Institute for European Environmental Policy

SEA as a Tool for Environmental Integration: the Case of EU Funds in Bulgaria

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Outline

- EPI and role of SEA
- The case of EU funds in Bulgaria
  - Positive trends
  - Challenges
- Policy recommendations
- Looking forward

Why environmental integration?

1987, Brundtland report 'Our Common Future'

'Those responsible for managing natural resources and protecting the environment are institutionally separated from those responsible for managing the economy. The real world of interlocked economic and ecological systems will not change; the policies and institutions must' (WCED 1987, 310).

1986, Single European Act; Currently, EU Lisbon treaty, Article 11:

'Environmental protection requirements must be integrated into the definition and implementation of the Union policies and activities, in particular with a view to promoting sustainable development'.

Key elements of the concept

- Essential element of governance for sustainable development

- Continual process to ensure environmental issues are reflected in policy making

- Co-ordination between agencies, communication and procedures

- Procedural instruments

- SEA – major tool for integration in planning

Role of SEA for EPI

- Process-based tool in planning

- Environment considered early in the planning

- Alternative development scenarios

- Platform for engagement of environmental authorities/general public

- "Greening" decision-making

The case of EU Funds in Bulgaria

- For 2007-2013, Bulgaria is being allocated €6.9bn from EU funds + national co-financing => €8.3bn for "regional development measures"

- Strong leverage effect on other financial resources (national budget co-financing, IFIs loans)

- EU funds for "regional development" – mainly sectoral investments within a strongly centralised governance system

- Main focus is transport and environmental infrastructure, employment, research and innovation, business support

- Main planning documents are Operational Programmes (OP) which determine priority axes of intervention, measures and allocation of funding

- OPT and OPE focus on "major" infrastructure projects in the field of TEN-T and waste and water facilities, lists of indicative projects identified already at the programming phase

- OPRD and OPC focus on smaller scale regional/local development projects and business entrepreneurship, open bidding schemes during the implementation phase

SEA legal framework and traditions in Bulgaria

- Traditions in assessment systems for land use planning

- Environmental analysis as part of the assessment, mainly EIA-based assessments

- Many challenges in the practice, demand for improved procedures but some knowledge base existed

- Transfer of practice via international initiatives and networks of practitioners

- EU accession context, SEA Directive 2001/42/EC and EU Funds Regulation 1083/2006/EC – *ex ante (art. 48)*

- Bulgarian Environmental Protection Act and SEA Ordinance – *ecological assessment*

SEA in EU Funds Programmes

- SEA carried out for 4 OPs (Environment, Transport, Regional Development, Competitiveness)

- General consensus among stakeholders that SEA is a key tool for environmental integration, but little practical experience for SEA and OPs

- Part of the ex-ante evaluation: opportunity for the environment on par with social and economic aspects

- Different methodological approaches – from "coherence with environmental legislation" (OPC) to "impacts" (OPT, OPRD)

- Most SEA included the usual attributes of assessment of impacts, consultation of environmental authorities/public, mitigation measures and indicators for monitoring (every three years)

- Most anticipated impacts are assessed as positive (?)

SEA – some positive trends (1)

SEA influence on OPs' measures, project selection criteria and indicators

- OPRD: Priority given to eco-tourism

- OPC: Priority to projects that integrate measures for eco-innovation, EMAS, EE/RES

- OPT: Environmental criteria in the selection of major projects (20%)

- OPRD: Project selection criteria (environmentally friendly technologies, know how; water and energy savings technologies); good example are projects aimed at renovation of public buildings

SEA – some positive trends (2)

- OPC: SEA indicators integrated in the OPC indicator system: share of energy from RES in all energy consumed by supported enterprises (5% by 2010, 10% by 2013) and number of energy effective technologies/processes/solutions introduced in supported enterprises (55 by 2010, 250 by 2013)

