

## **Towards an International Framework for Integrated Assessment / Sustainability Appraisal (IA/SA)**

### *A Concept Note*

This concept note provides background on the global effort on integrated assessment/sustainability appraisal (IA/SA), discusses the need and opportunities for a voluntary, internationally agreed assessment framework, and proposes a partnership initiative to establish such a framework and support its application. It builds on preliminary discussions among governments, international organisations, including United Nations Environment Programme (UNEP), United Nations Development Programme (UNDP), United Nations Economic Commission for Europe (UNECE), the Organisation of Economic Development and Cooperation (OECD)/Development Assistance Committee (DAC), the European Commission, and the World Bank, and international and regional non-governmental organisations including the International Institute for Environment and Development (IIED) and the Southern African Institute for Environmental Assessment (SAIEA). It also takes into account work currently being undertaken by the various institutions. The objective of this note is to facilitate further discussions on the proposed initiative and options for collaboration for its implementation.

For the purposes of this note, IA/SA includes analytical approaches that are used to integrate or inter-relate the environmental, social, and economic pillars of sustainability for the purpose of improved planning and decision-making on new or proposed initiatives, at any level from policy to project.<sup>1</sup>

#### **1. Background**

During the 1970s and 1980s, many countries established EIA requirements, primarily at the project level. The late 1970s and early 1980s also witnessed the development of various other related assessment tools, including social impact assessment, health assessment, technology assessment, poverty assessment, risk assessment, and biodiversity impact assessment. Simultaneously, there was a growing trend to include a wider range of effects, such as biophysical, biodiversity, social, health, economic, risks, and uncertainties. During the mid to late 1980s, there was an effort to consider cumulative effects and an emerging interest in integrating environmental, social, and economic effects at the policy level. This was especially stimulated by the 1987 report of the World Commission on Environment and Development (the Brundtland Report), which provided the most quoted definition of sustainable development.

Since the early 1990s, there has been increasing attention to integrated assessment, planning, and decision-making in support of sustainable development. The Rio Summit and its Agenda 21, the 17<sup>th</sup> Session of the UNEP Governing Council, and the 2<sup>nd</sup> and 3<sup>rd</sup> meetings of the United Nations Commission on Sustainable Development, for example, not only gave new impetus to the use of EIA, but also encouraged the further development of Strategic Environmental Assessment (SEA) and subsequently more integrative approaches. These are variously called Sustainability Impact Assessment (SIA) or Sustainability Appraisal (SA), and Integrated Assessment (IA). The call for an integrated approach was renewed in the *Plan of Implementation* of the World Summit on Sustainable Development (WSSD 2002), where frequent reference is made to the importance of taking a “holistic and inter-sector approach”. Particular importance is given to addressing the relationship among poverty, development, and the environment at all levels and across key sectors to deliver the Millennium Development Goals (MDGs) and particularly MDG7: “to ensure environmental sustainability...integrating the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.” As international development activities have been refocused around a new *modus operandus* of broad-based policies and strategies for poverty reduction, the demand for a holistic, integrated approach is increasing significantly.

---

<sup>1</sup> Others recognize more than three intersecting pillars, for example including institutions or politics or distinguishing between social and cultural dimensions of sustainability.

## 2. *The Need and Opportunities for a voluntary, international framework*

A number of constraints may impede further progress of IA/SA:

- Internationally, there is a general trend toward developing assessment approaches and methods that are more upstream, integrated, and proactive as compared to EIA. One widely expressed concern is that environmental issues could become diluted in more integrative approaches. Thus, IA/SA approaches will need to be part of a tiered approach that will ultimately strengthen effective use of other methods such as EIA and SEA.
- There is a general concern that more, and increasingly complex, tools and methods will be introduced that will overburden already heavy workloads and lead to undesirable delays in decision-making processes. The aim of this initiative is to promote streamlining and harmonization through a flexible framework approach, marshalling the diversity of possible tools (from relatively rapid qualitative assessments to comprehensive, quantitative, analytical approaches) that may be applied variably within a range of situations.
- Most countries and donors have introduced EIA-specific legislation and requirements. But the UNECE Protocol on SEA is the only international mechanism that specifically encourages and enables governments to apply impact assessment as a planning tool. Initially developed for the UNECE member countries, it is also applicable to developing and transition countries. The development of a broader IA/SA framework could complement and support increased national efforts to apply this approach.
- There is no agreed core set of qualitative and quantitative analytical tools (including and linking the assessment results from economic, environmental, and social sciences as required by more integrated approaches) to support IA/SA; nor agreed guidance on the flexible use of these tools with the primary aim to improve the effectiveness of public policies. This tends to weaken the consistency and quality of assessments.
- In spite of growing capacity-building activity, there remains a lack of institutionalized capacity and mechanisms - in both financial and human resource terms - to implement IA/SA on a regular basis in many developing and transition countries.
- The actual influence of impact assessment on decision-making is often unclear. Information on the comparative usefulness of different types of tools (both quantitative and qualitative) being used during IA/SA is particularly lacking. Similarly uncertain are the real effects on decision-making of the more procedural and participatory aspects of assessment applications.

