Conceptual Analysis and Evaluation Framework for Institution-Centered Strategic Environmental Assessment

By

Daniel Slunge[1]
Sibout Nooteboom[2]
Anders Ekbom[3]
Geske Dijkstra[4]
Rob Verheem[5]

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[1] Environmental Economics Unit, Dept of Economics, Univ. of Gothenburg (daniel.slunge@economics.gu.se)
[2] Dept of Public Administration, Erasmus University Rotterdam (nooteboom@fsw.eur.nl)
[3] Environmental Economics Unit, Dept of Economics, Univ. of Gothenburg (anders.ekbom@economics.gu.se)
[4] Dept of Public Administration, Erasmus University Rotterdam (dijkstra@fsw.eur.nl)
[5] Netherlands Commission for Environmental Assessment (Rverheem@eia.nl)
[6] Comments are welcome and can be directed to daniel.slunge@economics.gu.se

EXECUTIVE SUMMARY

The objectives of this report are to summarize and critically discuss the analytical underpinnings of institution-centered Strategic Environmental Assessment (I-SEA), and to provide an analytical framework for evaluation of pilot I-SEAs conducted in a World Bank program in several developing countries. The analysis mainly focuses on the policy level, but findings are also expected to be of relevance for SEA at the plan and program level.

As outlined in World Bank (2005) and Ahmed and Sánchez-Triana (2008)[7], the principal objective of I-SEA is to integrate key environmental issues in (sector) policy formulation and implementation. In order to successfully integrate key environmental issues in policies, the World Bank assumes that it is vital to put a particular focus on the role of institutions while performing an SEA.

This report is structured in three parts. In part A of the report a conceptual model of I-SEA is outlined comprising six steps:

- The first step calls for *understanding formation and formulation of policies* for a certain sector or theme in a specific country or region. It is assumed that *policy formation* takes place along a continuum without start or an end. *Policy formulation* may take place as a discrete (time bounded) intervention along the policy formation continuum. Arguably, policy formulation offers a rare opportunity to incur specific influence on a policy. Consequently, I-SEA aims at incorporating environmental concerns during this "window of opportunity".

- The creation of a *dialogue* is the second step of the I-SEA approach. It aims at bringing all relevant stakeholders together in a discussion on the environmental issues relevant to the proposed policy.

- To inform this dialogue, the third step is the identification of key environmental issues facilitated by a *situation analysis* and a *stakeholder analysis*. The stakeholder analysis should inform the identification of the legitimate stakeholders to the key environmental issues in the sector identified through the situation analysis.

- The fourth step calls for *environmental priority setting*, which implies that the legitimate stakeholders are invited to react to the situation analysis, raise specific and relevant environmental priority concerns and choose the I-SEA priorities.

- *Institutional analysis* of the strengths and weaknesses, constraints and opportunities to address these environmental priorities is the kernel of the fifth I-SEA step.

- Finally, in the sixth step *adjustments* to the proposed policy and the underlying institutional conditions are suggested and recommended.

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[7] World Bank, 2005. *Integrating Environmental Considerations in Policy Formulation: Lessons from Policy-Based SEA Experience*. Report 32783, Washington, DC; Ahmed, Kulsum and Ernesto Sánchez-Triana (Ed.), 2008, *Strategic Environmental Assessment for Policies – An Instrument for Good Governance*, Washington DC.

Part B of the report covers strands of research literature that are relevant to the I-SEA steps outlined above:

On *understanding policy processes* the report presents various metaphors of policy processes, e.g. policy making as rational linear planning, a cyclic process, networking; and policy making as action-flow, respectively. It is critical to adjust the I-SEA approach to the particular policy process it is trying to influence. I-SEA can facilitate the solution to complex societal problems through organizing interaction and dialogue between stakeholders and by bringing a greater variety of perspectives into the policy process.

On *identifying environmental priorities* the report presents perspectives on environmental priority setting, and emphasizes the need to understand that environmental priorities are a sub-set of a larger set of other (political, social, economic etc.) priorities in society, and must be identified in relation to them. A key message in this section is that priority setting should not be the exclusive domain of experts, nor of public opinion, but rather of both. The report emphasizes the need for an I-SEA team to address key questions like: what are the political economy aspects related to environmental priority setting? Who sets the priorities for environmental management? Who sets the environmental agenda?

Strengthening stakeholder representation is presented as a key component of integration of environmental and social concerns in policy formulation. Variety in stakes and preferences in society, and complex policy processes, require that many contrasting stakes and views are represented in planning and decision-making as well as in implementation. Of particular importance is the need to promote and ensure representation of weak and marginalized groups in society in policy formulation processes. At a general level this is promoted by strengthening social constituencies and institutions for good governance and transparency. Specifically, I-SEA can facilitate strengthened stakeholder representation by ensuring broad and multiple stakeholder involvement in planning and implementation of policies.

Conducting institution-centered SEA also requires *analyzing institutional capacities and constraints*, as well as measures to strengthen institutions' capacity to integrate environment in policy planning and implementation. Following North (1994)[8], institutions may be made up of formal constraints (e.g., rules, laws, constitutions) and informal constraints (e.g., norms of behaviour, conventions, codes of conduct); they are slow to change, distinct from organizations and influenced by social capital such as trust, shared values and religious beliefs. Key institutional features to be assessed are the ability of institutions to pick up signals about social and environmental issues, to give citizens a voice, to foster social learning and public responsiveness, to balance competing interests by negotiating change and forging agreements, and to execute and implement solutions by credibly following through on agreements. In order to ensure integration of environment in policy formulation, it is argued that SEA needs to identify and understand the role of key institutions, and assess needs and possibilities for institutional strengthening and change.

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[8] North, Douglas. C., 1994. *Economic Performance Through Time*, The American Economic Review, *Vol.* 84, p. 359-368.

Strengthening social accountability includes ensuring public participation in policy formulation and promoting voice and rights to access to information and justice (especially among weak and vulnerable groups), and social inclusion in key planning and decision-making fora. Key to strengthening social accountability in general, and in I-SEA in particular, is the need to create iterative processes (between the state and the public) in which implementation is assessed by the public in order to ensure accountability of the state vis-à-vis society and its stakeholders, and facilitate adaptive planning, which is sensitive to the preferences and needs of the public.

Ensuring social learning presupposes that the state and the public bureaucracy learn from experiences and modify present actions on basis of the results of previous actions. It is emphasized that social learning is a subset of learning which also includes e.g. technical, conceptual and political learning. Social learning builds on both technical and conceptual learning but focuses on interaction and communication among actors. In ensuring social learning in the integration of environment in policies it is necessary to understand and utilize (the role of) research and science-based evidence. In promoting social learning an I-SEA should: (i) "politicize" environmental issues, by linking them to broader development issues and integrating agendas of environmental ministries with those of more influential ministries; (ii) strengthen policy advocacy networks and creating public forums for policy debate to ensure that diverse perspectives are repeatedly placed on policy makers' agendas; and (iii) put effective transparency mechanisms in place and support media scrutiny of policy formulation and implementation (Ahmed and Sanchez-Triana, 2008).

Based on this conceptual analysis, a *framework for evaluating I-SEA pilots* is also proposed as part C of this report. This framework aims at: i) establishing joint objectives and a joint methodology for the pilot evaluations; ii) forming a shared understanding of the objectives, concepts and methodologies used in institution-centered SEA; and iii) facilitating the cross analysis of the results of the different pilot evaluations. It proposes a specific evaluation methodology, comprising objectives, process steps, evaluation questions and report narrative.

Instead of providing a benchmark to assess success or failure of specific I-SEA cases or experiences, the purpose of the evaluation framework is to assist the evaluators in studying concrete attempts to influence policy for environmental sustainability. Ultimately, the objective is learning from the cases in order to enrich the I-SEA framework and improve the integration of environment in policy formation. The value of this report therefore depends on its effectiveness to convey clear guidance for the evaluators to achieve this learning objective through an analysis as comprehensive and objective as possible.

A. INSTITUTION-CENTERED SEA

1. INTRODUCTION

Strategic Environmental Assessment (SEA) originated as an extension of project level environmental impact assessments (EIA) to the plan, program and policy level. Many of the SEAs being conducted today are still largely focused on assessing impacts and based on EIA-type methodologies. Limitations to using this approach, especially at the policy level, have however been identified and focus of much debate (Ahmed and Sánchez-Triana, 2008; Fischer 2007; Partidario, 2000). A range of alternative approaches have been proposed and used, and there is an ongoing debate among scholars about their respective limitations and merits. For example Partidario (2000) distinguishes between a "decision-centred model of SEA" and an EIA-based SEA model, and Fischer (2007) distinguishes between "administration-led SEA" and "cabinet SEA".

Based on experiences with integrating environmental considerations in development policy, the World Bank has put forward an institution-centered approach to SEA (I-SEA) (World Bank, 2005; Ahmed and Sánchez-Triana, 2008). Initiating analytical as well as practical work on I-SEA stems mainly from two sources: it is a response to the World Bank's broadening of lending focus from projects to development policy loans (World Bank, 2004) and to its Environment Strategy mandate to focus work on strategic environmental assessment (World Bank, 2001). It also stems from OECD's Guidance on SEA in development cooperation (OECD, 2006), which suggests I-SEA as an approach for assessing the complex interactions between political, social and environmental factors in policies. Central to the I-SEA approach is that in order for SEA to be effective at the policy level, it should be centered on assessing institutions and governance systems that underlie environmental and social management rather than on predicting impacts of alternative policy actions. However, in line with the OECD DAC SEA Guidance, it is recognized that approaches to conduct SEA are varied, and lie on a continuum. While at the policy level a particular focus on institutions may generally be an appropriate SEA approach, in other circumstances more impact oriented SEA approaches may be appropriate.

Acknowledging the tentative nature of I-SEA as well as the limitations of traditional SEA approaches, the World Bank has launched a pilot program on I-SEA. The main objective of this program has been twofold: i) to support mainstreaming of environmental and social considerations in the Bank's activities supporting policies and sector reform and, ii) to test and validate the I-SEA approach in different sectors, countries and regions. Ultimately, the pilot program seeks to draw broader lessons on the effectiveness of I-SEA and to yield tools that could be useful in applying this approach. The pilot program comprises two components. One component provides grants and specialized assistance to support SEA pilots linked to Bank's activities such as development policy loans, technical assistance lending, adaptable

program loans, etc. The other component is the evaluation of the pilots to draw lessons on approaches, methods and processes for effective institution-centered SEA.

Scope: The conceptual analysis and evaluation framework outlined in this report is part of the broader World Bank pilot program on I-SEA. The World Bank coordinates the evaluation of the SEA pilot program with the Environmental Economics Unit at the Department of Economics of the Gothenburg University (EEU), the Swedish EIA Centre at the Swedish University of Agricultural Sciences, and the Netherlands Commission for Environmental Assessment (NCEA). The report has been developed in a process based on collaborative work among the authors, and has been subject to peer review by the programme partners outlined above and external resource persons. The peer review has been facilitated by discussions in workshops held in Rotterdam (Sept. 8, 2008) and Gothenburg, Sweden (Oct. 27-28, 2008), respectively.

This conceptual analysis and evaluation framework will guide the evaluation of the I-SEA pilots. In order to optimize the dissemination of the evaluation's results to a broader audience, a steering committee of international resource persons and practitioners (e.g. from the development and SEA community, developing country partners etc.) would be established. This committee would provide feedback on the evaluation design and the draft report and assist the evaluation team in the dissemination of the evaluation results.

Objectives: This report has the following objectives: i) to summarize and critically discuss the analytical underpinnings of institution-centered SEA; ii) to provide an analytical framework for the evaluation of the pilot SEAs of the World Bank program on institutions centred-SEA.

The analysis mainly focuses on the policy level, but findings are expected to be of relevance for SEA at the plan and program level as well. The report does not intend to cover all issues pertaining to the broad subject of SEA and institutions. Rather it covers strands of research literature relevant to institution-centered SEA and issues relevant to guide the evaluation of the pilot I-SEAs.

Report structure: The report is structured in three parts. In part A of the report a conceptual model of I-SEA comprising six steps is outlined. Part B of the report contains a conceptual analysis of the issues and aspects relevant to the I-SEA steps outlined in Part A. The following issues are analyzed: policy processes, environmental priority setting, stakeholder representation, institutional capacities and constraints, social accountability, and social learning. Perspectives of each issue as well as links to SEA are presented and discussed. The framework for evaluating I-SEA pilots constitutes Part C of the report.

2. INSTITUTION-CENTERED SEA – A CONCEPTUAL MODEL

Integrating the environment in strategic planning and decision-making implies that key environmental issues are taken up in formation of policies in general and in policy formulation in particular. Arguably, formulation of a new policy implies a window of opportunity over a specific time period during which key environmental issues and concerns have extra-ordinary possibilities to be addressed and considered. Once a policy is formally adopted the possibilities to integrate environmental concerns are considerably smaller (Cohen, March and Olson, 1972; Kingdon, 1995).

In order to successfully integrate key environmental issues in policies, the World Bank (2005) suggests that it is vital to focus on the role of institutions while performing an SEA. In addition, some other key issues also warrant specific focus to ensure environmentally and to some extent socially sustainable outcomes. These issues include understanding the policy process, identifying environmental priorities, strengthening stakeholder representation, analyzing and strengthening institutional capacities, analyzing and mitigating institutional constraints, strengthening social accountability, and ensuring social learning. In order to be effective, the actual application of I-SEA for a certain (sector) policy needs to be adjusted to the location-specific context.

