

## CHAPTER 1

### BACKGROUND TO SEA

#### 1.1 What is SEA and how does it differ from Environmental Impact Assessment (EIA) and Cumulative Impact Assessment (CIA)

SEA is a tool for assessing the environmental and social risks and impacts of policies, plans and programmes (PPPs) and ensuring the integration of the implications of such impacts into the formulation and implementation of PPPs (Box 1.1). Whilst the term SEA does specifically incorporate social dimensions, these are an integral focus of the process. To ensure that social considerations are fully included in SEA, some organisations prefer to use the synonymous terms Strategic Environmental and Social Assessment (SESA).

##### Box 1.1: The purpose of SEA

In summary, the purpose of SEA is to ensure that environmental and social considerations (and their relationship with economic concerns and drivers) inform and are integrated into strategic decision-making in support of environmentally and socially sound and sustainable development. In particular, the SEA process assists authorities responsible for PPPs, as well as decision-makers, to consider:

- Key environmental and social trends, opportunities and constraints that may affect or may be affected by the PPP.
- Environmental and social objectives and indicators that are relevant to the PPP.
- Likely significant environmental and social effects of available options in the implementation of the PPP.
- Measures to avoid, reduce or mitigate and manage adverse effects and to enhance positive effects.
- Views and information from relevant authorities, the public and — as and when relevant — in potentially affected states (e.g., where cross-border initiatives or impacts are involved).

The scope of application of SEA collectively encompasses policy, legislation, plans, programmes and development-related strategies across a range of sectors (such as, energy or transport), geographical areas (national, regional, or local) or issues (such as, climate change or biodiversity). But SEA is most commonly – although not exclusively – applied to development-related policies, plans and programmes (PPPs) with a particular focus on the energy, transport, waste and water sectors and spatial and land use zoning plans. Lead government agencies usually initiate the SEA process, but external financing organisations (e.g., multilateral development banks and bilateral donors) may also require an SEA to be undertaken to comply with their safeguard policies.

Generally, the application of SEA within a country depends on the types of PPPs being undertaken and the specific SEA provisions (laws and regulations) of that country.

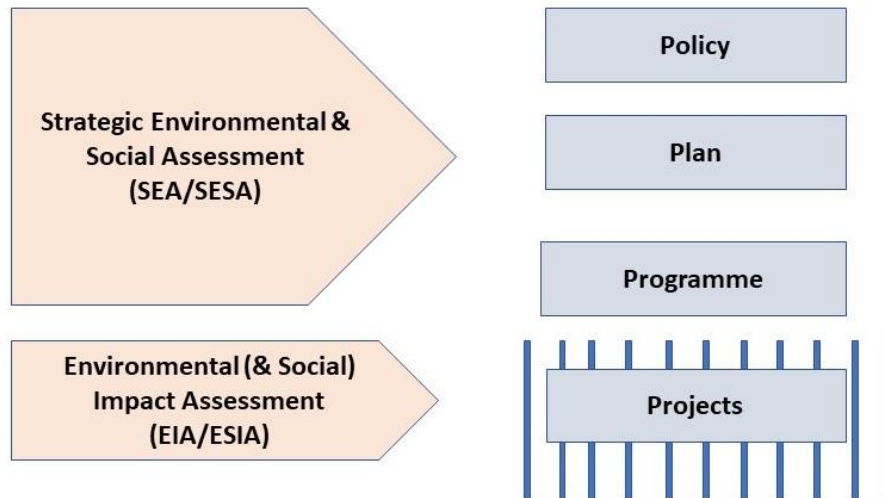
The SEA process is based on key principles (see also Section 1.4) including:

- Early proactive consideration of the environmental and social effects of strategic actions;
- Broad institutional and public engagement;
- Analysis and integration of qualitative and quantitative information;
- Early warning of potential cumulative effects and large-scale changes, and
- Identification of best practicable options for implementing the PPP, including projects that may be undertaken as a result of their implementation.

As noted by the OECD/DAC guidance for SEA (2006), there is a hierarchy of levels in decision-making comprising policies, plans, programmes and projects (Figure 1.1). Logically, policies shape the subsequent plans, programmes and projects that put those policies into practice. Policies are thus at

the top of the decision-making hierarchy. Policies, plans, and programmes (PPPs) are more 'strategic' than projects as they determine the general direction or approach to be followed towards broad goals.

**Figure 1.1: SEA, EIA and the decision-making hierarchy**



SEA is applied to these more strategic levels and deals with assessing broadly defined proposals with a wide range of options usually available for assessment. As one moves down the hierarchy from policies to projects, the nature of decision-making changes, as does the type of environmental assessment needed. Environmental Impact Assessment (EIA)<sup>1</sup> is used to assess the impact of projects that put PPPs into tangible effect. It is done at the project level and deals with assessing well-defined proposals where a limited range of alternatives are usually available to assess.

SEA uses a variety of tools, rather than a single, fixed, prescriptive approach as is usually the case with EIA. It extends the aims and principles of EIA further upstream in the decision-making process, beyond the project level, when major alternatives to a project are still possible. SEA fills a critical gap left by the relatively codified procedures and process of project-level EIA procedures and processes differ, in that SEA uses much more flexible, adaptive, and diversified approaches to inform strategic decision-making at the PPP level. In other words, there is no recipe for an SEA. Every SEA needs to be designed and undertaken in a manner that suits the specific context and needs.