An internationally agreed framework of principles and elements of approach would help address these constraints by defining a common path toward IA/SA in support of environmentally and socially sustainable development in general and the MDG agenda for poverty reduction in particular. Moreover, there is much important work already in progress in a number of international agencies and countries on which to build such an effort.

The following initiatives underscore the opportunities for pooling international efforts to a common cause and purpose:

- Within the European Union (EU), the SEA Directive entered into force in July 2004 in all member states and the European Commission has established its own comprehensive system for IA/SA of internal and external policy documents;

- The UNECE SEA Protocol to the EIA Convention was concluded at Kiev in 2003 and is open for ratification by UNECE member countries and, once in force for accession by any UN Member State, with the potential to eventually become a global legal instrument;
- An OECD/Development Assistance Committee (DAC) Task Team is preparing guidance on SEA application in international development cooperation as part of its broader work on harmonizing donor practices;
- IIED has recently undertaken international reviews of experience and practice in both SEA and sustainability appraisal as part of its role as Technical Secretariat to the OECD DAC Task Team;
- A major focus of the work of UNDP is to build capacity for sustainable development and application of supporting assessment tools;
- The World Bank uses an increasing range of strategic tools and innovations to inform development policy and programme lending; examples include SEA, country environmental analysis, poverty reduction strategy papers, and a structured learning programme to share information and lessons on resulting experience;
- UNEP, with Norwegian support, has launched a major initiative on integrated assessment and planning for sustainable development, based on a number of pilot projects in developing and transitional countries to test frameworks and tools and identify the lessons for wider application.

In light of the above, there is a growing demand to strengthen international coordination and support for IA/SA. For example, at a meeting on “Capacity Building for Integrated Policy Design and Implementation for Sustainable Development” in Jeju, Korea, March 2004), some 140 participants from national governments, inter-governmental organizations, academic institutions and NGOs recommended that “UNEP should consider developing guidance on integrated assessment that will be based on wide international consensus, such as an international framework for integrated assessment” in order to provide clear guidance to assessment practitioners and policymakers. At the annual meeting of the International Association for Impact Assessment (IAIA) in Boston, 2005, a number of government representatives also expressed their support for developing an international framework for sustainability appraisal. The issue of IA/SA was a major theme of the programme of the IAIA global conference on SEA held in Prague (September 27-30 2005), and will be a core focus at IAIA in Stavangar in 2006.

As indicated above, the OECD/DAC Task Team on SEA is committed to promoting a sustainability-focused approach to assessment. At its meeting in Ottawa on 12-13 October 2005, members discussed opportunities for improving synergies between its work and parallel initiatives on IA/SA of international organisations as part of its future work programme. A review of international experience and practice in sustainability appraisal is currently being undertaken by IIED as a contribution to the work of the DAC Task Team for which it provides a Technical Secretariat.

In 2004, the Poverty-Environment Partnership (PEP) - a network of more than 30 international development and environment agencies – launched the ‘Environment for the MDGs’ initiative to galvanise support for the significant scaling up of worldwide investment in environmental management to help win the fight against poverty and achieve the MDGs. The PEP commissioned two reports which were launched at the 2005 World Summit: one with an economics focus; the other examining tools and methodologies for assessing environment’s contribution to poverty reduction and pro-poor growth. In a summary message to the Summit,<sup>2</sup> the PEP partners concluded that “development planning processes should support an integrated operational approach to linking poverty reduction and investment in the productivity of the environmental assets of the poor”. Furthermore, the summary notes the particular importance and value of sustainability appraisal as “an assessment methodology that aims to expand the scope of assessment beyond predictions of impact and instead address the very

---

<sup>2</sup> “Sustaining the Environment to Fight Poverty and Achieve the MDGs: The Economic Case and Priorities for Action” Message document to the 2005 World Summit prepared on behalf of the PEP by UNDP, UNEP, IIED, IUCN and WRI.

foundations of decision processes, such as the formulation of problems and objectives, and to evaluate the tradeoffs between the environmental, social and economic dimensions of sustainability”.

