. Assessment carried out under this regulation should cover environmental, health, ecological and related socio-economic impacts. The regulation also contains provisions for review of assessment and for follow-up.

13 Royal Government of Bhutan. *Regulation on Strategic Environmental Assessment 2002*

environmental agency, but should be championed instead by a planning agency with a remit to consider overall sustainability.

Another example of SEA applied to national development planning with mixed success is Vietnam. Earlier, an argument was presented that the most recent Vietnam PRSP has had very little influence on internal government processes (Nguyen and Stewart 2005). Partly as a consequence of this, the Danish aid agency (Danida) decided to base its current (2005-2011) environmental aid programme in the Ministry for Planning and Investment. A significant focus of this programme has been to incorporate SEA processes and thinking into the making of 5-year plans at the national and provincial levels. Building on the work of the Swedish aid agency, which has helped to develop most of the national SEA law and policy from its home in the Ministry of Natural Resources and Environment, Danida has assisted in the development of SEA Guidelines at the sector level. To date, sector-specific guidelines have been written for the Ministry of Construction, and for the Ministry of Planning and Investment¹⁴.

In addition, considerable effort has been put in by both donor programmes to SEA capacity building and pilot SEA exercises. Despite this work, SEA has still not been applied to national development planning.¹⁵ Around 35 pilot SEA exercises have been undertaken, and most of these are associated with land use planning, economic zones, and Provincial 5-year socio-economic development plans (SEDP). As Figure 1 indicates, Vietnam has a detailed, “nested” system of strategic planning.



¹⁴ These SEA guidelines follow a template provided by the General Technical Guidelines for SEA, which were developed in 2007 by the Ministry of Natural Resources and Environment as a generic framework for line Ministries to follow.

¹⁵ Although MPI is about to begin some demonstration SEA exercises that would pilot the new SEA sector guidelines at three levels of the planning hierarchy.

Figure 1: Hierarchy of Strategic Planning Levels: Vietnam

The question as to why SEA has not yet influenced the higher levels of this hierarchy will be dealt with in Section 4.3.5.

Other countries responding to the survey questionnaire have laws and high level policies that require SEA to be applied to national development planning. At present there is no legal requirement for SEA in Malaysia, but the Ninth Malaysia Plan (2006-2010) stipulates the use of environmental planning tools such as “SEA; cost-benefit analysis; market-based instruments; and environmental auditing”, in evaluating and mitigating environmental impacts of development activities. In addition, the Malaysian National Environment Policy (Article 3.4) implicitly refers to the use of SEA when formulating PPPs. In practice, these stipulations have only recently been acted upon. The National Water Resources Plan has been subject to “policy and plan-level pilot SEA”, and there has been a programme-level pilot SEA conducted on water resources management at the state level.

In the Philippines, a comprehensive proposal for a SEA framework is contained in the draft Environmental Assessment Act. This draft law has been pending in the Philippines Congress since 2005, and requires SEA for proposed PPPs that involve multi-component, multi-sector proposals or that involve several small scale activities or subprojects. It is not clear that SEA as required by the new law would relate to national development planning, but the Medium-Term Philippine Development Plan (2004-2010) calls for an overall framework for integrating environmental, social and economic considerations into the country’s broad national development policies, programs and plans. In addition, this Plan has been subjected to SEA by the University of Philippines Los Banos campus. Finally, the National Economic and Development Authority has formulated a Project Development and Evaluation Manual which provides the NEDA Secretariat with the necessary knowledge, methodologies, and skills to assess the economic, social and environmental aspects of programmes submitted by implementing agencies.

Despite the lack of a direct legal framework for SEA in Thailand, SEA is stipulated in the 10th National Economic and Social Development Plan (2007-2011) which calls for ‘developing the SEA system to control the activities’ impacts on quality of life at the early state of public policy making or planning’. SEA is also promoted within the Environmental Quality Management Plan for 2007-2011.

In 2003, the Ministry of Natural Resources and Environment (MONRE) through its Office of Natural Resources and Environment Policy and Planning (ONEP) started to revise and improve the EIA system. This study recommended that the SEA should be used as a tool to enhance environmental management in Thailand.