The World Bank's approach to assess and strengthen institutions in integrating environment in policies –planning as well as implementation – builds on 6 steps:

1. Understanding policy formation and potential windows of opportunity for influencing decision making: The first step calls for analysing and understanding formation as well as formulation of policies for a certain sector or theme in a specific country or region. As illustrated in Figure 1 it is assumed that *policy formation* takes place along a continuum without a start or an end. However, *policy formulation* may take place as a discrete (time bounded) intervention along the policy formation continuum. Such an intervention is an act of power, which may be associated with a policy paper that justifies that act. An act of power can also be a public announcement about the way power will be used in the future (e.g. giving permits, allocation of property rights, environmental entitlements etc.). The time period in which policy formulation takes place implies a rare opportunity to incur specific and arguably additional influence on a policy compared to other times along the policy formation continuum. Hence, I-SEA has as its goal to incorporate environmental concerns in policy formation in general, and focuses its attention on influencing the policy formulation process in particular.

Figure 1. Schematic Representation of I-SEA in Policy Formation.
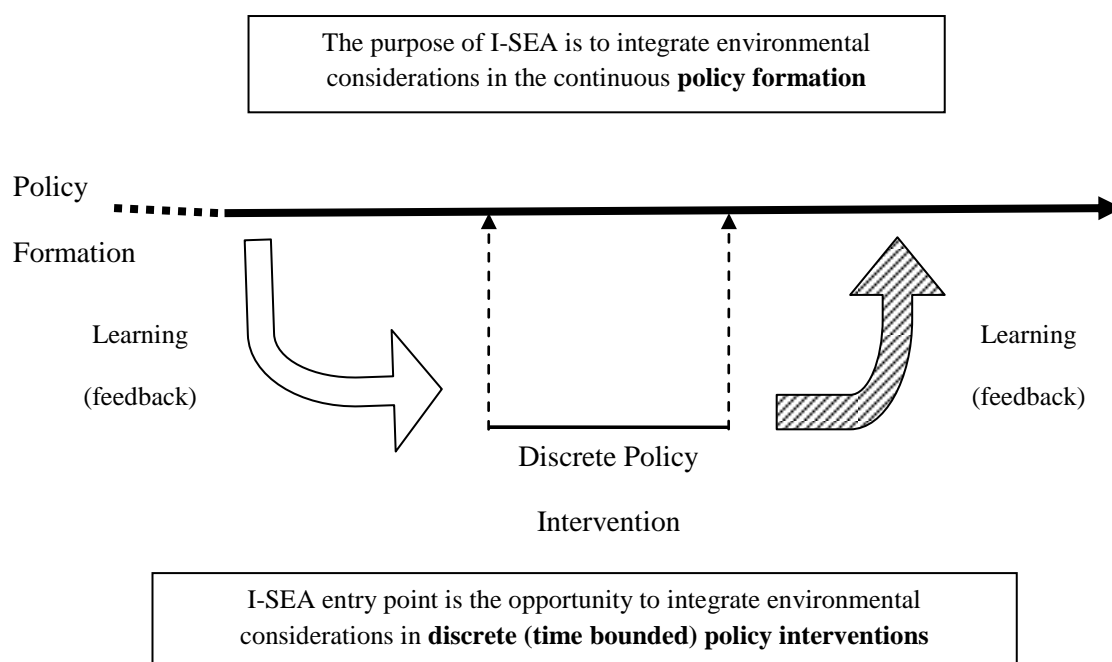
Source: World Bank, 2008

2. Initiation of stakeholder dialogue: The second step in the I-SEA approach calls for creation of a dialogue. The dialogue aims at bringing all relevant stakeholders together in a discussion on the environmental issues relevant to the proposed policy. "Relevant stakeholders" implies actors in society which claim a stake in the policy, its implementation and the associated environmental issues. The dialogue may be facilitated and coordinated by a (formal/informal) inter-sectoral SEA steering committee. The ultimate objective of the dialogue is to seize the opportunity to incorporate environmental considerations in the continuum of policy formation created by the commitment to formulate a new or reform an existing policy (a discrete policy intervention).

3. Identification of key environmental issues: The third step calls for identification of the key environmental issues upon which the dialogue, assessment and I-SEA recommendations will be focused. The identification builds on two components: a situation analysis and a stakeholder analysis. The purpose of the *situation analysis* is to identify the key environmental issues relevant to the sector or policy process under consideration. Rather than assessing the potential impacts of the proposed policy or plan, the situation analysis focuses on identifying the key environmental issues currently affecting the sector or region that will be influenced by the proposed discrete intervention. The key question guiding the situation analysis is: what are the existing key environmental issues affecting the sector or region? Likewise, the aim of the *stakeholder analysis* is the identification of the legitimate stakeholders to these key environmental issues in the sector or policy process. The I-SEA

model assumes that it is critical for environmental sustainability that these voices be identified and heard during policy formation and planning. It requires therefore that the following questions are addressed: Who are the legitimate stakeholders ("are those claiming stakes jointly perceived as legitimate stakeholders?"), and what are their interests and motivation?

4. Environmental priority setting: The fourth step calls for identification and selection of environmental priorities. This implies that the legitimate stakeholders are invited to react to the situation analysis and have a leading role in the final environmental priority setting, raising in the process their environmental priority concerns. This is a critical stage of I-SEA because, on the one hand, it attempts to promote a process by which social and environmental preferences are brought into the policy dialogue aiming at influencing policy and planning formulation and implementation. On the other hand, it also attempts to facilitate or assist in the creation or strengthening of constituencies with an environmental stake in the policy process. Following recent thinking on political science (e.g. Blair, 2008), the I-SEA model assumes that a critical force for integrating environmental considerations in the continuum of policy formation are groups organized around a common environmental interest or concern directly or indirectly affected by the policy process. Without strengthened and effective environmental constituencies, therefore, the I-SEA model assumes that environmental mainstreaming in policy making would be short-lived. Laws, presidential decrees or regulations eventually adopted when policies are formulated risk to be partially applied, reverted, distorted or even ignored during policy implementation.

5. Institutional assessment: The fifth step calls for an institutional analysis of *strengths and weaknesses, constraints and opportunities* to address the key environmental issues and priorities identified in the fourth step. The scope of the institutional assessment covers sector and environmental organizations that are responsible for the formulation and implementation of the policy under consideration. It also covers the prevailing formal and informal rules that shape conditions affecting or constraining the behaviour of social actors affected by the policy such as property and customary rights, checks and balance mechanisms for decision making, access to information and justice, etc. Important questions to address in this part of the I-SEA approach are: How do existing systems, organisations and institutions in the country, region or sector manage the environmental priorities identified by the I-SEA? Is there adequate capacity to identify and address environmental priorities? Are there underlying rules that constrain or reinforce the effective implementation of the policy changes under consideration?

6. Formulation of policy and institution adjustments: Lastly, in the sixth step adjustments to the proposed policy and the underlying institutional conditions affecting the formulation and implementation of the policy are suggested and recommended. The adjustments aim at complementing the policy under consideration to promote or improve environmental mainstreaming and at addressing institutional gaps i.e. making appropriate adjustments based on the strengths and weaknesses, constraints and opportunities of the existing institutions. Proposed adjustments are taken back to the stakeholders for review and assessment in a *validation analysis*.

As outlined in Figure 2, the World Bank's model assumes that by following the six steps discussed above the possibilities to achieve the objective of integrating environmental considerations in policy formulation and implementation could be greatly enhanced. Important process outcomes of the I-SEA approach are assumed to be i) raised attention to environmental priorities; ii) strengthened environmental constituencies; iii) enhanced accountability mechanisms for policy implementation, and iv) greater ability for social learning. Admittedly, however, contextual factors would influence goal achievement.

Figure 2. Conceptual Model of I-SEA: Process Steps, Process Outcomes and Objectives
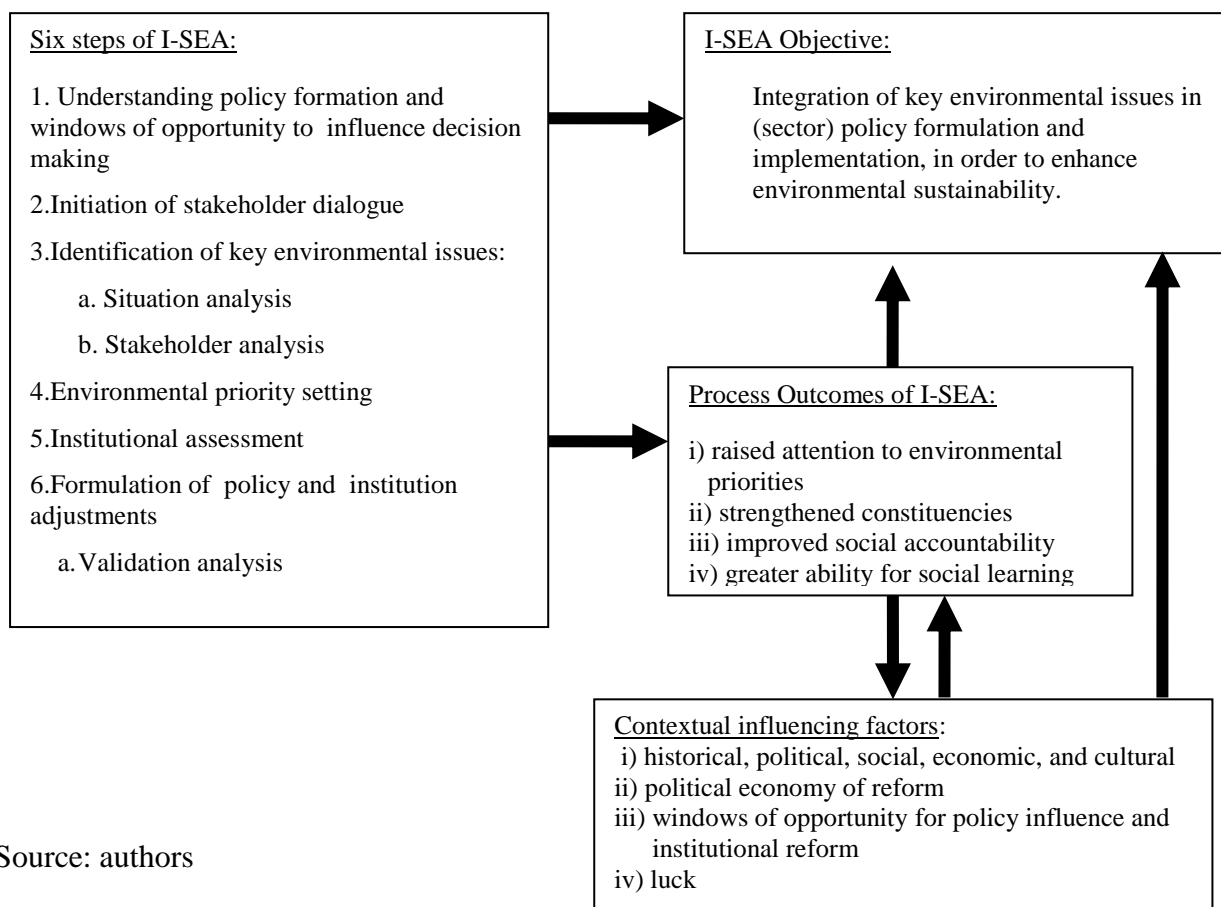
Source: authors

Although the steps outlined above are suggested to be included in practical applications of I-SEA there is no blueprint for how each step should be undertaken. Conducting I-SEA implies an ability to take advantage of windows of opportunity for influencing policy, flexibility to adapt to circumstances beyond the control of the I-SEA team and a great dose of common sense. The I-SEA approach is a theoretical construction based on a dearth of practical experience. The validity of this model needs empirical testing and evaluation. That is the purpose of the World Bank's I-SEA pilot programme based on the methodological framework for evaluating the I-SEA pilots outlined in this document.

B. KEY ISSUES IN I-SEA

This part of the report elaborates on issues of key importance in I-SEA, including some of the steps and process outcomes outlined in the conceptual model of I-SEA (figure 2). Different perspectives on each key issue are presented before factors to be taken into account when doing an I-SEA are discussed.

3. UNDERSTANDING POLICY PROCESSES

An important prerequisite for influencing policies through I-SEA is to understand policy formation and adjust the I-SEA approach to the particular policy process it is trying to influence. This section discusses critical aspects of policy processes and outlines key factors that need to be taken into account when trying to influence policy formation through an I-SEA.

3.1 Perspectives on Policy Processes

A policy may be defined as a course of action, based on some declared and respected principle or set of principles. Public policies can be defined as the use of state power to change organizational or individual behaviour in order to effectuate their national responsibilities and objectives (see Hill, 2005 for a discussion of various definitions). However, policy making is multi-faceted and subject to considerable debate and analysis. Partly contesting perceptions and definitions are suggested to explain what policy making is, and how policy changes can be explained (Hill, 2005). So instead of one comprehensive and exclusive description, policy making is currently best explained in terms of metaphors.

Key metaphors of policy making include (i) policy making as rational linear planning; (ii) policy making as a cyclic process; (iii) policy making as networking; and (iv) policy-making as action-flow:

(i)   *Policy making as rational planning*, describes policy planning in terms of a "linear model" with certain "stages", like problem definition, policy formulation, decision-making, and implementation. Many impact assessment manuals are structured according to the rational planning perspective.

(ii) *Policy making as a cyclic process:* a policy paper is prepared, implemented, evaluated and updated. This is closely related to the political process, where the elected government leaders answer to parliament. The need to periodically evaluate and review policy papers may be required by law;

(iii) *Policy making as networking* postulates that decisions about the use of resources emerge in multi-actor policy networks (e.g. Kickert e.a. 1997) at multiple levels and scales;

(iv) *Policy-making as action-flow:* social streams of problem owners (complainers), proponents of solution (builders) and political parties (selectors) which, if they coincide,

form windows of opportunity for policy entrepreneurs (e.g. Kingdon 1984, 1995). In a way, problems, possible solutions and parties find themselves in a "garbage can" from which real solutions may or may not emerge (Cohen, March and Olson 1972). Although governments cannot fully control policy processes they can play an important role in them by stimulating the emergence of windows of opportunity for the social streams of actors to interact and find solutions. Facilitating factors for this to happen include skills of social learning and building of trust (e.g. Nooteboom, 2006).

