

Sustainability Impact Assessment (SIA)

Seminar

23 April 2002

**British Embassy Brussels
Rue d'Arlon 85, 1040 Brussels**

Seminar Proceedings

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Sustainability Impact Assessment (SIA): Seminar Proceedings

Contents

1. Introduction and Overview of the Seminar.....	1
2. Seminar Conclusions and Recommendations.....	6
Annexes.....	13
Annex 1: Seminar Agenda	
Annex 2: IEEP Background Paper	
Annex 3: Presentation Summaries	
Annex 4: References and Useful web pages	
Annex 5: Participation list	

SUSTAINABILITY IMPACT ASSESSMENT SEMINAR PROCEEDINGS

1. INTRODUCTION AND OVERVIEW OF THE SEMINAR

Aim of the Seminar

The seminar on Sustainability Impact Assessment (SIA) - held at the British Embassy in Brussels on the 23 April 2002 and sponsored by the UK Department for Environment, Food and Rural Affairs¹ - brought together some 55 experts from Member States, the European Commission, research institutes and stakeholder groups to address key questions of content and process in SIA.

The aim of the seminar was to obtain a better understanding of what the SIA instrument is, how it links to other instruments, and how and where it can be applied. This is in [large] part to contribute to the European Commission's work in developing its own application of SIA to major policy initiatives. In order to do this, key speakers from Member States, the European Commission and other organisations presented their practical experience and perspectives on SIA, and a panel of experts launched a broader discussion.

Overview of the Seminar

Following the opening remarks by the chair, Robert Lowson of the UK Department for Environment, Food and Rural Affairs (DEFRA), the seminar started with two overview presentations on SIA to set the scene: on the key questions being asked of SIA, and on the European Commission initiatives to promote SIA. This was followed by presentations on Member State experience of using appraisal techniques of particular relevance to the SIA tool. After coffee, the presentations went into further depth – with two presentations presenting methodological insights from SIA application on trade, and one presentation on a software tool. The afternoon was dedicated to open discussions on SIA and related appraisal techniques, launched by two formal respondents addressing questions of SIA content, and two respondents addressing questions of SIA process. The session culminated in an open-panel discussion.

Following are some key points made by the various speakers. Annex 3 contains the speakers' summaries, and the IEEP web-page (www.ieep.org.uk) contains the PowerPoint presentations.

Robert Lowson (DEFRA) set the scene noting that the original requirement for SIA sprang out of the European Commission's proposed EU Sustainable Development Strategy (SDS) and the 2001 Gothenburg Summit conclusions. The aim of the seminar was to clarify essential elements and questions of SIA. He noted that in the UK the social pillar was seen to be a key aspect of Sustainable Development and that it was important to clarify how this would be covered in SIA. He underlined that the seminar should help clarify how SIA fits in

¹ We are grateful also to Norbert Gorissen, Regine Kraaij, Denis Van Eeckhout, Roman Martin, Marie Larsson and Stephen White for acting as the steering group for this project

alongside existing Regulatory Impact Assessment (RIA), Business Impact Assessment (BIA) and Strategic Environmental Assessment (SEA), noting the need to ensure a consistent application that can contribute to improving EU policy. Regarding SIA application, he stated that a key issue is the decision on the timescale of the assessment; this needed to allow long term issues to be taken into account.

David Wilkinson of **IEEP** presented a background paper on the key questions being raised on SIA. He outlined the linkage or complementarity of different appraisal tools, including, *inter alia*, RIA and SEA and identified key questions for debate. These include:

- What is the true value added of SIA, over and above other instruments?
- How can we ensure that SIA is used as a positive tool for improving policy design and hence avoid SIA becoming a simple bureaucratic exercise?
- How can we ensure SIA is used and that “paralysis by analysis” does not occur?

He offered an example of where SIA could have been usefully applied to avoid adverse impacts – had an SIA been carried out on the End of Life Vehicles (ELV) Directive, it would perhaps have been possible to avoid the adverse social impacts and reduce the likelihood of vehicles being dumped.

Bruno Fetelian of the Strategy Development Unit within the European Commission's **Secretariat-General (Secgen)** presented the Commission's activities regarding SIA, and gave a preliminary indication of the SecGen's thinking. An inter-service group on Impact Assessment (IA) has been developing a contribution to an Action Plan on Better Regulation, which will be presented as a Communication to the Sevilla European Council in June². The Action Plan will contain proposals on a system of integrated impact assessment, together with guidelines on minimum standards for stakeholder consultation. M. Fetelian underlined that the objective of IA is to improve the quality and coherence of policy development, improve communications with stakeholders and help internal communication within the Commission, and with the Council, the European Parliament and the public. Regarding the application of IA, he noted that it is likely that all proposals within the Commission's Annual Policy Strategy and Work Programme will be subject to a preliminary IA, including both legislative and non-legislative proposals. There would be some exemptions (e.g. executing measure with no political content, or some updating of policy with no significant impact). He noted that an important aspect of methodology is to keep room for flexibility, and that IA should be proportionate to the extent of the (potential) impacts, and reiterative in nature. Following preliminary assessments, proposals with major implications for sustainable development would be subject to an extended assessment.

Mark Rodmell of the **UK Department for Transport, Local Government and the Regions (DTLR)** presented his Department's Integrated Policy Appraisal (IPA) at the strategic and project levels. The IPA tool was developed by the DTLR following commitments in the UK Government's White Paper - *Modernising Government*. The IPA aims to draw together existing appraisal requirements and to fill gaps where no existing

² Communication on impact assessment: http://europa.eu.int/eur-lex/en/com/cnc/2002/com2002_0276en01.pdf

Communication on better regulation - Action plan "Simplifying and improving the regulatory environment" http://europa.eu.int/eur-lex/en/com/cnc/2002/com2002_0278en01.pdf

appraisal methodology exists. It guides the user through the process of assessing the impact of all sustainability impacts – economic, social and environmental – and also the distributional impacts, i.e. those which affect different sections of society unequally. Following a pilot of the IPA by both DTLR and DEFRA – where 80 proposals across the transport, housing, planning, neighbourhood renewal, fire and safety fields were appraised in DTLR – a revised version of the IPA had been launched by DTLR as a “best practice” tool. It is soon to be made available on the web. Currently the IPA is non-mandatory, unlike RIA, but similar tools are likely to be adopted by some other departments by the end of 2002. Importantly, the IPA report has become a valuable reference for Ministers when making policy decisions.

Paul Klaassens from the **Ministry of Housing, Spatial Planning and the Environment**, the Netherlands, presented the Environmental test (E-test) in the Netherlands. The E-test, required by national government, and made by the responsible ministry, assesses the environmental effects of the policy in question, with an explanatory note consequently attached to draft legislation, and linked to a separate business test (B-test), and feasibility and enforceability test. The goal of the E-test is to help make the policy making process more balanced by assessing the effects, ensure that the best possible information on the effects is made available, and that there is an integration of environmental policies in other domains. So far around 50 E-tests have been carried out, and the summary information used by the Ministers to help inform their decisions. Importantly the E-test results present the impacts, but do not make recommendations for policy decisions; this is left to the policy makers.

The experience to date with the E-test shows that the first goal – of contributing to a more balanced policy making process – has succeeded, while the goals of providing ‘best possible information’ and ‘external integration’ have not really been achieved. It is, however, unclear whether any position or policy decision has been significantly changed on the basis of the information from the E-test. Particular insights from the use of the E-test to date show that it is very important to make an up front effort to develop informal networks to enable access to appropriate colleagues in other ministries for later consultation. It also shows that a helpdesk – the Support Centre for Draft Legislation – is a valuable resource for the various ministries, who each have a representative in this support centre. This is particularly so given the ‘assessment fatigue’ in the Netherlands, as there are more than 30 tests for policies.

Colin H. Kirkpatrick of the **University of Manchester**, UK presented the lessons of SIA application to SIA trade decisions. He noted that is important to identify which points the assessments need to be made at, linking to the points of influence in the decision making process for policy, and negotiation process for trade. Regarding the methodology, he underlined that there are real constraints since appropriate and reliable data is often lacking, and time and resources needed for a robust analysis are limited. Having identified key elements of the SIA processes, screening and scoping, detailed assessment, mitigation and enhancement analysis, monitoring and evaluation, he noted that screening and scoping was perhaps more critical aspect. On assessment tools, he underlined the importance of checklists, assessment methods (causal chain analysis, modelling, case studies, etc), data sources and consultation and participation arrangements.

Aaron Maltais of the **Stockholm Environment Institute (SEI)**, Sweden, presented methodological insights from the application of general SIA methodology to agricultural sector trade liberalisation. He noted that modelling capacity is often not sensitive enough for some of the questions and that the role of modelling and interpretation of results needs to be seen in this context. Similarly, while modelling may be 'not bad' in giving the direction of the changes, it is often not very good at showing the detail. Furthermore, aggregated SIA studies tend to lose much critical information, raising the question as to whether consultation and qualitative analysis can adequately fill the gaps. It is important also to carry out regional hot spot analysis of areas of high value and risk, to complement the macro or aggregate picture. Discussions also underlined the benefits of case studies to offer in-depth insights, the importance of doing a 'causal-chain analysis' and ensuring that the assessment timeframe allowed key impacts to be picked up by the analysis.

Malcolm Fergusson of the Institute for **European Environmental Policy (IEEP)**, stood in for Fabio Leone of DG JRC-IPTS, presenting the IA^{PLUS}/ IA^{STAR} guiding tools towards the integration of sustainability implications into EC initiatives. The IA^{PLUS} is a tool to support integrated appraisals, focusing primarily on environment, competitiveness and innovation impacts, and IA^{STAR} is a tool for helping in the appraisal of the sustainability implications of EU policies. Areas covered by appraisal include, inter alia, Green Papers, White Papers, Action Plans, Negotiated Mandates, Legislative Proposals, Decisions and Trade Agreements. It was underlined that these tools – based on checklists and supporting software applications – are only a tool to clarify impacts that can help decision making. They would need to be complemented by additional analysis such as stakeholder consultation.

