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ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОКРУЖАЮЩЕЙ СРЕДЕ

UNEP Initiative on Capacity Building for Integrated Assessment and Planning for Sustainable Development

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I. Project Objectives

A central challenge facing many countries – particularly developing countries – is to manage the interdependencies between the economic, social and environmental facets of sustainable development, while alleviating poverty and enhancing their trading opportunities. This initiative aims to assist countries by enhancing their capacity to undertake integrated assessment and planning for sustainable development, with particular focus on poverty alleviation, environmental management and sustainable trade promotion. Through a systematic and demand-driven process, it will assist countries to use integrated assessment and planning as a tool for balancing environmental, social and economic objectives and relating them to poverty alleviation and trade enhancement. In order to achieve this objective the initiative will explore and build on previous and existing experiences and approaches for integrated assessment and planning with the intention of identifying best practices and approaches.

Through pilot studies conducted in eight developing and transitional countries, the project will develop and test a robust approach for facilitating integrated assessment and planning for sustainable development. As well as assisting the participating countries, the outcomes of the project will be disseminated by UNEP for wider use by governments, international, national and regional institutions and others involved in promoting integrated policy approaches designed to maximize the contribution of economic and trade policies to poverty alleviation, environmental protection and sustainable development.

The initiative builds on experience and work of relevant institutions involved in this field and the work UNEP has undertaken in this area. Particular reference is made to UNEP's work on environmental assessment and integrated assessment of trade and trade-related policies, including country-based projects in 11 countries in Latin America, Africa, Asia, and Eastern and Central Europe that assessed the impacts of trade and trade-related policies on specific sectors. It also draws on a third and ongoing round of studies on the effect of trade liberalization in the rice sector in seven countries – China, Colombia, Cote d'Ivoire, Indonesia, Nigeria, Senegal and Vietnam – that focus on key sustainability issues including poverty, food security and biodiversity conservation. Moreover, this work builds on, and is being developed and undertaken in association with, the UNEP/Norway *Poverty-Environment Partnership Programme*.

II. What is a proactive Integrated Assessment approach?

In recent years, there has been increasing recognition of the importance of integrated assessments that take account of economic, environmental and social considerations in decision-making for development at the policy, planning and programme level. A proactive approach to integrated assessment and planning builds on the emergence of a number of assessment tools, which are used to guide environmentally, economically, and socially sustainable development. While these tools vary in name and terminology – e.g. strategic environmental assessment, strategic impact analysis, sustainability impact assessment and integrated assessment – they each attempt to achieve the objective of ensuring that sustainability considerations are fully considered within the entire planning, programming and policy-making cycle.

Integrated assessment is an instrument for evaluating all three aspects of sustainable development when formulating policy, plan and programme proposals. The application of integrated assessment helps to ensure that environmental and social aspects are considered on a par with economic aspects, and to provide the information necessary for informed decision-making.

Increasingly, integrated assessment is used at the strategic level as a pro-active tool that can assist policy makers to design integrated policies, plans and programmes that take into account economic, social and environmental aspects of sustainable development. This pro-active approach is greatly supported by UNEP as it will help decision makers address the root causes of problems (rather than only treating symptoms), identify win-win options and poverty-environment linkages, and define sustainability indicators. Ideally, this approach of integrated assessment takes place at early stages of strategic planning and policy-making processes, but in practice this is seldom undertaken. The goal is therefore to ensure that such assessment takes place as a fully integrated procedure in all relevant stages of the planning process, and this is when it can be referred to as strategic integrated planning. These integrated processes can also be instrumental in promoting effective governance and providing opportunities for widespread public participation.

III. Why Integrated Assessment and Planning for Sustainable Development?

The WSSD *Plan of Implementation*, agreed at Johannesburg, emphasizes the importance of taking a “holistic and inter-sector approach” to implement sustainable development, in general, and deliver on the Millennium Development Goals, in particular. In this *Plan*, the highest priority is given to poverty reduction, especially in the lowest income countries. It also emphasized the use of “environmental impact assessment procedures”, as a means of encouraging “relevant authorities at all levels to take sustainable development considerations into account in decision-making”. A major challenge in that regard is to strengthen and integrate current tools of impact assessment and planning, especially at the strategic level. Moreover, the WSSD has identified trade as an important tool for implementing sustainable development.