SEA can complement and strengthen EIA at the project level by: (a) identifying prior information needs and potential impacts, providing the planning context and parameters for subsequent EIAs of projects designed to implement a PPP; and (b) making EIA and the project review process more streamlined and efficient by addressing many issues at a higher strategic level - including concerns that may relate to project justification so that EIAs can be designed to focus on local and site- or project-specific concerns.

Table 1.1 compares and contrasts SEA and EIA and summarises their roles in decision-making.

**Table 1.1: SEA and EIA compared**

<sup>1</sup> As with SEA, EIA should address both the environmental and the social dimensions of projects. Some organisations prefer to use the term Environmental and Social Impact Assessment (ESIA) to emphasise this point. However, sometimes, stand alone social impact assessment (SIA) are undertaken as well as other more focused (spin-off) forms of impact assessment such as biodiversity impact assessment and health impact assessment. Good practice EIA should cover all these aspects.

SEA	EIA
Applied to PPPs and sometimes legislation, with a broad and long-term strategic perspective.	Applied to specific and relatively short-term (life-cycle) projects and their specifications.
Ideally, takes place at an early stage in strategic planning.	Takes place at early stage of project planning once parameters are set.
Considers a broad range of alternative scenarios.	Considers limited range of project alternatives.
Conducted independently of any specific project proponent.	Usually prepared and/or funded by the project proponent.
Focus on decision on policy, plan and programme implications for future lower-level decisions.	Focus on obtaining project approval, and rarely with feedback to policy, plan or programme consideration.
Multi-stage, iterative process with feedback loops.	Well-defined, linear process with clear beginning and end (e.g., from feasibility to project approval).
May not be formally documented but may require that a draft PPP include an environmental statement.	Preparation of an EIA document with prescribed format and contents is usually mandatory. This document provides a baseline reference for monitoring.
Emphasis on meeting balanced environmental, social and economic objectives in policies, plans and programmes. Includes identifying macro-level development outcomes.	Emphasis on mitigating environmental and social impacts of a specific project, but with identification of some project opportunities, off-sets, etc.
Inherently incorporates consideration of cumulative impacts relating to implementation of PPPs.	Considers cumulative impacts of a particular project in combination with all other projects and activities in a given time and space.

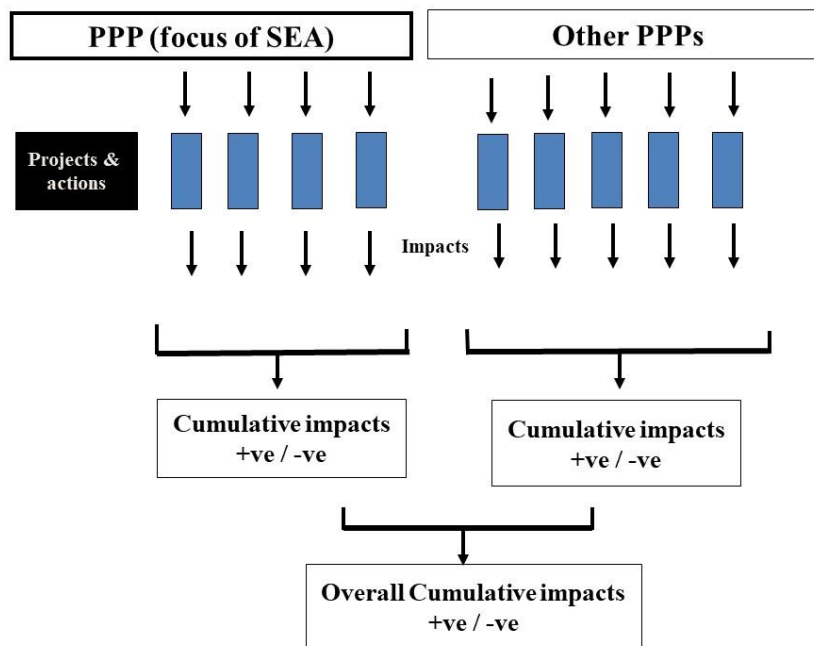
## 1.2 SEA AND CUMULATIVE IMPACT ASSESSMENT (CIA)

Cumulative impact assessment (CIA) is typically applied at the individual project level as part of the environmental impact assessment process (EIA). It is used to assess how the specific (and possibly limited) impacts of an individual project, when combined with other related projects and activities, might combine to generate significant cumulative impacts on selected valued environmental and social components (VEC) in a given time and space.

Sometimes, regional impact assessments are needed to identify the effects that various projects or actions can produce at a regional level beyond the areas of the individual projects. The identification, evaluation and management of such impacts is normally done under a SEA process.

SEA focuses on evaluating government policies, programs, and plans (PPP) rather than individual projects. SEA seeks to identify and recommend management measures for the impacts on selected VEC that are likely to be arise from implementing PPPs or their alternatives. Figure 1.2 indicates how an individual PPP (being subjected to an SEA) can give rise to impacts and actions which may give rise to impacts (environmental and/or socio-economic, and positive or negative). Projects and actions resulting from implementing other PPPs may also give rise to such impacts. The overall cumulative effective of all such impacts may be considerable.