Scott Jacobs of **Jacobs and Associates**, USA and **ex OECD** started the afternoon discussions by responding to points of SIA content as noted in the morning's presentations. He underlined the importance of 'asking the right question'. This often requires policy makers to think outside of their own specific concerns, interests and primary policy making sphere. This will require a fundamental culture change for many policy makers who (need to) move towards a more integrated approach to policymaking. He supported the views of many that SIA and RIA be integrated into an integrated assessment (IA) tool, though recognised concerns that each of the three pillars of SD need to be appropriately addressed in the final IA tool. On the application of the tool, he stressed that the SIA/RIA/IA are problem-solving tools, and that one should recognise the limits of the tools; it is important not to 'oversell' the tool and its application. IA will not answer normative / value laden questions, such as whether the trade-offs across SD pillars are acceptable or not – that is for the politician. However, IA can offer information to support the policy decision makers. He argued that the best method would be cost-benefit analysis³ but this does not require complete monetarisation as opposed to a clear presentation of the facts.

The second respondent on SIA content was **Prof. Johann Köppel**, Chairman of the **German EIA Society**. He presented an overview of appraisal techniques used in Germany, noting that Germany uses EIA methodologies with qualitative elements and that the 'Sustainability Dialogue' in Germany is a discursive process based on 21 sustainability

³ In the broader sense of presenting clearly the cost and benefits, including qualitative, rather than the strict economics use of the term cost-benefit analysis.

indicators. In Germany, all investment for transport has to be appraised for economic impact, and separately for environmental impact. He noted that an important issue is how to link EIA and SIA (and SEA). SIA may close a gap, or there may be convergence of instruments. It is, however, unclear at the moment how these instruments may evolve. He noted that SEA, as applied in the US or Canada, has evolved to include social aspects [also the case in Finland]. Finally, he stressed the need for a pragmatic instrument, and noted that the E-test, combined with SEA could be a useful model.

Keith Tyrell of the **World Wide Fund for Nature (WWF)**, started discussion on the process of SIA, covering the issue of stakeholder participation. He noted that WWF supports the SIA tool, as it should help get environmental, economic and social issues on a level playing field in policy making. The important issue is that the tool is constructed in such a way that policy makers can use it, and that the benefits, requirements and support is such that they do use it. SIA should be a proactive part of the policy process and not a reactive assessment. Stakeholder involvement is key to ensuring transparency, and if seen as an honest attempt to encourage SD, it can increase buy-in of, and acceptability to, different stakeholders of the policy being decided. Importantly, addressing stakeholder concerns can lead to additional insights and information for policy makers. It can also build trust in policy makers' decisions. Stakeholders include people beyond the borders of the strict policy, and beyond national borders. Regarding the process of ensuring stakeholder involvement, one needs to use representative organisations, proactively searching them out rather than simply posting an announcement on the web. Furthermore, it is valuable to guide stakeholders through the process and clearly state the purpose and outcome of the consultation, and what is expected of them. There is a need to continuously give feedback, publish results, and explain why something is included and why something else is excluded for the developing policy proposal. This will also help build expertise in the stakeholder community, which in turn will support decision-making.

Finally, **Sibout Nooteboom** of **DHV** (The Netherlands) raised some key questions on the SIA process, looking at the application of SIA within the policy development process. He noted that with the existing plethora of appraisal and assessment techniques (the Netherlands have over 30 policy tests and parallel assessment processes), we need a tool that is simple, flexible, and that offers real value added and hence incentive to use. The tool needs to be acceptable, simple and designed so that the results/information enter the policy process. The analysis should therefore be demand-driven - called for by the policy process - though mandatory, to stop administration sticking to old methods. It is furthermore important that joint evaluations are included in the process, undertaken jointly by the different policy communities concerned, possibly involving all the relevant (but perhaps competing) stakeholders. Furthermore, he argued that there is a need for responsibility to rest with a unit in the office of the Secretary General. This should have a Steering Committee composed of the different DGs to ensure that complaints can be discussed and addressed at the highest level.

This was followed by a broad ranging panel discussion, which allowed further development of the key questions and possible steps forward to address concerns. In addition, further Member State experiences were exchanged. Many of the key points of the discussions and chairman's (Patrick ten Brink of IEEP) summary are reflected in the conclusions and recommendations presented overleaf. This notes both areas of agreement and areas where a

diversity of views were held, covering not just key questions for SIA, but also comments on what issues need to be explored seriously for the SIA instrument to be able to fulfil its ambition and rightful role within the mix of appraisal and assessment tools at the EU level.

The seminar agenda is given in Annex 1; the IEEP Background paper - sent out before the seminar to prepare for the seminar debate - is presented in Annex 2; and a summary of the presentations is given in Annex 3. Annex 4 presents some useful web-sites and references, and Annex 5 includes the participation list.

2. CONCLUSIONS AND RECOMMENDATIONS

IEEP has drawn the following conclusions and recommendations from the formal presentations at the workshop; the contributions of the respondents; interventions from the floor; and subsequent submissions sent to IEEP by e-mail. They do not necessarily represent the views of the UK Department for Environment, Food and Rural Affairs or a consensus view reached in the meeting, but in IEEP's view reflect the balance of discussion.

Do we need a system of SIA for Commission proposals?

- Yes. SIA has become increasingly necessary as Community interventions have become ever more complex. Treaty commitments now demand the integration of a number of separate considerations into all EU policies. Moreover, EU involvement is increasing in a number of cross-sectoral issues such as climate change. Existing impact assessment systems in the Commission cannot accommodate this complexity.
- *Ex ante* impact assessments of policy proposals provide decision-makers with information from which more effective policies can be developed. SIAs can help identify unintended negative side effects, identify synergies ('win-win-win'); and avoid the need for future expenditure to put things right.
- SIA can promote innovative policy decisions.
- SIA provides a structured way of involving stakeholders and the public in the development of EU policies, in line with the requirements of the Århus Convention. Greater participation can provide a source of additional information, and enhance a sense of public ownership and trust, thus contributing to more effective implementation.
- By clarifying trade-offs and options, SIA can improve internal communication within the Commission, and with Council and the European Parliament
- It would be difficult to conceive of a credible EU Sustainable Development Strategy without some system of SIA to underpin it.
- Despite these positive features, some scepticism remains about the benefits of SIA. The Commission Secretariat-General should launch a proactive campaign to highlight its advantages, directed at other Commission DGs and EU institutions

Content of SIAs

- SIA should be regarded as an *aid to* decision-making, rather than a *tool for* decision making. It should be a heuristic device to clarify policy choices - which should continue to be made by policy-makers, not by analysts.
- It should seek to *illuminate* policy options, impacts and trade-offs as transparently as possible. Therefore, monetarisation and other forms of aggregation should be treated with care since they can obscure key trade-offs and are potentially contentious.
- An SIA should take place as early as possible in the policy formulation process and be iterative.

- SIAs should include the features listed in Box 1.

Box 1: List of SIA Characteristics

SIA is a systematic and iterative process undertaken during the preparation of a plan, programme or regulation, which:

- Defines the “problem” in ways which help understanding of the underlying causes and the environmental, social and economic dimensions, so that we think “outside the box”
- Characterises, illustrates and presents the impacts of a large range of options (including, explicitly, a do nothing option)
- Covers economic, social and environmental impacts. Due consideration needs to be given to each, and trade-offs between these explicitly identified: negative effects mitigated, positives enhanced
- Includes long term impacts as well short term impacts
- Includes global impacts as well as local impacts
- Includes consideration of physical or societal limits to adverse impacts
- Includes explicit consideration of distributional effects (especially the nature of winners and losers),
- Should highlight, if possible, the means through which the sometimes-conflicting components of sustainable development may be wholly reconciled (win-win-win) – or if this is not possible, to identify and make transparent instances where it may be necessary to forego one asset or opportunity in order to increase or capitalise on another (trade-offs – now and over longer time-horizon)
- Makes use of quantitative analysis where possible but will need to be supplemented by good qualitative analysis
- Excludes any specified aggregation or decision rule (even that benefits should exceed costs)⁴ on the basis that, as a support tool, it is up to the users to define the rule
- Requires extensive participation by stakeholders in the determination of impacts.
- Requires transparent communication of the results.

In addition, SIA should cover the whole policy process, starting from problem identification and choice of policy options. The role of SIA is restricted to *identifying and characterising* likely impacts and trade-offs, and should stop short of making policy recommendations: responsibility for making the actual choices should remain with policy makers. Typically an SIA report will therefore present the policy choice, the rationale for it, and comment on stakeholder consultation, future monitoring and evaluation plans.

- Further consideration should be given to whether Commission SIAs should progressively seek to become 'objective led', and how these objectives should be established (particularly in the social field).

⁴ It should be noted that ‘benefits greater than costs’ is essentially an efficiency rule (notwithstanding Pareto assumptions that winners *actually* compensate losers). Other rules might be that policy must (not) make certain specified groups better (worse) off; or that there must be no change in a specified phenomenon / variable.

Consultations with Stakeholders

- Wide stakeholder consultation is essential to identify impacts and their distribution, and to secure stakeholder support and involvement in policy implementation.
- More work needs to be undertaken to identify ways of involving stakeholders, notably in an enlarged Union of 27+ Member States.

Box 2 presents recommendations on stakeholder consultation by an NGO participant.

Box 2: Stakeholder consultation

A feature of SIAs is the emphasis they place on stakeholder involvement. While it can be difficult, and at times frustrating, it is essential. Not just because it increases the transparency of the process, but also because stakeholders are an important source of information.