### **3. *Proposed initiative***

An international partnership initiative is proposed to develop a voluntary framework and guidance for IA/SA. This will aim to seek harmonisation between, and build on current work in this area noted above and other related initiatives. This proposed initiative will also complement and build on the OECD DAC work to prepare guidance on SEA application in development cooperation, using this as a point of departure to develop an indicative approach to IA/SA of the economic, social, and environmental aspects of policies, plans and other programmes. The DAC work is committed to making progress on an integrated, holistic approach to assessment, and on harmonisation and greater alignment with country priorities, with the ultimate purpose of bringing decision-making in line with sustainable development objectives. However, the framework will be primarily intergovernmental and for use by all countries, rather one developed just amongst donors.

#### **3.1 *Purpose and supporting thrusts***

The primary purpose of the initiative will be to establish a voluntary international framework for IA/SA that encourages and enables governments and others to apply a coherent approach in support of policy development, planning and decision-taking. The components of the framework will need to be determined through:

- Clarifying the main concepts, objectives, and key principles for IA/SA;
- Examining existing experiences on effectiveness, use of tools, approaches, procedural aspects, and applications that seek to integrate analysis of environmental, social and economic dimensions; and
- Developing non-binding reference materials and guidance on the use of selective tools for IA/SA.

A supporting agenda will also be developed to strengthen national capacity to carry out IA/SA.

#### **3.2 *What will this initiative help achieve?***

This initiative is expected to support the WSSD and MDG agenda as outlined above. It will provide a broadly agreed, indicative approach to IA/SA for application to the development and implementation of policies, plans, programmes and projects in support of sustainable development. As such, it should contribute to enhanced coordination by international development organisations and bilateral aid agencies. A flexible, voluntary framework should facilitate its use and application at different levels (international, national, sub-national, sectoral) and contribute to the following broad objectives:

- 1) Ensure that the economic, environmental and social considerations, and their interrelations, are appropriately considered and integrated at all stages of the formulation and implementation of a policy, plan, programme or project (PPPP);
- 2) Take into account sustainability objectives into future PPPPs in accordance with countries' own sustainable development priorities and goals.
- 3) Enhance the transparency of and public participation in decision-making, including relevant involvement of marginalized and affected communities;
- 4) Promote inter-ministerial dialogue and coordination;
- 5) Promote capacity at the national level in the design and implementation of sustainable development policies that enhance sound environmental management, poverty reduction and more sustainable trade.

### 3.3 *Major activities under this initiative*

At this stage, the concern is to promote continued discussion and to share perspectives on modalities and specific activities, in principle, among parties interested to engage in the proposed initiative. This initiative will be able to build on a precursor stage, which involves a baseline study of sustainability appraisal. This is currently being undertaken by IIED in support of the work of the OECD DAC Task Team on SEA, with Norwegian support. It involves an international survey of trends, issues and practice in sustainability appraisal. A preliminary draft is available at [www.iied.org/Gov/spa](http://www.iied.org/Gov/spa) and [www.seataskteam.net](http://www.seataskteam.net). The final report will be launched at IAIA'06 at Stavanger.

The proposed initiative is envisaged to involve two phases:

Phase 1: Development of the voluntary framework for IA/SA (1 year to 18 months)

- Undertaking consultations and roundtable discussions among assessment practitioners, policy-makers and planners to clarify the concepts, principles, guidelines, and approaches;
- Review of current experiences on IA/SA, building on the work currently being undertaken by UNEP and IIED, and examine effective tools and procedural principles that promote the integration of the economic, social, and environmental considerations;
- Drafting an international framework document for governments and others to use on a voluntary basis, with flexible tools, guidance and approaches;
- Consultation with governments, international organisations, development cooperation agencies and others on the draft framework document at regional and international levels, addressing the specific needs of governments;
- Launching the framework, possibly at an international meeting or conference.