The ambiguity of policy processes: Complex policy processes may be ambiguous, largely because of contradictions between existing legislation and political aspirations and objectives (Ritter and Webber 1973; Schön and Rhein 1994). Clearly, uncertainties and risk also create (or aggravate existing) ambiguities. Moreover, conflicts between short-term and long-term objectives tend to introduce ambiguities in the policy process, as well as trade-offs between incompatible objectives (such as hydro-power investments and sustained ecosystem functions in a watershed). Ambiguities may also occur as a result of different lock-ins. Such lock-ins may be of institutional character (power relations, vested interests) or of physical character (e.g. energy systems which cannot be easily changed within the short term). Such lock-ins constrain the range of opportunities and introduce ambiguities between political objectives (e.g. ecologically sustainable energy production) and practices (ecologically *unsustainable* energy production) (Beck 1992).

Tension caused by ambiguities in the policy making process may have profound repercussions on the possibility to pursue some sort of rational policy planning and use technical analytical tools for priority setting. Ambiguities have to be identified and sorted out, usually in a process of intensified stakeholder participation and a focus on social issues (preferences, constraints, opportunities) rather than technical issues only (e.g. Feldman and Khademian 2008; Kornov and Thissen 2000).

The risk of a technocratic approach: The metaphors above are not necessarily inconsistent with each other; in fact they symbolize different aspects of policy processes. However, it is important to understand that the nature of complex policy processes depends deeply on how the system reacts to the limited understanding of individual policy makers (cf. Herbert Simon's (1957; 1991) bounded rationality). Policy makers may either be primarily led by limited one-sided understanding (or rationality), or acknowledging the complexities of policy making and try to merge their own knowledge with that of others (policy making as "battle of ideas"). The former approach to policy making may be dominated by conflict in the networks and garbage cans layer of policy processes, while the latter may be more dominated by cooperation.

The first would often be referred to as a technocratic approach, which interprets policy making only as rational linear or circular planning, failing to acknowledge that complex policy making implies many actors in networks and that policies are formed in a flow of actions, which can not be anticipated in pre-planned sequences. A technocratic approach focusing on the production of a policy *paper* may thus be a misguided effort if it is disconnected with the realities of real planning and practice in a sector or subject-matter area.

As indicated by Gould (2005), an overly technocratic approach to policy making may lead to two "disjunctures": between policy formulation and policy implementation, and between policy and politics, respectively. In addition to relatively useless "paper tigers" it may also lead to policy proposals that are not politically accepted. Many scholars underline the importance of policy formation that is sensitive to social realities and complexities and argue for an understanding of policy formation as occurring in networks of interdependent actors, which all exercise influence at various degrees, and that it is a continuous process without beginning or end (e.g. Feldman and Khademian, 2008; Kickert e.a 1997).

Policy processes, power and knowledge: Descriptions of policy making as networking typically also address the role and influence of power and knowledge on the policy making process. Here, power and knowledge are purported to be held by many (rather than few) actors, although the influence may vary considerably across the actors. Individual actors are tied in a larger web of actors, who relates to a complex society. This implies that individuals (e.g. leaders representing an elite) who are trying to influence the agenda are constrained by other powers held in the wider system of (local, national and international) actors and institutions. Nobody is really fully in charge of the system, i.e. of sectoral development. This description represents a stark contrast to other descriptions of policy making as a rational issue determined by a select group of influential actors (typically "decision-makers and experts") interacting in a well-structured society of tangible institutions. Hence, in most countries, power is shared in networks of actors (e.g. Lindquist 2001; Kickert et al., 1997), which may cut across the formal structure of ministries, agencies and other government organisations. One way of describing how policies emerge is therefore the existence of a web of small decisions emanating from the actors, which add up to larger decisions on policy formulation. Therefore, steps to resolve policy issues (formulated in political goals) are often incremental (Lindblom, 1959).

Whether influence can be exercised depends on the perceived benefits among the key influential actors in the political process; it helps if interests are organized and alliances (advocacy coalitions) are established based on these interests (Sabatier and Jenkins-Smith, 1993). In developing countries such advocacy coalitions typically consist of a mix of international and national organizations. The policy process becomes a "battle of discourses", in which arguments are sought to support positions already taken.

The incremental steps of policy formation are also parts of a social learning process, which may lead to a state of balance between (organized) interests ("countervailing powers"). Through social learning, subjects become aware that balance is needed to prevent one interest dominating over the other, preventing change. These public organizations and associated institutions (for example the sharing of power in a democratic system among judicial, legislature and executive bodies, but also between planning authorities and implementing authorities), cannot be changed overnight, but incremental actions may add up to significant and sometimes sudden changes.

Implementation of policies: Arguably, policies are often poorly implemented (Pressman and Wildawsky, 1973); official government policies create higher political expectations than

can be met in practice. A large set of reasons may explain this. Besides lack of commitment and resources among actors, responsible for development and implementation of public policies, often lack sufficient knowledge on the local conditions in which the policy is to be implemented. The existing incentive structure may also be biased towards rewarding opportunistic (overly ambitious) policies rather than realistic policies. Realistic policies may look less ambitious and include fewer promises, and in democratic systems such policies may not be rewarded in re-elections. Causes behind failed implementation are not only found in the political system. They are also found in the inertia in actors' beliefs and preferences, in society's institutions and in the realities on the ground, e.g. the functioning and structure of the local markets (e.g. Lipsky, 1980). A significant challenge is therefore to find levers that actually can influence these beliefs and preferences, strengthen institutions and meet the demands and realities on the ground.

Enabling Leadership: Theories about complexity and leadership indicate that new forms of enabling leadership may emerge under complex conditions. Politicians who position themselves "above the battle of discourses", and can reconcile social dilemmas (as the battle between discourses expresses) display enabling leadership (Uhl-Bien et al., 2007). Enabling leaders stimulate interaction and dialogue among many groups in order to identify a larger variety of possibilities. They are in fact increasing the number and variety of actors and ideas in the policy process, which is a requisite for adaptability to changing conditions (Ashby, 1956; Uhl-Bien et al 2007). Practical methods have been developed to achieve variety in policy processes, of which joint fact finding, process management are a few (e.g. De Bruin et al., 1998; Susskind et al., 2001).

3.2 SEA and Policy Processes

In general, the World Bank I-SEA approach (World Bank, 2005; Ahmed and Sánchez-Triana, 2008), and Feldman and Khademian (2008) in particular, is in line with modern public management theories about policy processes as described above. Central observations are that policy making is a continuous process and that individual policies mainly represent snapshots of ongoing policy processes. Influencing concrete policy interventions is a means to influence the policy process at large. Just as policy processes are continuous, so should be the process of integrating environmental considerations. A few key issues that need to be paid special attention to when trying to influence policy formation through an I-SEA are outlined in the following paragraphs:

Context sensitivity: Research suggests that a critical success factor for SEA is the ability to adjust its scope and methodology to contextual factors (e.g. Hilding-Rydevik and Bjarnadóttir, 2007). Hence, I-SEA practitioners need to understand which knowledge and actions are timely and useful in each specific policy formulation context. Developing such context sensitivity is primarily a learning process occurring at the level of individuals, but valuable experiences and tools for context mapping should also be essential elements to document in the evaluation of the I-SEA Pilot Program.

Discrete Policy Processes may provide Windows of Opportunity for institutional change: Ahmed and Sánchez-Triana (2008) and Feldman and Khademian (2008) put the idea of 'windows of opportunity' at the heart of influencing policies. However windows of opportunities are often not easy to discover when they open and may close before opportunities are seized. Discrete policy processes should be seen as an opportunity for interaction which may or may not lead to important policy and institutional changes. Many times discrete policy processes are subject to substantial lock-in and domination by vested interests and provide only limited opportunities for larger change processes towards sustainable development. A key challenge for I-SEA is to utilize the opportunity provided by the policy process to move beyond assessing potential impacts of policies and assess the broader institutional constraints to environmentally sustainable development. In order to know which institutions to focus on the I-SEA team may first identify the policies which seem unsustainable and then assess which institutions "control" these policies.

Since institutions tend to change slowly a key challenge for an I-SEA team is to come up with proposals that may facilitate a long term change process. Sometimes this will entail a particular focus on strengthening networks or long term constituencies which are needed to demand institutional change. Research on public management indicate that through building powerful environmental organizations (i.e. public environmental agencies, civil society organizations) environmental issues may penetrate the agenda of sectoral actors and authorities. These environmental organizations can form a kind of countervailing power to other sector interests and force other sector agencies to listen more carefully to affected stakeholders, and approve/disapprove public policies, which will stimulate adjustments along the policy formation continuum. For example, introducing legal requirements for environmental assessment in a country might promote environmental agencies to serve as a countervailing power in policy processes.

A challenge for I-SEA is that it is difficult *a priori* to identify or explain the link between small steps and envisaged large institutional change that can lead to environmentally sustainable development. In evaluating the effectiveness of I-SEA, it is hence particularly important to assess the relationship between the *immediate* influence of an action (triggered by a specific opportunity occurring at a point in time) and the *future* influence of that action on institutions and on sustainable development. The supposition of I-SEA is that (smaller) opportunities in early stages of proposed policy change enable dialogue about the role of institutions and the need for change of them.

Interaction and Social Learning: Clearly all policies have unexpected side effects, which may be adverse. Good policies are therefore developed in interaction with those who may be affected, being aware that adverse side effects cannot be completely prevented or compensated. I-SEA may ideally encourage policy makers to reach out to a broader range of stakeholders and prolong the interaction in the future, with the aim of minimizing adverse effects of new policies. In this process incremental concessions or changes can be made by policy makers and different stakeholders, which themselves may seem symbolic in terms of economic significance, but that may be effective levers in the policy process. Interaction and a sense of interdependency between stakeholders is a key prerequisite for social learning to

occur. A key issue to address for an I-SEA team is hence how policy processes can become more reflexive and stimulate interdependency between stakeholders.

Variety in policy processes: Since societal problems are complex, and therefore create ambiguity, it is assumed that they can only be solved by a policy process that meets the complexity (variety) of the problem (Ashby, 1956; Uhl-Bien et al 2007). This means that many possible solutions should be brought to the fore in policy processes for serious consideration. In reality there is rarely only one unique first -best solution. Hence, it is unwise *a priori* to decide on or assess a single solution. Those influencing the organization of the policy process (e.g. through institutions), should allow for more variety, so more groups are challenged and invited to participate and develop solutions. They should advice decision-makers to be inspired by many groups, and to organize interaction and dialogue with many groups to identify a variety of possibilities (De Bruin et a, 1998; Susskind et al, 2001).

We learn from this that whatever I-SEA does, to be effective it should bring more variety in policy processes. Obviously there is a tradeoff, since variety costs. Implications for I-SEA are that it should facilitate action and policy change in at least two respects:

1) *Creating variety:* Imagine how a policy process could develop more variety, for example by creating transparency, participation and enhance knowledge;

2) *Stimulate policy entrepreneurship:* Look for opportunities in the policy process to intervene effectively in order to achieve the changes imagined at the first level. In other words, I-SEA practitioners should ideally act as policy entrepreneur(s) (Kingdon 1984), by e.g. attempting to understand the policy process and the actor networks they are trying to influence, and offer their knowledge.

4. IDENTIFYING ENVIRONMENTAL PRIORITIES

This section presents perspectives on environmental priority setting, and emphasizes the need to understand that environmental priorities are a sub-set of a larger set of other (political, social, economic etc.) priorities in society, and must be identified in relation to them. A key message is that priority setting should not be the exclusive domain of experts, nor of public opinion, but rather of both. Economic and scientific tools that can be used to prioritize among environmental issues and environmental interventions are briefly outlined before priority setting is discussed in relation to SEA.

4.1 Perspectives on Environmental Priority Setting

Identifying environmental priorities requires an understanding of priority setting in general because these are a sub-set of a larger set of other (political, social, economic etc.) priorities in society. Hence, identifying environmental priorities must be done in relation to other societal issues and is thus a highly political process that cannot be reduced to a purely technical matter, or be isolated in an independent process. Politicizing environmental

assessment and environmental priority setting[9] may thus be an effective way of influencing policy formation and formulation from an environmental perspective. Moreover, serious efforts to identify environmental priorities create opportunities to escape from environmentally unsustainable path dependencies.

Research on environmental priority setting can be structured into two broad areas: prioritization of environmental *issues* and prioritization of environmental *interventions,* respectively. The analytical approaches and processes for these two areas of research vary greatly. Specific related issues addressed in the research include: What tools are/can be used to prioritize among environmental issues, and environmental interventions, respectively? What are the political economy aspects related to these issues? Who sets priorities for environmental management? Who sets the environmental agenda?

Due to limited financial resources, competing general political priorities (health, education, environment, employment etc.) and competing specific *environmental* interests and preferences, priorities have to be set in environmental management and in identification of environmental interventions.

Who sets priorities for Environmental Issues? In the identification of who is setting environmental priorities, it is critical to assess who is providing the environmental information. Research on this issue has inter alia focused on testing the agenda setting hypothesis, which claims that governments' provision of environmental information is generally a very strong and influential means to set the environmental priorities, specifically in relation to other political actors and the public opinion (Stephan, 2002). Empirical studies by Lynn and Kartez (1994) and Hamilton (1995), who test the hypothesis in cases where government discloses pollution information, indeed find that information disclosure correlates with media coverage, determines the importance placed upon the issue by citizens and shareholders, and facilitates collective action. They also find that environmental NGOs act as mediators and conduits of the information, and assist in increasing public interest. Further knowledge obtained from this strand of research indicates that transactions costs may hamper public involvement in environmental priorities proposed by the government. However, explicit efforts to reduce transactions costs counteract this negative relationship and increases citizens' collective or private actions as well as buy-in on the government's proposed priorities (Stephan, 2002).