- **Why** engage in stakeholder consultation?
 - It increases transparency, credibility and generally builds trust
 - It increases the buy-in of different groups and promotes a sense of collective accountability
 - Can help identify who/what will be impacted and how they will be impacted
 - Promotes the development of innovative policy solutions
- **Who** are the stakeholders? – Put simply, they are anyone who will be affected by the policy – including those outside your borders. Many will be obvious, but not always and whoever carries out the SIA will have to find and approach them.
- **When** should they be consulted? – Stakeholders should be consulted from the beginning. To include them only at the end of the process when the SIA is all but completed is pointless (in that the SIA does not benefit from stakeholders knowledge and insight), but it can be counterproductive. It can alienate or antagonise groups turning potential supporters into opponents. SIAs are also iterative, hence it is worth going back to the stakeholders again and again at key points in the process.
- **What** do you give stakeholders? Guidance is essential. Stakeholder consultations have to be carefully managed and clearly structured. They should include a clearly stated purpose and outcome – tell stakeholders what the point of the consultation is and what you want from them (eg written response, discussions and note timing). Be up front and open about why and what you want out of the relationship. Advance notification is essential.
- **How** do you get input? – Stakeholders should be provided with as broad a range of options as possible. Ask for their comments on proposals, commission research from them on specific aspects, get them involved in selecting and constructing scenarios. It is important that stakeholders do not feel that any options are off-limits or that there are subjects which can't be raised. Everything has to be on the table in the beginning and stakeholders should be involved in selecting and rejecting options.
- **What** to do with the outcomes? – It is essential that participants receive feedback throughout the process. Tell stakeholders what decisions you have reached when you reach them. Tell them why you came to that decision, why you rejected some options and accepted others and respond to their input. Note what issues were raised during the consultation, how were they taken into account and how stakeholder input featured in the decision-making process. Regular and full feedback serves multiple functions. Not only does it make stakeholders feel that they are involved, but it also encourages them to stay involved – an important point with SIAs which can take a long time and require repeated stakeholder input. Finally when the process is finished,

publish the results in full and disseminate them widely.

The principle of introducing SIA at EU level

- The specific nature of the EU as a political system raises several issues about horizontal and vertical co-ordination and consultation - between EU institutions, and between the Commission and Member States. These questions should be addressed before SIA is introduced within the Commission.
- The focus of SIAs cannot remain exclusively at a European level, since sustainability conditions and impacts are highly site-specific. An SIA of a proposed EU measure needs to take account of its differential impact in different Member States. Therefore, Member States need to make available information to the Commission at as early a stage as possible. More work needs to be done on how Member States can be linked into a Commission SIA system. This should include addressing the implications for the implementation of the SEA Directive within Member States
- It is important that a system of SIA is 'owned' by all EU institutions, since Council and Parliamentary amendments can negate many of the assumptions of the Commission's initial SIA. The inter-institutional agreement supporting the introduction of 'Activity-based Management' within the Commission should be extended to cover SIAs. Member States in the Council and MEPs could undertake SIAs of their major amendments to Commission proposals or SIAs ought to be updated to take account of changes in the Council or European Parliament.

Incorporation of SIA within an integrated EU impact assessment system

- Experience in the Netherlands and Finland suggests that the existence of separate impact assessment systems may give rise to 'assessment fatigue', and thus to reduced commitment and effectiveness. Thus, in principle, the inclusion of SIA into a coherent, integrated assessment system within the Commission is desirable. However, this should not blur the focus on enhancing sustainable development, nor marginalise any one of its component elements.
- SIA differs in a number of important aspects from regulatory, or business, impact assessment and therefore clear guidelines should be developed spelling out its minimum essential characteristics.
- It would not be appropriate for an integrated assessment system to be co-ordinated by DG Enterprise (currently responsible for RIAs and BIAs). Rather, the process should be driven by the Commission's Secretariat-General. Consideration should also be given to whether the Court of Auditors should be given a role.
- SIA should be carried out by the specific DG developing the policy. This will facilitate the integration of the SIA conclusions into the policy development process. Involvement of other DGs, where appropriate, will be valuable to ensure that the broader SD impacts are fully taken into account.
- In relation to the assessment of *environmental* impacts, the Sixth Environmental Action Programme now places a legal obligation on the Commission to give 'consideration,

prior to their adoption, of whether action in the economic and social fields contribute to and are coherent with the objectives, targets and time frame of the Programme'. This suggests minimum environment requirements within an integrated impact assessment system, and an 'objectives-led' approach.

Cultural/political/legal support for SIA

- The effectiveness of a system of SIA within the Commission will ultimately depend on securing a 'bottom-up' culture change within individual directorates-general. This will require a lengthy learning process, and initial expectations should therefore not be set too high.
- The process of 'learning-by-doing' could be made more difficult by an excessively heavy-handed, centralised or coercive approach. This appears to be one reason why the Commission Secretariat-General is proposing a very large degree of flexibility, relying mainly on peer pressure within the Commission and external consultation to secure good quality assessments.
- However, there are lessons to be learned from the disappointing experience of some existing Commission assessment systems. A low level of political support, excessive discretion, the absence of standard methodologies, and the lack of incentives to undertake impact assessments are likely to reduce the effectiveness of an SIA system - and ultimately to discredit it.
- An effective SIA system requires high-level political authority. This should take the form of an explicit statement of endorsement by the European Council. Moreover, SIA should be formally incorporated into the system of 'Activity-based Management' within the Commission, introduced as part of the current Commission reform process.
- SIAs will require the provision of adequate resources for training, guidance, consultation etc. There is a need to clarify whether an explicit legal instrument on impact assessment is required to enable these resources to be allocated.
- Methodological and procedural guidelines should be developed by the Commission's Secretariat-General. These should be mandatory rather than discretionary, along the lines of Commission guidelines currently being developed in relation to *ex post* evaluations.
- The College of Commissioners, the Council and the European Parliament should refuse to consider any Commission proposal, identified as requiring a full SIA, which is not accompanied by one.

Practical application of SIA within the Commission

- It is important to recognise that there are different 'levels' of SIA requiring different methodologies and resources, but to be acceptable, the approach needs to be both simple and flexible.
- All legislative and other policy proposals included in the Commission's Annual Work programme should be accompanied by a *preliminary* SIA. This should be based on the 'common sense' questions proposed by the Commission Secretariat-General (see Box 3).

- Transparent criteria should be developed to enable the Secretariat-General - in conjunction with a Steering Committee representing all relevant DGs - to identify those proposals requiring an *extensive* SIA. The proposed exemptions listed in the Commission's Communication *Simplifying and Improving the Regulatory Environment*⁵ would appear to exclude several major Community policies with considerable impacts on sustainable development, and need to be clearly justified.

Box 3: 'Common Sense' questions for preliminary SIAs

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| <ul style="list-style-type: none"> • Defining the problem • Describing the policy objective • Identifying policy options for achieving the objective • Identifying and assessing impacts of each option • Selecting the 'best' option • Identifying monitoring and evaluation requirements |
|--|
-
- For 'extended' SIAs, more detailed methodological guidelines should be developed by the Secretariat-General, on the basis of the requirements identified in Box 1.
 - Extended SIAs may need to be undertaken with the assistance of external consultants.
 - A central, integrated impact assessment office should be established within the Commission Secretariat-General, modelled on the Dutch 'E-test' helpdesk. Its role would be to:
 - develop criteria for identifying which proposals should be subject to an extensive SIA;
 - develop methodological guidelines for undertaking SIAs;
 - develop links with SIA practitioners in the Member States;
 - establish and manage a network of SIA correspondents in each directorate-general;
 - disseminate good practice;
 - provide advice and assistance to Commission officials undertaking/supervising SIAs
 - exercise quality control in relation to Commission SIAs
 - Each directorate-general should appoint an Impact assessment correspondent to act as a focal point for guidance and assistance in relation to SIAs
 - Systems for *ex-post* monitoring and evaluation should be developed within each DG to establish the actual impact of its measures - along the lines of the requirements of the SEA Directive.
 - SIA is not a cost-free exercise. Adequate resources must be made available by the budgetary authority for the appointment of specialist staff, training, stakeholder consultations, and the use of consultants. However, it need not necessarily be hugely intensive, nor should it be if we are being realistic about it happening.

The above conclusions and recommendations that have come out of the seminar discussions and communication with participants should help in answering two basic questions ⁶ -*How do we ensure that policymakers CAN use SIAs, then how do we ensure they DO use SIAs.*

- *How can we ensure that policymakers can use SIAs?* For SIAs to be widely adopted policy makers have to be convinced that there is a point in using them. They have to add something to the process. They must also produce results in a form that policy makers can use. They have to be relevant, timely and credible. Unless they meet all these criteria, policy makers will be unable to use the tool to its maximum potential. Similarly the methodology has to be practical, allow the right questions to be asked, and obtain needed insights into impacts and “best policy options”. Guidance is needed on the appropriate methods – for qualitative analysis, stakeholder consultation, and quantitative analysis - and on tiering of depth of analysis to suit the question at hand.
- *How do we ensure that policy makers do use SIAs?* Even if SIAs are user friendly and targeted at the needs of policy makers, it is still important to ensure that they do actually use them. It is one thing to carry out an SIA; it is another thing to use it to inform policies. SIAs need to be fully integrated into the policy-making process. They have to guide policy development, not just assess their impacts. In this respect timing is critical. They have to be in there at the beginning before any options have been closed off or rejected. And in this they are fundamentally different to impact assessment as it is usually conceived. Most impact assessment exercises try to identify and mitigate the negative effects of specific proposals which are at an advanced stage of development - they are reactive. SIAs on the other hand should be part of the process of coming up with proposals. Instead of offsetting negative policies, they should be able to identify positive proposals – they are proactive. SIA should be a simple process but effective in promoting structured thinking – it should not be seen as a “tick-box” exercise or “just another assessment”.

