European Commission

Strategic Environmental Assessment (SEA) Community of Practice Discussion Forum

International Cooperation and Development

Greening EU COOPERATION
Integrating environment & climate change

BACKGROUND

A discussion forum on the application of Strategic Environmental Assessment (SEA) in development cooperation took place in capacity4dev.eu (Environment, Climate Change and Green Economy Group) from 23 April to 11 May, 2018. The forum was organised by the Environment and Climate Change Mainstreaming Facility of the European Commission Directorate General for International Cooperation and Development (DG DEVCO) together with the Methodological and Knowledge Sharing Support programme (MKS).

SEA is a tool that has been used (albeit not systematically) in the context of EU development cooperation since around 2006. A number of successful SEAs have been prepared, but also some that have performed poorly at achieving their objectives.

DEVCO has a renewed interest in the potential of SEA to promote a more environmentally sustainable, climate resilient and low carbon development in the current context: a changing policy framework and approach to EU development cooperation, guided by the 2030 Agenda for Sustainable Development, the Paris Agreement on Climate Change and the new European Consensus on Development[1], along with an increasing promotion of investments through blending of resources and the EU´s External Investment Plan (EIP).

Some EU delegations have recently prepared SEAs, whilst others are initiating or thinking of preparing SEAs linked to their development cooperation programmes. The aim of the discussion forum was to enable an exchange of experiences and concerns in the practical application of SEA in EU development cooperation, between those with and without practical SEA experience, drawing also from SEA experience from other institutions and development cooperation contexts.

The exchanges between experts with different backgrounds and from different geographical areas and sectors of expertise was very enriching, allowing not only to validate some good practice elements of SEA, but also to draw attention to alternative ways to address SEA, to circumvent stumbling blocks in its application and to make best use of the opportunities SEA offers to enhance policy-making and planning processes.

---

[1]   The New European Consensus on Development 'Our World, Our Dignity, Our Future', Joint Statement by the Council and the representatives of the governments of the Member States within the Council, the European Parliament and the European Commission.

The text below provides an overview of the key issues raised in the discussion forum. These are grouped under headings and in some cases developed further to round them up. We thank all those that contributed to the discussion forum. In a couple of cases comments were provided outside the forum due to missed deadlines: we also acknowledge and thank those contributors.

DISCUSSIONS POINTS

SEA is standing its ground, but could use a push

SEA remains a valid and useful tool to inform policy-making and planning processes from an environmental sustainability point of view, and offers the potential to contribute to the new international environmental policy context. In some contexts and institutions, interest in SEA seems to have declined, but at the same time some donors have picked up on the potential of SEA and are showing interest in promoting it further. Better dissemination of the benefits of SEA, as illustrated by practical examples, could be very useful to reinforce the currency of SEA. Active promotion and careful management of the tool are necessary to apply it more systematically and make best use of it.

There is no "best practice" approach to SEA

The best approach to SEA is that which results in the formulation of policies, plans, programmes and strategies ('strategic documents' hereafter) that contribute to environmentally sustainable, climate-resilient and low carbon development. The corresponding "best-practice" SEA approach will therefore vary depending on the context. The following elements might influence the selected approach to SEA, *inter alia*:

- The end user of the SEA (e.g. a donor, a national government, a sectoral authority, a local authority);

- The policy-making or planning process that the SEA is meant to influence (e.g. national planning, sectoral planning, local planning, post-disaster decision-making). In the case of donors, SEA could influence different decision-making processes, such as in the context of programming, budget support, loans for policy reform or blending;

- The level of environmental and climate change awareness of the SEA 'users';

- Any legal requirements for SEA (national or donor environmental safeguards);

- The strategic intent of the policy-making or planning process (e.g. Is there a formal planning process in place? Are strategic options pre-defined or open? Is it a revision of an existing strategic document or the formulation of a new one?);

- The time when the SEA occurs (e.g. how advanced is the policy-making or planning process when the SEA begins?);

- The level of ownership of the SEA process by the different actors involved (e.g. donor, national authorities, sector authorities).

Different SEA approaches have been devised to respond to specific decision-making needs

Besides the many possible variations for the design of individual SEAs based on factors such as those listed above, we can identify some general SEA approaches.