Additionally, the National Environment Board (NEB) in 2004 recommended that arrangements should be made for undertaking SEA in parallel with PPP formulation at regional and sectoral levels as a way of reducing conflict and encouraging sustainable development. To implement this recommendation a subcommittee was appointed to develop SEA systems for various planning domains.

The latest development of the SEA system in Thailand is the drafting of ONEP SEA guidelines that consider three different models for conducting SEA: (1) an Integrated Environmental Management model for integrating environmental considerations into the formulation of territorial development plans; (2) an Environmental Appraisal model which would be used for flexible reviews of proposed sector-based plans; and, (3) an EIA-based model for assessing proposed mega-projects.

4.1.2 *Environmental mainstreaming*

As was mentioned in Section 2.1, there is disagreement amongst practitioners and researchers as to the correct hierarchical relationship between “SEA” and “environmental mainstreaming”. Some consider SEA to be just one of a number of SAA that can lead towards environmental mainstreaming (see Dalal-Clayton and Bass 2009), while others see environmental mainstreaming as being synonymous with *ex ante* SEA (Annandale and Brown 2009).

Even though this disagreement is unresolved, it is clear there are countries attempting environmental integration at the level of national planning that do not have SEA laws or policies in place. Voluntary approaches are always possible and not all new forms need laws or policies to get started. The interesting question is whether the experience then leads to formalization.

One example is Afghanistan, where there has been considerable recent effort to undertake environmental mainstreaming of the Afghanistan National Development Strategy (ANDS). This effort has been supported by Article 23 of the 2007 Environment Law (“Integrating environmental issues into development planning”) which states that:

“planning for sustainable use, rehabilitation and conservation of biological diversity, forests, rangelands and other natural resources, prevention of pollution, and conservation and rehabilitation of the environment from adverse effects, shall be an obligatory element of all national and local land use plans and natural resource management plans developed by all relevant Ministries and national institutions”.

Afghanistan committed to prepare ANDS (similar to an Integrated Poverty Reduction Strategy) to reflect the principles embodied in agreements between donors and partners. The ANDS process commenced with the establishment of seven sector working groups (consultative groups) representing the major development sectors to be targeted in the ANDS. Five cross-cutting thematic groups were established to provide inputs to sector working groups in the course of formulation of the ANDS. Capacity-building efforts were undertaken with the National Environmental Protection Agency to establish the Cross-Cutting Thematic Working Group on Environment. Its task was to:

- provide advice to assist ministries to incorporate environment into their benchmarks and annual work plans, and identify and provide solutions for integrating environmental considerations in programme implementation;
- undertake quarterly reporting on types of interventions delivered to support environmental mainstreaming within sector development plans, analyse progress and shortfalls in integration of environment, and to make recommendations on

strengthening the strategic review of sector plans and work of the consultative groups.

These activities required a high resource input and it was not possible to address all relevant issues due to resource constraints. In addition, lack of capacity hampered significant progress. However, several priority sectors were chosen and technical support provided to ensure progress in these strategic activities.¹⁶

Environmental mainstreaming activities are also being undertaken in Asia-Pacific countries that do have SEA regulatory systems in place.

One example is Vietnam. In November 2008, a one-day workshop was held under the auspices of the Ministry of Natural Resources and Environment, and funded by the UNDP/UNEP Poverty and Environment Programme and the Institute for Environment and Development in London.

More than 70 stakeholders were asked the question: how far has Viet Nam reached in integrating environment and development? A realistic assessment seems to have been made by participants. No-one judged that there had been no progress, or alternatively that development and environmental management had been fully integrated. Instead, there were 33 'votes' for improved awareness being the stage reached in Vietnam, 17 for useful trials and innovations, and 10 for Vietnam having achieved better policies and institutions.

