

# APPLICATIONS OF POLICY-LEVEL EVALUATION

1. **Sustainability Impact Assessment of WTO Trade Negotiations**  
Project leaders: Colin Kirkpatrick, Norman Lee
2. **Framework and Criteria for Evaluating the Effectiveness of National Sustainable Development Strategies**  
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# SUSTAINABILITY IMPACT ASSESSMENT OF WTO TRADE NEGOTIATIONS

evaluations for European Commission DG Trade



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**in association with**

**Carl Bro Group**

**Overseas Development Institute (ODI)**

**British Institute of International and Comparative Law (BIIC)**

**Centre for Agriculture, Food and Resource Economics (CAFRE)**

**Environmental Impact Assessment Centre (EIA Centre)**

**BMT Cordah**



# BACKGROUND

- “All [EU] policies must have sustainable development as their core concern...careful assessment of the full effects of a policy proposal must include estimates of its economic, environmental and social impacts inside and outside the EU...”

European Commission, [A Sustainable Europe for a Better World : A European Union Strategy for Sustainable Development](#) com (2001) 264

- Göteborg European Council (June 2001) call for “mechanisms to ensure that all major policy proposals include a sustainability impact assessment covering their potential economic, social and environmental consequences”.
- SECGEN paper to be presented to the Seville European Council, June 2002; system of SIA should be in place within the Commission by end 2002.
- Sustainable development as main objective of EU’s trade policy.



# WHAT IS SIA?

- Systematic process for the ex ante assessment of the potential economic, social and environmental impacts of policy proposals
- Based on consultation of relevant stakeholders
- Means of involving the public in the development of policy, which enhances ownership, transparency and better governance
- Integrated assessment vs. single and/or separate assessments



# EUROPEAN COMMISSION'S SIA OF WTO TRADE NEGOTIATIONS

- Phase I and Phase II: pre-Seattle
  - ◆ Phase I: methodology
  - ◆ Phase II; preliminary SIA
  
- Development of Methodology for Phase III
  
- Phase III: post-Doha

“to provide an analysis of the sustainability impacts of agreed policy options or scenarios, and to present this analysis in such a way as to give a concrete input for negotiators in their search for a balanced set of policies, including any necessary flanking measures”



# SIA PHASE III

- Preliminary global SIA
- Detailed sector studies
- Global SIA of provisional agreements



# PHASE III: INITIAL SECTOR STUDIES

- Agricultural products<sup>1</sup>
  
- Market access<sup>2</sup>
  - ◆ pharmaceuticals
  - ◆ non-ferrous metals (especially aluminium)
  - ◆ textiles
  
- Environmental services<sup>2</sup>
  - ◆ water
  - ◆ waste treatment
  
- Competition policy<sup>2</sup>

<sup>1</sup>Stockholm Environment Institute

<sup>2</sup>Manchester consortium



# MAIN STAGES IN THE ASSESSMENT PROCESS

## Screening and Scoping

Screening involves an initial review of each measure [based on readily accessible information, consultations and expert judgement] to determine whether it is likely to give rise to significant impacts, using a set of core economic, environmental and social indicators (themes).

Scoping is undertaken to determine the terms of reference for the assessment of each measure which is to be appraised, because it is likely to give rise to significant impacts.

- It examines the components of each measure to identify those which may lead to significant impacts and excludes those which are unlikely to do so.
- It involves simplified forms of causal chain analysis to identify the cause-effect routes by which significant impacts may occur.
- It may also identify assessment methods, consultation procedures etc. which could be used at later stages in the assessment process



## Detailed Assessment

- **Causal Chain Analysis (CCA) to trace the links between trade measure/policy change and final sustainability impacts**
  
- **Judgements made on 'best' procedure for detailed assessment, based on:-**
  - **assessment needs**
  - **appropriate assessment methods (qualitative, quantitative)**
  - **data availability and quality**
  - **time and budget constraints.**
  
- **Findings summarised in assessment matrices, showing significance of the impacts, in terms of core indicators (themes)**
  
- **Matrices are supported by textual explanation and an evidence-based justification for the principal findings**



## Mitigation and Enhancement Analysis

- Purpose is to identify and assess types of mitigation and enhancing (M&E) measures that might be used and ameliorate or enhance the significant impacts identified by the Detailed Assessment
  