The most common approach is the **impact-centred SEA**, which has its origins in translating the logic of the project-level Environmental Impact Assessment (EIA) process to impact assessment for policies, plans and programmes. The EU SEA Directive and the Kiev Protocol under the Espoo Convention are examples of this approach.

The impact-centred SEA approach basically aims to respond to the question: what are the likely significant impacts on the environment from implementing alternative sectoral/national/local development policy options, and how can adverse impacts be mitigated?

In the absence of reliable baseline information and other data, it becomes difficult (if not impossible) to provide a clear-cut answer about expected environmental impacts from different alternatives (e.g. SEA for decision-making about gold mining in El Salvador). In such cases, an SEA that informs about the risks and opportunities of different alternatives and under different scenarios could be more beneficial, but requires a strategic planning approach.

A more **strategic approach** to SEA can be illustrated by the model promoted by DEVCO. This approach seeks not only to assess the potential environmental impacts of implementing different policy options, but also to answer the following questions: how are environmental

degradation processes and climate change affecting and likely to affect sector/national development? Do the options put forward in the strategic document offer an adequate response to these challenges? What further opportunities are available for the strategic document to promote an environmentally sustainable, climate resilient and low carbon development?

An example of the benefit of this approach is an SEA undertaken for hydropower planning in Pakistan (Azad Jammu Kashmir)[2], which examined environmental and social implications of 60 proposed hydropower projects, and brought together four previously uncoordinated proponents to discuss project plans. The SEA resulted in the establishment of a province-wide, hydropower planning agency and allowed decision-makers to examine the cumulative impacts of the various projects. An SEA for Zambia's sugar sector adaptation strategy[3] identified the production of vinasse (a highly polluting by-product of distilling processes) as a potential impact from the proposed production of bioethanol; the SEA led to the allocation of funds to develop the capacity of Zambia's Environmental Protection Agency to address environmental challenges faced by this new industrial sector. These two cases illustrate how the strategic-approach, in contrast to the impact-centred approach, can lead to structural changes necessary to address key challenges and opportunities.

The SEA for Montenegro's National Climate Change Strategy[4] shows how SEA can go beyond analysing potential impacts to address opportunities. This SEA identified the need to allocate resources and define a strategy to ensure that the positive impacts expected from the co-generation of heat in an upgraded thermal power plant (to be distributed to households) would indeed materialise, and that households would switch fuel away from coal. The SEA showed the risk of this benefit not materialising due to a lack of attention to aspects such as the cost of connection vis-à-vis the cost of continued coal use.

Another example of the strategic approach is found in the form of the **Analytical Strategic Environmental Assessment (ANSEA)**, applied in some SEAs in Latin America (e.g. Chile, Colombia), where the focus is more

---

2   *Supported by the Netherlands Embassy, with technical support from the Netherlands Commission for Environmental Assessment (NCEA) and local management by IUCN.*

3   *Prepared by the European Commission in coordination with the national partners.*

4   *Prepared by the European Commission in coordination with the national partners.*

on the examination of strategic options to maximise benefits, rather than on a narrow focus on the analysis of impacts and the definition of measures to mitigate them.

In the case of lending for policy reform, the World Bank has been applying the **Policy SEA (PSEA)** approach (or institution-centred SEA). This approach analyses the robustness and appropriateness of the institutional, policy and regulatory framework of a country to respond to real and likely environmental challenges in a given sector. A PSEA can inform the definition of policy reforms by identifying gaps in existing country systems for managing the environment and natural resources, and involving vulnerable stakeholders in the policy dialogue to secure a loan.

Other approaches respond to more specific decision-making situations, such as the **Integrated SEA (I-SEA)** promoted by UNEP to inform relatively urgent decision-making processes on land-use planning in post-crisis situations. The particularity of the I-SEA approach is that it explicitly integrates disaster risk reduction (DRR) and climate change.

Sometimes, SEA is applied to **large-scale infrastructure projects**, where issues such as the cumulative impacts of multiple components and sub-projects are analysed, and under which the strategic dimension of infrastructure developments (such as promoting the multi-functionality of infrastructure) can be explored. The SEA for hydroelectric power in Pakistan mentioned above also shows that SEA can look at the cumulative impacts of multiple infrastructure projects. In national systems, SEA can also look into longer-term infrastructure needs, beyond electoral cycles.