Preliminary observations from this survey are that progress has been made in ten outcome areas. These can be thought of as lying on a 'spectrum' – from improved awareness which is a prerequisite for real change, to improved governance which systematically integrates environment and poverty reduction. Figure 2 attempts to explain this idea in graphical form.¹⁷

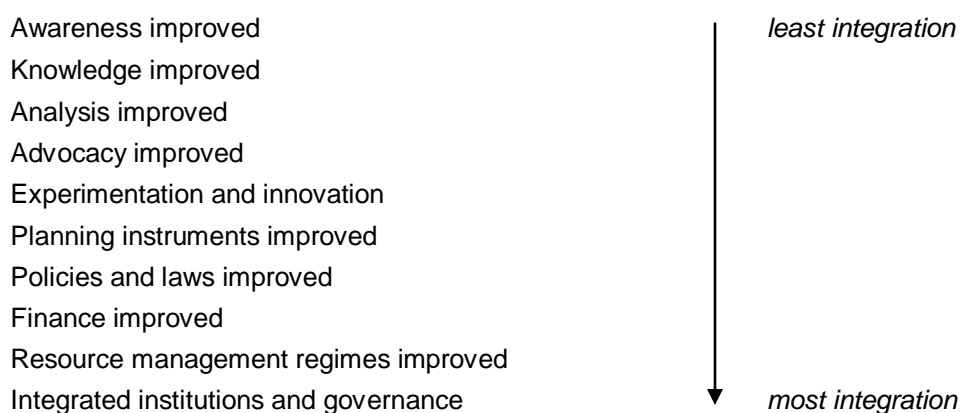


Figure 2: Environment and development “integration spectrum” for Vietnam

¹⁶ This Afghanistan material was adapted from OECD (2006).

¹⁷ The material discussing environmental mainstreaming in Vietnam is taken from a draft report, to be tentatively titled: “Integrating environment and development in Vietnam: achievements, challenges and next steps”. The research referred to was undertaken in parallel to this SDPlanNET research, and can be considered as an original input.

The biggest difference between the experiences with SEA and with environmental mainstreaming appears to be that the latter tends to work more directly with national development planning. Another example of this comes from Bhutan, where the Planning Commission's guidance to sector Ministries providing inputs to the 10th Five Year Plan states that:

“environment is a cross-cutting issue that is intimately intertwined with poverty reduction. Therefore, all sector, agencies, dzongkhags and gewogs¹⁸ should mainstream environmental issues in all their policies, plans, programs and projects and build adequate mitigation measures to minimize any adverse impact on the environment”.

A significant lesson appears to be that, whatever SAA is used needs to directly engage with a government's main planning instrument, and not take place as a parallel activity.

4.1.3 *Other SAA approaches used*

SEA and environmental mainstreaming were the strategic assessment approaches most often referred to, both in the literature, and in the survey responses. It is possible that other SAA have been applied, but that respondents failed to recognize them as such. For example it is almost certain that some agencies responsible for national economic development planning would be using some form of econometric modeling. Some variations of these models - for example - General Computable Equilibrium models, could arguably be considered to be strategic assessment approaches.

The only responding country that did provide evidence of the use of holistic models was Indonesia. According to a respondent, a System Dynamic Model has been used to assist in preparation of the National Mid-term Development Plan, under the auspices of the Board for National Development Planning. It is too early to judge the effectiveness of this model application, since the case and the pilot study area were limited. However, there are apparently strong indications that the system dynamic model may be developed further due to its capability to deal with complex problems (cross-cutting issues/ cross-sector lines) and various levels of decision making process.

Another approach used for strategic assessment of national development planning is the so-called Environmental Overview. This is an approach that was trialed extensively by UNDP in the late 1990s, and could be thought of as a form of SEA (Brown 1997). It is a rapid environmental assessment tool for use during the formulation stages of policies and programmes. According to Brown (1997), the Environmental Overview can be described as a process which pulls apart the first draft of a PPP, examines its environmental consequences in the context of the systems in which it will operate, recognizes the current economic forces and management capabilities which relate to the proposal, then reassembles it as a second draft in a way that addresses as many of the environmental issues and opportunities as possible (Gross National Happiness Commission, Royal Government of Bhutan 2009). It has been trialed in recent years in Bhutan, as part of that country's experiments with different environmental mainstreaming approaches. In 2008, it was applied to the development of the National Industry Policy, and has led to changes in the original design of the policy.

18 “Dzongkhags” and “gewogs” are administrative regions in Bhutan, at different levels of scale.

4.2 Tools associated with use of SAA

While only a limited number of SAA appear to have been trialed in the Asia-Pacific region, there has been considerably more experimentation with “tools” that can be applied underneath the umbrella of the SAA.

