

Integrated Assessment and Policy Making for a Green Economy

Integrated Assessment guidance for
mainstreaming sustainability into
policymaking

- UNEP / ETB experience in integrated assessment studies of trade-related policies since 1997.
- International experiences in the area of Strategic Environmental Assessment, Integrated Assessment and Sustainability Assessment.
- Basically, with the same objectives: conducting a participatory process of assessing the environmental, social and economic (ESE) effects of a proposed public policy, plan or programme, to inform decision-makers.

Types of IA projects - UNEP

Country	Object of IA project
Brazil	Sustainable Development Plan for the Pavement of the Federal Highway BR-163 in the Amazon Region
Chile	Ministry of Agriculture's Environmental Agenda with a focus on the forestry, pork and wheat sectors
Colombia	Colombia-U.S. Free Trade Agreement and its Implications for the Corn Sector
Czech Republic	Integrating Socio-economic and Environmental Assessment of the National Development Plan
Indonesia	Linking conservation, trade, and poverty reduction at the local level
Kenya	National Energy Policy
Lebanon	Lebanon-EU Trade Agreement and its Implications for the Olive Oil Sector
Russia	Development Planning in Tomsk Region
Tanzania	Participatory District Agricultural Development Planning
Uganda	Trade and Fisheries Policies

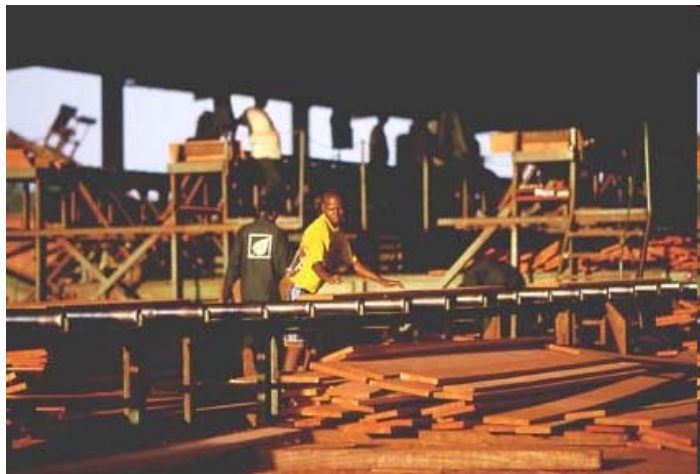
Principles of the Integrated Assessment approach

- Policy-centred approach, including elements of institution-centred approach
- Within the continuum of different approaches, integrated assessment as promoted by UNEP is specific by:
 - Full integration of ESE issues and integrated solutions
 - Ex-ante approach of integration in policymaking processes, e.g. to promote Green Economy
 - Proactive approach with policy options enhancing sustainability rather than mitigation and compensation
 - Flexibility by means of building blocks and relatively simple tools

Background of this document

- Because we believe this approach has an added value, joint expertise to document it:
 - Nick Bonvoisin (United Nations Economic Commission for Europe)
 - Jiri Dusik (Regional Environmental Center for Central and Eastern Europe)
 - Maria Partidário (IST – Instituto Superior Tecnico)
 - Rob Verheem (Netherlands Commission on Environmental Assessment)
 - Jan Joost Kessler (AIDEnvironment).
- Contributions by:
 - Kulsum Ahmed (World Bank)
 - Linda Ghanime (UNDP)
 - Clive George (School of Environment and Development, Manchester University).
- Within UNEP:
 - Hussein Abaza
 - Fulai Sheng
 - Vera Weick.

Trade impacts, both positive



Employment



Access to markets



Poverty reduction



Social development

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..... and negative



Deforestation



Biodiversity loss



Land conflicts

Poor labour conditions and low incomes



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Integrated assessment? Striking a balance?