In addition to these broad approaches to SEA, many variants can be found in different systems, mainly in relation to the SEA process and the focus of the analysis. It is beyond the scope of this paper to examine these, but as an example we can mention a consideration of health impacts by the Kiev Protocol, to climate change in the case of the DEVCO and the I-SEA approaches, and to DRR in the case of the I-SEA approach.

SEA in national systems

The level of uptake of SEA in national regulatory systems is still low. Although various countries provide for SEA, the tool and related regulations have often not been developed (e.g. in Timor-Leste, SEA is foreseen under the Basic Environmental Law, but to date it has not been implemented). The work of donors and international organisations can be instrumental in promoting SEA systems; for example, the recent update of the UNECE guidelines on transboundary EIA for Central Asia (under the Espoo Convention), has been an important push factor to start developing national environmental assessment systems in the region (including SEA). International organisation and donors such as DANIDA, the NCEA and, to a lesser extent EuropeAid, have been promoting the development of national SEA systems.

The level of maturity of national environment policy, as well as environmental awareness among decision-makers, influences the effectiveness of SEA systems; although SEA can always be beneficial, more meaningful benefits can be obtained when the policy framework and level of awareness are more advanced. In addition, planning systems also influence SEA effectiveness: those with a tradition of strategic planning are better placed to make the most out of SEA.

Platonic SEAs and real SEAs

Plato suggested that, behind the imperfect and changing world there are abstract Ideas or Forms. We can analyse any object against this abstract (and ideal) form. We can apply this to SEA.

The components of an "ideal" SEA could be defined, but if such a scenario ever existed we probably wouldn´t need an SEA in the first place, as the standard planning process would already take care of all of the elements the SEA is meant to provide.

An "ideal" SEA could imply, *inter alia*:

- Decision-makers (i.e. end-users of the SEA) are environmentally aware and motivated to ensure their strategic document will not only not have adverse impacts on the environment, but will contribute to environmental sustainability, climate resilience and low carbon development.

- There is a close and meaningful collaboration between planning authorities and competent authorities for the environment and climate change throughout the planning and SEA processes.

- The policy-making and planning process is strategic. It is open to examine all strategic options to achieve medium- and long-term development objectives under different scenarios, and is impermeable to elements such as pressure from external lobbies and partisan interests.

- Reliable and up-to-date baseline information on environmental variables and climate change projections are readily available, or can be easily produced.

- The SEA is triggered at the very start of the policy-making or planning process. In fact, both processes are fully integrated and it is difficult to discern where one ends and the other begins. For example, when the baseline situation is analysed, the state of the environment and climate change projections are part of the picture; it examines how environmental degradation processes affect sector performance; and when sector development objectives are defined, these are examined according to their coherence with and contribution to environmental and climate change objectives; etc.

- The findings of the SEA are meaningfully discussed by decision-makers and reflected in the corresponding strategic document; the monitoring system allows follow-up of key environmental and climate-related variables, to ensure: no significant adverse impacts; that opportunities to improve the state of the environment and build climate resilience are implemented; and that agreed SEA recommendations are followed-through.

- The SEA (and the policy-making/planning process) is fully transparent and offers broad opportunities for public participation. Stakeholders engage actively and meaningfully and their views are given serious consideration, are debated and are integrated in the policy-making/planning process.

- The key environmental and climate change concerns related to the strategic document are systematically monitored and effective remedial action is taken when necessary, including action to ensure that benefits on sustainability materialise.

We can look to an "ideal" SEA for inspiration and attempt to achieve it, but it does not exist in practice.

The "ideal" SEA is that which is designed to address the specific context and planning process we are facing. It implies recognising the limitations we face (e.g. low level of awareness, lack of reliable baseline data, partisan interests), but also identifying the opportunities (e.g. international policy framework, leverage over allocation of funds, synergies with other donors). The "ideal" SEA is one that maximises opportunities to bring about strategic planning that is environmentally sustainable, climate resilient and contributes to low-carbon development, not only in the definition of strategic documents, but also in their implementation.

There is no single approach to SEA nor "the ideal" SEA, but there are good practice elements

Even without an ideal SEA, nor any standard approach to SEA, there are underlying good practice elements that underpin successful SEAs.