⁶ As noted by an NGO participant

SUSTAINABILITY IMPACT ASSESSMENT

BACKGROUND PAPER: ANNEXES

Annex 1: Working Agenda

Annex 2: IEEP Background Paper

Annex 3: Speakers' Summaries

Annex 4: References to useful material and sites

Annex 5: Participants List

Seminar on Methodologies for Sustainability Impact Appraisal
British Embassy: 23 April 2002
Rue d'Arlon 85, 1040 Brussels

Agenda

Registration: 9:00

9:30 Context and Overview

Opening remarks from Chair: **Robert Lowson, DEFRA**

Background paper presentation: **David Wilkinson IEEP**

Commission Presentation on Impact Assessment **Bruno Fetelian, Secgen**

short Q&A session after each paper

10:30 Presentations on SIA practice and tools (1)

(short Q&A session after each paper)

Mark Rodmell, DTLR, UK

Integrated policy appraisal at the strategic and project levels

Paul Klaassens from the Ministry of Housing, Spatial Planning and the Environment, The Netherlands

The Environmental test in the Netherlands

Coffee Break: 11:20

11:45 Presentations on SIA practice and tools (2)

Colin H. Kirkpatrick, University of Manchester, UK

Lessons of SIA application from SIA trade analysis

Aaron Maltais, Stockholm Environment Institute, Sweden

SIA applied in agricultural sector liberalisation

Malcolm Fergusson, Institute for European Environmental Policy

DG JRC-IPTS' IA^{PLUS} / IA^{STAR} Guiding tools towards the integration of sustainability implications into EC initiatives

Lunch 12:45

2:00 Afternoon: (1) Respondents and Discussion on Content of SIA

Chair's introduction **Patrick ten Brink, IEEP**

Respondents on SIA content **Scott Jacobs⁷, Jacobs and Associates, USA**

Respondents on SIA content **Prof. Johann Köppel, German EIA-society**

Panel and Floor Discussion

Tea Break: 3:30

3:50 Afternoon: (2) Respondents and Discussion on Process of SIA

Respondents on SIA process **Keith Tyrell, WWF**

Respondents on SIA process **Sibout Nooteboom, DHV**

Panel and Floor Discussion

Chair's conclusions

End of Seminar 5:30

⁷ Ex OECD



SUSTAINABILITY IMPACT ASSESSMENT

BACKGROUND PAPER - Institute for European Environmental Policy, IEEP David Wilkinson, Malcolm Fergusson and Patrick ten Brink

1. Introduction

The paper is intended as background for the SIA Seminar to be held in Brussels on 23 April 2002. Section 2 sets out the background to the requirement for SIA, while Section 3 briefly lists some key issues and questions for discussion. This paper is not intended to be definitive or prescriptive; it is anticipated that other matters will also be discussed at the seminar.

The views expressed herein are those of the authors at IEEP; they do not necessarily represent the views of any of the sponsoring or participating organisations. However, the paper does include and build on some key questions and points raised by participants⁸.

2. The path to SIA

In its May 2001 Communication on the EU's Sustainable Development Strategy⁹, the European Commission observes that:

'All [EU] policies must have sustainable development as their core concern.... Careful, assessment of the full effects of a policy proposal must include estimates of its economic, environmental and social impacts inside and outside the EU... In particular, forthcoming reviews of common policies must look at how they can contribute more positively to sustainable development...'

Explicit reference is made in this context to the forthcoming mid-term reviews of the EU's common agricultural, common fisheries, and cohesion policies, and the review of the common transport policy.

Subsequently, the June 2001 Göteborg European Council called for 'mechanisms to ensure that all major policy proposals include a sustainability impact assessment covering their potential economic, social and environmental consequences' to be developed in the framework of the Action Plan for Better Regulation. This is to be presented to the Seville European Council in June 2002, and a system of SIA should be in place within the Commission by the end of 2002.

Note that the process of assessing the effects of policies from the point of view of their positive or negative contributions to sustainable development is described in this paper, following the Göteborg conclusions, as "Sustainability Impact Assessment" (SIA). However, sometimes it is referred to as Sustainability Appraisal (SA), and indeed there is no universally-agreed blueprint for what such an assessment should contain. Box 1 outlines some of the generally accepted characteristics of SIA.

⁸ Invitee registrations included a request for key questions that they wanted discussed during the seminar and many of the steering group and speakers have also provided valuable points.

⁹ Commission of the European Communities: *A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development* COM (2001) 264 - 15.5.01

During the SIA seminar, the issue of “what is SIA” will be explored, looking to identify a short list of criteria that make an assessment an SIA.

Box 1: What is SIA?

SIA is a systematic and iterative process undertaken during the preparation of a plan, programme or regulation, which identifies and reports on its likely economic, social and environmental impacts. It covers the whole policy process, starting from problem identification and choice of policy options. It then involves identifying the social, economic and environmental impacts and the means through which the sometimes-conflicting components of sustainable development may be wholly reconciled (win-win-win) - or if this is not possible, to identify and make transparent instances where it may be necessary to forego one asset or opportunity in order to increase or capitalise on another (trade-offs – now and over longer time-horizon).

The assessment of the economic, social and environmental impacts of a proposed measure is based among other things on the extensive consultation of all relevant stakeholders.

The role of SIA is restricted to *identifying and characterising* likely impacts and trade-offs: responsibility for making the actual choices should remain with policy makers.

Typically an SIA report will present the policy choice, the rationale for it, and comment on stakeholder consultation, future monitoring and evaluation plans.

Note: The above is a synthesis of various definitions of SIA and are not direct quotes.

Why SIA?

Ex ante impact assessments of policy proposals and their alternatives provide essential information from which more effective policies can be produced, while minimising their economic, social and environmental costs. They can help identify unintended negative side effects and thus avoid the need for future expenditure to put things right. In this regard, useful lessons might be learned, for example, from the impact of the CAP on drinking water quality, and from the possible effects, including social equity, of the End-of Life Vehicles Directive.

SIA has become increasingly necessary as Community interventions have become ever more complex. Treaty commitments now demand, separately, that environmental, employment, public health, consumer protection, and economic and social cohesion considerations should be taken into account in the development of all relevant Community policies. At the same time EU involvement has increased in cross-cutting areas through, for example, the Lisbon Process, the Sixth Environmental Action Programme (6EAP), and the EU's Sustainable Development Strategy (EU SDS). Indeed, it would be difficult to conceive of a credible EU SDS without some system of SIA to underpin it.

At the same time, SIA provides a structured way of involving stakeholders and the public in the development of EU policies, in line with the requirements of the Århus Convention. Greater participation can provide a source of additional information, and enhance a sense of public ownership, thus contributing to more effective implementation.

Other impact assessment systems within the Commission

A number of separate impact assessment systems have already been introduced or further developed within the Commission over the past decade. Some of these derive from Declarations or Protocols in the Maastricht and Amsterdam Treaties, or from European Council conclusions. These assessment systems have sought to identify *inter alia* likely regulatory burdens on business; environmental

impacts; and the effects of proposals in relation to subsidiarity and proportionality (see Table 1). In addition to these EU level systems, Member States are obliged to put in place SEA (Strategic Environmental Assessment) systems under the SEA Directive (2001/42/EC). While national approaches to sustainability impact appraisals are not covered in this background paper, some key national experiences will be presented and discussed at the SIA seminar.

However, recent studies¹⁰ have highlighted the weaknesses from which all such systems suffer. These include:

- *Lack of effectiveness*, due to:
 - Little real high-level political support, so that assessments are often not done, or are perfunctory or incomplete;
 - Lack of agreed and robust methodologies;
 - Methodological guidelines (if any) which are only advisory, so that Commission DGs have great discretion over how and when to carry out assessments;
 - Late assessments, often after a policy has already been determined;
 - Inadequate support in terms of resources, data collection, and training.
- *Lack of co-ordination*. Existing parallel impact assessment systems have different foci (as set out in Annex 1) and have few links between them. The duplication of such systems can produce ‘assessment fatigue’, and ‘paralysis by analysis’.

As a result, there is broad support within the Commission for replacing partial assessments with a single, effective, integrated approach within the framework of the EU system of integrated impact assessment. This could

- be agreed and applied by all EU institutions
- be underpinned by a high level of political support, with a new legal instrument and mandatory guidelines;
- have new institutions, including a regulatory assessment office within the Commission’s Secretariat-General to develop methodologies, oversee quality standards, and provide guidance and training;
- be provided with adequate resources for staff, training, and public consultation.

However, the integration of SIAs within such a system to form a single impact assessment tool raises a number of important issues which are highlighted in Section 3.

3. Key Questions

The very process of SIA itself, its introduction at EU level, and its incorporation into a broader, integrated assessment system together raise a very large number of difficult questions which the workshop might consider. The obvious starting point is the question of “whether we need SIA and what the particular value added of this appraisal technique is?”. Other key questions include the following:

3.1 SIA at EU level

SIA requires the analysis of impacts both horizontally - across sectors - and vertically - across different levels of government, to take account of implementation issues. The nature of the EU as a

¹⁰ European Policy Centre, *Regulatory Impact Analysis: Improving the Quality of EU Regulatory Activity*. Brussels, September 2001; European Commission DG Enterprise: *Business Impact Assessment Pilot Project Final Report: Lessons Learned and the Way Forward*. March 2002.

political structure raises a number of key issues as regards such horizontal and vertical co-ordination. Moreover, the contribution of the different EU institutions to the development of Community measures also needs to be taken into account.

- Does the SIA of Commission proposals depend upon the prior provision of information by Member States to identify implementation issues?
- Should Member States introduce their own impact assessment systems to accompany SIA at EU level? And what is the link to SEA?
- Within the Commission, how can inter-service co-operation be improved between essentially sectoral DGs?
- How can meaningful consultations with stakeholders in up to 27 Member States be organised at EU level?
- How should major amendments introduced subsequently by the Council or European Parliament be reflected in SIAs of Commission proposals?

3.2 Incorporation of SIA within an integrated EU impact assessment system

SIA requires equal attention to be given to the analysis of economic, environmental and social impacts. Many commentators on the recent Barcelona European Council criticised what they considered to be the 'sidelining' of environmental issues at what was supposed to be the first Spring Review of the EU's sustainable development strategy. Could a similar process occur in an integrated assessment system?

- Would the integration of SIA and existing RIA/BIA systems within the Commission into a single tool emphasise economic over environmental and social considerations, and/or financial costs over wider environmental and social benefits; or can this be avoided?
- Would SIA be regarded as meeting the requirements in successive Treaty Declarations for environmental appraisals of Commission proposals?
- What are the likely barriers to the integration of SIA with RIA/BIA into a single assessment tool at the EU-level, and what can be done to overcome these?

3.3 Legal/Political support

An effective system of SIA will require greater political authority, visibility, and enforcement procedures than existing impact assessment systems within the Commission.

- Is a new legal instrument necessary (eg Council/Parliament Decision?), or are amendments to the Institutions' Rules of Procedure sufficient?
- Should guidelines on methodology, consultation etc be mandatory rather than advisory on all DGs?
- Should Council and Parliament be given the right to refuse to consider any Commission proposal unaccompanied by a satisfactory SIA?
- Are there other ways of raising SIA's profile, such that they are suitably used and effective?