Although governments rightly have a crucial role to play in environmental priority setting there is always the risk that it misuses its powers and mandates. Bias towards scientific analysis and government-led expert-based planning and environmental priority setting increases the risk of "benevolent despotism" as opposed to environmental planning based on public involvement, ownership and priority setting. Arguably, too much focus on quantitative priority setting tools and policy making creates a "closed loop" between scientific experts and policy makers, which increases the risk of leaving the public outside priority setting,

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[9] Putting environmental issues on the broader political agenda and linking them with key development issues, e.g. poverty reduction and economic development (World Bank, 2005; Ahmed and Sánchez-Triana, 2008).

planning and decision-making. Hence, striking the right balance between public involvement and scientific underpinnings are crucial to adequate and sustainable environmental policy making and policy implementation.

A point of departure for the analysis provided in this report is the stated objective (World Bank, 2005, Ahmed and Sánchez-Triana, 2008) to identify prioritization of environmental issues in the policy agenda *according to their effects on economic development* and *poverty alleviation*. Although important, economic development and poverty alleviation are not always used as criteria or references for environmental prioritization. In reality other issues and interest may dominate. Nevertheless, economic development and poverty alleviation are key development objectives of development cooperation agencies, including the World Bank, as well as among governments in developing and developed countries. Hence, a rationale for identifying environmental priorities in terms of their effects on economic development and poverty alleviation is the assumption (World Bank, 2005) that the these issues are *politicized,* i.e. that they are placed firmly in the policy agenda and catches the attention among key politicians. In the section on policy processes, we have seen that priority setting feeds into the policy process, where the agenda of influential actors may change on the basis of substantive arguments, but where often substantive argument (i.e. the result of analysis which may be supported minorities) do not influence the agenda of influential actors.

Further, prioritization among bio-physical environmental issues (air pollution, water contamination, deforestation etc.) is closely linked with the existing (and often competing) environmental *interests*. These interests are typically communicated by various interest groups, which can be relatively more or less influential ("stronger/weaker") in the final priority setting made in the policy process.

Increasing awareness of the power of information has stimulated increased use of it among actors outside the ruling government as a means to influence the environmental agenda and priorities. This applies to government opponents in the political sphere, business companies, environmental NGOs, media, labour unions etc. In this context it is also evident that the extent and quality of the scientific evidence behind the disseminated environmental information vary a great deal across actors.

Although not always perfectly clear or delineated, a dividing line can be drawn between priority setting based on expert knowledge, on the one hand, the preferences expressed by public opinion, on the other. Expert knowledge presupposes involvement of experts, who are expected to prioritize (or alternatively, suggest prioritization of) environmental issues under scrutiny in an objective (neutral and impartial) manner by use of technical assessment tools (see examples below). Alternatively, preferences among the public opinion are obtained by consulting various stakeholders; as opposed to expert judgment, environmental priorities of the public are defined as the sum of individual subjective (intuitive) preferences.

Depending on the level of democratic governance characterizing the prioritization process, expert knowledge and public opinion may be integrated to a more or lesser extent. This is partly driven by the fact that knowledge and expert assessments seldom provide only one

solution or represent neutrality or impartiality (Owens et al, 2004). As pointed out by Wilkins (2003), increasing acknowledgment of practical knowledge and wisdom among the public has increased the need for, and attention to, negotiation between experts and public stakeholders in priority setting. This is reinforced by the fact that application and influence of technical methods depends on the institutional and cultural context. Many specific technical approaches exist, but due to contextual differences there is no generalized way of determining *a priori* the best method or approach. Knowledge and priorities need to be negotiated and contextualized. Hence, priority setting is conducted in arenas involving different stakeholders (including experts and project/reform proponents), who possess different analytical and knowledge capacities, and different negotiating powers (Rijsberman and van de Ven, 2000).

Who sets priorities for Environmental Management? Much like the priority setting of environmental issues, priority setting for environmental interventions is subject to stakeholder preferences, power relations, belief in technical rationality, and the relative influence of proclaimed technical experts. However, there is not necessarily a direct correspondence between environmental issues and environmental interventions. Priority environmental issues (defined in terms of the largest environmental threats or impacts) do not always translate into priority environmental interventions for various reasons. Some of the key environmental problems may be too difficult or too costly to address at present. Interventions for mitigation may have to wait until costs are reduced, or until political, social, scientific or other issues and responsibilities are sorted out. Consequently, environmental priorities might focus on picking "low-hanging fruits" to achieve cost-effective and politically possible interventions in the short run.

Admittedly, there is a vast literature on tools for environmental analysis. While it is outside the scope of this report to present it, we present below some tools to prioritize among environmental *issues*, and tools to prioritize among environmental *interventions*, respectively:

Tools to prioritize among environmental issues: The tools to identify, analyse and prioritize among environmental issues can broadly be divided into bio-physical assessments and economic assessments. Bio-physical assessment tools include, but are not limited to, comparative risk analysis, geo-based mapping, modeling and forecasting analysis, quality of life assessments, carrying capacity analysis, ecologically based Multi-criteria Analysis and vulnerability analysis. Economic assessments tools to prioritize among environmental issues include e.g. economic damage assessment, opportunity-cost analysis, loss of productivity assessment, preventive expenditure analysis.

Tools to prioritize among environmental interventions: Tools to prioritize among environmental interventions include expert judgment, public opinion surveys; public participation ("popular voting") based rankings and ratings, comparisons or combinations of bio-physical and monetary assessments, which attempt to reconcile pros and cons of a particular proposed reform or policy (process). Specific issues and key concepts to consider in priority setting pertaining environmental interventions include: (i) time horizon/inter-

temporal aspects, (ii) risks and uncertainties, (iii) distributional aspects; across geographical regions, different income groups, impacts on the poor or disadvantaged (vulnerable groups such as handicapped, women, children, ethnic/cultural/religious minorities etc.); (iv) ecological, social and economic sustainability, efficiency and effectiveness, and transparency.

Principal tools for economic assessments, which are used to set priorities for environmental interventions, are cost-benefit analysis, cost-utility analysis, and cost-effectiveness analysis. Provided that it is appropriately undertaken, *cost-benefit analysis* (CBA) provides information on the allocative efficiency of an investment, and take into account all costs and benefits relevant to the investment, distribution effects as well as (costs and benefits of) future impacts. In essence, CBA investigates society's gains of a project, program or policy reform in relation to its costs. Advantages of conducting CBA for priority setting is that it provides the decision-maker with alternatives which use the same (monetary) unit for comparison and transparency. Although criticized (see e.g. Hausman and Diamond, 1994; (Hughey et al, 2003), modern techniques for non-market valuation (e.g. contingent valuation), offers opportunities to identify environmental costs and benefits.

Cost-effectiveness analysis (CEA) is typically used to identify the least cost alternative to meet a certain (environmental) objective. In the context of priority setting CEA is in some respects more attractive than CBA since it avoids some of the controversies associated with CBA in the measurement of environmental benefits in monetary units. On the other hand CEA still requires data for each alternative under investigation, costs of each alternative and bio-physical or other some other non-monetary indicators representing the objective. The fact that CEA does not harmonize program/reform benefits into comparable units (unlike CBA) reduces the comparability across alternatives, compared to CBA.

Cost-utility analysis (CUA) is used to identify and compare project/reform alternatives when there is agreement on attaining a specific utility objective (e.g. an environmental health quality standard) and when there are several options and costs associated with achieving it. A slightly different approach to understand and use CUA in the identification of priorities is to maximize an agreed environmental outcome within a given budget envelope. This has been applied in the area of biodiversity conservation (Weitzman, 1998; van der Heide et al, 2005).

4.2 SEA and Environmental Priority Setting

Priority setting can be influenced through the application of analytical tools, which provide insights as to what the impacts of sectoral development are, and how these can be compared with alternative development. Priority setting can and should arguably also be influenced by stakeholder dialogue in an open political process. For this to happen the proposed analytical and process tools for environmental priority setting in World Bank (2005) may be useful means in SEA to "politicize" key environmental issues in the broader policy agenda. The suggested focus on risks, costs and public participation creates links to (impacts on) to economic development and poverty alleviation. Specifically, by making comparative risk

assessments and cost of environmental damage-studies, and using various (complementary) participatory techniques, there are certainly opportunities that key environmental issues can be identified and aligned with other key development themes in the policy process, largely due to political sensitivity to risks, economic costs and – in most cases – popular consent.

Consider a broader set of environmental analyses for priority setting: Provided that an SEA involves the right type of competence and capacity for the kinds of assessment tools alluded to above and in World Bank (2005), such analyses facilitate priority setting and may create opportunities for political uptake. However, it should be kept in mind that these proposed tools only form a sub-set of a larger set of analytical and priority setting tools used in SEA (OECD DAC, 2006). As indicated above, other priority setting tools, which potentially can be used in the analytical step of an I-SEA process tied to a specific policy process, also include e.g. bio-physical assessments such as quality of life assessments, carrying capacity analysis, ecologically based Multi-criteria Analysis and vulnerability analysis, or other economic assessments like opportunity-cost analysis, loss of productivity assessment, preventive expenditure analysis, which may be components of cost-benefit analysis, cost-utility analysis or cost-effectiveness analysis. There is thus a large set of analytical tools to chose between, and *a priori* no first-best assessment tool for priority setting; the choice has to be made depending on the terms of reference and broader conditions framing the I-SEA process e.g. political acceptance and buy-in, availability of data and other information for quantitative (bio-physical and economic) assessment, links with poverty and other key development themes, availability of expertise to undertake the assessment, etc. and coupled with stakeholder representation techniques, see further in chapter 5.

Regarding economic assessments as part of an I-SEA process it may be that other economic analytical tools are effective in politicizing the environmental issues than the proposed cost of environmental damage studies. Examples of such analyses include benefits of environmental management-studies for prioritizing various environmental *interventions*, or public revenue assessments for using/depleting various natural resources, or studies of cost-effectiveness of various environmental economic policy instruments such as environmental taxes, fees, levies or subsidies. Such (studies of) policy instruments may be compared with other policy instruments (e.g. command and control like environmental regulation, norms and standards, or environmental information disclosure, environmental education) as part of the I-SEA process.

Local capacity development for environmental priority setting: A common feature for applying proposed tools for environmental priority setting is the need for strong local capacity. Hence, applying any of the quantitative tools above requires significant elements of capacity and continuous learning in local institutions, which are subject to policy reforms and I-SEA. Hence, strengthening the use of tools for environmental priority setting in I-SEA also requires *strengthening local institutions' capacity to carry out such analyses*, understand the results and implications for policy design/reform, and an increased ownership among local actors of the analyses underpinning policy processes.

Today, many of the impact centered SEAs conducted in low income countries are operationalised by foreign experts and resource persons with limited transfer of knowledge to local expertise. This constrains the possibilities for local analysis and local priority setting. Although the proposed I-SEA methodology recommends use of both quantitative and participatory methods (to facilitate a combination of expert judgment and broad-based popular involvement and prioritization in the policy process), there is a need to also stress the need for structured, institutional learning and capacity building for locally owned and locally implemented analysis for priority setting. This provides the rationale for posing the questions: Who conducts the I-SEA? Based on whose analysis are the priorities set? Too often the technical analysis is carried out by expatriate experts, who typically fail to facilitate local learning in their prioritization analyses. Increasing the involvement of local resource persons in the prioritization analyses contributes not only to enhanced local ownership and buy-in, but also functions as a cost-effective means to strengthen local analytical capacity and institutions (e.g. government agencies)

Selectivity, timing and sequencing of I-SEA is critical: In many instances, local capacity and government resources are limited for making environmental policy analysis. Hence, as indicated in World Bank (2005) and in Ahmed and Sanchez-Triana (2008) there is a need to be selective in the choice of I-SEAs in relation to proposed and envisioned discrete policy changes. Although policy formation is a continuous process, there are windows of opportunity for discrete interventions, and in order to have identified and (publicly) endorsed the official environmental priorities, there is a need to select key policy processes strategically and very selectively. From an environmental point of view, some policy processes or reforms are more important than others. Although some aspects or elements of I-SEA are continuous, the *timing* and *sequencing* of discrete I-SEA interventions are critical to achieve impact in the policy formation process. Linked to this is the fact that priorities arrived at in a policy based I-SEA are certainly not eternally valid, and may have to be revisited and redefined. Hence, as indicated in World Bank (2005), priority-setting processes should take place periodically in light of policy revisions, new information, new research knowledge, changing preferences, and changing institutions. Accordingly, tools and criteria for priority setting should be revisited and possibly also redefined.

5. STRENGTHENING STAKEHOLDER REPRESENTATION

As indicated in the section on policy processes, the involvement of a variety of stakeholders in decision making increases the likelihood that solutions to complex problems like sustainable development will emerge. This section begins by briefly discussing different types of stakeholder representation before identifying common obstacles to "sound" participation and how these can be overcome. The section ends with identifying key challenges for I-SEA in relation to stakeholder representation.

5.1 Perspectives on Stakeholder Representation

Participation or representation? Representation of stakeholders in policy processes may be defined as the way in which affected groups can have an influence on public policy. There is a gradual difference between participation by representation and direct participation: representation can also be indirect participation by means of actors (organizations or people) who represent a stakeholder group. For example, a non-governmental organisation or a ministry of indigenous people may represent indigenous people.

Different types of Stakeholder Representation: Five intensities of involvement of stakeholder groups which have an increasing degree of influence on the outcomes of a public policy process, can be distinguished (Edwards 2007)[10]:

- *Information exchange*: citizens are informed and may ask questions during hearings; there is no commitment to take them into account;

- *Consultation*: citizens are invited to comment on government proposals; this may occur through surveys or in hearings; government commits itself to take them seriously but they cannot be held accountable for it;

- *Advising*: citizens may come up with their own problems and suggest solutions; government takes it seriously and promises accountability on how the suggestions have been used;

- *Co-production*: stakeholders representing different interests co-design policies with public officers and politicians; in principle these solutions are taken over but well-accounted for amendments are possible;

- *Co-decision-making*: stakeholders jointly design solutions and these are adopted.