Furthermore, the Plan of Implementation of the WSSD calls upon all countries to develop National Sustainable Development Strategies linked to poverty strategies.

“States should:

- (a) Continue to promote coherent and coordinated approaches to institutional frameworks for sustainable development at all national levels, including through, as appropriate, the establishment or strengthening of existing authorities and mechanisms necessary for policy-making, coordination and implementation and enforcement of laws;*
- (b) Take immediate steps to make progress in the formulation and elaboration of national strategies for sustainable development and begin their implementation by 2005. To this end, as appropriate, strategies should be supported through international cooperation, taking into account the special needs of developing countries, in particular the least developed countries.*

Such strategies, which, where applicable, could be formulated as poverty reduction strategies that integrate economic, social and environmental aspects of sustainable development, should be pursued in accordance with each country's national priorities”.

Paragraph 145, Plan of Implementation
World Summit on Sustainable Development
4th September 2002

This initiative is in implementation of UNEP Governing Council decision GC21/14 related to providing assistance to Governments to integrate environmental considerations in the design and assessment of macroeconomic policies, adopt an integrated approach to design and implement mutually supportive trade and environment policies, and promote greater understanding of the linkages between poverty and the environment. It is also in response to decision GC22/10, to develop a strategy for the implementation of actions committed to in the plan of implementation of the WSSD on poverty alleviation. It specifically responds to the Governing Council decision GC21/14 which requested the Executive Director to:

“assist countries, particularly developing countries and countries with economies in transition to enhance their capacities to develop and implement mutually supportive trade and environmental policies. Such assistance should be geared to reflect the socio-economic and development priorities, as well as the needs and capacities of individual countries”;

“promote, including through international cooperation, the national development and application of environmental impact assessment,.....in accordance with the socio-economic and development priorities of individual countries; and

And in addition, to Governing Council decision GC22/10:

“Calls on Governments, international organizations, donor organizations and major groups to actively work towards fulfilling the actions committed to in the Plan of Implementation of the World Summit on Sustainable Development on poverty eradication, as well as operationalizing the work solidarity fund, which was endorsed by the United Nations General Assembly in its resolution 57/265 of 20 December 2002, and requests the Executive Director to develop a strategy for the implementation of those actions within the mandate of the United Nations Environment Programme”

Moreover, at the WTO Ministerial Meeting held in Doha, Ministers noted the efforts by Members to conduct

national environmental assessments of trade policies on a voluntary basis, and encouraged expertise and experience to be shared with WTO Members wishing to perform environmental reviews and assessments at the national level. Work undertaken by UNEP and other international organisations underlines the importance of addressing the root causes of poverty and taking account of their linkages with environment and development.

Currently, a major realignment of development assistance strategies is taking place. The World Bank, UNDP and many bilateral donors are developing new pro-poor policies that combine a range of actions previously taken separately; for example to alleviate hunger, improve public health and provide basic infrastructure. Environmental sustainability, one of the seven Millennium Development Goals, is an integral aspect of this new approach. The importance of environmental management, even where the need for poverty reduction action is urgent, is no longer in doubt. Many developing and transitional countries lack the basic capacity to undertake assessment and planning that integrates environment with other factors, including poverty alleviation and trade enhancement.

This is why UNEP is launching this initiative that is being carried out in close coordination with the OECD/DAC initiative on strategic environmental assessment and other relevant institutions such as the World Bank, UNCTAD and UNDP. UNEP will also ensure close linkages and collaboration with other similar initiatives such as the Millennium Ecosystem Assessment. For its part UNEP has a particular mandate to assist developing countries to protect their environment while achieving economic growth and alleviating poverty. A major issue for UNEP and other international organizations is how the rural poor, especially in lower income countries, can develop the capabilities to achieve sustainable livelihoods. UNEP is undertaking this project to help demonstrate how integrated assessment and planning can be used as a tool to attain sustainable development objectives.