- M and E measures include:-
  - ◆ trade-related measures which might be built into a WTO agreement itself
  - ◆ side or parallel agreements between WTO member countries or in regional agreements
  - ◆ collaborative agreements between international organisations and relating to relationship between WTO agreements and other types of international agreements
  - ◆ international and regional initiatives to promote technical cooperation and capacity building in developing countries
  - ◆ measures by national governments
  
- Causal chain analysis can be used to identify where M and E measures are likely to be cost-effective feasible and effective in mitigating/enhancing impacts
  
- Assessment of 'best' M and E measures on the core economic, social and environmental indicators should be introduced into the detailed assessment findings, as a modified scenario for the relevant trade measure



## Monitoring and Post Evaluation

- **Monitoring and evaluation can be an important mitigation and enhancing measure**
  
- **May include:**
  - ◆ **monitoring implementation of the provisions of WTO agreement**
  
  - ◆ **monitoring and ex-post evaluation of the sustainability impacts of the New Round agreements, as implemented**
  
  - ◆ **ex-post evaluation of SIA studies**



# ASSESSMENT COMPONENTS

- Scenarios and Scenario Analysis
- Country Groupings and Individual Country Analysis
- Sustainability Indicators

## Economic

Real income

Fixed capital formation

Employment

## Social

Poverty

Health & Education

Equity

## Environmental

Biodiversity

Environmental quality

National resource stocks

- Significance Criteria



# ASSESSMENT METHODS

- Causal Chain Analysis
- Modelling
- Statistical Estimation
- Case Studies
- Expert Opinion



## Data Sources

- Data Limitations
  - availability
  - quality
  - compatibility
- Available data will typically be an approximation of the ideal data requirements for SIA
- Data requirements for the various assessment methods will vary, depending on the analytical approach being used
- Combined use of existing evidence and results of applying modelling, data-based on descriptive methods of assessment in assessing the causal links between trade measures being considered, and their end-impact on the core sustainability indicators.



# Consultation Arrangements

- Consultation as:
  - method of assessment : stakeholders as experts
  - integral element of the SIA process.
- Doha Ministerial Declaration – mandate for consultation and institutional improvements, in terms of transparency and effectiveness of participation of civil society.
- Experts' network
- Publication of reports
- Comments via website
- Public meetings (scoping, mid-term)



Full reports on

SIA-TRADE WEBSITE

<http://idpm.man.ac.uk/sia-trade>

and

<http://europa.eu.int/comm/trade/miti/envir/sia.htm>



# FRAMEWORK AND CRITERIA FOR EVALUATING THE EFFECTIVENESS OF NATIONAL SUSTAINABLE DEVELOPMENT STRATEGIES

study for UK Department for International Development  
and OECD Development Assistance Committee



# International commitments

## Agenda 21, UNCED, 1992

Governments committed to “adopt national strategies for sustainable development [which should] build upon and harmonise the various sectoral, economic, social and environmental policies and plans that are operating in the country”.

## OECD International Development Target, 1996

“there should be a current national strategy for sustainable development in the process of implementation in every country by 2005, ***so as to ensure that current trends in the losses of environmental resources are effectively reversed at both global and national levels by 2015***”.

## UN General Assembly Special Session, 1997

target date of 2002 for introducing national sustainable development strategies.



# Objectives of the evaluation

1. to provide a common framework by which countries can report progress in developing strategies for sustainable development
2. to help countries identify and address shortcomings in their own processes for achieving their own objectives for sustainable development
  - ◆ assessments will be carried out by countries' own governments
  - ◆ a similar approach may, if desired, be used for peer reviews or independent assessments
  - ◆ the assessment approach is designed to be supportive of national efforts, not critical of them



# Relationship of nssd to existing national processes

*Putting a sustainable development strategy into operation would, in practice, most likely consist of improving existing strategic planning processes and their co-ordination rather than establishing a new process. The latter is not recommended.*

OECD/DAC 2001



# Agreed principles of a national strategy for sustainable development (OECD)

- **People-centred**
- **Consensus on long-term vision**
- **Comprehensive and integrated**
- **Targeted with clear budgetary priorities**
- **Based on comprehensive and reliable analysis**
- **Incorporate monitoring, learning and improvement**
- **Country-led and nationally-owned**
- **High-level government commitment and influential lead institutions**
- **Build on existing processes and strategies**
- **Effective participation**
- **Link national and local levels**
- **Develop and build on existing capacity**

*UN principles similar*



# Principles of sustainable development - as a process

- **Sustainable development is distinguished from other forms of development by the nature of the development process.**
- **An effective strategy for development must deliver nationally defined objectives for development, in the social, economic and environmental spheres.**

NB. A strategy for regional or local development must similarly deliver regionally or locally defined objectives. The strategy at each level of governance must be consistent with any objectives agreed at higher levels.