3.4 Application of SIA

The Commission's recent Communication *Simplifying and Improving the Regulatory Environment*¹¹ suggests that urgent proposals, minor or updating amendments; and 'acts required by the Treaty

¹¹ Commission of the European Communities *Simplifying and Improving the Regulatory Environment* COM(2001) 726 5.12.2001; Mandelkern Group on Better Regulation - Final Report

itself” should be exempt from the requirement for SIA. The latter exemption would appear to exclude several major Community policies with considerable impacts on sustainable development.

- What type of proposals should be subject to SIA? Legislative items only? Other strategies, action programmes, guidelines?
- Who should decide which proposals should be covered, and on what basis?
- How can we ensure that the SIA is a constructive policy tool, and hence avoids the danger of becoming a “bureaucratic tool”?

3.5 Methodology and Content

Any SIA methodology should be sufficiently broad and detailed to be robust and meaningful, but must also be sufficiently flexible and straightforward to be applied in a realistic way to a broad range of policies. It must also take account of the purpose of the proposal. There are obvious difficulties in reconciling these conflicting requirements.

- Should assessments be ‘objective-led’ (ie how far do measures contribute to the attainment of SD objectives)? If so, who should set these objectives? Where objectives are quantified into targets, who should set the targets?
- How wide a scope of impacts should be considered?
- Can inter-temporal or inter-generational aspects be considered adequately?
- Should distributional issues be included? If so, how can these be assessed?
- How far should quantification be attempted? Can effects be weighted meaningfully?
- Should *ex-post* monitoring be required in order to establish the actual impact of EU measures - along the lines of the SEA Directive?

3.6 Resources

As discussed above, adequate resources, including time, staff and skills, are essential if SIA is to be credible and authoritative – though the level of resources required will depend on the ambition of the tool.

- Are systematic checks of SIA application needed to ensure quality and consistency? And could this be usefully carried out, through, for example, a new, central regulatory assessment office to be established within the Commission’s Secretariat-General?
- What should be its role and activities?
- What resources are needed for the appointment of suitable staff, training, and public participation?
- Should a network of SIA experts be established in each Commission DG?

Table 1: European Commission - Impact Assessment Procedures

PROCEDURE	SD 'PILLAR'	AIM	REPORT?	ORIGIN	APPLIES TO	SUPERVISED BY
Business Impact Assessment (BIA)	Economic	Identify and minimise costs to business, particularly SMEs	Attached to legislative proposals	Commission internal, 1986	Legislative proposals with significant impact on business	DG Enterprise
Regulatory Impact Assessment	Economic, (social?)	Assess all legislative proposals in relation to legal basis, subsidiarity; clarity; impact on public authorities, economic operators and citizens	Explanatory Memorandum	1992 Edinburgh European Council; 1993 Maastricht Treaty, Declaration 18; 1996 Commission Regulatory Policy Guidelines	All legislative proposals	Secretariat-General
Subsidiarity/ Proportionality Assessment	Economic, (social?)	Assess proposals in relation to subsidiarity; costs to authorities and stakeholders. Public consultation requirements	Explanatory Memorandum Annual <i>Better Lawmaking</i> Reports	1999 Amsterdam Treaty, Protocol 7	All legislative proposals	Secretariat-General
Budgetary Evaluation	Economic	Identify budgetary implications of proposals for EU institutions	Explanatory Memorandum	2000 Commission White Paper <i>Reforming the Commission</i> COM (2000) 200	All legislative proposals	Secretariat-General
Environmental appraisal	Environmental	Identification of environmental consequences of legislative proposals and of alternative options	?	1993 - Maastricht Treaty, Declaration 20 1993 Commission 'Green Star' internal environmental assessment procedure 1999 Amsterdam Treaty, Declaration 12 2001 Commission Code of Practice for Environmental Integration	All major political and legislative proposals with significant environmental impacts	DG Environment
Sustainability Impact Assessment	Economic, social, Environmental	Assess the economic, social and environmental impacts of proposals, within and outside EU	?	2001 – Commission's draft EU Sustainable Development Strategy COM (2001)264; 2001 Göteborg European Council Conclusions	?	?
Integrated Assessment	Economic, social, environmental	Comprehensive assessment of all costs and benefits of proposals	?	2000 Lisbon European Council 2001 <i>Simplifying and Improving the Regulatory Environment</i> COM(2001)726	All proposals, except those which are 'urgent' 'minor', or acts required by the Treaty (?).	Secretariat-General

Annex 2: Speakers' Paper Summaries¹²

¹² We are also including a summary of a paper not being presented –from the Finnish Environment Institute (FEI) on practice in Finland – but that should be of interest to the audience.

SIA Seminar: 23 April 2002: British Embassy Brussels

Bruno Fetelian
European Commission : Secgen
Commission Presentation on Impact Assessment
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Abstract/summary

Following Laeken and Göteborg, the Secgen, together with other DGs of the European Commission, has been developing a Communication on Impact Assessment, which should be complete by the end of May 2002. At the Seville European Council in June 2002 the proposal for a Communication will be presented as part of a package on better regulation, which will also include a proposal for minimum standards for consultation with civil society. Once these proposals are accepted they will be open for public consultation.

These documents are in the process of (European Commission) inter-service consultation and hence this summary cannot yet include the results. The presentation at the seminar will, however, present the key points, and fully up to date on developments.

Update: Communications now out:

Communication on impact assessment:
http://europa.eu.int/eur-lex/en/com/cnc/2002/com2002_0276en01.pdf

Communication on better regulation
Action plan "Simplifying and improving the regulatory environment"
http://europa.eu.int/eur-lex/en/com/cnc/2002/com2002_0278en01.pdf

SIA Seminar: 23 April 2002: British Embassy Brussels

Mark Rodmell, Department for Transport, Local Government and the Regions

Integrated policy appraisal at the strategic and project levels

E-mail: mark.rodmed@dtlr.gsi.gov.uk

Abstract/summary

Following from commitments in the UK Government's White Paper *Modernising Government*, the Department for Transport, Local Government and the Regions (DTLR) has developed an Integrated Policy Appraisal tool (IPA).

The IPA aims to draw together existing appraisal requirements and to fill gaps where no existing appraisal methodology exists. It guides the user through the process of assessing the impact of all sustainability impacts – economic, social and environmental – and also the distributional impacts, i.e. those which affect different sections of society unequally.

DTLR and the Department for Environment, Food and Rural Affairs (DEFRA) piloted the IPA for the "sustainability-testing" of their bids for funding in the UK Government spending review (SR2002) – 80 proposals across the transport, housing, planning, neighbourhood renewal, fire and safety fields were appraised in DTLR. Since then, a revised version of the IPA had been launched in DTLR as a "best practice" tool, and is being used for appraisal of policies ranging from tax relief on employer-funded occupational health support to the creation of elected regional assemblies in England.

Short guidance helps the user through the preliminary appraisal process, while more detailed supplementary guidance contains material intended to enable users to carry out a basic assessment of the impact themselves, and also directs them to sources or contacts to assist them in making a more detailed assessment.

Other UK Government Departments and the Northern Ireland Executive are examining the implementation of the IPA in their own areas.

Key Questions on SIA that the paper/presentation covers

DTLR's view is that Sustainability Impact Appraisal is best done not in isolation but as part of an integrated appraisal process. Its view is that the IPA fulfils this role for the widest possible variety of policy and project areas.

Is the IPA suitable for all projects, including sustainability appraisal at the EU level? Would it need to be adapted for particular purposes?

Key References and Sources of Information for Participants

The IPA and its supplementary guidance will be available on the World Wide Web shortly. In the meantime, copies are available in Microsoft Word format from Mark Rodmell at mark.rodmed@dtlr.gsi.gov.uk.

SIA Seminar: 23 April 2002: British Embassy Brussels Speakers Papers Summary for Circulation

Paul Klaassens: The Environmental test in the Netherlands

Mr. Paul (B.A.) Klaassens

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Abstract/summary

The Environmental test intends to picture clearly the consequences for the environment of policy intentions at central government level. This involves intended consequences, but also those consequences which have not been foreseen in advance, but which can indeed occur: the not-intended consequences. The test includes 4 questions that are to be answered with regard to the testing of draft regulations on the consequences for the environment. The questions are:

1. What are the consequences of the draft regulations for energy consumption and mobility?
2. What are the consequences of the draft regulations for the use and control of the supplies of raw materials?
3. What are the consequences of the draft regulations for floods of waste and for emissions into the air, soil and surface water?
4. What are the consequences of the draft regulations for the use of the available physical space?

The questionnaire is part of a more extensive questionnaire for the testing of draft regulations that is used. This extensive list also includes questions about the consequences for trade and industry and the feasibility and enforceability. The environmental test is implemented in draft regulations, namely in the introduction of new bills, general administrative orders or ministerial decrees and orders and in amendments.

Key Questions on SIA that the paper/presentation covers

The presentation will focus on:

- Goal of the environmental test;
- What does an environmental test look like;
- E-test in the legislative process;
- Approach: from stick to carrot;
- Experiences: evaluation E-test;
- Links and relations with SIA;
- External integration of environmental (or sustainability) policy?

Key References and Sources of Information for Participants

National Strategy for Sustainable Development" at website: www.nsdo.nl

www.earthsummit2002.org

www.johannesburgsummit.org

SIA Seminar: 23 April 2002: British Embassy, Brussels

Colin Kirkpatrick, Institute for Development Policy and Management (IDPM), University of Manchester, UK

SIA Methodology for Trade Policy Decision Making: Methods and Process Issues

Abstract/Summary

This presentation focuses on the development of a SIA methodology, which is being applied in the context of trade policy decision-making at implementation. The first part will discuss the main stages in the assessment process. In the second part we discuss the range of assessment methods and tools that have been used in the SIA trade policy studies. This will include discussion of the choice of sustainability impact indicators, significance criteria, and the selection of data and other evidence to be used in conducting the assessment.