Case of palm oil for export

Starting situation *		Economic		Social			Biodiv.
		GDP / capita	Employmt. rural/urban	Develop-ment / HDI	Food security	Poverty / HPI	NCI 2000
Palm oil Indonesia							
	Expansion	■	■	■	■	■	■
	Frontier	■	■	■	■	■	■
Palm oil Malaysia							
	New expansion	■	■	■	■	■	■
* differences are considered significant if the difference is more than 10%							
■		situation in region is better than national					
■		similar situation in region and national					
■		situation in region is worse than national					

Audience and organisation of the guidance document

- Two principal audiences:
 1. Assessment practitioners and planners interested in a more integrated, proactive and flexible use of IA to improve policymaking and planning processes;
 2. Policy practitioners and decision-makers who wish to seek guidance on how to make public policies contribute to sustainable development.
- Organisation:
 - Background and introduction
 - Building blocks, with guidelines and examples
 - Detailed tools with references

Building blocks within three interrelated categories

Box 1. Integrated Assessment building blocks

A. Process

A1: Process design and links

A2: Policymaking decision windows

A3: Communication strategy formulating

B. Policy institutional context

B1: Institutional analysis and change

B2: IA team organizational model

B3: Stakeholder engagement and strengthening civil society

B4: Evaluation and learning

C. Analytical Contents

C1: Strategic framework and identification of key sustainability issues

C2: Trends and scenarios

C3: Identification of opportunities and alternative policy option

C4: Assessment of impacts/ risks and benefits.

C5: Monitoring and evaluation

Building blocks for IA process

- A1: Process design and links** Understanding of the policymaking process, and design of the IA process that fits the policymaking process and enhances linkages for effective exchange and of mutual benefits.
- A2: Policy decision windows** Appropriate timing of inputs into the policymaking process and preparedness to make use of policy windows if and when these emerge, by packaging key messages and delivering them at the right moment to the right person/s.
- A3: Communication strategy** Communication throughout the IA process with use of adequate communication tools to timely and effectively inform key decision-makers on relevant policy issues, sustainability issues and IA results.

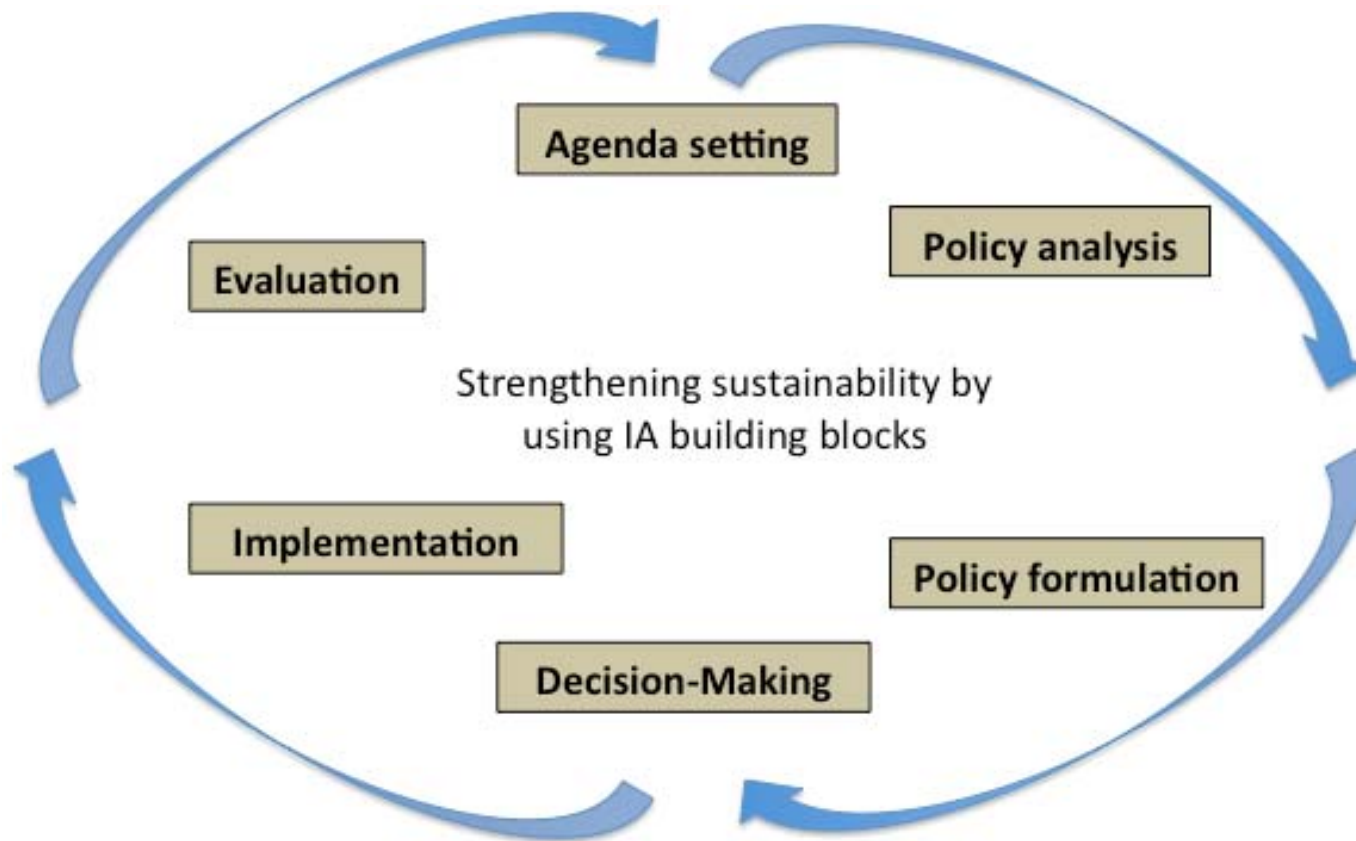
Building blocks for institutional change