Direct influence can only occur from the third intensity onwards, because only in those cases policy makers are responsive to results of stakeholder involvement. Information exchange and consultation may have a more indirect effect; it may be the first step in a learning process that may have visible results only in subsequent policies. Stakeholders may also participate uninvited in the policy process, for example by demonstrating or lobbying, or by implementing or ignoring public policies if they can.

Obstacles to Stakeholder Representation: The extensive literature on participation in policy processes has revealed that positive effects of participatory approaches to public policy making cannot be taken for granted. A ladder of participation has been suggested, ranging from "manipulation" and "therapy" (in fact, non-participation), to "partnership", "delegated power" and "citizen control". In between there are different degrees of stakeholder involvement: "informing", "consultation", and "placation", in which

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[10] The number of possibilities, forms and techniques for stakeholder representation is large. For an overview see for example Kende-Robb and Van Wicklin (2008) or Innes and Booher (1999).

participation is an "empty" exercise, not meant to have any real consequences (Arnstein 1969).

Common obstacles to sound stakeholder representation include:

Weak interests are difficult to identify: It is not always clear *ex ante* who the "weak interests" are and whose voice needs to be enhanced. In relation to for example SEA there is a considerable amount of uncertainty of environmental effects of policies so it is not always known which groups will be affected and which groups should be involved.

Their voice is often weak: Local communities, municipalities or national arenas are typically not level playing fields. Organizing participation in unequal initial settings may give the most powerful most voice. According to Edwards (2007) the following measures help promote public participation or and stakeholder representation: (a) give participants access to all available information, b) allow participants to question witnesses and to consult experts, c) use an independent moderator, and (d) secure checks and balances in governance (as elaborated in the section on institutions).

It is difficult to involve larger groups that are not organized: Weak groups, let alone future generations, are often excluded from the current policy debate. It is widely known that this gets worse as public policies become more strategic and abstract, because it is difficult for people at large to imagine the links between abstract policy proposals, the individual situation and individual and local/global impacts. A next best option can be to consult national advocates such as civil society organizations, but these organizations may have their own agendas and not adequately represent (individual) stakeholders' interests or communicate with the group they are supposed to represent.

Policy makers' intentions may not be sincere: Policy makers may use "participatory speak" without attaching any real content to it. Legislation or other mechanisms may require them to invite stakeholders for participation, but in reality there is no willingness to use their input, at least visibly in the short term.

Vested interests do not participate in the process: If powerful groups with great stakes in a certain policy process do not participate in the policy formulation phase there is a risk that implementation will be obstructed by these groups, since they in fact control it when it comes to implementation.

If these types of obstacles to sound stakeholder representation are not addressed, then this "empty participation" may lead to participation-fatigue and increasing distrust between government and civil society, or between government and society at large (Molenaers and Renard 2006).

Addressing Obstacles to Stakeholder Representation: Stakeholder representation is severely restricted in policy making in many countries (e.g. Transparency International, 2008). A completely open and transparent society is probably unrealistic, and since it is always painful for those who are forced to open up, the development towards more transparency and participation will most likely be a gradual shift towards a more democratic

culture and procedures. Ways to address common obstacles and increase opportunities for stakeholder representation include:

Institutionalize formal laws that require participation or representation: Laws requiring governments to engage with stakeholders when developing certain policies can be an important basic institution for sound stakeholder representation. The basic rationale is that the existence of such laws provides a lever for national advocates to demand more openness. For example laws on Environmental Impact Assessments (EIA) normally require some form of stakeholder representation. However, while EIA laws have been implemented in countries all over the world, its contribution to enhanced stakeholder representation and influence on actual decision making vary a lot. Wood (2002) asserts that EIA and SEA may be effective to mitigate some smaller effects, but there is little evidence that it actually leads to a fundamental change of strategies and policies required for attaining sustainable development. Although introduction of EIA laws may promote increased participation and stakeholder representation, it is not a warrant of success. Unless the legislation is backed up by adequate institutions for its implementation it risks being encapsulated and be made harmless by opponents (Dijkstra (2005), p. 461).

Propositions for public participation formulated in manuals and guidance developed by the World Bank and other institutions may be significant contributions to improved stakeholder representation. However, governments adhering to international treaties[11] can also be a step towards institutionalizing environment-related stakeholder representation.

Strengthen Accountability: Bekkers et al. (2007) argue that participation processes should be linked to formal democratic organs or decision-making institutions such as elected councils or parliaments. These formal representative organs can hold governments to account and may make governments responsive to stakeholders' interests. Such a strengthening of institutions that make states more accountable to citizens' demands may create incentives for both policy makers and the public for increased participation. Stakeholders may be more inclined to participate since they know the policymakers have an incentive to take them seriously. Conversely, policy makers may be more inclined to listen to stakeholders since they know stakeholders with opposing views have been granted greater possibilities to issue complaints at later (and more costly) stages of the policy making process (see also separate section on Social Accountability below).

Involve weak and other stakeholders: Beierle and Konisky (2001) conjecture that one of the reasons of implementation failure was that neither all socio-economic groups nor all relevant interests have been represented in the participation process; some excluded groups were apparently able to prevent the implementation of the agreed solutions. Possible remedies include enhancing the voice of the weak interests in participatory processes and (to promote) involvement of all inter-dependent socio-economic groups and all possible interests.

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[11] E.g. the Espoo convention on trans-boundary environmental assessment (UNECE 1991), the Aarhus convention granting the public rights regarding access to information, public participation and access to justice in governmental decision-making processes (UNECE 1998), and the Kiev protocol on SEA implementing the Espoo convention (UNECE 2003)

Strengthen networks that can demand improved stakeholder representation: The emergence and growth of influential organizations which claim a stake in policy processes, can be an important move towards improved representation. Supporting such a development can be seen as a form of network management (e.g. Kickert et.al. 1997). In the longer run these organizations can be important for the creation of institutions, which assure future continued representation of weak interests or enforcement of transparency laws.

Focus on small improvements when the opportunities for broad stakeholder representation are limited: In some cases - where the possibilities for broad stakeholder representation are limited - it may be possible to take small but important steps towards broadening perspectives in a policy process. It might for example be possible to, for the first time, moderate a dialogue between two ministries, which are not accustomed to listening to each other, or to discuss options that seemed impossible to address before. It might also be possible to get politicians, who represent sectoral interests, to raise questions in public about sustainable development, or to raise the need of considering certain institutional changes, like subscribing to international treaties. These small steps may be important, especially if they facilitate more long term changes.

5.2 SEA and Stakeholder Representation

Ahmed and Sánchez-Triana (2008; p.189) suggest that I-SEA based participatory approaches should identify weak and vulnerable groups and amplify their voice in policy formation. In this way the likelihood increases that policy planning and implementation are responsive to views and preferences of multiple stakeholders, including the weak and vulnerable in society. The creation and maintenance of a community of participation is seen as central to assure that a variety of perspectives are represented in policy formation (World Bank, 2005). While it is clearly difficult to prescribe in general how stakeholders ought to be identified and represented in highly context dependent SEAs, the following key issues merit specific attention in I-SEA:

More people or more perspectives? Public participation is a key ingredient in most SEAs. It is important to note that the World Bank approach to stakeholder representation does not necessarily suggest a larger number of *people* participating in the policy process, but rather ensuring representation of a larger number of perspectives, especially those of the weak and vulnerable.

How are the perspectives of the weak and vulnerable identified? As stated above it is not always clear ex ante who the "weak and vulnerable" are. How can an I-SEA team go about to assure that the "right" perspectives are represented in the process? Specific attention may be paid to assuring that perspectives represented are not biased with respect to gender, age, ethnicity or religious beliefs.

How can communities of participation be created and maintained? World Bank (2005) suggests that the creation of a community of participation is central to facilitate inclusive management in an iterative policy process. Communities of participation are not fixed

entities but "*any particular policy problem/choice opportunity is an occasion to create or modify the community of participation*" (ibid, p. 36). Specific attention needs to be paid to how such communities of participation can be created and maintained during and after an I-SEA of a discrete policy formulation process.

6. ANALYZING INSTITUTIONAL CAPACITIES AND CONSTRAINTS

Analyzing and strengthening institutions and governance dimensions are put forward as key features of institution-centred SEA by the World Bank (2005). This shift in thinking about environmental assessment can be seen as a reflection of the remarkable growth in attention to the role of institutions for economic and social development within the social sciences during the last decades. This chapter discusses how the concept of institutions can be disentangled, understood and analyzed in the context of SEA.

6.1 Perspectives on Institutions

What are institutions? The study of institutions has a long tradition, but a new institutionalism emerged in the late 1980s as a reaction to the then dominating actor centered analyses in the social sciences (Nilsson, 2005; Vatn, 2005). The literature on institutions is very rich and complex and several different definitions of institutions exist. One of the most famous is put forward by Nobel laureate Douglas North: "*Institutions are the humanly designed constraints that structure human interaction. They are made up of formal constraints (e.g., rules, laws, constitutions), informal constraints (e.g., norms of behaviour, conventions, self-imposed codes of conduct), and their enforcement characteristics. Together they define the incentive structure of societies and specifically economies.*" (North, 1994) [12]

The concept of institutions is thus much broader than that of organizations. While institutions make up the rules, organizations[13] are the players. The distinction between institutions and organizations is important since there is a tendency to equate the two concepts in discussions on institutional capacity building for improved environmental management (OECD, 1999). A too limited focus on environment sector organizations (such as environment ministries and agencies) risks diverting the attention from other institutions which may be equally or more important for environmentally sustainable development.

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[12] For alternative definitions, see for example the book by Arild Vatn, 2005 "Institutions and the Environment". North's definition can be said to be a form of *rational institutionalism* which emphasise incentives and how rational individuals act within the constraints of rules. A *normative institutionalism* on the other hand stresses that values and norms and "a logic of appropriateness" are the central factors in explaining behaviour and choice (March and Olsen, 1989).

[13] According to North (1990:5) organizations can be thought of as "groups of individuals bound by some common purpose to achieve objectives".

There are various attempts to disentangle the broad view of institutions as formal and informal constraints or rules into more tangible analytical units. In its World Development Report (2003) the World Bank depicts institutions as a continuum where on the informal end they go from trust and other forms of social capital to networks for coordination. On the formal end institutions include codified rules and laws as well as formal organizations such as courts and government agencies (figure 3). The World Bank (2003:37) suggests that "institutions must perform three key functions in order to contribute to a sustainable development: (i) *pick up signals* about needs and problems …(which) involves generating information, giving citizens a voice, responding to feedback, and fostering learning; (ii) *balance interests* by negotiating change and forging agreements, and by avoiding stalemates and conflicts; (iii) *execute and implement solutions* by credibly following through on agreements"

Figure 3: Institutions as formal and informal rules

Social capital	Institutions		
	Rules		Organi- zations
	Informal	Formal	
Trust Networks	Rules *Easy to change*	Regulations	Govt agencies
Shared values		Laws	Firms NGOs
Norms Religion	*Difficult to change* Traditions	Constitutions	Police Courts

Source: World Bank, 2003

Williamson (2000) identifies different levels of institutional analysis (figure 4)[14]. In this framework, the institutions at higher levels constrains choices at lower levels, but changes at lower levels can also occur through different feedback mechanisms, generating changes at the higher levels.

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[14] The Institutions and Development framework (IAD) is an analogous layered framework for institutional analysis developed by Elinor Ostrom and colleagues (Ostrom, 2005). The levels of analysis in the IAD framework are the constitutional arena, the collective choice arena and the action arena. The IAD framework is much more elaborate than the one discussed by Williamson but it has not been possible to go into details here.

The first level identified by Williamson is *Social Embeddedness*, which comprises informal institutions such as norms, religion and culture. Institutions at this level have evolutionary origins and normally change very slowly (100-1000 years according to Williamson)[15].

The second level is the *Institutional Environment* or the formal rules of the game, including constitutions and the executive, legislative, judicial and bureaucratic functions of government. The definition and enforcement of property rights and contract laws are important elements at this level. Changes in the Institutional Environment normally happen slowly (10-100 years), but sudden crises can occasionally produce a sharp break from established procedures. The third level is the *Institutions of Governance* where much of the day to day policy making takes place. Institutions at this level include the different parts of the government bureaucracy and laws and regulations. Changes in institutions at this level normally happen more rapidly (1-10 years). The fourth level is *Resource allocation and employment* where incentives resulting from the institutions on the other levels affect the choices of the different actors in society. Change at this level is continuous.

Figure 4: Levels in Institutional Analysis

Level	Frequency of change
Customs, traditions, norms, religion	100-1000 yrs.
Formal rules of the game: (judiciary, bureaucracy etc)	10-100 yrs.
Governance: Play of the game: (contracts, aligning structures)	1-10 yrs.
Resource allocation and employment (budget, policy)	continuous

Source: Adapted from Williamson, 2000

Which institutions are important for sustainable development? There is a growing consensus that good institutions matter greatly for economic and democratic development as well as social and environmental sustainability. Institutions are for example increasingly seen as one of the key fundamental causes of long-run growth and cross-country differences in economic performance (Acemoglu et al., 2004). Similarly institutions are viewed as essential to the solution of many environmental problems which require "*...motivating individuals to*

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[15] Chang (2007, chapter 9) however describe how cultures can change more rapidly when incentives and/or transaction costs change.

take a long-term perspective and the interest of a wide diversity of unknown individuals into account when making choices" (Ostrom et al., 1993, p.214)*.* There are however a number of different perspectives on what institutions need to be put in place to generate these favourable outcomes, for example:

Institutions for economic development: Rodrik (2000) identifies five types of non-market institutions necessary for supporting a flourishing market economy: property rights; regulatory institutions; institutions for macro- economic stabilization; institutions for social insurance; and institutions of conflict management.