The presentation will also refer briefly to a number of processes and procedural issues relevant to the use made of SIA in trade policy decision-making and implementation. The issues to be considered include: the timing of the different stages in the SIA process and how they relate to the negotiation schedule; the transparency of the process; the availability of SIA documentation and problems of confidentiality; processes for consideration and stakeholders participation; presentation of findings in a user-friendly form; provisions for monitoring, evaluating and post-auditing sustainability outcomes.

Consideration will also be given to the need for the methodology to vary according to country context, and the need for capacity strengthening, guidance, awareness raising and training to strengthen the links between assessment, decision-making and implementation.

Key questions on SIA that the presentation covers

- relating the assessment method to the decision-making needs and timetable
- relating the assessment method to the data and information constraints
- consultation and accountability issues
- monitoring evaluation as post-auditing of sustainability outcomes.

Key Reference and Some Source of Information for Participants

IDPM's studies on the development and application of a SIA methodology for trade policy decision making and implementation can be found on the project website, <http://idpm.man.ac.uk/sia-trade/> . The project also maintains an e-mail network for persons interested in SIA and trade issues: if you would like to join the network, please contact the project by e-mail, CHK@man.ac.uk.

SIA Seminar: 23 April 2002: British Embassy Brussels
SIA applied in agricultural sector liberalisation
Aaron Maltais and Måns Nilsson, Stockholm Environment Institute
E-mail: aaron.maltais@sei.se; mans.nilsson@sei.se

Abstract/summary

This study by the Stockholm Environment Institute was performed under a contract with EC DG Trade. The purpose was to test and further improve the methodology developed in Phase I to II of SIA –DG Trade studies (by the EIA centre in Manchester) in a specific sector application. The study looked at hypothetical WTO-driven global trade liberalisation scenarios in the wheat and oil crops sectors and examined the consequences on different sustainability factors in different case study countries around the world, such as: Egypt, Senegal, Argentina, Malaysia, India, Australia, USA and the EU. (each representing a particular type country in terms of agricultural trade characteristics)

The authors developed an analytical framework based on the Manchester work and a welfare economic perspective, which in detail follows the key causal chain of events following a trade liberalisation. This involves, for instance, changes in the economic structures of a country, changes in production system structure and volume, changes in different sustainability parameters, and changes in policy response, both exogenous to trade policy and driven by trade policy change.

As a pilot case study on a hypothetical trade negotiation outcome, the focus of the work was very much a case study with methodology development. No particular attention could be given to the SIA *process* in the context of this study.

Key Questions on SIA that the paper/presentation covers

- The study revealed many difficulties in applying a generic methodology to a specific context. A major problem was to how to manage the bridge between macro-level, modelling-driven global data on trade volumes and economic outcomes with the micro-level sustainability aspects in each country context.
- Another important issue was the lack of data at the national and sub-national levels in many countries.
- The study revealed the importance of a baseline sustainability study. Understanding the different components of the analytical framework in the baseline situation is absolutely critical to be able to discuss sustainability impacts. This could be given more attention in future methods development.
- It is not always meaningful to discuss national aggregated data. Regionally disaggregated data is necessary in many cases but was not available. The resource requirements for this data handling become much bigger. Related to this, the application of geographical data systems is an aspect that must be given further attention in future applications.
- The methodology is still rather rudimentary. While the combination of social, economic and environmental assessments presents some challenges for the assessors and also probably compromises the quality of each of these (compared to traditional assessments), it is of high policy value and of high demand in the policy arena. As analysts and researchers we must respond to this challenge rather than say it cannot be done.

At SEI we are developing this tool as part of our strategic assessment tools and we think it is important to harmonise the SIA with the other tools for assessment and integration.

Two points for discussion:

Question 1. This methodology departs from a welfare economic approach on changes in production and associated effects in a linear way. What other methodological departure points could be useful for the purpose of SIA? Could one think of a political economy approach? An anthropological approach?

Question 2.

What efforts are needed to establish data bases and information sources that can support sustainability impact assessments in different parts of the world? Who is responsible? What could be the EU's role? The UN?

Key References and Sources of Information for Participants

Webpage with info on SEI's work on assessment tools www.sei.se/policy.html

Report: Maltais, Nilsson, Persson and Segnestam. 2002. SIA of trade liberalisation: case study on major food crops sector, Final report to DG Trade, SEI, Stockholm

IA^{PLUS} - IA^{STAR}**Guiding tools towards the integration of sustainability implications into EC initiatives****Dr. Fabio Leone**

**EUROPEAN COMMISSION - Joint Research Centre,
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Presentation introducing the IA^{PLUS} - IA^{STAR} at the SIA seminar - by Malcolm Fergusson, IEEP

Background and objectives

In its Communication to the Council of Gothenburg, "A sustainable Europe for a Better World", the Commission has announced an action plan to improve regulation. This will include mechanisms to ensure that all major legislative proposals include an assessment of the potential economic, environmental and social impacts.

It is important that decision-making is supported by tools that facilitate the adoption of sustainable policies. These tools should provide an integrated picture of the potential impacts that their own policies or actions could have in respect to economic, environment and societal considerations.

The first generation tool: IA^{PLUS}

IA^{PLUS} was conceived as an ex-ante assessment tool to make a first evaluation of DG ENTR policy initiatives in terms of their impact on 'Environment', and on 'Innovation and Competitiveness'. Policy initiatives targeted by IA^{PLUS} are White Papers, Green Papers, Communications, Negotiated Mandates, Legislative Proposals, Decisions, Programmes etc.

The main objective of the tool is to ensure that environmental and competitiveness issues are addressed in a logic and consistent way. The tool is designed to work optimally early on in the policy-making process, typically when more than one policy option may be available. The tool can be better exploited in those cases where specific measures are potentially identified.

The tool operates at three levels: Pre-screening, Subsection analysis and Screening. At the Pre-screening level environmental and innovation/competitiveness issues have been separated and each broken down into relevant sub-sections.

At the end of the evaluation the tool generates a Report with impact values for each of the sub-sectors of the Environmental and Competitiveness sectors as well as for all the specific areas analysed at the "Screening" level. These values are also represented graphically.

The second generation tool: IA^{STAR}

Based on the experience of IA^{PLUS} we have recently finalised the conception of a second generation tool that we have called IA^{STAR}, addressing the three components of Sustainability: economic, social and environmental. The structure is similar to IA^{PLUS} (Structured checklist of questions), but it has been conceived to cover a much wider range of community policies, and not specifically focusing on Enterprise policy. Particular attention has been given to policy areas such as Agriculture, Transport, SME, Employment, Energy, Enlargement and Internal market.

A more elaborated approach has also been developed to tackle the problem of complexity associated to the amount of data to be treated and the inter-linkages amongst the different factors.

Both tools are implemented into an advanced and user-friendly software tool.



SIA Seminar: 23 April 2002: British Embassy Brussels

**“Convergence in impact analysis:
toward an integrated framework for RIA and SIA in European institutions”**

Scott Jacobs, Managing Director, Jacobs and Associates
E-mail: scottjacobs@regulatoryreform.com

Abstract/summary

For policy officials in all countries, and even more for those at the European level, the central management challenge in policy processes is managing complexity -- dealing with new linkages, actors, trade-offs, tasks, and tools within efficient decision processes where high-quality decisions can be made in a timely way.¹³ Empirical analysis of policy decisions – particularly through *ex ante* impact analysis – is rapidly becoming the preferred method to manage complexity in an orderly and systematic manner.

EU institutions are now discussing two main forms of *ex ante* policy analysis – regulatory impact analysis (replacing the older and flawed business impact assessment), and sustainable impact analysis (integrating environmental impact assessments with wider assessments of social and economic impacts). SIA has been extensively discussed in various fora, as has RIA. For example, the 2001 report to the Council of the Mandelkern Group¹⁴ recommended “establishment by June 2002 of a new, comprehensive, credible and well-resourced [sustainable development] impact assessment system covering all Commission policy proposals with possible regulatory effects, including proposals made via comitology.” The Commission intends to propose a broad RIA system in June 2002. This development is consistent with international norms of good regulation. Improving the empirical basis for regulatory decisions through impact analysis of new rules has been accepted by developed countries as critical to regulatory quality. Only two or three OECD countries were using RIA in 1980, but by 1996, more than half of OECD countries had adopted RIA programmes. By 2001, 20 out of 28 OECD countries were using RIA.

RIA and SIA are similar in objective, form and process. Both are decision tools, methods of (i) systematically and consistently examining selected potential impacts arising from government action and of (ii) communicating the information to decision-makers. Both the analysis and communication aspects are crucial. Both are intended to achieve four objectives:

- Improve understanding of real-world impacts of government action, including both benefits and costs of action. Even more important, by improving the basis for comparing the costs and benefits of different policies, RIA/SIA can help establish regulatory priorities across regulations and regulatory areas. Allocating resources from less efficient policies to more efficient policies will improve effectiveness and reduce the costs of government action. Better empirical justification of regulatory decisions is strongly supported by international trade rules.
- Integrate multiple policy objectives and manage policy tradeoffs through more thorough understanding of policy links and careful design of interactive policies. RIA and SIA can be used as a common integrating framework and a coordination tool for bringing together

¹³ Jacobs, Scott (1997), “An overview of regulatory impact analysis in OECD Countries,” in Jacobs and Rex Deighton-Smith (1997) **Regulatory Impact Analysis: Best Practices in OECD Countries**, OECD, Paris (also available in French, Hungarian, and Polish).

¹⁴ Commission of the European Communities *Simplifying and Improving the Regulatory Environment* COM(2001) 726 5.12.2001; Mandelkern Group on Better Regulation - Final Report

different interests. The OECD, for example, has stated that benefit-cost analysis can be "a primary tool for integrating environmental and economic policies."¹⁵

- Improve transparency and consultation through exposing the merits of decisions and the impacts of actions. Such transparency is also a key value underlying the development of the international trading system.
- Improve government accountability, based on the idea that policymakers are not truly accountable to the electorate unless the consequences -- the social benefits and costs -- of their actions are known

The key issue facing EU institutions is how to functionally link RIA and SIA. EU institutions should consolidate and integrate analytical requirements for regulatory functions into a single framework, to avoid undue costs, delays, confusions between decision criteria, and "paralysis by analysis." Even small differences in methods and decision criteria can produce inconsistent and confusing results, and poor advice for policy decisions. This conference should recommend that the two be integrated into a single framework, and posit practical advice about how to ensure that decision criteria and methods are consistent.

