



Policy Instruments for Chinese Sustainable Future:
Environmental Policy Integration and
Strategic Environmental Assessment
for the Energy and Transport Sectors

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**Memorandum: European
Experience with SEA
Recommendations for China**

TRL

With contributions from:
Elizabeth Muller,
Holger Dalkmann

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Project outline

Policy Instruments for Chinese Sustainable Future focuses on the integration of the environment into transport and energy planning in China, both at the policy level and in terms of concrete measures for the two administrative levels of provinces and municipalities. The implementation of this project will help to build transportation and energy-use systems that are environmentally sound and capable of achieving sustainable development in China. As part of the Asia Pro Eco II Programme the project contributes to the programme's main themes for China: energy savings, improved air quality and reduced emissions of GHGs.

At the heart of this project are two closely related mechanisms that are central to the EU efforts to promote sustainability: Environmental Policy Integration (EPI) and Strategic Environmental Assessment (SEA).

The action targets the inadequate reflection on environmental policy objectives and the weakness of the environment as a cross-sectoral priority and the need for information and knowledge of technical/practical solutions that can lead to immediate improvements in the development of sectoral plans. The 30 months Action consists of four work packages and multiple activities.

For further information please look at:

http://www.epi-in-china.com/project_information/summary.html

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Introduction

This study forms part of the European Commission Asia Pro Eco II Programme, and falls under *Work Package II – Sharing Expertise: European experiences with Environmental Policy Integration and Strategic Environmental Assessment in the transport and energy sector*. The objective of this study was to analyse European experiences with SEA, specifically in the transport and energy sectors, in order to transfer learning to the Chinese local context. The study was completed as a literature review which investigated SEA legislation and regulations, law enforcement, organisational arrangements, limits of functions and powers, and organisational capacity for SEA in various European countries. Using case studies and available literature, the study team then determined a number of recommendations for SEA of transport and energy in China.

Status quo in Europe

Within the EU, the SEA requirements for both Member and Accession states are outlined in what is known as the SEA Directive (or *European Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment*). Non-Member states of the EU have their own requirements for SEA, which may be either voluntary or mandatory depending on legislative requirements. In addition, some states may be signatory to the SEA Protocol to the UNECE Convention on EIA in a Transboundary Context (signed at Kiev in 2003). This Protocol is also open to states outside the UNECE region. Once in force, the SEA Protocol will require states to evaluate the environmental consequences of their official draft plans and programmes. Neither the SEA Directive nor the SEA Protocol require assessment of policies.

SEA legislation varies from country to country in Europe. Member states are required to transport the SEA Directive requirements into domestic law, thereby establishing a minimum common procedure for SEA. Country-level Information on law enforcement of SEA legislation and regulations in Europe is scarce. The European Commission is responsible for ensuring Community law, including the SEA Directive, is correctly implemented in all Member states.

Under the SEA Directive, Member states must determine their own detailed arrangements and accountabilities through which the Directive is implemented. Member states must also ensure compliance. In general, the responsibility for SEA lies in the Ministry of Environment, or an equivalent body established for this purpose. Administration typically involves establishment of a process, provision of guidance, and monitoring compliance. The SEA may either be conducted by the country government (through the relevant Ministry) or by a consultant commissioned by the government. Little information on organisational arrangements for SEA in the various European states is available, even on government websites.

Information regarding the limits of functions and powers relating to SEA in various European countries is almost non-existent. In addition, little information on organisational capacity for SEA in Europe could be found. Many case studies indicate that SEA is undertaken by consultants on behalf of the relevant government Ministry.

Case studies in the transport and energy sectors

Transport, alongside land-use planning, is considered the sector with the greatest experience of SEA application. There is extensive experience of transport SEA in Europe. In fact, earlier forms of SEA were used to assess environmental impacts of transport PPPs prior to the SEA Directive. Four case studies are presented for the transport sector.

In contrast with the transport sector, there were decidedly fewer SEAs to select as case studies in the energy sector. A lack of energy sector SEAs has been noted in the literature. Exact reasons for this situation are unclear, although it has been suggested that this might be due to international finance institutions not specifying the requirement for an SEA from clients prior to investing in specific energy projects. Despite the lack of energy sector SEAs, several

case studies were presented, however only the first two considered SEA of national energy policies.

Unfortunately, many of the European SEA case studies described in current literature were conducted prior to the introduction of the SEA Directive. It is likely that case studies describing the effectiveness of SEA since the Directive will only become available in the near future. Nevertheless, many lessons can still be learned from past experiences.

Recommendations for China

Despite the varying practices and levels of experience in SEA around Europe, there are still many common threads from which lessons can be learned. Lessons drawn from available literature and the case studies presented in this review are discussed further here.

Institutional barriers hinder transport SEAs in particular, especially when multi-modal studies are involved in cooperation of several administrations are required (for example, administrations dealing with roads, rail, aviation and others). Where more than one country is involved in an SEA, institutional barriers can again become problematic.

Legislation will drive the behaviour of those carrying out SEA. Fischer (2004) noted how SEA practice was affected in three European cities after it was discovered that the proposed SEA Directive would not require policy-level assessment. SEA practice prior to this finding had been carried out at all levels of decision-making. After the finding (but before the Directive was actually implemented), SEA was only conducted for plans and programmes, leading to less strategic consideration of environmental issues.

A lack of political will or buy-in can affect even the most promising SEAs. This was shown through the SEA for the Czech Republic energy policy. The SEA was undertaken a second time following a change in government and the desire to follow a different course. Since SEA is used as a decision-making aid, it is important that the SEA process is as transparent and participative as possible. It is also crucial to understand how the decision-making process works, so that the SEA can provide the right support at critical moments. The SEA for the Slovak Republic Energy Policy presented a best practice example of how participation and transparency can improve buy-in to the decision-making process, and can improve the actual PPP being developed. As the South-West Area Multi-Modal case study revealed, it is also important to accurately reflect how participation has influenced development of the PPP in question.

It may be appropriate to consider a radically different approach to SEA in order to protect the environment. This is reflected in the Norwegian approach to managing the Barents Sea; the approach was to consider what environmental effects they were not prepared to accept, before considering what development could be considered. This approach is also reflected in South Africa, where an SEA must consider how the environment constrains development rather than consider how development impacts on the environment.

Although a wealth of SEA experience has developed over the past few decades, there are still several barriers to implementation. These barriers include:

- Uncertainty and vagueness around SEA and its role in decision-making processes;
- A lack of guidance and training, for both practitioners and decision-makers;
- Lack of clear accountability and responsibility required for SEA; and - as always -
- A lack of resources.