Figure 1.2: The cascade of cumulative effects



### 1.3 BASIC OBJECTIVES AND PRINCIPLES FOR SEA

SEA aims to systematically integrate environmental and social considerations (and their relationship with economic concerns and drivers) into policymaking, planning, and decision-making processes to better ensure that a proposed PPP is compatible with sustainable environmental and social management. It aims to support time-efficient and cost-effective development planning by avoiding the need to reassess some issues and impacts at the project level at a time when changes to the overarching policy and planning framework is more difficult (e.g., when an issue or impact was effectively dealt with at a strategic level).

Early suggestions for SEA principles have been made<sup>2</sup> and performance criteria for SEA were developed by IAIA in 2002<sup>3</sup>. The latter concentrate primarily on procedural aspects of an effective or good quality SEA. Building on these, SEA Guidance developed by the OECD Development Assistance Committee provide a set of SEA principles which have broad support<sup>4</sup>. They recommend that, to be influential and help improve policymaking, planning and decision-taking, an SEA should:

- Establish clear goals;
- Be integrated with existing policy and planning structures;
- Be flexible, iterative and customised to context;
- Analyse the potential effects and risks of the proposed PPP, and its alternatives (including the do-nothing' option), against a framework of environmental and social quality (sustainability) objectives, principles and criteria, at an early stage when an agency has greater flexibility;
- Such analysis includes identifying environmental and socio-economic impacts (positive and negative; direct, indirect, and cumulative; trans-boundary and other unintended consequences)

<sup>2</sup> Sadler and Verheem (1996); and Dalal-Clayton and Sadler (1998)

<sup>3</sup> Available at: <C:\IAIA\Pub\SP1.PDF>

<sup>4</sup> OECD DAC (2006)

and proposing mitigation measures for negative potential impacts and to enhance environmental and social management. It should identify how to achieve the best environmental and/or social benefits whilst minimising damaging environmental and/or social risks and impacts;

- Identify environmental and socio-economic opportunities and constraints;
- Address the linkages and trade-offs between environmental, social and economic considerations (and their relationship with economic concerns and drivers);
- Provide explicit justification for the selection of preferred options (alternatives) and for the acceptance of significant trade-offs (e.g. between different sectoral policy objectives);
- Involve key stakeholders and encourage public involvement;
- Include an effective, preferably independent, quality assurance system;
- Be transparent throughout the process, and clearly communicate the results;
- Be cost-effective; encourage synergies, and avoid duplication of efforts;
- Propose an effective, formal, independent, quality-assurance, review, and performance-evaluation mechanism for after SEA completion; and for monitoring of PPP outputs and environmental and social indicators, and
- Provide opportunities to build capacity to conduct SEA and to use the SEA results.

In designing effective SEA approaches, practitioners need to be aware of the following:

- Strategic planning is not linear, but a complex and iterative process influenced by interest groups often with often conflicting interests and different agendas; it is therefore important to look for 'windows of opportunity' to initiate SEA during cycles of the decision-making process;
- Relationships between alternative options and environmental and social effects are often indirect; so, they need to be framed in terms relevant to all stakeholders (e.g. politicians, government agencies and interest groups). One way of doing this is by linking environmental and social effects to policy priorities;
- Strategic issues cannot be tackled by a one-off analysis; they need an adaptive and sustained approach as strategies and policymaking take shape and are implemented; and
- The value of SEA in strategic planning depends greatly on capacity within the responsible authorities to maintain the process and act on the results, and
- The success of an SEA depends upon its effective implementation which will require preparation of a strategic environmental and social management plan (SESMP – see Chapter 3, section 3.5).

## 1.4 IMPACTS VS OBJECTIVES-LED SEA

Most of the world's SEA systems are *'impacts-led'*. Like EIA, they start from an existing baseline of environmental and social conditions and make predictions about how a proposed or revised PPP will change this baseline. Some SEA systems, in addition or instead of, are *'objectives-led'*: they predict whether the PPP will help or hinder achieving a range of Environmental and Social Quality Objectives (ESQOs) (discussed in section 3.3.4). Although the ESQOs may overlap with the PPP's objectives, they essentially act as an independent sustainability/environmental/socio-economic benchmark against which implementation of the PPP can be tested. In situations where critical baseline data may be lacking, inadequate, outdated, or unreliable, an objectives-led approach to the SEA is preferable. An

objectives-led approach may also be more suitable for those PPPs that specify desired outcomes or endpoints. For such PPPs, the SEA can help evaluate whether these PPP outcomes will be impeded or aided by pursuing the ESQOs.

## 1.5 THE RELATIONSHIP BETWEEN SEA AND THE PPP PROCESS

PPPs include a range of instruments, e.g., national and sectoral policies, spatial development frameworks, environmental and social management frameworks, integrated development plans, master plans and land use plans. Frequently, SEA is formally required for such PPPs (see Chapter 2). But it can also be applied where multiple similar projects are concentrated in time and space and for very large developments or ‘mega projects’ (e.g., transnational pipelines) which can give rise to extensive and cumulative impacts (direct and indirect) over large geographical areas. In this guidance, the latter are included under the umbrella of PPPs. In many ways such SEAs are like regional assessments.