# Principles of strategic planning - comparison with assessments conducted under ISO 9000

## ISO 9000

Evaluation of a set of processes, which must be such as to achieve identified objectives

- appropriate processes are defined by UN or OECD/DAC or UN principles
- sustainable development objectives must be defined nationally



# Principles of strategic planning and sustainable development

## Principles of sustainable development

- A. Integration of economic, social and environmental objectives
- B. Participation and consensus

## Principles of strategic planning

- C. Country ownership and commitment
- D. Comprehensive and coherent policy process
- E. Targeting, resourcing and monitoring



# Example criteria: Principle A - integration of economic, social and environmental objectives

## *Criterion A1 - integration*

- Strategic planning in the country is based on a comprehensive and integrated analysis of economic, social and environmental issues, which clarifies links between the three spheres, resolves conflicts between them where practicable, and negotiates appropriate trade-offs where conflicts remain.

## *Criterion A2 - social and poverty issues*

- Strategic planning in the country integrates poverty eradication, gender issues and the short- and long-term needs of disadvantaged and marginalised groups into economic policy.

## *Criterion A3 - environmental and resource issues*

- Strategic planning in the country integrates the maintenance of sustainable levels of resource use and the control of pollution to maintain a healthy environment into economic policy.

## *Criterion A4 - international commitments*

- Measures are in place to ensure compliance with international agreements which the country has entered into, on environmental and social issues.



# Guidance on application - criterion A1

- A1.1. Do planning systems define priorities in environmental, economic and social terms, and are these systems compatible with those for analysis and participation?**
- A1.2. Are there mechanisms for dealing with trade-offs between environmental, economic and social objectives, including poverty eradication and the needs of future generations?**
- A1.3. Do fiscal and regulatory incentive frameworks internalise external environmental and social costs in order to correct market or policy failure, without choking off desirable private investment? Are these frameworks adequately enforced?**
- do effective laws and regulations exist for building permits, land-use permissions, environmental standards, pollution permits and environmental impact assessment? Are appropriate non-compliance penalties enforced?
  - are there local environmental by-laws established by local consultative processes?
- A1.4. Has action been taken to identify and adopt appropriate economic instruments and other policy tools to integrate economic, social and environmental objectives, including action to identify and undertake appropriate reforms to economic policies, resource allocation and property rights policies, and sectoral policies and practices for environmental protection, natural resource management and development?**



# Reporting evaluation results for each criterion

- A all of the requirements are fully met
- B all of the requirements are satisfactorily met, although some further improvements are desirable
- C some requirements have been satisfactorily or fully met, but others have not yet been satisfactorily met
- D few of the requirements have, as yet, been satisfactorily met

In forming judgements on whether a criterion is met satisfactorily, the assessment should take into account the following factors:

- ◆ is the action being taken relevant?
- ◆ is it appropriate?
- ◆ is it effective?



# Organisation of the Evaluation

## **steering committee**

high ranking representatives of ministries most involved in strategic planning processes

## **assessment team**

senior experts: economic, environmental, social

## **desk study of key documents**

national strategies, budget policies, laws, state of the environment reports etc.

## **interviews and discussion fora**

cover full range of stakeholders

## **examination of further documents**

development plans, by-laws, planning procedures, monitoring data etc.

## **supporting evidence**

departmental records, numbers and qualifications of responsible staff etc.

## **attendance at planning meetings**

observe the process in action

## **draft assessment report**

sent to all participants and published for comment,

## **public consultations**

incorporate results and responses into final report



Full report on website of IDPM's

Impact Assessment for Sustainable Development Unit

Kirkpatrick C, George C and Curran J (2001) *Development Of Criteria To Assess The Effectiveness Of National Strategies For Sustainable Development* Institute for Development Policy and Management, Manchester, UK

<http://idpm.man.ac.uk/iasdu>

and

<http://www.johannesburgsummit.org> (Ghana experts' meeting)