Institutions for good governance: The for cross-country comparisons widely used governance indicators produced by Kaufman et al (2008)[16] include six different dimensions: Voice and Accountability; Political Stability and Absence of Violence; Government Effectiveness; Regulatory Quality; Rule of Law; and Control of Corruption. These indicators can be seen as pointing to the kind of institutions considered to be essential for good governance.

Institutions for environmental sustainability: OECD[17] (2008) identifies specific environmental institutions, such as constitutional provisions for a right to a clean environment, environmental protection laws and public environmental agencies as key prerequisites for environmentally sustainable development. Building on the broader framework from the World Development Report 2003 (World Bank, 2003) Pillai and Lunde (2006) develops a checklist for assessing the institutional capacity for environmental management in different countries (Appendix 1).

For several reasons it is however problematic to identify a generic set of good institutions that contribute to sustainable development. Since informal norms matters greatly for the outcomes of formal rules the institutional solutions to specific problems will be highly context dependent. Conversely, the same institutional function (e.g. picking up signals) can take many different institutional forms. A meaningful answer to which institutions are important for sustainable development, must thus first involve an identification of the specific obstacles to sustainable development in a particular context. An institutional analysis should begin by identifying "institutions for what".

How can institutions be transformed? If institutions are so crucial for development, why do countries not improve them? This simple question has puzzled researchers. North (1994) notes that institutions are not necessarily or even usually designed to be socially efficient. Formal rules are rather created to serve the interests of those with the bargaining power to create new rules. Acemoglu et al (2004) portray institutions as having long historical roots (or "colonial origins") and being persistent to change since powerful groups block reforms and possess de jure and/or de facto political power. The search for a general theory on how to improve institutions is by some seen as the Holy Grail of social sciences (Acemoglu et al 2004).

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[16] Published by the World Bank Institute, www.govindicators.org
[17] OECD DAC/EPOC Task Team on Governance and Capacity Development for Natural Resource and Environmental Management

The slow changing nature of norms as well as their importance in the enforcement of formal rules is one important factor explaining the difficulties involved in changing institutions. While formal rules may be changed overnight, informal norms usually change only gradually. Since norms provide "legitimacy" to a set of rules, societies that adopt the formal rules of another society will have very different performance characteristics because of different informal norms and enforcement (North, 1994). The difficulties in transferring the formal political and economic institutions from Western market economies to Eastern European economies in the 1990s is a commonly cited example where the same formal institutions resulted in very different outcomes (North, 1994; Rodrik, 2000).

Rodrik (2000:11-14) distinguishes between a "*blueprint approach*" and a "*local knowledge (or experimentalist) approach*" for institutional change. In the blueprint approach best practice solutions from elsewhere are identified, imported and implemented. However, given the many different perspectives of what best practice institutions are, the current attention to "getting the institutions right" may lead to a long wish lists of policy reforms that is impossible to fulfill for poor countries (Grindle, 2004; Rodrik, 2006)[18]. The local knowledge approach to institutional change on the other hand stresses that institutions need to be developed locally relying on hands on experience, local knowledge and experimentation. This view can however serve privileged interests who want to conserve a certain set of institutions despite that there are clearly better institutions elsewhere. It can also be quite costly to develop all the institutions locally when imported blueprints may serve just as well in some cases. Rodrik suggests that the blueprint approach may be appropriate for more narrow and technical issues, while large scale institutional development by and large requires a process of discovery of local needs and capabilities. Participatory political institutions can be seen as a "meta-institution" that can assure that institutional development is grounded in local knowledge (Rodrik, 2000). They also can be seen as levers that stimulate a social learning process, over time creating more legitimacy (democratic support) of making new steps in institutional development (Nooteboom, 2007).

6.2 SEA and Institutions

Despite the central role of institutions in I-SEA the concept is not explicitly defined or discussed in the World Bank publications on Policy Level SEA (World Bank, 2005; Ahmed and Sanchez-Triana, 2008). However several aspects that should form part of an institutional analysis as part of an I-SEA are identified: (i) historical analysis to understand how current policies become locked in: (ii) political economy analysis including goals, values behaviors and incentives of stakeholders involved in policy formulation and implementation; (iii) analysis of inter-sectoral (horizontal) and vertical coordination mechanisms within government to better understand implementation hurdles; (iv) analysis of mechanisms to

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[18] Or as Rodrik (2006) notes "*telling poor countries in Africa or Latin America that they have to set their sights on the best-practice institutions of the U.S. or Sweden is like telling them that the only way to develop is to become developed – hardly useful policy advice!*".

promote social accountability and learning; (v) identification of efficient and politically feasible interventions to overcome priority issues (Ahmed and Sánchez-Triana, 2008, page 189).

This implicit definition captures the Bank's idea that an SEA needs to go beyond assessing the potential social and environmental impacts of policies and address the forces that drive policies (and their implementation). It also suggests that institutional analysis as part of an SEA should take a broad focus and not be limited to specific institutional arrangements for environmental management.

However, there seems to be a need for further and more specific guidance and learning on how to perform good institutional assessments as part of SEAs. Important lessons can be learnt from the growing focus on governance and institutional factors in "SEA-literature". For example Turnpenny et al. (2008) undertook a layered form of institutional analysis, based on a framework similar to Wiliamson's above, to analyze capacities and constraints for integrated policy assessment in four different European countries. On the *micro level* the analysis concerned the individuals involved in doing assessments in the bureaucracy and the availability of resources (time, money staff) and human resources (skills, educational background etc) for doing the assessments. On the *meso level* organizational issues such as management structures, coordination procedures and incentive systems were analyzed. Finally, on the macro level the analysis focused on wider issues such as the administrative and legal context as well as the role of stakeholders in the decision making process. These types of layered framework could be a way of structuring institutional analyses conducted as part of SEAs as well.

Lessons can also be drawn from the rapidly growing body of broader literature on environmentally related institutional assessments. A recent review of institutional assessments conducted as part of World Bank Country Environmental Analyses indicate that institutional assessments need to: (i) move beyond an analysis of organizational mandates, functions and gaps in formal rules, to include informal rules, political-economy issues and power relationships; (ii) put a stronger focus on the demand side of environmental governance and the role of private sector and civil society institutions; (iii) include sub-national levels and resource flows between national and sub-national levels; and (iv) focus on specific themes and sectors (Pillai, 2008).

The importance of including an analysis of budget processes in institutional assessments is highlighted by Lawson and Bird (2008). Based on a four country comparative study[19] they conclude that while the environmental policy and legislative frameworks were generally well articulated and clear the most important obstacle to implementation lie in deficient financing of public environmental actions. The study identifies the existence of three essentially parallel budget processes determining the level and direction of environmental financing: (i) a national budget process limited essentially to the recurrent budget; (ii) a process for the allocation of external project finance; and (iii) a process of negotiating rights to collect

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[19] Tanzania, Mozambique, Mali and Ghana.

revenues and fees and retain control over their use. This fragmented budgetary system resulted in generally very low budgets for recurrent expenditures to cover core functions such as monitoring, control and supervision and relatively large portfolios of externally financed projects[20]. This was found to have lead to a diversion from addressing national environmental priorities. Another consequence of this fragmented budgetary system is that a large part of the resources available for environmental action are beyond the control of the Ministry of Finance and ultimately also the Parliament undermining accountability and public management capacities.

While it may be appropriate to assess the institutional capacities and constraints for environmental management on a national level, for many SEAs of sector reforms a more focused assessment of institutions of particular relevance for the sector is more appropriate. For example in relation to forestry or mining reforms a thorough assessment of the institutions for land tenure may be more important than assessing the formal mandates of different environmental functions on a national level. The scope and priorities for institutional assessments to be conducted as part of an SEA will thus always be important to discuss. A good understanding of the context of the particular reform process will be key for making good judgments on what institutions with environmental relevance to prioritize.

7. STRENGTHENING SOCIAL ACCOUNTABILITY

Promoting social accountability as part of an I-SEA is identified by the World Bank (2005) as a key mechanism to assure that I-SEA can have an influence beyond a discrete policy intervention and contribute to more long term improvements of environmental governance. Accountability is however a broad concept with different interpretations and has been described as "*probably one of the most basic yet most intractable of political concepts*" (Hill, 2005, p. 259). This section begins by relating social accountability to other types of accountability and then discusses accountability in relation to SEA.

7.1 Perspectives on Accountability

Accountability basically concerns preventing and redressing the abuse of political power through three general dimensions: i) by subjecting power to the threat of sanctions (enforceability); ii) by obliging it to be exercised in a transparent way; and iii) by forcing it to justify its acts (Schedler, 1999). Accountability refers to a relationship between two parties[21] and a first step to understanding this relationship is to identify: i) who is the agent being held accountable? ; ii) who is the agent demanding accountability? iii) for what type of activities

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[20] As an example: in 2005/06 the Ghanaian Environmental Protection Agency was managing 28 separate projects financed by 10 different funding agencies.
[21] A is accountable to B when A is obliged to inform B about A's actions and decisions, to justify them, and to suffer punishment in the case of eventual misconduct.

or duties are organizations or people being held accountable?; iv) in what forum are they being held to account?; and v) how is accountability being delivered?

Political Accountability refers to the role of political institutions in facilitating for the public in holding government, civil servants and politicians accountable. A distinction is often made between vertical and horizontal accountability. The existence of free and regular elections is often viewed as the most basic mechanisms for assuring vertical accountability in a democratic system. In theory *elections* allow citizens to punish politicians and the credible threat of losing office in the next period compels policy makers to respond to voters' interests (Adsèra, 2003). Information asymmetry (i.e. differences in access and capacity to interpret information) between the public and politicians however severely limits the possibilities for citizens to hold politicians accountable through elections[22].

Another type of vertical accountability, which is a top-down relationship, is when elected representatives are to appoint and hold the public servants in the bureaucracy accountable for the implementation of different policies. A similar problem of information asymmetry is present also here since it is difficult for the politicians to know exactly how the civil servants go about implementing policies (see section on policy processes above). This is in one way a classical public administration problem where there is a tension between rule based control of the administration and the discretion of public servants necessary to do a good job. Civil service reform, improvement of internal auditing, evaluation and surveillance are normally central elements of *pro-accountability public administration reforms*. This is sometimes referred to as administrative accountability and professional accountability. In weaker political economies these are many times highly contentious issues since, as noted by Batley (2004) "...the bureaucratic arena is itself highly politicized and inter-connected with societal interests; it is where power, employment and patronage are concentrated, so the stakes are high".

Horizontal accountability refers to a relationship between more or less independent state agencies that monitor and discipline each other and presupposes an internal functional differentiation of the state (Schedler, 1999). The sharing of powers between the executive, legislative and judiciary together with checks and balances between different branches of government constitute the most typical mechanism for horizontal political accountability. In practice this balancing of powers is weak in many countries. Veit et al. (2008) pay specific attention to the need to strengthen the role of the legislature in many African countries in order to address the often neglected environmental priorities of rural populations. The lack of autonomy and authority of many African parliaments in relation to the executive, severely undermine accountability.

Other examples of horizontal accountability mechanisms are the creation of *independent Pro-Accountability Agencies*, such as corruption control bodies, Ombudsmen and auditing

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[22] This is often analyzed in terms of a principal agent framework, where the principal (the public) delegates an instrument to accomplish certain goals to the agent (the politicians or policy makers). In the next step, the principal is the politician and the agent the civil servant in the bureaucracy (Batley, R. 2004; Adsèra 2003).

agencies which have been set up in many countries during recent years. These agencies are normally responsible for holding the government accountable in specific issue areas (Ackerman, 2004; 2005).

Social accountability: Despite the implementation of many different measures to improve top-down accountability, corruption and other types of bad governance are persistent problems, not least in many developing countries[23]. Many analysts suggest that approaches to improve top-down accountability need to be complemented by bottom-up approaches to accountability that emphasise the demand side of good governance (Ackerman, 2005). Social accountability is a broad term for this type of demand side approaches to accountability. While Blair (2005, p. 128) refers to social accountability as "*the accountability of the state to the society as a whole (as opposed to some individual sector of society)*", Malena, et al. (2004) defines it as "*an approach towards building accountability that relies on civic engagement, i.e. in which it is ordinary citizens and/or civil society organizations who participate directly or indirectly in exacting accountability*". Social accountability mechanisms refer to the broad range of initiatives that citizens can use to hold the state accountable, including citizen monitoring of public services, participatory expenditure tracking, social auditing and civil society monitoring of the impacts of public policies[24].

Public participation and Voice: Some social accountability initiatives focus on enhancing public participation and giving *voice* to people to express views and interests and demand action of those in power. The focus is not on the creation of voice for its own sake but on enhancing the capacity to access information, scrutinize and demand answers in order to influence governance processes (O'Neil et al., 2007). Voice can be exercised directly by poor people through for example elections but many times it is channeled through indirect mechanisms such as civil society organizations or media.

This is clearly related to the opportunities and constraints discussed in the section about participation above. A general observation is that social accountability initiatives tend to be most effective if they are combined with accountability mechanisms "internal" to the state, i.e. are institutionalized and systematically implemented by a civil society, state or "hybrid" institution (Malena, 2004). This institutionalization is important to overcome the "event culture" that tends to prevail when concepts of societal participation and civic engagement are brought to the table (Eberlei, 2001 in Ackerman, 2005). It should also be noted that there is disagreement on how much and what kind of participation that is good for a democracy. For example Kaufman (2003, in Ackerman, 2004) argue that "*...some forms of inclusion such as partnerships with NGOs may enhance capacity, other such as popular assemblies may be a step backward in terms of the efficiency, effectiveness and even the accountability of state organizations*". Ackerman (2004) on the other hand argues for the merits of full inclusion of the citizenry as a whole in the core activities of government.

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[23] It should be noted that corruption is often linked to natural resources management (Veit et al, 2008; Transparency International, 2008).