A critical question is when should SEA be carried out? There are two options: *ex ante* and *ex-post*.

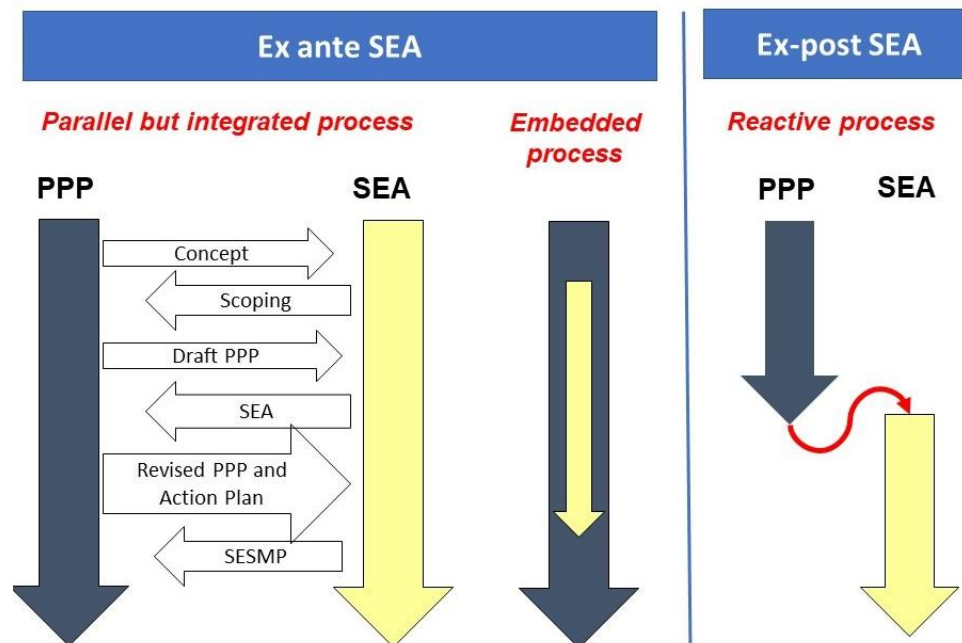
- **Ex-ante SEA:** Ideally, a SEA is most beneficial when undertaken prior to or during the preparation of a PPP. The processes of developing a PPP and undertaking a SEA should be mutually reinforcing to promote more sustainable development. The environmental and socio-economic information and analysis provided by the SEA can optimally inform the preparation of the PPP, can help focus decisions on the most sustainable options (alternatives) to be the focus of the PPP, and can assist in clarifying (restructuring, rewording) PPP drafts to promote effective implementation.. The SEA can identify new opportunities – particularly to maximise benefits and minimise, avoid, or mitigate negative impacts and promote positive outcomes, and can highlight where there may be potential risks and conflicts or inconsistency between PPPs. This can prevent costs of rectifying mistakes.
- **Ex-post SEA:** An SEA can also be undertaken on a PPP that has already been drafted or on an existing PPP that is already being implemented. This is a reactive process (Figure 1.2). Such SEAs are less influential on a PPP than those carried out in parallel to PPP development. A reactive SEA sometimes results in less potential for the uptake of their recommendations; however, it can still be beneficial to identify environmental and social problems that have arisen and identify where modification of the PPP may be required. This will be particularly useful where revision of a PPP is being considered.

No matter which “model” of SEA is followed, the desired outcome is a better PPP, rather than production of a SEA report.

As Figure 1.3 shows, it is common for an *ex ante* SEA to be organised in parallel with the PPP process. In these circumstances, the SEA should be planned so that it is integrated with the PPP process as fully as possible, with the steps in the two processes fully synchronised. Thus, the emerging outputs of the SEA process can feed directly into the PPP preparation process at the most opportune stages. Usually, a government ministry/department/agency) that is developing or revising a PPP will be responsible for undertaking a SEA - if one is specified as required by national laws/regulations (i.e., because the PPP is expected to result in significant environmental and/or social impacts).

In practice, governments will need to commission experts to carry out the SEA process. The teams involved in both the PPP and SEA processes should work together, as closely as possible, be fully aware of what each other is doing, and seek opportunities to organise common events, e.g., stakeholder meetings and workshops to achieve the best possible PPP and SEA outcomes. However, in many situations, SEAs are still undertaken in isolation from the process of developing the PPP to which they relate, thus reducing their utility and influence. Undertaking an SEA in isolation from the PPP should be avoided.

Figure 1.3: How SEA can relate to the PPP process



Development of the PPP normally enables public authorities to analyse development trends, opportunities, and threats and to propose development interventions and implementation arrangements. The SEA process should ideally examine individual outputs of the PPP-making process and it may propose necessary amendments to maximize their environmental and social benefits and to minimize their negative environmental and social impacts and risks. As such, the development of PPPs and the SEA process follow a very similar logic, and this is the basis for the approach recommended in this guidance.