IV. Benefits of Integrated Assessment and Planning

Integrated assessment/planning supports sustainable development

- Helps to identify different economic, social and environmental opportunities and synergies.
- Can streamline the decision-making hierarchy by reducing the number and complexity of economic, social and environmental issues at each stage.
- Helps governments to reach officially approved sustainability goals and targets, thus supporting a shift towards more environmentally and socially friendly economic development.
- Helps ensure policy integration and policy coherence (vertical as well as horizontal).

Integrated assessment/planning facilitates good governance and institution-building

- Increases transparency of decision-making processes, thereby increasing its acceptability and value to society.
- Creates knowledge at relatively low cost by actively involving relevant stakeholders.
- Helps to create public trust and commitment by mobilising the support and involvement of key stakeholders.
- Promotes inter-ministerial coordination and collaboration by involving different government ministries and bodies.

Integrated assessment/planning saves time and money

- Helps build up inter-sectoral policy coherence and thus save time.
- Helps identify trade-environment-poverty linkages.
- Provides planners and decision makers with an early warning of potential problems and undesirable impacts and thus avoids wasting time and effort to address them.
- Helps to identify strategic options that support economic development while minimising environmental, social and health impacts, thus reducing costs to remedy such impacts.

Integrated assessment/planning emphasizes the need for bottom-up action

- Helps develop an understanding of the need for participatory planning.
- Supports efforts to engage poor people in the identification of essential ecosystem functions.

V. Principles of Effective Integrated Assessment/Planning for Sustainable Development

As indicated earlier, UNEP has been working on integrated assessment with specific focus on trade policies since 1997. Through three rounds of country studies, it has assisted policymakers in eighteen countries to understand and respond to the linkages between trade, environment and development. Based on this work the following principles of integrated assessment/planning have been tested.

1. Integrated assessment/planning as an equitable participatory process

- Requires active and equitable involvement of key stakeholders from government, civil society and private sector, at different levels (national and decentralized).
- Applies easy-to-use participation techniques that are also suitable for marginalized groups.
- Helps build up broad commitment for implementation and a wide knowledge base.

2. Integrated assessment/planning as an approach to support accountable and transparent decision-making

- Creates insight in complex linkages and trade-offs between economic, environmental and social development issues.
- Requires clear criteria on how decisions are taken on sustainable development issues.
- Requires definition of purpose, scope and context of planning and decision-making processes.
- Generates information that can be used by decision makers and a range of relevant stakeholders and actors.

3. Integrated assessment/planning as a means of institutional capacity building

- Helps planners and decision makers to deal with complex sustainable development issues.
- Contributes to strengthening of institutional capacity in strategic, integrated and participatory planning and decision-making processes.
- Helps build bridges between different sectors, as well as public, private and civic society.

4. Integrated assessment as a means to strengthen existing (strategic) planning processes

- When carried out ex-ante, provides information in the key stages of the strategic planning.
- Is part of a continuous process of improved performance through planning, monitoring and evaluating sustainable development processes.

VI. Designing an Integrated Assessment/Planning for Sustainable Development – Key steps

The UNEP initiative aims to explore and build on previous and existing experiences and approaches for integrated assessment and planning, for balancing the environmental, social and economic objectives and relating them to poverty alleviation and sustainable trade promotion, with the intention of identifying best practices and approaches, as well as areas which require improvement. This should result in ingredients of an effective system that might be used more widely, and the testing of promising approaches through pilot country projects. The initiative will focus on looking into the sustainability concerns of a broad-based strategic planning process or framework, with particular emphasis on the agriculture sector, since in the case study countries the largest segments of the population live in rural areas, their livelihood depends on that sector, and rural poverty is widespread. In this context, sustainable and fair trade in agricultural products is recognised as one of the cornerstones for achieving poverty alleviation. The project therefore aims to provide a framework and modular approach with tools to apply it. This will enable enriching and better informing the national planning and decision-making processes in each country. The following steps are proposed in designing support by UNEP.