SAA guidelines tend to offer a range of tools that could be applied. For example, in China the SEPA trial version of Technical Guidelines for Plan EIA suggested that the following tools could be used within the SEA (Li Wei, 2005):

- Screening plan schemes: checklist, matrix, comparison analogism, consistency analysis and expert consultation;
- Investigating and analyzing the background of environment: collecting data, investigating and monitoring, GIS;
- Discerning environmental impact of a plan: checklist, matrix, network analysis, system flowing drawing, analyzing hierarchy procedures, scenario analysis;
- Public participation: discussion in meeting, questionnaire, public consultation, dissemination of information through mass media;
- Forecasting and assessing environmental impact of plan: input-output analysis, environmental mathematical model, scenario analysis, weighted comparison (multi-criteria analysis), cost-benefit analysis, analyzing hierarchy procedures, attainment of sustainable development objectives, contrastive evaluation, environmental carrying capacity analysis;
- Cumulative environmental impact assessment: expert consultation, checklist, matrix, network analysis, system-flow diagram, environmental mathematical mode, environmental carrying capacity analysis.

In Vietnam, the MONRE General Technical Guidance on SEA provides various tips for practitioners conducting SEA and suggests that a broad trend analysis be used as the primary analytical approach in SEA. Broad trend analysis can combine many different tools and it has the capacity of analyzing cause-effect relationship even in situations constrained by significant data gaps. It is suggested that trends can be presented through: (i) story-lines that describe the overall trends, their main drivers, their territorial dimensions and key concerns and opportunities arising from these trends; (ii) maps showing spatial development patterns; (iii) graphs: to illustrate evolution of key issues over time; or (iv) calculations and comparisons with relevant points of reference. In addition, the guidance provides an outline of the following analytical and participatory techniques can be used within the SEA processes:

- Expert judgments;
- Checklists;
- SWOT;
- Matrices;
- Networks and flow diagrams;
- Spatial analyses: Overlay maps and GIS;

- Trends analysis/extrapolation;
- Delphi technique;
- Modelling; and
- Multi-criteria analysis.

What is clear, however, is that these tools are presented as suggestions in guidelines but they are not necessarily all used. Evidence from the soon-to-be-published World Bank comparative study of SEA tools used in East Asia, suggests that the most often applied tools are:

- Expert judgement;
- Consultation;
- Matrices;
- GIS;
- Scenario analysis;
- Economic valuations; and
- Multi-criteria analysis (MCA) (Dusik and Xie 2009)¹⁹.

Two countries that responded to the survey (Malaysia and Vietnam) outlined their trialing of MCA as a tool to help choose between alternative development scenarios. However, this has been experimental to date, and has not been an official part of national development planning.

4.3 Lessons learned from the use of strategic assessment approaches.

A number of general conclusions can be drawn from this review of SAA, and as such they provide a series of “lessons learned” that may be of use to countries considering initiating PPP integration.

4.3.1 *Lack of translation of developed country experiences*

Earlier in the paper, the extensive European experience with SAA was reviewed. There appears to be very little evidence that this well documented experience has been translated into Asia/Pacific practice. It is not clear why this is the case, especially as many of the donors who have been encouraging the use of SAA in developing countries have knowledge of PPP integration in Europe. One possible explanation is that the developing country focus has been on traditionally defined economic growth (sometimes for its own sake), rather than the quality of growth which has arguably driven European experiments with SAA.

4.3.2 *Importance of SAA interventions being direct inputs to internal government planning processes (the issue of “entry point”)*

There is substantial evidence from the literature, and from the survey responses, that SAA only has a chance of influencing the direction of national development planning if it is used as a direct input to the planning processes that are used by the governments

¹⁹ From a sample of seven countries.

themselves. The use of SAA outside of internal government processes could actually be counter-productive, as they can require substantial commitments of time and resources, and lead already stretched government officers to treat them as nuisances. One good example of this problem comes from a donor's attempt to encourage Bhutan to develop a separate National Sustainable Development Strategy in 2007. The Bhutanese government made the point that sustainable development thinking and consequent SAA would be more likely to have influence if the donor supported their use as part of the development of the 10th Five Year Plan (which was taking shape at the same time). Previously reviewed literature makes the same point with regard to PRSPs, which have tended to have very little influence on actual government planning.