- Identify the entry points into the decision-making process. What are the contact points between the SEA and the policy-making/planning process? How will both processes communicate with each other for positive reinforcement? To do this it is important to clearly understand the decision-making process the SEA is meant to influence. Identify the process, the actors involved, the timing and the moments when key decisions are made. A good practice example can be found in the SEA for the National Energy Scheme of Kazakhstan[5], where one member of the national SEA team was also a member of the working group that the Ministry of Environment established to prepare the Energy Scheme.

- When promoting an SEA in a given country, check what relevant work other donors have undertaken on SEA. Some have engaged in the development of national SEA systems or in the preparation of specific SEAs. Capitalise on these experiences and build synergies.

- Given the context, set realistic boundaries to the scope of the SEA. The scoping phase is fundamental for this; identify key aspects relevant to the policy-making/planning process because of their potential significant impacts on the environment or because of the opportunities they offer to promote sustainability. At the same time, identify those aspects that may achieve greater buy-in from the competent planning authorities, especially when the government is sceptical of SEA. It is better to

---

5   Coordinated by the UNECE Espoo Convention Secretariat.

realise a limited number of benefits in a planning process, while helping to raise awareness of the issues involved and of the value of SEA, than attempt an overly ambitious SEA that is likely to become sterile due to the unpopularity of its findings and undermines the few recommendations that could have been seriously considered and adopted. An example of an SEA targeting specific issues that achieved good buy-in from planning authorities was the SEA for the Master Plan for Acceleration and Expansion of Indonesian Economic Development 2011-2025 (MP3EI)6. The SEA initially focused on key concerns of the decision-making actors, but as decision-makers became more familiar with SEA and found it useful, the concerns of other stakeholders were gradually introduced. This approach allowed a better buy-in by planning authorities and is recommended for similar contexts where authorities may not be responsive to opening up the SEA to a broader set of issues.

- Invest in the building of SEA ownership and capacities by the relevant national counterparts (e.g. training on SEA). Engage in dialogue with the national counterparts in advance of the SEA; build a common understanding on the SEA approach; jointly prepare the ToR; make sure national government counterparts are attached to the SEA (e.g. members of the Steering Committee). SEAs for a number of local-level development plans in Honduras7 were implemented by a number of municipalities based on technical assistance and training provided by GTZ; the more detailed capacity-building component was delivered in phases corresponding to the stages of the SEA process that local technicians had to implement at that moment in time. This approach could be useful for similar SEAs of local-level planning processes (e.g. in Haiti).

- Try to trigger the SEA as early as possible in the policy-making/planning process. However, remember that even "late" SEAs can bring about significant benefits. The "mood" of the SEA (i.e. the level of ownership and the willingness of the government/donor to use the findings of the SEA to enhance their planning processes) is more important than the timing.

- The SEA process itself can be very valuable, independently of its findings. To maximise benefits

of the process, make all possible efforts to promote dialogue between stakeholders, to engage the broader public, and to publicise the debate that the SEA generates. SEAs often offer some of the few opportunities for stakeholders with interests in environmental aspects related to sector/national development, but who approach them from different angles, to exchange concerns and ideas.

- Make sure a space is created to meaningfully discuss the findings of the SEA, so as to agree on the way forward. The road from recommendations to actions is a risky one and so needs to be made as smooth as possible, minimising losses on the way. To make this efficient, it is useful to decide how the strategic document will be implemented and to guarantee the implementation of the agreed SEA recommendations. The SEA for the MP3EI in Indonesia (mentioned above) formulated policy recommendations on how to ensure proper environmental management during the implementation of the plan.

- SEA can often be difficult to grasp for non-SEA specialists. It is imperative to publicise the benefits of SEA, as this helps promote the use of the tool. This has often been a missed opportunity in the donor community.

Two basic approaches to SEA in EU development cooperation

There are two general situations where SEA can apply in the context of EU development cooperation, depending on the decision-making process we are primarily aiming to influence.

SEAs primarily aimed at influencing EU decision-making processes, such as programming or project/programme formulation

SEAs should be prepared when budget support is considered in an environmentally-sensitive sector (e.g. agriculture & rural development, energy, transport & infrastructure, water & sanitation or private sector development).