1. Identification of a key strategic planning process

As a first step countries interested in being involved in this project and receiving UNEP assistance are invited to provide a preliminary overview of planned (strategic) planning processes relevant for poverty reduction, environment and trade. This involves domestic plans and planning processes and (sustainable development strategies) e.g. agricultural policies, rural or urban development strategies as well as externally driven plans and planning processes (e.g. Poverty Reduction Strategy Papers). It may involve planning processes aimed to revise or update existing plans or policies, or may focus at designing new ones. Based on this overview,

countries are requested to identify one key strategic planning process to be undertaken during 2003-2004 and are invited to submit this as a candidate for a pilot case to be supported by UNEP, during which the following steps would be undertaken. These pilot country studies will be led in each collaborating country by an agreed national institution (see section below on UNEP services). The overview undertaken in this step is skeletal and will be followed up in more detail by the country team in the next steps.

Based on the initial review of submissions by Governments, a selected number of countries will be invited to a Global Planning Workshop to be held in Geneva on 25 and 26 June, to help to clearly identify the methodologies and approaches as well as processes to be adopted in undertaking the country studies. Governments participating in this Global Planning Workshop will be expected to designate two officials, one from the Ministry of Planning and one from the Ministry of Environment. Priority will be given to countries participating in UNEP's overall *Environment and Poverty Programme*.

2. Review of the selected strategic planning process

UNEP aims to support integrated assessment undertaken as part of a (strategic) planning process. Design of any integrated assessment therefore begins with a review of the selected strategic planning process. This review should provide insights into the structure of the planning process, the key issues to be considered, the proposed steps and timeline and the participation arrangements. The review will also draw lessons on approaches, methods used, participation, etc. from experiences in other relevant strategic planning processes in the country. In order to undertake this review, countries may use the self-evaluation framework outlined in Annex 1 of this document. This review will reveal areas for possible improvements of the planning process, mainly on sustainability issues and process principles. This review is intended to be undertaken by interested countries after the Global Planning Workshop taking place in June 2003.

3. Desirable improvements of the selected planning process

Review of the proposed strategic planning process will provide a starting point for deciding upon desirable enhancement of sustainability aspects and in the planning process. Thus, these desirable improvements can focus on the substance (e.g. identification and addressing the root causes of unsustainable resource use) as well as on process principles (e.g. sufficient arrangements for stakeholder engagement).

4. Undertaking the projects

The use of selected assessment tools, those already existing in the country and proposed ones to fill gaps, will be tested as fully integrated in the selected strategic planning process, to ensure that the desirable improvement of the planning process will be effective. The assessment applied at the early stages of the strategic planning process will provide early checks and generate information for planners, decision makers and the public. Integrated assessment at the same time will lead to identification of opportunities and solutions for identified problems. These will form the basis for the design of complementary environmental, social and economic policies, with a focus on promoting sustainable trade and alleviating poverty. These policies can be designed to promote synergy and beneficial impacts, and mitigate negative impacts.

VII. Integrated Assessment/Planning Tools

If this approach is to work effectively, it must engage key users and stakeholders in the country concerned. Thus the UNEP initiative can provide advice on a range of tools that have been used effectively in other countries/circumstances, which might be useful and might be tested or adapted to specific country conditions. For this purpose, UNEP proposes a number of modules to enhance sustainability aspects of planning and process principles to improve the planning process itself, as summarized in Annex 2. In addition, some user-friendly assessment tools have been outlined in Annex 3 and Annex 4. Countries participating in this project are encouraged to make use of these modules and tools, of which more detailed manuals and background papers are available.