Too, without a single framework, there could well be a proliferation of impact assessments, as various groups ask that their interests be explicitly included in the analysis. Already, a wide array of impact analyses compete for scarce resources: assessments of business impacts, administrative and red tape burdens, effects on sub-national governments, aboriginal groups, international trade, the aged, or women, the unemployed, and regions. The background paper for this conference notes that EU treaty commitments require that environmental, employment, subsidiarity, public health, consumer protection, and economic and social cohesion considerations should be taken into account in the development of Community policies. A proliferation of uncoordinated and competing impact analyses would vastly compound the difficulty of good analysis and good regulation, and would undermine both RIA and SIA.

The good news is that processes of RIA and SIA are converging, and indeed best practices for both look almost identical. There is also a useful convergence of analytical techniques toward benefit-cost analysis based on social welfare concepts (including environmental issues) and assessment of impacts over time that should make it easier to develop an integrated regulatory and sustainable impact analysis (RSIA). The question of the analytical method to be used is central to the design and performance of the system. The trend is strongly toward the adoption of more rigorous and standardised methods. An increasing number of countries is adopting benefit-cost analysis. Some 19 OECD countries now use the benefit-cost test for some or all regulations. The benefit-cost principle should be at the core of the RSIA, although the actual analytical method used will need to be tailored so that it fits analytical capacities within relevant institutions, and within hard constraints of data, timing, and budgets.

There is a host of practical issues to resolve about implementation, but I want to emphasize the cultural change implicit in both RIA and SIA. In essence, these methods attempt to widen and clarify the relevant factors for decision-making. They implicitly broaden the mission of regulators from highly-focussed problem-solving to balanced decisions that trade off problems against wider economic and distributional goals. Far from being technocratic tools that can be simply "added on" to the decision-making system by policy directive, they are methods for transforming the view of what is appropriate action, indeed, what is the proper role of the state.

¹⁵ OECD (1996) **Integrating Environment and Economy: Progress in the 1990s** (Paris), p. 46.

Key Questions on SIA that the paper/presentation covers

- The key issue facing EU institutions is how to functionally link RIA and SIA into a single integrated framework with consistent methods, operating assumptions, and procedures.
- Integration of RIA/SIA is made easier by the fact that processes of RIA and SIA are converging. Best practices for both look almost identical, and methods in both are evolving toward more rigorous and standardised methods such as benefit-cost analysis.

Key References and Sources of Information for Participants

The European Policy Centre (September 2001) “Occasional Paper on Improving the Quality of EU Regulatory Activity: Regulatory Impact Analysis,” Brussels

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US Office of the President (January 11, 1996) “Economic Analysis of Federal Regulations Under Executive Order 12866” <http://www.whitehouse.gov/omb/inforeg/riaguide.html>

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Abstract/summary

The implementation of a „**Sustainability Impact Appraisal**“ meets a rather quality oriented debate of sustainability in Germany. Actually we find the establishment of a sustainability dialogue of the German Government; including 21 indicators as criteria. Moreover there is a sustainability council and the new study „Sustainable Development in Germany“ by the Federal Environmental Agency. These activities mark a strategy which is rather oriented on voluntary principles and less bound to legal norms or specific instruments of impact appraisal. It seems we are too busy at the moment fulfilling the European guideline on the **Strategic Environmental Assessment, SEA**.

Therefore from our point of view it has to be carefully examined if SEA might be a suitable approach for SIA too. On the other hand, a SEA excludes some important subjects by its legal scope, i.e. agricultural structural funds. Moreover, there is a certain reluctance regarding the interpretation of what plans and programmes are to be verified by SEA. SIA might close this gap where necessary.

There is a remarkable consideration of the economic pillar of sustainability in Germany - the so-called macro-economic **cost-benefit-analysis**, part of the Federal Transport Infrastructure Plan. This “plan” is of outstanding importance, all investments in the main traffic infrastructure (highways, railways, waterways) have to be appraised on that level of decision making (updated every five up to ten years). On the other hand there is a parallel **Environmental Risk Appraisal** for the traffic plan, and we miss a transparent compound of both instruments.

Furthermore we find some experiences focusing on the social pillar of sustainability in the USA, in Canada and in South Africa: „**Social Impact Assessment** is concentrated on the distinctively human side of human environments. SIA is about people impacts, as a consequence of formulating policies, instituting programs, and building projects”. There is a broader understanding of “environment”, especially in the context of ” **SEA** (Strategic Environmental Assessment). Also in Sweden, i.e. in Helsingborg, you will find the integration of aspects like gender equality in a SEA (Strategic Environmental Assessment).

But we should pay special attention to free a „**Sustainability Impact Appraisal**“ from the suspicion to be the “drug which rules the world”. We have to explain clearly and soon what the content of a SIA has to be in detail. What we need is a rather simple, pragmatic, not very formal instrument. Indeed the Dutch **E-Test** seems to be a procedure easy to handle, which makes it so attractive. But the E-Test itself focuses only on the ecological pillar of sustainability and it lacks of public participation, if I got it right. By the way – what about participation in a SIA?

SIA Seminar: 23 April 2002: British Embassy Brussels

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Abstract/summary

SIA is a new tool and just as the methodology is evolving, so the process of performing and using the assessments is still at an early stage. How do you perform assessments and ensure that you have captured the key issues? What sort of output are you going to get? – What sort of output do you want? And, perhaps most importantly, how do you use SIAs to deliver more sustainable policies? All of these questions will need to be addressed if SIA is to become meaningful and useful policy tool.

The methodology of SIA is being tested through case studies, and some of the procedural issues – such as identifying and engaging with key stakeholders, scoping, and producing meaningful outputs – can be explored through these. But other issues – such as timeliness, integrating SIAs into policy-making process and ensuring that the process has public confidence – will be tackled as SIAs begin to feed into policy development. But these issues need to be considered now so that they can be adequately addressed

There are two broad areas of process which I will cover – **engagement** and **integration**.

- **Engagement** covers the obvious areas of identifying stakeholders and including them in the process and building their capacity to engage in the exercise. But it also covers more abstract issues such as trust – how can you increase public trust in the process and ensure that SIAs are not seen as ‘greenwashing’?
- **Integration** SIAs should be part of the policy making process and not just tagged on at the end. How can they be integrated so they inform policy development? This touches on issues such as timeliness, what is expected of SIAs, and what sort of output is needed

Key Questions on SIA that the paper/presentation covers

Engaging with stakeholders – How to identify and involve key stakeholders early and get their buy-in from the beginning?

Building capacity – In many instances capacity for engaging with/performing SIA is not there this has to be built. How do you build capacity?

Trust – How to gain confidence in SIAs and their output?

Transparency – How to make the process open?

Integration – How can SIAs be integrated into the policy development process and how can they be carried out as the policy is being developed to inform that development?

Timeliness – When should SIAs be carried out?

More than mitigation – It is not just about identifying flanking measures. How do we ensure that SIAs shape policy rather than just deal with the negative effects of policy?

Key References and Sources of Information for Participants

WWF website on sustainability assessments contains a wealth of information on SIA including case studies, papers and comments on SIA methodology, and links to other sources of information. See www.panda.org/balancedtrade

Keith Tyrell – WWF EPO**Presentation at IEEP seminar on SIA, 23rd April 2002**

WWF welcomes the EU move to carrying out SIAs. We have been actively involved in attempts to develop the methodology even to the extent of carrying out our own case studies to try out the methods and grapple with the problems. We think that SIAs are a good idea and that they have huge potential to deliver more sustainable policies – we want them to work.

But SIAs must be seen to be making a difference. They must result in better policies. They must be open and inclusive, they must be rigorous, and most importantly, they must be integrated into policy making.

They must not be a sustainability badge. Something that policy makers can stamp on the front of a document to say this is a sustainable policy. The last thing that we want to see is for SIAs to be used for greenwashing. If they are, they will lose credibility and support. They will become a pointless bureaucratic exercise that increases the work of policy-makers but does not improve policies.

Process

On the process of SIA. Break down into two basic questions – How do we ensure that policymakers CAN use SIAs, then how do we ensure they DO use SIAs.

- **Can** - For SIAs to be widely adopted Policy makers have to be convinced that there is a point in using them. They have to add something to the process. They must also produce results in a form that policy makers can use. They have to be relevant, timely and credible. Unless they meet all these criteria, policy makers will be unable to use the tool to its maximum potential.
- **Do** - Even if SIAs are user friendly and targeted at the needs of policy makers, it is still important to ensure that they do actually use them. It is one thing to carry out an SIA; it is another thing to use it to inform policies. SIAs need to be fully integrated into the policy-making process. They have to guide policy development, not just assess their impacts. In this respect timing is critical. They have to be in there at the beginning before any options have been closed off or rejected. And in this they are fundamentally different to impact assessment as it is usually conceived. Most impact assessment exercises try to identify and mitigate the negative effects of specific proposals which are at an advanced stage of development - they are reactive. SIAs on the other hand should be part of the process of coming up with proposals. Instead of offsetting negative policies, they should be able to identify positive proposals – they are proactive.

Stakeholders

A feature of SIAs is the emphasis they place on stakeholder involvement. But policy makers see stakeholder involvement as scary. It is difficult, it is frustrating, but it is essential. Not just because it increases the transparency of the process, but also because stakeholders are an important source of information.