[24] For an overview see the World Bank Social Accountability Sourcebook, ftp://ftp.worldbank.org/pub/asyed/socacc.htm

Rights to access to information and justice: In order for people to be able to exercise their voice and demand accountability from public authorities, legal rights pertaining to access to information, participation and justice are essential. For environmental matters these "Access rights" are stated as commitments in Principle 10 in the Rio Declaration as well as in the Aarhus convention which turns these commitments into legal obligations. Access to information can include the right to examine public records, obtain data from environmental monitoring or reports from environmental agencies. At a more general level access rights are rooted in civil and political human rights and part of international law on these issues. Using a human rights based approach, accountability can be expressed as relations between the public as having rights to access to information and justice and the state being the bearer of duty to fulfill these rights.

Freedom of press: The degree of citizen information has been shown to be a significant factor in explaining the level of corrupt practices in different countries (Adsèra et al., 2003).

7.2 SEA and Accountability

Reinforcing social accountability as part of an SEA is put forward by the World Bank (2005) as a key mechanism for improved environmental governance. Ahmed and Sanchés-Triana (2008, p 192) note that in addition to the disclosure of information and public participation which are encouraged in traditional SEA methodologies, institution-centered SEA should in particular focus on strengthening the underlying legislation and implementation practices on information disclosure, public participation and access to justice on environmental matters. This is consistent with Principle 10 of the Rio Declaration and the 1998 Aarhus Convention[25]. Moreover, small steps in increasing accountability by putting in place institutions that create more transparency can be seen as levers for social learning that eventually create legitimacy for next steps in developing accountability.

The focus on *access rights* is likely to be an important evolution in SEA approaches since these rights can become an important lever for public demands. The rapidly growing Access Initiative is one example of how a network of civil society organizations can utilize access rights for political mobilization[26].

While many governments have made progress in establishing legal frameworks for access rights the implementation of these frameworks is often weak (Foti et al., 2008). This highlights the need for I-SEA to focus on the *mechanisms for enforcing access rights*. As stated in the beginning of this chapter, subjecting power to the threat of sanctions through effective enforcement mechanisms is a crucial element of accountability. At least parts of these enforcement mechanisms are likely to be found within the government system. It can be questioned whether increased transparency and participation will lead to improved

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[25] Aarhus Convention on Access to Information, public participation in Decision-Making and Access to Justice on Environmental Matters
[26] www.accessinitiative.org

governance without a system of checks and balances and strengthening of competing agencies (or countervailing powers) which can challenge the interests dominating for example a sector (Fung, 2002; Galbraith, 1952). It should thus also be considered if I-SEA can analyze and strengthen "government internal" horizontal accountability systems. An analysis of horizontal (cross sector) and vertical mechanisms for coordination and sanctions as well as incentive systems within the public administration may very well be performed as part of an SEA.

While the focus on access rights is clearly relevant, one could discuss whether an I-SEA could also strengthen *other types of social accountability mechanisms*. For instance it may be possible to institutionalize different types of participatory elements in the implementation of sector policies or management of natural resources. Although the form these institutions take will be highly context dependent, there seem to be a great need for further studies on how these types of arrangements can be influenced as part of an SEA.

The importance of *strengthening long term constituencies* that can demand accountability and improved environmental governance is analyzed by Blair (2008) and recognized as important for I-SEA by Ahmed and Sánches-Triana (2008). Environmental Civil Society organizations, the media and the legislature are examples of actors that may form important parts of constituencies for environmental change.

Finally, how to prioritize between and sequence different types of initiatives to improve accountability and environmental governance merits further attention. Is it preferable to begin by strengthening environmental constituencies and a system of competing interests and checks and balances that then can demand transparency and improved environmental governance? Or should the primary focus be on improving transparency which then allows environmental constituencies to get engaged?

8. ENSURING SOCIAL LEARNING

Strategic Environmental Assessments commonly involve both analytical and participatory approaches (OECD, 2006). In institutions centered SEA the role of learning is emphasized and this is an important feature distinguishing I-SEA from impact centered SEA approaches (Ahmed and Sánchez-Triana 2008, p 183). However understanding what type of learning takes place in a policy process is a complex endeavor. First of all social learning is conceptually difficult since it is a very broad term that bring together several of the other key aspects of institution-centered SEA discussed in this literature review. Secondly, it is empirically difficult to evaluate if social learning has taken place and the effect it has had on specific policy outcomes (Bennett and Howlett, 1992). This section discusses how learning can be conceptualized in the context of SEA and how it may be evaluated.

8.1 Perspectives on Social Learning

A learning approach to understanding policy changes generally claim that states (and public bureaucracies) can learn from experiences and modify present action on basis of the results of previous action. A learning approach should be viewed as a complementary rather than an alternative hypothesis to theories emphasizing the importance of power and conflict for policy change (Bennet and Howlett, 1992). While policy processes always take place in a context of power struggles and political conflicts, learning can be an important factor for change as well.

Different types of learning: In the literature different types of learning that may take place in policy processes are identified (Ebrahim, 2008) [27]:

Technical learning involves a search for new policy instruments in the context of fixed policy objectives and change occurs without fundamental discussion of objectives or basic strategies.

Conceptual learning involves a more fundamental redefinition of policy goals, problem definitions and strategies. In for example the energy sector conceptual learning can imply a redefinition of the policy goals from energy production to energy security and that this new policy goal is shared by key actors that may have opposing political interests (Nilsson, 2005). Such a redefinition of policy goals is often crucial for environmental improvements, since implementation of environmental policies often require the collaboration between different sectors (Fiorino, 2001).

The distinction between technical and conceptual learning has connotations to the distinction between single loop learning and double loop learning in organizational theory (Argyris and Schön, 1996). Single loop learning is "concerned primarily with effectiveness: how best to achieve existing goals and objectives" while double loop learning involves "inquiry through which organizational values and norms themselves are modified" (Argyris and Schön 1996: 22, as quoted by Ebrahim, 2008, p 160).

Social learning builds on both technical and conceptual learning but focuses on interactions and communications among actors (Forino, 2001). With its emphasis on relations among actors and the quality of the dialogue, social learning is clearly linked to stakeholder participation in policy processes as well as accountability. The extent to which stakeholder participation and other types of social interactions result in learning is influenced by formal and informal institutional rules related to the policy process. Institutional rules shape power relations and determine how and where decisions are being made, who is in charge and who

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[27] This conceptualization follows Glasbergen's (1996) work on environmental policy in the Netherlands and is used by several analysts, including Fiorino 2001, page 324; Ebrahim, 2008, and Nilsson, 2006 (with some modifications). Other concepts in the "learning literature" include government learning, lessons drawing and political learning (Bennett and Howlett, 1992).

gets to participate. Thus changing institutional rules can affect the possibilities for learning to occur (Nilsson, 2006, p 4).

In addition, the concept of *political learning* is used by some analysts to describe situations where new concepts are introduced and strategies improved but with the purpose of strengthening fixed policy positions and objectives. The use of the political learning concept *"...allows for an often-neglected distinction to be made between strategic behavior and genuine shifts in beliefs"* (Nilsson 2005, p 209).

The role of research and evidence for learning and policy making: Research may be very influential on policy (recent examples include the bio-physical and economic research on climate change; see e.g. IPPC, 2007; Stern et al, 2006). However, as pointed out by e.g. Carden (2005), Owens (2005) and Neilson (2001), more information generated through research, policy assessments or evaluations does not automatically translate to improved decisions or learning. Factors such as incentives, timing, costs, capacity (to absorb or understand research knowledge) and public opinion can constrain transfer of knowledge to policy making.

Tracing the influence of research knowledge on policy processes is associated with difficulties, partly due to the multitude of indirect links between research and policy processes, and time lags. It may be that policy processes internalize research knowledge years or decades after the original research was undertaken (Neilson, 2001). The research-policy links are also obscured by the fact that most research is incremental and cumulative, and requires translation, interpretation and adaptation in the policy process. Disentangling research knowledge from other knowledge, information and opinion in the policy process is therefore an additional difficulty. Some go as far as claiming that there is a cultural gap between the academic and the political spheres ("communities"), which substantially inhibits policy uptake of research (Caplan, 1979). This view is somewhat moderated by Weiss (1977) who claim that we should not generally expect research to have a direct and immediate (linear) impact on policy. Rather, policy uptake of research knowledge is slow and incremental, and determined by organizations' (the political sphere's) openness towards new scientific knowledge. Research has an enlightenment function which slowly creeps into the policy sphere and gradually changes the mind set of politicians/policy makers. Research can suddenly change political priorities if other actions and events have worked in favor of taking the research knowledge on board.

Time is thus an important factor to consider when discussing the role of research and assessments for learning and policy making. Although new evidence in many cases may have little impact on policy making in the short run, the impact in the long run may be greater.

Learning in different types of policy processes: Among the factors that determine the scope for evidence and learning to play an important role in a policy process, Lindquist (2001) underlines the importance of the decision mode of the organizations or networks involved in the policy process. He distinguishes between routine, incremental and fundamental decision modes. *Routine decision regimes* focus mainly on matching and

adapting existing programs to emerging conditions, and are generally not receptive to research or analytical work suggesting major changes. *Incremental* decision-making processes deals with selective issues as they emerge and can be receptive to policy analysis that identifies alternatives that address selective issues that do not involve wholesale rethinking of existing policies. *Fundamental* decisions are relatively infrequent opportunities to re-think approaches to policy problems, for example as result of crisis or new governments. In anticipation of fundamental policy decisions, or following sharp regime shifts, a large openness and demand for research and new information can be expected. These fundamental decision regimes provide windows of opportunities for social learning as well as change in a broader perspective.

The scope of learning in relation to knowledge base and degree of social conflict: Several analysts use a simple typology displayed in Table 1 to discuss how learning (Nilsson and Persson, 2003), the role of policy assessments (Kornov and Thissen, 2000) and implementation of policies (Matland, 1995) depend on the availability of substantive knowledge and the degree of social conflict in a decision making process.

Table 1. Typology of problem situations with indicated support approach

	Low conflict of values/interests	*Strong conflict of values/interests*
Good knowledge base *Low uncertainty/ambiguity*	Rational problem solving approach Technical learning	Mediation Negotiation support
Weak knowledge base *High uncertainty/ambiguity*	Risk approach, Experimentation Additional research	Catalytic and entrepreneurial approaches

Source: adapted from Kornov and Thissen, 2000.

In situations where a high degree of social consensus is combined with a good knowledge base, rational problem solving based on facts and technical (rather than conceptual) learning is more likely to occur. When a high degree of social consensus is combined with a weak knowledge base additional research can play an important role. Experimentation and learning during the implementation of decisions becomes important due to ambiguity involved at the decision stage. Ambiguity "*provides an opportunity to learn new methods, technologies, and goals*" (Matland, 1995). In situations where there are strong social conflicts the prospects for learning are bleaker, especially if this is combined with a weak knowledge base. Political learning rather than genuine shifts in beliefs are more likely since actors tend to have clearly defined and incompatible goals and are less willing to interact. More analytical inputs are

unlikely to result in improved decisions since actors act strategically and power rather than learning govern the outcome of decision making in these situations (Matland, 1995). Approaches focusing on stimulating interaction, dialogue and negotiation between different interests may be more fruitful feeding more new information to the stakeholders (Nilsson and Persson, 2003; Kornov and Thissen, 2000).

This basic and rather crude typology may involve a risk of oversimplification, but the point is to illustrate that the level of knowledge and degree of social conflict matters greatly not only for the opportunities for learning to occur but also for how to design an appropriate SEA approach (Kornov and Thissen, 2000).

Institutions for learning: Different institutions may be more or less conducive for social learning processes to take place. Formal and informal rules for how and where decisions are made and who gets to participate are important determinants for learning outcomes. For example many central governments can be characterized as being based on a bargaining model where each ministry is looking out for its core interests in an interdepartmental negotiation process. Instead of being conducive to learning this institutional set up often lead to positional wars and strategic use of knowledge. Parliamentary committees, or cross sector working groups created around certain themes are examples of institutions that have been more conducive for learning (Nilsson, 2005; Pillai, 2008).

Organizational research has shown that the ability of organizations to learn and incorporate new understandings is often limited. Organizations tend to accept knowledge that confirms their world views and resist such knowledge that challenges them (Nilsson, 2006). March (1991) claim that organizations face a trade-off between "*the exploration of new possibilities and the exploitation of old certainties*". The essence of explorations is experimentation with new alternatives and the resulting returns from this learning endeavor are often long term. Since the essence of exploitation is on the refinement and extension of existing competences, technologies and ideas whose pay offs are more immediate, there are strong incentives for organizations to favor exploitation over exploration (March, 1991). Given these incentives that restrain learning it is often held that a force from outside is necessary in order to induce learning (Sabatier and Weible, 2007 and Nilsson, 2006). Such a force from outside is often viewed in terms of external shocks leading to changes in power relations among influential actors or networks (Sabatier and Weible, 2007).

Network theory states that learning occurs when actors with different interests and beliefs interact in the policy arena. The literature does however not give any clear guidance on how to design institutions that create the type of interactions that result in social learning. For example Nooteboom (2007) claims that EIA, as an example of a formal institution, has contributed to a learning process with far reaching effects in The Netherlands. The effects on learning of institutionalizing mandatory participation systems, requiring governments to involve civil society, in the development of Poverty Reduction Strategy Papers are mixed. In some countries like Honduras it has given NGOs a more important role and contributed to political openness (Seppanen, 2005). But in many other countries this mandated participation did not seem to deliver a lot of visible result (IEO, 2004; OED, 2004). For example, in

Bolivia it resulted in a larger gap between expectations and results, frustrating the poor population (Dijkstra, 2005).