IX. UNEP Services for Integrated Assessment and Planning for Sustainable Development

UNEP will engage national institutions to implement the pilot projects and help build capacities for the undertaking of integrated assessments/planning for sustainable development in eight selected developing countries and countries in transition. UNEP will also provide technical assistance and financial support to these countries. Specifically, the initiative will provide the following types of assistance to countries undertaking the pilot integrated assessments/planning projects:

- Technical and financial assistance in the design and implementation of integrated assessment / planning within an existing strategic planning process.
- Support for review of integrated assessment approaches used in existing/recent strategic planning processes and identification of lessons learned.
- Advisory support for multi-stakeholder discussions within the integrated assessment and planning process.
- International peer reviews of the completed integrated assessment/planning process.

National institutions to facilitate the implementation of the country projects will be identified by collaborating governments. The selection of the institutions will be based on the following criteria: relevance of experience in assessment and sustainability related activities, capacity to facilitate and coordinate activities of the project, acceptability as respected player to the government, availability of qualified and experienced staff, and preparedness of the institution to allocate a multi disciplinary team of experts to handle the project.

Activities under this initiative will be led and implemented by interested collaborating governments in close partnership with UNEP, and through locally credible in-country institutions, and in collaboration with the World Bank, UNDP and UNCTAD. The lead Government ministries in undertaking the projects are the Ministry of Planning and the Ministry of Environment in close collaboration with other relevant ministries, such as trade and social development. Technical support will be provided to the country projects by the International Working Group established by UNEP for this purpose. Activities will be undertaken in close collaboration and association with the UNEP *Poverty-Environment Partnership Programme*.

X. Criteria for Participation within the Project

The UNEP project seeks balanced participation of countries from Asia and the Pacific, Latin America and the Caribbean, Africa, Eastern Europe, the Caucasus and Central Asia. As earlier stated, the main objective of this initiative is to enhance the capacities of collaborating countries to design policies and plans that maximize the benefits they gain from a range of policies – including but not limited to those relating to trade – in terms of the sustainable management of natural resources, poverty reduction and sustainable development. UNEP therefore invites interested countries to submit short requests for assistance using the outline in Section XII below. All requests for assistance will be thoroughly reviewed, and selection made on the basis of the following criteria:

- Government commitment to develop and implement sustainable development policies.
- Selection of a clear and transparent planning process with priority given to poverty alleviation.
- Sufficient opportunities for undertaking integrated assessment within proposed poverty alleviation planning.
- Flexibility in the planning process to accommodate the UNEP project which is planned to begin during the fourth quarter of 2003 and be completed by mid 2005.
- Basic capacities to implement the project exist in the country.

XI. Project Timeline-Tentative (to be finalized during the Global Planning Workshop)

Initial kick-off meeting to launch the initiative	Feb. 2003
Preparation of framework document	March/April 2003
Global Planning Workshop	June 2003
Final selection of eight country projects	July-August 2003
National Workshops to launch the project in each country	Sept-Dec. 2003
National Workshop to review mid-term progress	Jun—Oct. 2004
Two-day Global Workshop to review progress of all pilot country projects	Oct. 2004
In-country final reviews of the projects	June-Aug 2005
Synthesis of findings and outcome of projects	Oct. 2005
International Conference	Nov. 2005
Final project report	Dec. 2005

XII. Format to be completed and filled by countries interested in the project

Description of the selected planning process:

- *Official name of the planning process*

- *Beginning and foreseen end of the planning process*
- *Key issues to be addressed within the planning process*
- *Main stages and corresponding timeline of the planning process*
- *Foreseen stakeholder participation in the planning process*
- *Suggested integration of assessment into planning process*

National authority supervising the planning process

- *Name, title and coordinates of the contact person*

National environmental authority involved in the planning process (if applicable)

- *Name, title and coordinates of the contact person*

Recommended in-country institution that can facilitate and coordinate the integrated assessment process

- *Name, title and coordinates of the contact person*

International development agency involved in the planning process (if applicable)