Phase 2: New IA/SA applications will be stimulated as a continuing dynamic part of advancing the sustainable development agenda. But phase 2 of this initiative (2-3 years) will particularly aim to apply and test the framework developed in phase 1. This will enable lessons to be drawn and improvement made to the framework, as necessary. Testing the IA/SA framework will need to be focused on particular regions, sectors and/or types of policies to allow comparison of applications. This will involve:

- Testing of the framework by 'willing' partner governments within ongoing new or proposed planning/policy-making processes;
- Ensuring that practice and effectiveness of the application is being evaluated to draw lessons;
- Facilitating exchange of information and views on IA/SA and sharing lessons from practice (including through custom-designed workshops); and
- Designing and developing training and capacity building programmes.

A third phase might also be envisaged, promoting broader implementation of the framework. The phase would include capacity-development activities.

### 3.4 *Main outputs of the initiative*

The main outputs of Phase 1 will be:

- A document setting out the framework (principles, generic steps, toolkit, example applications on IA/SA, etc) and also addressing the following questions, among others:
  - 1) Why is IA/SA needed?
  - 2) What is the purpose of an IA/SA? How to assess the effectiveness of IA/SA applications?

- 3) How to stimulate application of IA/SA at international, national and local levels? What are the implications of adopting IA/SA at these levels?
  - 4) What are the institutional and other requirements to apply IA/SA, e.g. national-level coordination, laws, technical, and financial capacity?
  - 5) What are the analytical tools and procedures, as well as policy conditions for improving the effectiveness of IA/SA?
  - 6) What are the linkages between IA/SA and the work on sustainable development indicators, integrated environmental-economic accounting, and environmental statistics?
- A programme/plan for test applications of the IA/SA framework in partner countries. There may be different regional or sectoral focal points to coordinate applications, monitor the outcomes and draw lessons.

Phase 2 will result in a series of country-level applications, capacity building activities, and analyses distilling the emerging experiences and lessons (e.g. overview reports, papers, and a synthesis review for publication on the internet and CD Rom and as printed materials).

#### **4. *Organizational Structure***

This initiative would be implemented either in cooperation with or through a partnership arrangement among interested governments and organisations, e.g. intergovernmental organizations (OECD/DAC, UNDP, UN Regional Commissions, UNEP, European Commission, the World Bank, etc), donor agencies, and international and regional NGOs (e.g. IIED, Southern Africa Institute for Environmental Assessment). It will be undertaken following a consultative process involving interested governments and organisations. The particular role and contribution of each organization to this work will be identified and agreed upon during the initial consultation.

For illustrative purposes, UNEP's role would be to facilitate the consultation process to develop the IA/SA framework. This might include coordinating an advisory group consisting of key governments, inter-governmental organisations, donors, NGOs and experts, facilitating technical working groups, and organizing the delivery and outreach for the final output. IIED would work closely with UNEP, coordinating technical inputs and support, and the preparation of synthesis reports, and other documentation, etc. Other parties would be expected to be active in providing inputs and materials (including training), reviewing experience to draw lessons, analyse effectiveness, and identify best practices, and stimulating exchange between practitioners.

#### **5. *Next Steps***

The following initial steps are currently envisaged:

- 1) Convene in January 2006 a small technical meeting to take stock of emerging IA/SA systems and approaches and to map out an outline of the framework.
- 2) Discuss the proposed initiative back to back with the UNEP meeting to launch the results of the 10 country projects on integrated assessment and planning scheduled to be convened in March 2006;
- 3) Develop a full proposal with prospectus and budget;
- 4) Initiate Phase 1 and establish a technical/advisory group to begin work on developing a draft framework for IA/SA.

#### **6. *Conclusion***

Impact assessment has evolved over the last 30 years with various tools emerging as offshoots of EIA (eg social and health impact assessment, cumulative effects assessment), and SEA developing to address upstream concerns. But there is still a widely recognized need to achieve greater integration between the pillars of sustainability in these approaches. There are now increased opportunities to address this challenge by expanding the application of IA/SA to a wide range of policies, plans, programmes, and projects. An internationally recognized and accepted voluntary framework for IA/SA will provide a

basis for overcoming various constraints that currently stand in the way of further progress in this field. Such a framework would define an indicative, flexible approach that would facilitate the application of IA/SA, particularly in developing countries and economies in transition. It will be backed up by capacity building programmes and the development of appropriate methodologies.

This proposed partnership initiative seeks to maximize the work in progress on IA/SA and the strengths of key inter-governmental organisations, governments, and other partners. It intends to bring together a number of current proposed actions in this field. In doing so, the aim is to elevate IA/SA to a new, operational level that will help countries to more fully achieve their national sustainable development goals.

*12 January 2006*