- | | |
|---|--|
| B1: Institutional analysis and change | Understanding of existing institutional strengths and weaknesses that may be responsible for unsustainable development patterns in the relevant sector/s and institutions, and identifying strategic actions (means, capacities) to improve the institutional context. |
| B2: IA team organizational model | Adoption of an efficient organizational model of the IA team that has direct linkages with the policymaking process, at the highest possible level, with defined roles, recognizing the institutional context. |
| B3: Stakeholder engagement and strengthening civil society | Key stakeholders are identified (including vulnerable and minority groups, and civil society, if relevant) and actively engaged in a transparent and functional way, during the IA and policymaking process, e.g. using a multi-stakeholder forum for debate on IA results and sustainability issues. Strengthening civil society may in turn contribute to more sustainable policy solutions. |

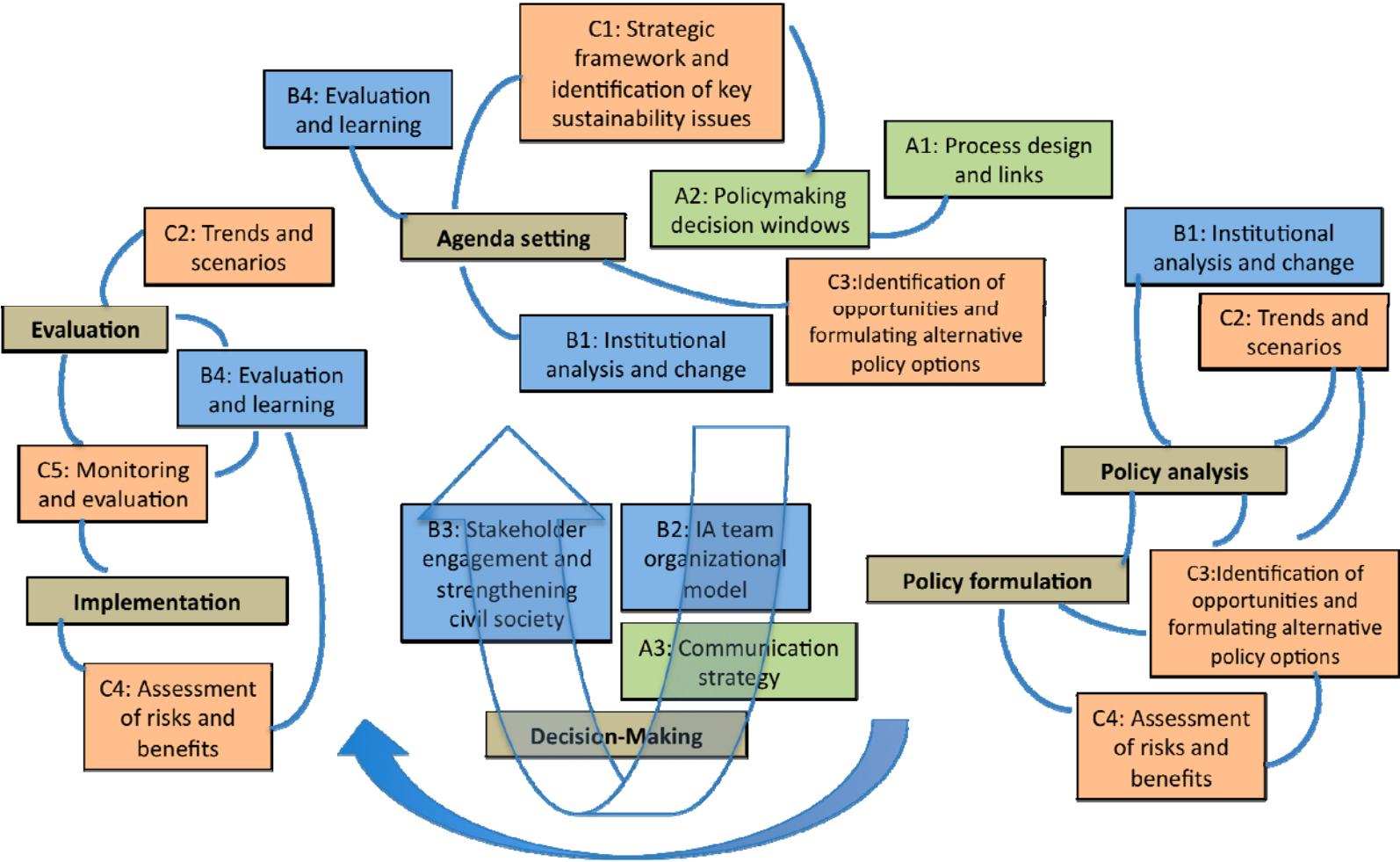
Building blocks for analytical contents

- | | |
|---|---|
| C1: Strategic framework and identification of key sustainability issues | The strategic policy context, including sustainability objectives, is identified. This includes key sustainability issues with associated policy objectives and indicators, with a simple analytical framework to demonstrate the main interrelations and causal relations between key issues. |
| C2: Current trends and scenarios | Current trends are determined for the key (social, environmental, economic) sustainability issues associated with the subject of the policy process and simple scenarios are established that provide insight into future developments of key sustainability issues without the new policy or plan. |