This "lesson" draws attention to the important issue of "entry point". In a review of SEA undertaken for national development planning in Czech Republic, Estonia, Slovenia, Hungary, and Poland during the 2003 to 2006 period, Dusik (2008) claims that certain "good practice" standard approaches to SEA are necessary but not sufficient conditions for SEA to positively influence national development planning.²⁰ He argues that while such arrangements generally create an enabling framework for influencing the planning process through SEA, they may not be sufficient on their own. This is because national development plans seldom suggest genuinely new interventions.

The experience from Eastern Europe is that elaboration was used for choosing between different development proposals which were formulated well before national development planning started. NDP elaboration was mainly used for negotiation between various development lobbies and served as a battleground for 'who gets more money for their proposals'. This places SEA in a problematic role, since many proposals included in the national development plans were well shaped, pre-agreed, and were backed by very strong lobbies. Therefore, even early and well integrated SEA work could only react to these pre-agreed proposals.

With this situation in mind, Dusik recommends that an effective integration of environmental issues into national development planning (through SEAs or similar processes) should ideally start well before the actual beginning of the NDP planning. Such preparation could take place through visioning/scenario processes for the key sectors that will be included in the NDP. These processes could be offered to key players in these sectors as a non-threatening method for analyzing environmental opportunities and constraints, and to search for realistic win-win options. Such scenario-based studies, which would not be linked to any formal planning process, may also be acceptable to the planning agencies since there would be no formal decisions taken at the end, and so no bargaining would be involved. This approach would not replace SEA during the formal NDP elaboration, but could play an important role in an early shaping of ideas that could be further analyzed and negotiated during the NDP elaboration.

4.3.3 *Importance of planning/finance agencies*

²⁰ Dusik claims that these "good practice" necessary conditions include: early start up of SEA; active communication with the planning teams and other key involved stakeholders; identification and use of relevant environmental objectives & targets for assessing strategic impacts of the planning proposals and for formulating changes in the NDP; and, elaboration of detailed recommendations for subsequent programs and plans that will implement the NDP.

The importance of Planning/Finance Agencies to successful sustainable development cannot be underestimated. Evidence from the literature and surveys suggests that these agencies need to take “ownership” of SAA for them to be effective. Some early SAA were promoted by Environment Ministries, in the interests of mainstreaming environmental concerns into strategic planning. However, sustainable development that attempts to integrate economic, environmental, and social goals cannot logically be championed by Environment Agencies, especially when they are usually focused on the specifics of environmental regulation. In addition, in most developing countries Planning/Finance Agencies are still powerful, as their origins lie in deciding how to channel scarce funds in command and control economies, or where the private sector and market system have been weak. Also, it is usually the Planning/Finance agencies in developing countries that control the national development planning process, so they can easily promote SAA if they accept the idea as being legitimate.

4.3.4 *Importance of PPP integration guidelines*

Most countries in the Asia-Pacific region have some kind of legal or policy backing for SAA, although at least three of the countries that responded to the survey (Thailand, Philippines and Afghanistan) do not have specific legal backing for SAA. Where countries do have laws or regulations that mandate use of SAA, it is usually SEA that is being supported.

Legislative backing is clearly important, if only for its symbolic presence. However, in some countries where the rule of law is still not strong, other forms of “administrative order” are possibly more significant, as is the role of donors.

Where countries have strong Planning Agencies, then the guidelines that they produce as direction for national development plans (usually for five years) are extremely influential. For example, the environmental mainstreaming “clause” that was inserted into the 10th Five Year Plan guidelines by the Planning Commission of Bhutan (quoted earlier in Section 4.1.2) acted as a significant “driver” of environmental mainstreaming in Bhutan. Since then, the Planning Commission (recently renamed as the Gross National Happiness Commission) has developed a set of interim environmental mainstreaming guidelines which it is hoped will find their way into the formal guidelines for the 11th Five Year Plan (Gross National Happiness Commission 2009). Guidelines produced by Planning Agencies can be obvious important “entry points” for SAA, because they are compulsory. Sector Ministries ignore these kind of guidelines at their peril.