- *Name, title and coordinates of the contact person*

Annex 1: Evaluation of existing planning processes for integrated assessment

Phases of planning process	Questions to check quality
<p>1. Initiation</p> <ul style="list-style-type: none"> • Decision on purpose • Design of the process 	<p><i>Process:</i></p> <ul style="list-style-type: none"> • Is it clear who is the owner? Is the owner legitimate? • Has the public been adequately informed of the initiative? • Is the planning process transparent? Can stakeholders influence the planning process? • Does the initiative take into account existing relevant plans? Does it build on previous experiences? Has relevant information been identified? • Is it clear what sectors, disciplines and stakeholders will be involved? <p><i>Substance</i></p> <ul style="list-style-type: none"> • Is the overall purpose of the planning process clear?
<p>2. Analysis and design</p> <ul style="list-style-type: none"> • Identification of problems and opportunities • Analysis of problems and opportunities • Defining goals • First design of options 	<p><i>Process:</i></p> <ul style="list-style-type: none"> • Have relevant stakeholders been actively involved? Same for marginalized groups? • Has the public been informed of the results? Is there room for public feedback and inquiry? Is feedback taken seriously? Can the public influence the analysis and design? • Has a multi-disciplinary team been involved? Are different sectors / disciplines involved on an equal basis? • Is available information actively used, quantitative and qualitative, scientific and local knowledge? <p><i>Substance:</i></p> <ul style="list-style-type: none"> • Are past and present trends assessed? Are problems well defined? Are winners and losers of the problem identified? • Are root causes of problems identified, including relations with other sectors? Are the key actors involved identified? Also at national and international level? • Is there insight in trade-off between sectors, spatial trade-off, trade-off in time (future)? Same for trade-off between environment, social and economic goals? • Is there insight in promising initiatives, opportunities and win-win options? Do these offer scope for early successes? • Are key sustainability issues identified, particularly those relevant to poverty alleviation? Are goals defined for key sustainability issues? • Do solutions address root causes of problems? Do solutions make use of existing opportunities?
<p>3. Planning</p> <ul style="list-style-type: none"> • Appraisal of solutions / options • Setting priorities • Formulation of plan 	<p><i>Process:</i></p> <ul style="list-style-type: none"> • Are procedures for decision-making and priority setting transparent? • Has the public been informed of the results? Is there room for public inquiry? Is feedback taken serious? Can the public influence decision-making? • Is there two-way communication between decision makers and civil society and private sector? <p><i>Substance:</i></p> <ul style="list-style-type: none"> • Have scenarios been developed? Has a vision been developed? • Is the proposed strategy consistent with the vision, with analytical insights, and with sustainability objectives? • Does the plan take into account vulnerable social groups and other key sustainability issues / goals? • Have trade-offs between environment, social and economic goals been explained and justified? Does the plan provide solutions for identified trade-off by mitigation, compensation, alternatives or flanking policies? • Is the operational plan consistent with the strategic goals? • Have win-win options been identified? Have strategic partners been identified?

	<ul style="list-style-type: none"> • Does the plan stimulate integration between development sectors? Is the plan consistent with other relevant plans and legislation?
4. Monitoring	<p><i>Process:</i></p> <ul style="list-style-type: none"> • Are capacities and resources available for monitoring and updates of the plan? • Will monitoring be done by multi-disciplinary teams? • Will all monitoring results be available to the public? <p><i>Substance:</i></p> <ul style="list-style-type: none"> • Is there a monitoring plan to measure contribution of the strategy to relevant elements of sustainable development? • Are monitoring indicators identified? Do these include sustainability indicators?

Annex 2: Summary of modules for integrated assessment and planning processes

For each of the following modules a report available at UNEP presents guidelines and tools, which may be useful to assist application, to improve existing planning processes and take into account environment – poverty reduction – trade linkages.

Module 1: Stakeholder analysis and mapping

The aim is to map all relevant stakeholders, i.e. those with primary (direct) and secondary (indirect) dependency on and interests in a certain (sub-) sector, and specific role in management of natural resources. Particular attention is attributed to minority, marginalized and gender groups. Mapping stakeholders can include the interrelations between stakeholders (mutual or conflicting relations), power relations, interests and role in the sector. Good stakeholder mapping is an essential first step for any integrated assessment.