Since, with budget support, the EU is providing support to implement a national or sector strategy, SEA helps us understand if the strategy we are supporting is environmentally sound. In this case SEA can be useful to assess budget support eligibility criteria (i.e. soundness of the sector policy), as well as identify performance indicators that measure key environment- or climate-related variables of concern. Indicators also help ensure the funds provided are used to address these concerns.

---

6   *Implemented by DANIDA.*

7   *Supported by GTZ.*

SEA can also be relevant **under the project approach,** when the EU is providing broad support to a sector. This may include support to planning processes, policy reform, institutional reform, large scale field-level interventions, etc. In this case SEA can be a valuable tool to assess the environmental implications of the group of interventions, and identify measures and approaches that could maximise opportunities to contribute to environmentally-sustainable, climate-resilient and low-carbon development.

Such SEAs should also **bring added value to national partners**. If the SEAs are linked to EU programming or formulation processes, their timing will rarely coincide with a corresponding national/sector policy-making or planning process (although in at least one case – SEA for the agriculture sector in Rwanda – the SEA directly informed both the EU and the national decision-making processes). This is also partly because budget support requires a sector strategy to be already in place. In such cases we still expect the SEA to provide recommendations on how to enhance the environmental sustainability of the sector strategy; although recommendations are directly conveyed to the government counterparts, they are also meant to be picked up by the EU delegation to address them, as relevant, through policy dialogue.

SEA integrated in the support to develop a sector policy or strategy

In some cases the EU provides support to the formulation of a sector policy or strategy. This offers an ideal opportunity to promote an SEA as part of the policy-making/planning process. An example where this approach can apply is for the preparation of local land-use plans in Haiti.

Good practice elements indicated above need to be triggered, but special attention needs to be given to promote the SEA approach with the national government and build ownership of the process. Donors such as the Netherlands Commission for Environmental Assessment (NCEA) and DANIDA have experience in promoting national SEAs.

It is also important to remember that an SEA's chances of success depend to a large extent on the ownership of the process by the national planning authorities. This is applicable not only to the SEA, but to the policy or strategy itself, which should be truly prepared by the national government (albeit probably with donor support).

Opportunities for training and dissemination of good practices

DEVCO, through the Environment & Climate Change Mainstreaming Facility and the MKS programme, can provide training on SEA. Such training can strengthen in-house capacities on SEA, but also support SEA processes promoted by the EU through building a common understanding of the SEA approach with the partner governments and other development partners.

The Environment & Climate Change Mainstreaming Facility also provides opportunities to disseminate SEA good practices and benefits. These include the quarterly publication, *Green Development News*, and the preparation of case studies. Other formats for dissemination are also possible on a case-by-case basis

SEA to address challenges from new approaches to development cooperation

New approaches to development cooperation require a fundamental change in the way we conceive and implement development policies. SEA can be a very useful tool to guarantee the sustainability of the new ways in which development cooperation is being implemented.

One specific challenge concerns the increasing use of blending to finance large-scale infrastructure projects and mobilise private and public investment. In addition to the blending facilities, the External Investment Plan (EIP) is expected to leverage more than €44 billion by 2020.

These investments are subject to the application of the environmental and social safeguards of the lead donor, which normally includes provisions for project-level environmental and social impact assessment (ESIA), and in some cases for climate risk/vulnerability assessments. Nevertheless, there is a gap when it comes to addressing the strategic planning dimension. How can we ensure that these infrastructure projects are aligned and respond to national sector development policies and strategies? And, in such cases, how can we ensure that these national and sector strategies address key environment- and climate-related concerns and opportunities? Similar concerns can be found in other initiatives promoting multiple infrastructure developments, such as under the (China-promoted) Belt and Road Initiative. SEA can play an important role in bridging this gap and deserves serious debate.

CLOSING REMARKS

SEA can be a transformative tool that can help ensure development agendas are on a sustainable pathway and contribute to the Sustainable Development Goals. But for SEA to be successful it needs to be used wisely; in the absence of a "one size fits all" solution, each SEA needs to be tailored to the specific decision-making context in which it will be applied. SEA is not "the" solution, but an important tool in the sustainable development toolbox that needs to be coordinated with other tools (e.g. ESIA and environmental management systems).

The issues raised in this SEA Community of Practice discussion forum have brought to light concerns and solutions from the field, which we hope prove useful in identifying practical solutions to real SEA situations, as well as reaffirming elements of good practice.