4.3.5 *Reluctance to use SAA at the level of national development planning*

There is an obvious reluctance on the part of many Asia-Pacific countries to apply SAA at the level of national development planning. The reasons are not obvious, and no research has attempted to seriously answer this question. Some possible reasons might include:

- the natural conservativeness of high-level bureaucrats and planning/finance Ministers that makes them reluctant to try substantially new planning approaches;

- a reluctance to veer away from traditional approaches to planning that emphasize GDP targets as the overriding goal;
- a consequent bias against what might be considered to be the “imposition” of environmental concerns above and beyond other legitimate interests. The argument here is that national development planning needs to balance economic, social and environmental interests;
- the “silo” mentality that exists in many countries, which makes cross-sector collaboration very difficult. ; and
- the issue raised in Section 4.3.2 ... that development proposals can often be formulated by powerful lobby groups well before the formal national development planning process begins.

4.3.7 *Need to show evidence of benefits*

One problem facing proponents of SAA is the need to show evidence of the benefits that can accrue from applying SAA at the level of national development planning. Sceptics will always require such evidence, otherwise the work entailed can be perceived as being just another regulatory hurdle. Unfortunately, it is extremely difficult to prove a direct link between a national development plan that has been subject to SAA and an “improved” outcome. As time passes, and more experience is gained, then it should be possible to show the positive outcomes of SAA application.

The OECD DAC SEA Task Team has recognized the importance of this need, and is soon to publish a case study book that will point to examples of where its 2006 SEA Guidance document has resulted in beneficial outcomes. Other detailed studies linking SAA with direct (and indirect) outcomes need to be undertaken.

4.3.8 *Importance of scenario/alternatives analysis*

While there are many ways in which integration can be sought, and a number of different tools that can be applied in support of these approaches, there is one aspect of SAA that appears to be central and crucial. This is the need for SAA to deal with “alternatives” or “scenarios”. Most traditional approaches to national development planning do not seriously consider the issue of alternatives, either in terms of alternative growth scenarios or alternative ways in which given growth targets can be met. Instead, the dominant paradigm in most developing countries is to determine an economic goal – usually a percentage GDP growth target – and then require a government Planning Agency to develop a single-trajectory plan to meet it.

This kind of approach does not encourage innovative thinking, and rarely results in a good sustainable development outcome. For national development plans to result in better outcomes, it is essential that decision-makers be allowed to examine alternative development options.

4.3.9 *SAs are strengthened when “packaged”*

Evidence from the survey research shows that SAs are strengthened when they are “packaged” along with other related initiatives. Examples include environmental or

“happiness” indicators, and green national accounting systems. The joint weight of a number of initiatives sited in different government agencies seems to offer support to Planning Agencies who might otherwise feel that they are alone in their championing of a challenging new approach to national development planning.

4.3.10 Disincentives to wider use of SAA

The earlier discussion in this section has touched on some of the reasons why SAA has not be used more widely in the Asia-Pacific region. There may well be other “disincentives” to wider use of SAA. These include: the negative influence of corruption, which was suggested by some survey respondents; a lack of recognition that drawing down of “natural capital” will eventually directly affect the ability of developing countries to continue to grow; and a lack of recognition that SAA needs to more directly address institutional and governance dimensions.

5. Outcomes from the study

The combination of literature review and primary research has resulted in a set of “lessons learned” for the future development of strategic assessment of national development planning in Asia and the Pacific.

These conclusions lead to ideas for how SAA might be more effectively encouraged, and to an identification of further research needs.

5.1 Encouraging the use of SAA

The ten “lessons learned” from the research provide some guidance as to how a more extensive use of SAA at the level of national planning could be encouraged. Initiatives already touched upon include:

- A clearer understanding of “entry points” needs to be made in each context. This will require careful research and deep understanding of the institutional and socio-political context of each country’s strategic planning system at a given point in time.
- Governments need to give clear mandates and encouragement to Planning Agencies for them to take what is sometimes a new role as custodians of SAA as it relates to national development planning.
- Planning Agencies need to understand that the necessity for them to provide planning guidelines can be a powerful instrument for integrated planning.
- Planning Agencies can encourage the use of scenarios in development planning at the sector and national levels.

Other incentives could also be brought to bear. These include what the World Bank terms “cost of environmental damage” studies.²¹ Studies such as these help to emphasize the urgency of the problem, and point out to senior decision-makers that there are thresholds and “tipping points” which may fundamentally threaten economic growth.