The lead process is the elaboration of the PPP, and the SEA should fit into the logic and steps of this PPP-making process. In this respect, it is important to treat the SEA as a flexible process which needs to be tailored to the needs of the different types of PPP.

Planning procedures tend to be well codified with a linear sequence of steps as suggested by the arrows in Figure 1.2. Each of these steps provides a 'window of opportunity' for the outputs of a SEA to influence the focus and content of the PPP. Ideally, to have maximum utility, an SEA process should be fully embedded within the PPP process so that its outcomes immediately and directly can influence PPP development without having to seek opportunities to do so. In effect, they would be a single intertwined process. But there are few, if any, examples where this is yet the case. Thus, as indicated above, SEA is currently better carried out in parallel with PPP development, with their steps aligned and integrated.

Policies are general and directional and rarely include specified activities. So, from a procedural perspective, an SEA at the policy level will have little in common with the simple, linear, technical nature of a project level EIA. It will require a greater focus on understanding the policy formulation process and identifying windows of opportunity for influencing decision-making on the policy. It is also argued that SEA at the policy-level also requires a particularly strong focus on institutional factors and facilitating constituency building and strengthening of stakeholders in the policy process<sup>5</sup>.

There may be situations where multiple development activities in a particular sector or across a particular geographical area are reported to be giving rise to environmental and social impacts, but are not currently being addressed, controlled, or regulated because a PPP has not yet been developed or is not yet proposed. In these circumstances, an SEA can be very helpful to assess and establish the

<sup>5</sup> OECD/DAC (2006); World Bank (2011)

nature and extent of environmental and social issues arising and to provide recommendations on policy/planning measures that could be taken to address such concerns. It can also set the stage for the project level environmental and social impact assessments that may follow.

### 1.5.1 The role of legislation

The role of legislation and associated regulations is to provide a formal national platform setting out the circumstances in which SEA must be undertaken, the particular PPPs to which it must be applied, and the specific requirements for how the process should be conducted, including roles, responsibilities, required documentation, monitoring procedures, etc. These are discussed in Chapter 2.

## 1.6 SEA BENEFITS AT A GLANCE

SEA provides a formal, internationally recognised mechanism to demonstrate the systematic integration of environmental, socio-economic and sustainability considerations in a PPP. A good SEA can yield some noteworthy benefits, including:

***Safeguarding the environmental and social assets and opportunities*** upon which all people depend, particularly the poor and most vulnerable, thereby promoting poverty reduction; and supporting a gradual shift of decision-making towards genuine sustainable development, by:

- Facilitating the identification of new opportunities for sound environmental and social management;
- Facilitating improved consideration of environmental and social (including health) limits in the formulation of a PPP;
- Considering alternatives, and
- Encouraging the search for win-win options that open opportunities for new developments (a) within the carrying capacity of ecosystems or (b) within the tolerance of social systems.

***Increasing efficiency of elaboration of PPPs and improving the PPP decision-making process and development outcomes*** by:

- Enabling the identification of PPP development options that perform well against environment and socio-economic quality objectives, supporting a shift towards sustainable development;
- Providing environmentally and socially based evidence to support informed decisions;
- Identifying new environmental and socio-economic opportunities;
- Streamlining decision-making systems by reducing the complexity of environmental and social issues at the different stages of decision-making hierarchies;
- Supporting project-level decisions as these can be based on a previously optimised PPPs;
- Identifying and addressing potential areas of antagonism/conflict or inconsistency between PPPs early in the PPP formulation process and thereby preventing costly mistakes; and identifying synergies between PPPs that can deliver win-win opportunities.
- Improving governance by integrating public consultation in strategic-level decision-making;
- Facilitating trans-boundary co-operation;
- Identifying monitoring requirements and follow-up measures to ensure effective implementation of PPPs that address SEA recommendations, and
- Leading to a better understanding of cause-effect relationships through monitoring of PPP implementation.

***Strengthening and streamlining project specific EIAs*** by:

- Addressing a wider range of alternatives than is normally possible in project EIA, including through the use of scenarios;
- Considering cumulative effects and relatively large-scale environmental and social changes that are difficult to address in an EIA;
- Exploring the opportunities for and constraints to development posed by the broader receiving environment, thus reducing the list of potential projects to those that could be sustained by that environment;
- Assisting in defining and maintaining a chosen level of environmental quality, and



- Identifying ways to foster inter-institutional coordination which are often not possible at the level of project EIA.

### **Helping to prevent costly mistakes**

SEA provides early precautionary signals about environmentally and socially unsustainable development options. The sound application of SEA therefore limits the risk of costly remediation of avoidable harm or extreme corrective actions, such as relocating or redesigning facilities. SEA also helps in saving human and financial resources in the development of a PPP as unsustainable options can be disregarded.

### **SEA strengthens governance**

Documenting the PPP development process through an SEA increases the overall transparency and credibility of strategic decision-making and allows the early consideration of the opinions of key stakeholders in the planning process. Properly undertaken and accountable SEA enhances the credibility of PPPs by strengthening the governance of individual government institutions and fostering cooperation and coordination between them. It may mobilize public support for implementation – A PPP will naturally be far more effective when the values, views, opinions, and knowledge of the public have become part of the decision-making process.