- OPRD: SEA indicators integrated in the OPRD indicators system per priority axes: reduction of GHG, energy savings from buildings, population benefiting from refurbished buildings, renovated multi-family buildings and social housing

- OPT: Environmental requirements incorporated tender documents for project promoters

- OPC: Recognition and discussion of trade –offs (e.g. the development of wind energy could be in conflict with biodiversity objectives if the proposed location for implementation does not taken into account habitats and ecosystems)

Challenges

Substantive

- SEA mostly "added" to the socio-economic analysis rather than integrated (no major impact on OP objectives and priority axes)
- Some positive trends with regard to influence on OPs but they are exceptions rather than the norm
- Consideration of alternative scenarios rather artificial
- Methodological dilemmas -> move away from EIA-type of assessment, focus on the 'strategic' dimension
- Assessing impacts on GHG

Procedural

- Management tool for integration vs. another "burdensome procedure"
- Time constraints, unclear requirements under EU Funds Regulations -> SEAs came relatively late

Capacity

- Transfer of existing knowledge into new procedures and context -> varying quality of assessments
- Environmental NGOs active only in case of "significant impacts" in traditional sectoral programmes (transport and environment)

Policy recommendations

Substantive

- Strengthen the focus of SEAs to take alternative scenarios into consideration

- Strengthen considerations of the impact on GHG, fragmentation of habitats and the provision of ecosystem services, resource use

- Inclusion of quantified targets against objectives and indicators where possible

- Clarify how SEA could better assess the List of indicative projects

Procedural

- SEA as a parallel process to the programming

- SEA monitoring indicators should be made integral to general OP reporting systems (links to on-going evaluation and national strategic reports)

- Moving away from prevention of significant negative impacts to promoting positive impacts (promoter of sustainable development)

Conclusions/Recommendations

Capacity

- Building capacity of managing authorities to exploit the full potential of SEA as a management tool

- Educate and involve NGOs and general public, administrative cost of public participation process usually outweighs the benefits of it (legitimacy, ownership, local knowledge, conflict resolution, etc.)

- Stronger leadership role of MEW enhancing the effect of SEA on decision-making

- National guidelines for SEA tailored to the needs of managing authorities

- The institutionalisation of SEA should be seen as a reflexive governance process (knowledge management and improvement of its goals, conceptual and procedural approaches, etc.)

SEA as a management tool - example

Table 2.1. Logical links between steps of the programming process and SEA

Typical programming steps	Logically corresponding SEA steps
Determine the overall objectives of the programming document and the main issues it should address	Determine environmental issues, objectives and indicators that should be considered during the SEA process
Possible consultations with other relevant competent authorities	Compulsory consultations with environmental authorities Consultations with concerned public recommended
Analysis of the development context	Evaluate the current situation and trends and their likely evolution if the programming document is not implemented
Propose development objectives and priorities	Assess proposed development objectives and priorities
Propose measures and eligible actions	Assess proposed measures and eligible actions Assess cumulative effects of the entire programming document
Propose evaluation criteria and monitoring system	Evaluate proposed evaluation criteria system Evaluate proposed monitoring system
Compile the proposed programming document and hold consultations with authorities and stakeholders	Compile the Environmental Report and hold consultations with environmental authorities and the public
Formal decision on the programming document and inform public about the decision	Take into account Environmental Report and results of consultation in decision-making Inform environmental authorities and the public on how the outcomes of the SEA have been taken into account

Source: GRDP 2006, SEA Handbook

Forward looking

Future developments in the regulatory base for SEA necessary….

- Climate dimension – impacts, mitigation potential, adaptation needs, low carbon development pathways

- "Environment as economic driver" – assessment of "positive impacts" of environmental interventions on green jobs and quality of life, new business opportunities and technologies, ecosystem services, etc.

- Territorial impact assessment – link to spatial planning but focus on enhancing territorial capital and improving cross-sectoral coherence of EU/national policies

Questions?

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