Section 4.3.7 pointed to the need to show benefits from SAA. One option is to “scale up” experiences with SAA undertaken at sub-national levels. For example, Dunn (2008) reviews the outcomes from 17 SEAs undertaken predominantly at the Provincial level in Vietnam. Many of these pilots were undertaken on Provincial Five-Year socio-economic development plans. Some very useful lessons have been learned from 5 years of Vietnamese regional planning SEA. These need to be taken up by the Ministry of Planning and Investment, as it moves to trial SEA and environmental mainstreaming in the national plans outlined in Figure 1.

Finally, there are clear capacity development needs in central Planning Agencies. Most need basic awareness raising and introduction to the economic efficiencies that can be gained from use of SAA. In some cases, this capacity development work can be

²¹ World Bank (2005a)

provided by Environment Agencies that already hold this skill. In all cases, donors should be prepared to assist.

5.2 Identification of further research needs

This preliminary research project provides some useful direction for more in-depth research that might be undertaken in the future.

First, it is clear that the post-out questionnaire was not the best way in which to obtain answers to the questions that interested the researchers. The few responses that were received indicated that respondents did not fully understand what was being asked. At the same time, there is a clear need to understand what is happening in the Asia-Pacific region in terms of SAA used in national development planning. It is suggested that more detailed research be undertaken, where the research method involves detailed, face-to-face interviewing with a good selection of government officers responsible for the strategic planning system in a given country. It may take around 2 weeks in each country before a picture could be drawn that would make sense from a comparative point of view.

Second, a significant focus of any future research should be to answer the question as to why SAA is not being used more frequently at the national development planning level.

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Appendix 1: Sample Questionnaire

SDplanNet – *Asia & Pacific* is a regional network established to help professionals involved in development planning share innovative approaches for integrating sustainable development into plans, strategies, policies, and budgeting processes at local, sub-national and national levels.

By way of a questionnaire survey, the network is currently undertaking research to document the kind of sustainability assessment approaches or tools currently being used in national planning and policymaking in the Asia-Pacific region.

The questions should only take 20 minutes of your time. The outcomes of the survey will be reported to the 1st annual SDplanNet conference in September 2009 in Bangkok. Your input will be acknowledged and a full copy of the final report will be sent to you.

When you answer the questions, please be aware that the research is focusing entirely on the use of sustainability assessment approaches or tools at the national level.

Examples of such tools are presented in the Appendix to this questionnaire. Please be aware that this is not an exhaustive list.

1. Does your national government use any approaches, tools, or methods to assess the economic, social, and environmental affects (positive or negative) of policies, policy instruments (e.g., taxes, subsidies, regulations), programmes, or plans before they are submitted for approval and implementation?
2. If you answered in the affirmative to question 1, please describe the approaches/tools/methods used and provide some examples of where they have been used.
3. What are the key features of the approaches/tools/methods used, and do they link in any sense to national economic, social, or environmental indicators?
4. How/why have the approaches/tools/methods been implemented? (i.e. are they undertaken because of legal requirements or are they voluntary; is one central department responsible to the integration process, or are they applied entirely by sector/line Ministries?).
5. What have been the key lessons learned in the implementation of these approaches/tools/methods?
6. If such approaches/tools/methods have not yet been applied, have studies or pilot projects been conducted to identify the feasibility and necessity of using such tools in various sectors at national level? What are results of those studies or pilot projects?

7. What kind of assistance did you have in using sustainability assessment approaches/tools/methods? If you have not yet used them in national planning, what kind of help do you think you might need?

Annex: Examples of Approaches/Tools/Methods that can be used to assist in Integrated Assessment of National-Level Strategic Planning

Practitioners and researchers use different terms to define “sustainability assessment” approaches. The most common terms used include: strategic environmental assessment (SEA); integrated policy appraisal; strategic sustainability assessment; or sustainability appraisal.

Sometimes these “approaches” use technical tools such as cost-benefit analysis, multi-criteria analysis, or a wide range of modelling and visioning methods as part of an overall attempt to investigate the environmental, social, and economic impact of national level strategic planning and policy formulation.