## **1.7 COSTS OF SEA**

Undertaking SEA usually involves the costs for the following inputs and steps:

- Fees and operational costs (e.g., travel/accommodation, workshops/meeting costs and administration) for the practitioners engaged to undertake the SEA. It is usual for an SEA to be undertaken by experts who are independent of the institutions responsible for developing the PPP and for reviewing and approving the SEA;
- Designing the approach and methodology and testing tools - usually during the initial stages of SEA application. Costs may be reduced by using previously tested methods;
- Gathering basic data sets and analysing the baseline. In many SEAs, field work is often limited to ground-truthing visits, especially where there is good available information. Where there is limited basic data, field work may be necessary, and this can add significant costs (and time). However, most of this work occurs during the first SEAs undertaken in a particular region/sector. Subsequent SEAs (e.g., when a PPP is revised) can build upon the data gathered by previous SEAs and the additional costs will be limited to obtaining specific new data that may be required;
- Carrying out analyses and providing inputs to support the elaboration of the PPP concerned (always needed);
- Implementation and monitoring frameworks for SESA recommendations;
- Training in circumstances where capacity and understanding of SEA is low, and
- Consulting stakeholders and managing the entire SEA process (always needed).

There is very limited information on the actual costs of SEAs – it tends to be a confidential matter. But the cost will vary due to the length of the process and the complexity of the chosen design: from as little as US\$ 20,000 - \$50,000 (e.g., for a rapid, desk-based SEA) to US\$1 - 2 million (for a full SEA of a complex PPP over say an entire year). Comprehensive SEAs typically average US\$ 500,000 to US\$ 700,000. Contingency reserves are very important as SEAs often require additional or unforeseen tasks to be undertaken. They should be budgeted for – at least 10-15% of overall budget. Additional costs may be foreseen for any follow-up activity to the SEA to evaluate the effectiveness of its implementation. It is particularly important to ensure that costs for a fully inclusive and transparent stakeholder consultation process are included.

A study for the European Commission on the costs and benefits of EIA indicated that introducing SEA to regional and local land-use planning usually increased planning costs by 5 to 10%<sup>6</sup>. It also found examples of good SEAs that increased planning costs by less than 5%, but the costs depend on the amount and detail of alternatives elaborated and the extent of their assessment. A study by Therivel

<sup>6</sup> EC (2006)

and Walsh (2005) on the first year of application of the European SEA Directive in the United Kingdom surveyed 201 authorities that had conducted SEAs. It concluded that most SEAs required approximately 70–80 person days to complete (roughly half for scoping and half for the environmental report).

The costs of SEA can be regarded as marginal compared with the overall costs of implementation of PPPs, and the costs of dealing with unintended negative impacts and consequences (e.g., environmental reparation, social compensation, or health costs as a result of increased air pollution due to increased industrial output).

## 1.8 SCALE AND TIME REQUIRED FOR AN SEA

There is no one-size-fits-all approach to SEA. In all circumstances an SEA will need to be carefully thought through and designed according to a range of possible background factors:

- The particular focus of the SEA, e.g., whether a PPP or other instrument such as a strategy, or a spatially extensive development such as a large regional infrastructure initiative, or a cross-border initiative such as a proposed railway, pipeline or trans-national protected area;
- The context, including geographical factors that may limit access (e.g., in particular seasons), or requirements to gather new data including seasonal or multi-year data;
- The availability of existing information and any gaps which may require additional time and cost to address;
- The capacity of the requesting institution – sometimes this can prolong the process until internal consensus of the requirements of the SEA is met;
- Available time and budget (it is important to understand that time and budget constraints imposed on an SEA will limit what can be done and its utility), and
- Political and security considerations.

Thus, in some circumstances, an SEA can be conducted as a rapid exercise. For an example a two-person team undertook a one-month (40 person-days) rapid SEA of Namibia's Fourth National Development Plan as a desk exercise with several expert workshops (Dalal-Clayton and Tarr 2015). At the other end of the spectrum, complex SEAs may take over a year, sometimes much longer, and require a large team of experts (Section 1.6). A longer pre-SEA period may be necessary to collect data that may be required, particularly when time series information or data covering several seasons is deemed necessary.

## 1.9 WHO SHOULD CARRY OUT SEA?

The SEA should be undertaken by a team of knowledgeable and experienced experts.. This should comprise core experts with environmental and social knowledge and skills, and experience of conducting SEAs. One of these should take the role of Team Leader with responsibility for overall coordination, liaison with the SEA proponent, team management, quality control, etc. A range of other subject specialists may be required to make shorter specific inputs/studies on required subjects.<sup>7</sup> Ideally, the team should comprise national experts with the relevant range of environmental and social expertise. In circumstances where national experience and skills in undertaking SEA is limited, it will be advisable to engage a few experienced international consultants to work with the national team members (at least lead environmental and social experts, one of whom should be the team leader to guide the process). The team should ensure that they have capacity in the local language.

The SEA team should be integrally linked to the team developing the PPP and they should be invited to all planning meetings and other relevant activities and have full access to all relevant documents or other sources of information produced or referred to within the PPP process.