Module 2: Defining key sustainability values

The aim is to define the key sustainability values for environmental, social and economic dimensions, based on stakeholder perceptions, particularly those considered important by vulnerable (impoverished) social groups. Values are specific attributes of major importance for sustainability of the (sub-) sector for all or certain stakeholder groups. Cause-effect chains are useful to generate insight in dynamics and key issues.

Module 3: Defining sustainability risks, bottom-line standards and a vision

The aim is to define risks in case of mismanagement of critical sustainability values. Based on defined risks and undesirable change, bottom-line standards need to be defined, as a basis for evaluating impacts for any proposed intervention. Bottom-line standards must be defined based on scientific and stakeholder knowledge. On the other hand, this module will help define a vision for a desirable future and its sustainability values, based on stakeholder perceptions. The vision serves as a long-term guidance for directing policies and plans towards a more sustainable development trajectory.

Module 4: Main problems and opportunities

The aim is to define the main existing and expected problems, potentials and opportunities. This can be done by assessment of trends. Where existing trends surpass (or will surpass) bottom-line standards a problem is apparent (or will become apparent). Where positive trends appear this may constitute an opportunity for support or widespread replication. The focus will be at integrated problems, i.e. those that have social, economic and environmental consequences. Both problems, potentials and opportunities are starting points for defining policy options for more sustainable development. For each problem stakeholders benefiting from trends (the 'winners'), and those suffering from trends (the 'losers') are identified.

Module 5: Analysing causes of problems

The aim is to identify the main underlying factors and policies causing the identified problems, as well as opportunities for positive change. This will help solve problems in a fundamental way by addressing causes and underlying factors. Looking at opportunities is useful to identify win-win options and starting points for solution strategies. In most cases this will lead to a package of interrelated policy options, because problems are in most cases caused by a combination of factors.

Module 6: Defining sustainable policy options

The aim is to propose policy options that can be taken into account in any planning or policy formulation process. Defining policy options is based upon existing opportunities to tackle problems or underlying causes, thus win-win options are identified. In terms of policy options, a distinction can be made between 'pulling' policy options, i.e. those providing interesting alternatives and win-win options for strengthening poverty-environment-trade linkages, and 'pushing' policy options, i.e. those aimed at reducing illegal and unsustainable practices (from an environmental and/or social point of view). Identified policy options can be checked on compliance with set sustainability bottom-line standards, as well as the identified vision.

Module 7: Defining sustainability indicators

The aim is to provide a concise set of sustainability indicators that can be used to assess the sustainability of any proposed policy, plan or intervention. Sustainability indicators can also be used in a pro-active way to establish a monitoring system to monitor ongoing change. Sustainability indicators should be defined for environmental, social and economic dimensions.

Annex 3: "Quick scan" techniques for the evaluation of sustainability considerations during the planning process

1. Analysis of existing situation:

- Review of existing SD strategies and of similar documents that review sustainability of existing development patterns and ongoing interventions (development policies, structural adjustments, trade policies, etc.)
- Multi-stakeholder discussions to evaluate strengths, weaknesses, opportunities and threats of existing development patterns and ongoing interventions

2. Determination of relevant sustainability objectives:

- Review of relevant SD strategies and of similar documents to identify key sustainability objectives relevant to poverty eradication
- Multi-stakeholder discussions to evaluate (or where they do not exist to define) these objectives

3. Analysis of consistency of proposed objectives of the strategy with sustainability objectives for poverty eradication / evaluation of trade-offs between environment, social and economic goals:

- Matrices indicating synergies or conflicts between different objectives
- Multi-stakeholder discussions to evaluate synergies or conflicts between different objectives

4. Evaluation of contribution of proposed interventions to achievement of sustainability objectives:

- Matrices indicating synergies or conflicts between proposed interventions and sustainability objectives for poverty eradication
- Multi-stakeholder discussions to evaluate synergies or conflicts between proposed interventions and sustainability objectives for poverty eradication
- Collective expert judgments