In the past, most high-level national strategic planning did not attempt to assess environmental or social impacts. The focus was mostly on macro-economic outcomes. This approach is increasingly considered to be outdated and inefficient.

This research is interested in whether developing countries in the Asia-Pacific region are using any of the new approaches that attempt to integrate environmental, social, and economic issues at the early stages of strategic planning, with emphasis on assessing the sustainability of policy proposals.

Appendix 2: Notes on criteria for use in evaluating strategic assessment approaches

With respect to strategic assessment *approaches*, a number of commentators have suggested possible evaluation criteria. The World Bank, on its Common SEA Tools webpage (World Bank 2009), suggests that for an approach to be “serious” it must include:

- identification of environmental priorities;
- transmission mechanisms from policies, plans and programmes to the priorities, including institutional analysis and stakeholder/political economy analysis;
- analysis of alternatives;
- policy, institutional and governance recommendations, and
- public participation and consultation.

UNDP/UNEP in their (undated) Guidance Note on Mainstreaming Environment into National Development Planning, present a list of “indicators of successful environmental mainstreaming”. They include:

- inclusion of poverty-environment linkages;
- strengthened capacity within finance/planning ministries to integrate environment into budget decision-making, sector strategies and implementation programmes;
- widened involvement of stakeholders in making the case for the importance of environment to growth and poverty reduction; and
- improved livelihoods and access to environmental and natural resources for the poor.

Possibly the most sophisticated categorization scheme for evaluation criteria that could apply to strategic assessment approaches can be found in Bojo et al's (2004) review of World Bank environmental mainstreaming within PRSPs and PRSCs. The authors rate the performance of mainstreaming in different countries according to 17 variables, spread across the following four “major areas” of mainstreaming:

1. diagnosis of environmental issues;
2. analysis of poverty-environment links;
3. the design of responses to meet the identified challenges; and
4. the inclusion of the environmental constituency in the processes leading up to the design and implementation of the PSRP (Bojo et al 2004, p.3).

This categorization scheme makes conceptual sense, and includes all of the criteria presented by UNDP/UNEP, and the World Bank SEA system.

The 17 specific criteria are listed in the table below. This research considers that there are two criteria missing from Bojo et al's system. One is a criterion that would measure investment in human capital, and the other is a criterion that would measure the use of alternatives selection tools. As will become clear, this research takes the view that analysis of alternative policy directions or choices (most often termed “scenario analysis” or “sensitivity analysis”) is a fundamental requirement of good strategic assessment approaches.

Criteria for evaluating strategic assessment approaches

1. Issues	Key characteristics
1. Land use	Degradation, deforestation, erosion, overgrazing etc.
2. Water	Drinking water, irrigation, fisheries and water pollution etc.
3. Air and climate	Air quality, solid fuel usage, emissions, climate variability
4. Biodiversity	Threats to ecosystems, species and genes, nature-based opportunities
2. Causal Link Assessment	Key characteristics
1. Poverty and natural resource degradation	Resource dependence and inequality
2. Environmental health	Water and air pollution related to disease
3. Vulnerability	Impacts of natural hazards
4. Property rights	Tenure and user rights
5. Incentives	Pricing interventions, taxation, subsidies, exchange rate, trade etc
6. Empowerment	Community-based management, decentralization, and partnerships
7. Gender	Role of women in environmental management
3. Response Systems	Key characteristics
1. Environmental management capacity	Legislation, regulation, institutional reform (especially related to budget process), data systems, cross-sectoral coordination, environmental standards, environmental economic instruments, etc.
2. Investment in natural capital	Investment in sustainable natural resource management
3. Investment in human-made capital	Investment in environmental infrastructure
4. Investment in human capital	Investment in training of environment specialists, and involvement of environment specialists in strategic assessment
5. Monitoring natural resource outcomes	Deforestation, afforestation, rehabilitated areas, protected areas, soil and water conservation measures, renewable energy use etc
5. Monitoring human resource outcomes	Infant and child mortality, disease burden related to environmental risk factors
4. Process	Key characteristics
1. Description of the participatory process	With respect to the identification of environmental issues, poverty links and actions.
2. Options choice	Use of techniques for alternatives analysis and sensitivity analysis.

Source: adapted from Bojo et al (2004)