The SEA team should have the right to express any view in the SEA Report. While the PPP team should

---

<sup>7</sup> Examples of expertise that may be required include (note that this is not a comprehensive list): energy technologies, coal-fired power plants and coal-mining, health and safety, biodiversity, transport, tourism, protected areas, planning, urban issues, archaeology and cultural heritage, GIS, public consultation, governance, institutional and legal issues.

make the decisions on what to present in the final PPP, the latter should provide reference to the findings of the SEA, and it should explain how the results of the SEA were used in the development of the PPP.

Wherever possible, the SEA team must be responsible for leading out and coordinating consultation efforts (see section 1.10). This will ensure that stakeholders fully understand who is conducting the SEA, on whose behalf and the purpose it to fully gain stakeholder support and buy-in to the SEA process (see below).

In some circumstances the SEA proponent may elect to establish a broad-based, multi-stakeholder Steering Committee for the SEA to provide oversight, advice, support, and guidance (see Chapter 12).

## **1.10 ENGAGING WITH STAKEHOLDERS**

For SEA to be successful and meaningful, and support progress towards sustainable development, it will need to engage with a wide range of stakeholders. These should include all those with a legitimate interest and who may be affected by PPP outcomes and those involved in decision-making at all levels (from national to local), and from government, civil society, and the private sector, as well as with funding and aid agencies that may be funding the SEA or supporting the implementation of the PPP. Many of these actors will have roles to play in developing and/or implementing the PPP or will be likely to be affected by its implementation.

For the PPP to be well constructed and to address the most important issues and be successfully implemented, it will be necessary for stakeholders to understand the process, to be able to engage meaningfully with it, and to influence its outcomes. In other words, stakeholder 'buy-in' to the SEA process is vital.

### **1.10.1 Roles and responsibilities of key stakeholders**

Table 1.2 sets out the roles and responsibilities of stakeholders, including government agencies, communities and individuals, private organizations, non-governmental organizations, and others having an interest or stake in the SEA process and outcomes of the PPP.

### **1.10.2 Methods to engage with stakeholders**

Stakeholder participation should be a continuing process that runs throughout all stages of the SEA (as described in detail in section 3.3.6).

The SEA process should be ideally conducted in conjunction with consultation organized for the preparation of the PPP itself. Also, existing communication channels can offer efficient means for conducting consultations for the SEA. However, at times, additional methods will be required. Participation processes should be used that provide the best means to ensure that stakeholders can engage effectively, and that their viewpoints are given proper consideration.

Annex 1 describes various approaches that can be used to engage with stakeholders, including:

- Printed material inviting comments;
- Displays and exhibits;
- Information hotline/ staffed telephone lines;
- Internet/web-based consultations;
- Questionnaires and response sheets;
- Surveys;
- Public hearings;
- Workshops and focus group sessions;
- Advisory committees;
- Social media, and
- A dedicated and interactive website.

**Table 1.2: Roles and responsibilities of key stakeholders**

Stakeholder	Role and responsibilities
Lead agencies	<p>PPPs are mainly developed by sector ministries and implemented by their respective line agencies. The legal responsibility for conducting a SEA of a PPP, therefore, lies with the relevant sector ministry. The lead agency is responsible to undertake the SEA, usually through the commissioning of independent consultants to undertake the technical process. Where SEA is formalized by legislation and a government agency is designated to be responsible for the system, the lead agency will usually also be required to submit a SEA report (and accompanying strategic environmental and social management plan) to that designated body to be reviewed and approved. The lead agency will likely be involved in implementing the SESA recommendations together with other responsible agencies and institutions.</p> <p>Where international organisations (e.g., multilateral development banks or bilateral donors) are involved in supporting the SEA or in funding PPP implementation, the lead agency will be usually be required to submit the SEA report to such organisations for review and approval (particularly where such organisations are required to satisfy their own environmental and social safeguard requirements) and to meet funding requirements.</p>
Statutory bodies with designated responsibility regarding SEA	Legislation covering SEA usually will assign formal responsibility for overseeing the national SEA system, developing regulations, providing guidance, and reviewing SEA reports to a particular government agency (often the Ministry/Department of Environment or Environmental Protection Agency).
Civil society (including communities, individuals, marginalized groups, indigenous peoples)	All those members of civil society (either individually or through representative bodies) who have an interest in or might be affected by a PPP should be provided with opportunities to be informed about the PPP. They should be able to engage in the SEA process (expressing their concerns and perspectives on issues and proposals), commenting on draft SEA reports, and being informed of its results, etc. Legislation and/or the environmental and social safeguards policies of financing organisations may expect or require indigenous communities to give their prior and informed consent to certain projects and activities arising when implementing a PPP.
Environmental assessment practitioners, academics, and researchers	Lead agencies will usually depend on environmental assessment practitioners (national and international) to undertake an SEA. There may a need for specialized research or case studies to provide key data for an SEA which would usually be undertaken by national experts, academics, and researchers.
Development finance organizations and donors	It is common practice for international development finance organizations (e.g. MDBs) or donors to require SEA for sectoral support and large development programmes They may provide funding for individual SEAs. They will usually be required to approve the terms of reference (TOR) for the SEA and to review SEA reports. National finance organizations, including banks and trust funds, may also require SEA if they are funding part of PPP implementation.
Private sector	The private sector is likely to be involved in implementing many aspects of PPPs (particularly in the energy sector) by investing in the business opportunities that they create. It is important that their views on the PPP are considered
NGOs/CSOs and other independent organizations (e.g. trade unions, religious organisations)	NGOs and independent organization should be involved as stakeholders in SEA, where appropriate. Often, they hold important information and can make expert contributions to the assessment process and analyses.