| C3: Identification of opportunities and formulating alternative policy options | Opportunities are identified in a proactive way, and alternative policy options are defined that enhance sustainability objectives; these are attractive to policymakers by demonstrating how these can help achieve sustainability objectives and realize sustainability benefits. |
| C4: Assessment of impacts/ risks and benefits | Proposed and alternative policy options are compared and assessed with respect to their impacts (i.e. expected risks and benefits), based on the best available knowledge including trends and stakeholder consultation; results are used to inform policymakers and formulate guidelines for implementation. |
| C5: Monitoring and evaluation | A record of performance is made throughout the policy life cycle, using monitoring systems, of policy implementation and IA recommendations, including performance on key sustainability issues, risks and benefits, and results are evaluated to enable timely intervention and correction of problems. |

Six generic stages of policy cycle



Flexible use of building blocks associated with the policymaking process



Impacts to be expected?

- Positive effects:
 - Positive influence on the policy and decision making process
 - Increased awareness concerning the environmental and social impacts of macroeconomic policies
 - Overcome the view of environmental issues blocking development
 - Concrete examples of policy follow-up and inform trade negotiations
 - Capacity building and further assessment work

Relevance for Green Economy

- Ex-ante joint planning approach - looking ahead
- Proactive approach focused at potentials and opportunities
- Flexibility of building blocks and tools, suitable for different contexts
- Close relation to institutional change and learning processes (to develop further)