- **Why** engage?
 - It increases transparency
 - It increases credibility
 - It increases the buy-in of different groups – if people can see what is going on and have been involved, they will be more supportive of the different outcomes
 - Promotes a sense of collective accountability
 - Promotes the development of innovative policy solutions
 - Can help identify who/what will be impacted and how they will be impacted – A lot of knowledge resides with the people who are affected by a policy and they often understand very well the mechanisms and the impacts
 - It builds trust
- **Who** are the stakeholders? – Put simply, they are anyone who will be affected by the policy – including those outside your borders. This might not seem a particularly helpful definition – how do you engage with potentially millions of people. The answer is to be as open as possible and to search out organisations which

represent different sets of stakeholders. Many will be obvious, but not always and whoever carries out the SIA will have to find and approach them

- **When** should they be consulted? – Stakeholders should be in there from the beginning. The worst thing to do is include them at the end of the process when the SIA is all but completed. It is not just pointless in that the SIA does not benefit from stakeholders knowledge and insight, but it can be counterproductive. It can alienate or antagonise groups turning potential supporters into opponents. It is also worth bearing in mind that SIAs are iterative. So go back to the stakeholders again and again at key points in the process.
- **What** do you give stakeholders? Guidance is essential, you can't just throw reams of technical reports on the web and hope that stakeholders will come up with reasoned and useful input tailored to your needs. Stakeholder consultations have to be carefully managed and clearly structured. They should include a clearly stated purpose and outcome – tell stakeholders what the point of the consultation is and what you want from them. Do you want a written response? Do you want them to discuss things with you? When do you want it by? Be up front and open about why and what you want out of the relationship. Advance notification is essential. Bear in mind that many stakeholders do not
- **How** do you get input? – Stakeholders should be provided with as broad a range of options as possible. Ask for their comments on proposals, commission research from them on specific aspects, get them involved in selecting and constructing scenarios – no holds barred. Hold face-to-face meetings with them to work out how best to engage – what would be best for them? It is important that stakeholders do not feel that any options are off-limits or that there are subjects which can't be raised. Everything has to be on the table in the beginning and stakeholders should be involved in selecting and rejecting options.
- **What** to do with the outcomes? – It is essential that participants receive feedback throughout the process. Tell stakeholders what decisions you have reached when you reach them. Tell them why you came to that decision, why you rejected some options and accepted others and respond to their input. What issues were raised during the consultation. How were they taken into account. How did stakeholder input feature in the decision-making process. Regular and full feedback serves multiple functions. Not only does it make stakeholders feel that they are involved, but it also encourages them to stay involved – an important point with SIAs which can take a long time and require repeated stakeholder input. Finally when the process is finished publish the results in full and disseminate them widely.

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Abstract/summary

In The Netherlands it has been proposed whether EIA should be extended to Integrated Effects Assessment. We have 30 policy tests, and it has been proposed that these be combined into a "general sustainability test". The idea is that "sustainability" is about (long term) effects in general.

But, in The Netherlands we are trying hard to take all long-term effects equally into consideration, by organising interactive policy preparation processes. All possibly affected agencies, NGOs and civilians are actively involved. It is not easy, but the quality of public management is improving. What makes it difficult, is complexity: everything has to do with every thing else, and how are you then going to give structure to the policy process? The question is, would a meta-test (combining 30 sectoral policy tests into one big comprehensive policy test) solve the coordination problems we already have? To which extent is a formal arrangement useful for balancing the power (e.g. who should be responsible for quality review of a sustainability test)? Or is the problem not so much a matter of power, but of mastering complexity?

My proposition is, that formal decisions need to be based on a balanced policy making process, and decision-makers should be accounted for the process that they have organised, and the way they have linked this to substantial information about effects. It may be useful to make this a formal requirement. However, it is difficult to give generic guidelines, let alone rules, on how such a process should look like. It may be better to enforce a learning process by means of an ISO system, which is voluntary and which has a built-in learning cycle.

There is a long-standing debate in the SEA world of objectives-led approach versus consent-related approach. In the view above, both can be combined.

Key Questions on SIA that the paper/presentation covers

- link between formal procedures and interactive policy making processes
- link between SIA and more sectoral or partial tests
- objectives-led versus consent-related procedures

Key References and Sources of Information for Participants

- Evaluation of the environmental test in the Netherlands (paper by Paul van Ruiten in preparation for the June 2002 IAIA meeting in The Hague, www.iaia.org)
- Diana de Jong & Sibout Nooteboom, Getting lost among the policy tests (in press, Openbaar Bestuur (in Dutch), UK version in preparation
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- Website of the Dutch interdepartmental support group for interactive policy processes, www.xpin.nl

**SIA Seminar: 23 April 2002: British Embassy Brussels
Background Contribution**

From idea to practice - key issues in “sustainability assessments” according to Finnish experiences

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Abstract/summary

In Finland the 1994 EIA Act included provision for assessment of policies, programmes and Plans. This was supported by the publication of *Guidelines for the environmental assessment of plans, programmes and policies in Finland* (Ministry of the Environment, 1998, see Webpage below). This was later supplemented by more specific guidance for the assessment of Regional Development Programmes. The legal requirement has lead to pilot studies and actual assessments in many sectors, all in all there are more than 20 assessments, from which experiences can be drawn, including policies, plans and programmes within transport, resource management, regional development, environment, energy and nature protection.

In most assessment the overall assessment approach has been broad, covering several and often all of the dimensions of sustainable development (ecological, economic, socio-cultural). The key justification for the broad approach is that the information to be produced should be meaningful from a decision making point of view. This criterion cannot be met, if the assessment deliberately excludes some aspects or effect of the policy, plan or programme. The assessment have thus been problem oriented and have focused on issues felt to be significant in each particular situation. The outline of the contents of the assessment has been agreed upon in discussions lead by the responsible authority, with input from other authorities and also interest organisations.

For all policies, plans of programmes that catch public attention this means addressing all the dimensions of sustainable development. For example the Finnish Natura 2000 programme, the National Forestry Programme and the National Climate Strategy were all subject to broad assessments. My conclusion is that the effectiveness of the assessments, measured as serious consideration by decision makers, depended crucially on the ability of the assessments to make the links between the different dimensions of sustainability.

“In house” experts of the responsible authority have carried out some assessments, whereas other authorities have used external experts, or in some cases, external evaluators of work carried out in house.

There appears to be two major challenges. One is partly technical, partly conceptual: it is a difficult task to combine the different scientific disciplines and to make the whole assessment a meaningful synthesis when approaches range from quantitative modeling to qualitative sociological studies. The second is political: How does one enhance a willingness to use complex information that may not always agree with conventional (political) wisdom and prejudices? It appears that the latter can only be achieved by including sophisticated participatory practices with the assessment.

Key Questions on SIA that the paper/presentation covers**Key issues:**

- Integration – is it possible to develop a standardised approach for sustainability assessment or should all assessments be context dependent and sensitive to the issues at hand? Sustainability would thus be an overarching concept, but not a recipe for detailed specifications.
- Developing meaningful participatory approaches and procedures given that many assessments of policies, plans and programmes deal with abstract matters.
- “Tiering” or how to should one deal in a meaningful way with different spatial and temporal scales both at the level of effects and at the political/decision making level.
- Linking assessment with monitoring and subsequent evaluation of policies, plans and programmes. A meaningful assessment should not only identify issues, but also provide link to the implementation.

Key References and Sources of Information for Participants

Guidelines for the environmental assessment of plans, programmes and policies in Finland (*Ministry of the Environment, 1998*, <http://www.vyh.fi/poltavo/yva/suunn/ohjeohje.htm>)

Annex 4: References to useful material and sites

- CEC 2000 *Business Impact Assessment Pilot Project Final Report: Lessons Learned and the Way Forward*. European Commission DG Enterprise: March 2002.
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- CEC 2001b *Simplifying and improving the regulatory environment* Communication from the Commission Brussels, 5.12.2001 COM(2001) 726
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- OECD 2002b *Checklist of Issues for Ex Ante Environmental Assessments of Trade Liberalisation* 08/02/2002 This document was prepared for the Joint Working Party on Trade and Environment, as part of the OECD work programme on trade and environment.
- van Ruiten P 2000 *Evaluation of the environmental test in the Netherlands* Paper in preparation for the June 2002 IAIA meeting in The Hague, www.iaia.org

Useful Web Pages

[Http://www.balancedtrade.panda.org/](http://www.balancedtrade.panda.org/) and www.panda.org/resources/programmes/trade for WWF trade work

[Http://europa.eu.int/comm/trade/miti/envir/sia.htm](http://europa.eu.int/comm/trade/miti/envir/sia.htm) for European Commission

[Http://idpm.man.ac.uk/iasdu/index.html](http://idpm.man.ac.uk/iasdu/index.html) and [Http://idpm.man.ac.uk/sia-trade](http://idpm.man.ac.uk/sia-trade) for Impact Assessment for Sustainable Development Unit (IDPM)

[Http://www.earthsummit2002.org](http://www.earthsummit2002.org)

<http://www.enterprise-impact.org.uk> for Enterprise Development Impact Assessment Information Service (EDIAIS) (IDPM-DFID)

[Http://www.iaia.org](http://www.iaia.org) for the IAIA, who are holding a meeting in June in The Hague regarding appraisals.

<http://iaplus.jrc.es> for the IAPLUS tool

<http://www.johannesburgsummit.org>

[Http://www.nsdo.nl](http://www.nsdo.nl): for the National Strategy for Sustainable Development

[Http://www.oilis.oecd.org/oilis/2000doc.nsf/LinkTo/com-td-env\(2000\)123-final](http://www.oilis.oecd.org/oilis/2000doc.nsf/LinkTo/com-td-env(2000)123-final) for OECD

<http://www.pc.gov.au/orr/reguide2/index.html> for the Australia (Federal Government) Regulatory Impact Analysis website

[Http://www.sei.se/policy.html](http://www.sei.se/policy.html) : for info on SEI's work on assessment tools

[Http://www.unep.ch/etu](http://www.unep.ch/etu) for United Nations Environment Programme (UNEP)

[Http://www.vyh.fi/poltavo/yva/suunn/ohjeohje.htm](http://www.vyh.fi/poltavo/yva/suunn/ohjeohje.htm) for Guidelines for the environmental assessment of plans, programmes and policies in Finland (Ministry of the Environment, 1998)

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[Http:// www.xpin.nl](http://www.xpin.nl) : Website of the Dutch interdepartmental support group for interactive policy processes

Annex 5: List of Participants

SEMINAR ON SUSTAINABILITY IMPACT ASSESMENT (SIA)
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** This list includes some but not all last minute registrations, and includes names of those registered but who had to cancel at the last minute. And in some cases replacement representatives attended on the day, but principle name kept here.*