It is important to note that public hearings or questionnaires which are often used for consulting the public during EIA processes may not deliver the most effective consultations within the SEA process. Instead, problem-solving workshops, roundtables, an advisory panel, focus groups or structured interviews with key informants, and online exchanges may be provide more efficient and user-friendly means for obtaining inputs from the relevant stakeholders during the SEA. It will be important to organize targeted meetings/sessions with women (facilitated by a woman) in communities or with

women's or other vulnerable groups as, in many societies, they are often reluctant (or even restricted) to express their views in mixed gender events.

Usually, the following analyses benefit from stakeholder input:

- Determination of key environmental and socio-economic issues related to the PPP;
- Analysis of environmental and socio-economic trends without the PPP and under different development scenarios, and assessment of alternatives;
- Assessment of future environmental and social trends as influenced by the actions proposed in the PPP;
- Identification of appropriate mitigation and enhancement measures, and
- Suggestions for monitoring and follow-up for SEA implementation.

Stakeholder input in each of these stages can be facilitated by formulating clear questions to help them in submitting or making their comments.

A grievance mechanism should be established to enable stakeholders to complain if they feel that their opinions have not been sufficiently addressed nor responded to.

## 1.11 INSTITUTIONAL ARRANGEMENTS FOR SEA

As indicated in Table 1.2, the government ministry developing or revising the PPP will usually be the **lead agency** for the SEA. For renewable energy PPPs, this will normally be the ministry with a mandate for energy, or a sub-directorate specifically responsible. The lead agency will be responsible for conducting the SEA (usually through hiring consultants to undertake the technical work).

Where there is a formal SEA system, usually prescribed by legislation and regulations (or their equivalent), a government agency will normally be designated as the '**competent authority**' for SEA (usually a department within the ministry responsible for environmental affairs, or a specialist environmental protection agency) and will have responsibility to review and approve SEA reports. Depending on the particularities of the legislation/regulations, such competent authorities may also be designated to issue approvals or authorisations (normally in writing and possibly notified in the government gazette (or equivalent)). To ensure close integration of social, labour and health issues, multiple ministries may require to be consulted and coordinated early in the SEA process.

To foster legitimacy, cross-sector, and stakeholder buy-in to the SEA process, it is often very helpful to establish an **SEA Steering Committee** with a broad membership representing key stakeholder groups and interests.

For an renewable energy sector PPP, the SEA Steering Committee should be convened and chaired by the lead agency (ministry responsible for energy) and include members from all key sector ministries, financing organisations (e.g. MDBs, donors), renewable energy associations, private sector companies (or the representative body) involved in investing in renewable energy facilities, national NGOs, civil society organisations, and others (as appropriate, e.g. indigenous peoples' organisations, women's organizations and vulnerable groups, special interest groups and labour unions). Its role will be to provide overall support and guidance for the SEA process, to facilitate access to critical information, to review reports, to build ownership of the SEA process amongst key actors, to disseminate information about the SEA process and its results and to advocate for the uptake of its recommendations, and to review the latter.

Having a Steering Committee in place helps to provide transparency for the SEA process and provide a mechanism for holding the government to account over how it addresses the recommendations put forward in the SEA. It also helps to build credibility, trust and transparency and provides an additional senior-level platform for all stakeholders to channel their views into the SEA process.

The **Strategic Environmental and Social Management Plan** (SESMP) produced alongside the SEA report will set out the proposed institutional arrangements, roles and responsibilities for its implementation, and grievance mechanisms. These will aim to ensure maximum efficacy to deliver

environmental and social safeguards and required mitigation and management actions to minimize environmental and social risks and impacts and maximize opportunities for benefits. See also Chapter 12 for more on SEA and institutions.

***Tips for practice***

- *Focus on the key stakeholders that may be interested or significantly affected by the proposed PPP.*
- *Complete a stakeholder mapping exercise very early on in the SEA process to identify all interests, including those that may not be reached.*
- *Remember that the primary purpose of consultation is to obtain additional data and inputs for improving analyses and for developing alternative options with improved environmental and social performance.*
- *Do stakeholder mapping to ensure that all affected parties are included in consultation.*
- *Target the consultations on the most important analyses performed within the SEA process.*
- *Try to use established consultation channels where possible.*
- *Discuss the stakeholder identification and engagement strategy with the team developing the PPP. Consultations within the SEA should be ideally carried out together with those during the PPP process.*
- *Ensure there is a stakeholder feedback mechanism to make consultees aware of how their views have been taken account of in the SEA/PPP throughout its preparation and implementation and that the results of the SEA are fully communicated to them.*