5. Analysis of likely environmental, social and economic impacts of implementation of the strategy and design of mitigation measures:

- Multi-stakeholder discussions to determine key likely impacts and suggest mitigation measures
- Environmental impact assessment, social impact assessment and economic assessment tools which are appropriate for the given types of impacts, data-collection needs and needs of decision-makers

6. Analysis of implementation plan for the strategy:

- Review of institutional arrangements for implementation of the strategy with particular focus on capacities of implementing agencies to enforce all agreed SD issues in the strategy
- Suggestion of detailed evaluations for selected implementation projects

7. Analysis of monitoring plan for the strategy:

- Review of indicators for monitoring of the strategy – suggestions of proper indicators to measure sustainability of the strategy
- Design of sustainability indicators where these are missing.

Annex 4: Examples of Assessment Techniques in the UNEP Reference Manual for the Integrated Assessment of Trade Related Policies

Overall approach to analysis

Macroeconomic Models

- *Input-output models* analyse the relationships between different sectors of the economy in terms of their input-output interdependence, so that each sector's product is viewed both as a product for final consumption, and as an input into further production activity.
- *General equilibrium model* defines a stable economic situation, where demand and supply are equalized in all sectors. GE models focus on the interconnectedness of markets.

Sector Based/Microeconomic Analysis

- *Partial equilibrium models* calculate the effects of policy changes on one good (or sector, or ecosystem), while ignoring the effects on other goods, on the assumption that the good being examined is too small to have any significant impact on the rest of the economy.
- *Environmental impact assessment* is designed to identify, predict and evaluate the environmental impacts of alternative proposed activities or projects.
- *Benefit-cost analysis* (BCA) is a framework that allows the monetization of the costs and benefits of an activity, project, or policy.
- *Risk assessment* procedures aim to balance what is known for certain, what is estimated as a potential and probable threat, and what is unknown.
- *Multi-criteria analysis* attempts to take into account the preferences of stakeholders in the use of natural and environmental resources. The process is participatory, as stakeholders themselves make decisions about how the environmental resource should be managed.
- *Extended domestic resource cost analysis* aims to measure distortions (such as taxes) in the domestic sector, so that the gains from trade liberalization can be correctly estimated.

Other Analytical Models

- *Life-cycle analysis* (LCA) analyses the use of environmental resources and the generation of emissions right through the production process, from the extraction of raw materials or cultivation, to processing, transportation, manufacture, use and finally disposal.
- *Global commodity chain analysis* is a variation of LCA; it evaluates the social and economic relationships between all the actors involved in the chain.
- *Sustainable livelihood approach* assesses interventions on the basis of their impact on poverty. It has two main purposes: introduces a pro-poor perspective in order to ensure that the interventions help rather than hinder the actions that the poor undertake themselves; and second, to divert the object of the interventions from charity towards capacity. In other words, the goal is to ensure that the goal of the intervention is to free the poor from dependence, not to create a new form of dependence.
- *Scenario building* is a planning tool. It identifies a range of possible outcomes, preferably limited to not more than four scenarios for practical reasons.

Valuation of effects

Conventional market based approach

- *Change in productivity approach* may be used to value the contribution of the ecological functions of an ecosystem to the system's productivity.
- *Cost of illness approach* involves estimating the cost of medicine, consultation, admission to hospitals, and other incidental expenses associated with contracting an illness.
- *Cost-based approach* measures the cost of ensuring the maintenance of the benefits provided by environmental commodities.

Surrogate market-based approaches

- *Hedonic price approach* includes the property value approach and the wage labour differential approach.
- *Travel cost method* measure the recreational value of scenic areas that are normally un-priced or priced with a very low entrance fee.

Constructed market-based approach

- *Contingent valuation methodology* involves creating a hypothetical market for the good and asking survey respondents how much they are willing to pay for it.
- *Contingent ranking* is implemented in the same manner as the contingent valuation methodology. The only difference is that the respondents are asked to rank preferences for options or alternatives consisting of various combinations of environmental goods and prices.

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