8.2 SEA and Social Learning

Social learning is important in the World Bank I-SEA approach since it is seen as a key mechanism to assure that I-SEA can have an influence beyond the discrete policy intervention. The World Bank (2005, p 56) suggests that "improving policy learning – technical, conceptual and social - relies on enhancing communication and dialogue among actors and constant evaluation". While "*systems for monitoring and evaluation that are publicly available are crucial not only for technical learning but also for democratic legitimacy and public confidence*" promoting social learning in environmental policy is more about "*creating a culture of stakeholder involvement and scrutiny among policy makers and implementers*". Ahmed and Sanchez-Triana (2008, p 193) suggest that in order to promote social learning an I-SEA should focus on aspects such as:

- "Politicizing" environmental issues, by linking them to broader development issues and integrating agendas of environmental ministries with those of more influential ministries

- Strengthening policy advocacy networks and creating public forums for policy debate to ensure that diverse perspectives are repeatedly placed on policy makers' agendas

- Putting effective transparency mechanisms in place and supporting media scrutiny of policy and implementation to strengthen accountability.

The suggested aspects an I-SEA should focus on in order to promote social learning illustrate that social learning is viewed as an outcome resulting from the implementation of many different activities. The World Bank approach to social learning seems to be well grounded in modern theories of adaptive management, collaborative planning and interactive policy making (See for example Feldman and Khademian, 2008; Healey 1997; and Innes and Booher, 1999). There is no single best way to stimulate social learning, and it is extremely sensitive to context. It may be more an art than a science, and I-SEA should primarily consider what is feasible given the specific context.

An interesting development of the framework would be an explicit discussion of how I-SEA best can contribute to social learning in different types of decision making contexts (in line with the discussion above (Kornov and Thissen, 2000; Lindqvist, 2001). It would be interesting if the evaluation of the I-SEA pilots could explore if there may be a tradeoff between making an SEA process as open as possible on the one hand and maximizing learning on the other. Do stakeholders need an environment that is not completely open to media and public scrutiny for being willing to challenge old positions?

The broad nature of the social learning concept may be the main weakness of this part of the I-SEA approach. The broad concepts used related to learning and the slow nature of learning processes are likely to make it difficult to empirically evaluate if learning has taken place and

to attribute possible changes to I-SEA. Aware of this, the World Bank (2005) suggests that the effects of learning should be studied over long time frames and that one should have conservative expectations about the potential for actual learning (World Bank, 2005). But even so, as Bennet and Howlett (1992) note, "*it may be impossible to observe the learning activity in isolation from the change requiring explanation*" and that "*we may only know that learning is taking place because policy change is taking place*". In relation to SEA it seems important to distinguish the learning activities more clearly from the objective of integrating key environmental concerns into policy formation. As a starting point it would be desirable to further disentangle the concepts related to policy learning and I-SEA and clarify (Bennet and Howlett, 1992; Nilsson, 2006):

- *Who learns?* is it primarily government officials and policy makers or a broader set of societal actors?;

- *What is learnt?* is it mainly technical learning or are more fundamental problems and strategies re-concept*ualized?;*

- *What are the key elements of learning?* is it mainly new knowledge acquisition, lessons drawing or institutionalization?;

- *What are the results of learning?* what effect does learning have on policy outcomes?

Finally, social learning is something that the social actors should do themselves, if they want. Interventions cannot force any actor to learn. As the saying goes, "one can bring a camel to a well, but one cannot force him to drink". Instruments that create accountability may increase a sense of interdependency, but the actors may still refrain from agreeing on joint interests. Therefore, progress on social learning should in the first place be observable as changes in the attitude of individuals toward others who ask attention for the environment.

C. EVALUATING I-SEA

9. FRAMEWORK FOR EVALUATING I-SEA PILOTS

This section provides guidance for the evaluation of the different I-SEAs in the World Bank Pilot Program. For each Pilot to be evaluated there will be separate Terms of References developed containing more detailed information and guidance.

The evaluation framework[28] aims at: i) forming a shared understanding of the objectives, concepts and methodologies used in Institution-centered SEA; ii) establishing joint objectives and a common scope for the pilot evaluations; iii) facilitating the cross analysis of the results of the different pilot evaluations. Although these are some general objectives to attain, the evaluators should be flexible in applying this framework adjusting the evaluations to the unique contextual factors that set the stage for each pilot that will be evaluated.

9.1 Evaluation Objectives

The general objective of evaluating the SEA Pilots is *to learn how effective the I-SEA approach is to integrate environmental and social considerations in policies, plans and programs, and understand the contextual factors that explain its influence or lack thereof.*

The specific objectives of the evaluation of an I-SEA pilot are the following:

(i)   To evaluate the pilot's actual and potential influence on a concrete policy, plan or program and on the underlying institutional framework in which this policy, plan or program has been formulated and implemented.

(ii)   To evaluate how and to what extent contextual influencing factors and processes explain the influence or lack of influence of the Pilot.

(iii)   To evaluate how the pilot used the I-SEA methodological framework while adapting to contextual influencing factors and processes.

(iv)   To evaluate to what extent the Pilot has achieved the process outcomes of I-SEA.

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[28] The evaluation framework presented in this section builds partly on the section on evaluation in the OECD DAC SEA Guidance (OECD, 2006, p. 123-128). It contains however less of "SEA quality control check-elements" which is one of the two part evaluation checklist presented by the OECD DAC or benchmarks for good practice as can be found in a recent proposal of a Generic SEA Quality Review Methodology (Sadler, B. and Dalal-Clayton, B., 2009).

9.2 Evaluation Considerations

The evaluation of the I-SEA pilots involves several challenges. The evaluators should especially consider the following issues[29]:

Evaluating outcomes rather than impact: Since the evaluations will take place shortly after the completion of the different I-SEA Pilots, the more long term impacts[30] on the underlying institutional framework and political economy context will not be evaluated. A more tangible scope for the evaluation than to evaluate impacts is therefore to assess the outcomes of the I-SEA Pilots. Outcomes can be defined as changes in the behaviour, relationships, activities or actions of people, groups, organizations and institutions with which the I-SEA Pilot has engaged with (Earl et al 2001)[31]. The evaluation should thus focus on detecting the many different types of expected and unexpected outcomes (or changes) that may have evolved in the limited time frame since the initiation of the SEA Pilot. The I-SEA model as outlined in this report suggests that important expected outcomes would be raised attention to environmental priorities, strengthened environmental constituencies, enhanced social accountability and greater capacity for social learning. For some pilots it may also be possible to find that key environmental issues have been incorporated in policy formulation and implementation. More examples of what expected outcomes can be and suggestions on how these can be detected are found in the evaluation questions below.

The key challenge of not having access to a baseline or counterfactual when mapping these kinds of outcomes would be at least partially addressed by building a sound narrative on how the I-SEA pilot intended to incorporate environmental and social considerations in specific interventions, what actually happened and discussing why this may have happened (See Evaluation Report in subsection 9.3 below). The evaluator may as well consider other experience in the sector for influencing decision making and institutional strengthening in an attempt to anticipate conclusions on "what may happen" in the future as a result of the I-SEA being evaluated. There is a wealth of experience on capacity building and influencing strategic decision making that can be brought to bear at least to point out potential strengths or weaknesses of the pilot I-SEA being evaluated.

Analysing the contribution of I-SEA to outcomes rather than establishing causality: A second challenge in evaluating the influence of the I-SEA pilots concerns the difficulty to determine if observed changes are caused by the I-SEA or by other factors. Changes are likely the result of many contributing factors and an I-SEA can at best be one of these. Rather than attempting to establish a direct causality between the I-SEA and the observed outcomes the evaluation should analyse if it is likely that the I-SEA Pilot has made an important

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[29] More elaborate information on these and other challenges in evaluating complex change processes can be found in e.g. Weiss, 1998; and Yin, 1994.

[30] Impacts refers to the effects of a development intervention on local social, economic, environmental and other development indicators (OECD DAC, 2008)

[31] This definition of Outcomes comes from IDRC's and others' work on Outcome Mapping as an evaluation methodology. The term Institutions has been added for the purpose of this evaluation, but is not included in the definition of outcomes suggested by Earl et al (2001). Earl et al uses the term Boundary Partners for the individuals, groups and organizations with whom a program interacts directly.

contribution to these outcomes. The evaluation may trace logical links between I-SEA activities and outcomes, but should be careful in not framing this in terms of causality.

Analysing the interaction between contextual factors and I-SEA in explaining outcomes: A critical success factor for SEA-effectiveness is the ability to adjust the scope and methodology of an SEA to contextual factors (e.g. Hilding-Rydevik and Bjarnadóttir, 2007). The interaction between the pilot and its context should therefore merit attention when evaluating the contribution of an I-SEA Pilot to observable outcomes. The evaluator should distinguish between factors under control of the SEA team and external factors. Formal as well as informal institutions in the country[32], windows of opportunity for policy reform, and political economy conditions affecting the implementation viability of reforms, are examples of external factors that could define favourably or unfavourably I-SEA outcomes. It is difficult to identify ex-ante which contextual factors are most important in explaining I-SEA outcomes. As a rule of thumb the evaluator should intend, early in the evaluation process, to get a broad overview of the historical, political, economic, social, cultural and institutional factors that may be crucial to the policy intervention at hand. The evaluator should then try to narrow the focus to those contextual factors that seem to be most important in explaining the influence or lack of influence of the I-SEA pilot.

In evaluating the interaction between the pilot and its context, the evaluator should also analyze the role of the factors potentially under control of the SEA team. Among them merit consideration the ability to access and involve key stakeholders and decision makers in the I-SEA process, communication of I-SEA findings and results, and the ability to take advantage of windows of opportunity for influencing decision making and effecting institutional change.

9.3 Evaluation Process

Evaluation Team: The evaluation of pilots will be carried out by specialists independent of the World Bank[33]. Evaluators are encouraged to team up with local expertise or seek assistance from local specialists to undertake the evaluation of the I-SEA pilots.

Evaluation Steps: The evaluation of each pilot will involve the following steps:

<u>Preparatory work:</u> Thorough preparations will be key for successful field work. Preparatory activities suggested include (i) document review, (ii) development of a plan for the field work including an interview guide, and (iii) draft context analysis.

<u>Field work:</u> Each pilot evaluation would include at least one trip for carrying out fieldwork activities.

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[32] See discussion in section 6.1 on the importance of informal institutions for the actual performance of formal institutions.
[33] EEU and NCEA will each evaluate two pilots and the Swedish EIA Centre will evaluate one pilot. The remainder pilots will be commissioned by the World Bank to individual consultants with expertise in policy/institutional analysis, case study research strategy and, preferable, experience in SEA.

Report writing: A draft evaluation report may be written during the field trip. This may allow for a validation of some of the findings already during the field trip. The final report should incorporate comments received on the draft report.

Documentation of findings: Each evaluation team should establish an electronic database including documents, interview protocols and other sources of information on which the findings of the evaluation report are based. The database is one way of strengthening the reliability of the different evaluations.

Evaluation Materials: The evaluation will build on the following material:

Documents: The evaluators will have access to the documentation of the pilots including concept notes, ToRs, inception reports, mid-term reports, final reports and lessons learnt reports. In addition, the evaluators are expected to collect additional documentation necessary for fulfilling the objectives of the evaluation.

Interviews: Three sets of actors should be interviewed in order to base the evaluation on different points of view and multiple sources of evidence:

(i) *The I-SEA team:* From the I-SEA team the evaluators are expected to interview (i) the task manager of the project to which the pilot was associated; (ii) World Bank staff that actively participated in the implementation of the pilot; and (iii) the main consultant(s) in charge of the implementation of the SEA. The World Bank would provide the evaluators with names and contact addresses of these interviewees.

(ii) Policy makers and implementers: For the group of policy makers and implementers, the evaluators would interview government officials involved in the implementation of the policy and the use of the SEA recommendations at the strategic decision level like Ministers, Directors, Principal Secretaries, policy advisors, policy think tanks, etc.

(iii) Key stakeholders: The evaluators will prepare a list of potential interviewees based on the stakeholder analysis of the I-SEA. This list should include but not be limited to representatives of civil society stakeholders, grassroots organizations, lobbyists, local communities, relevant sector organizations such as professional organizations and the private sector significantly affected directly or indirectly by the intervention assessed through the I-SEA. By using and describing (in the evaluation report) broad-based soliciting, the list should strive at attaining representativeness of key stakeholders and appropriate consideration of multiple visions and perspectives. The interviewee list would be cleared by the World Bank prior to fieldwork.

Evaluation Report: The evaluators will prepare the evaluation report as a narrative comprising four parts.

(i) **The first part** (actual and potential influence of I-SEA) will discuss the discrete intervention (policy, plan or program) and the extent to which the I-SEA pilot has contributed to integrating environmental and social considerations into this intervention through:

- influencing decision makers and constituencies with a stake in the policy, plan or program formation in the sector, country or region;

- influencing country work supported by the World Bank (i.e, preparation of loans), and, more broadly, World Bank staff working across the region or the world on similar sectoral interventions (i.e. mining reform, forest reform, urban planning, etc.)

   This analysis should identify policy and institutional changes that may have already taken place and processes that may lead to future policy and institutional changes.

(ii) *The second part* (context and application of I-SEA) will contain a discussion of the context in which the I-SEA was undertaken, including historical, political, economic, social, cultural and institutional factors that may explain the influence or lack of influence of the I-SEA pilot. The evaluator should then discuss how I-SEA methods and tools were applied in undertaking the pilot, given the constraints and opportunities of the context.

(iii) *The third part* (achievement of I-SEA process outcomes) will discuss the extent to which the I-SEA process was able to raise attention with respect to environmental and social priorities associated with the discrete intervention, strengthen constituencies and improve social accountability and social learning.

(iv) *In the fourth part* (I-SEA effectiveness and analysis of strengths and limitations) the evaluator should draw conclusions and recommendations for effective I-SEA discussing the strengths and limitations of the I-SEA pilot evaluated. The discussion should include an analysis of the interaction between the I-SEA process and its historical, political, economic, social, cultural and institutional context.

In addition, the evaluation report should contain information about how the evaluation was conducted and how the findings are substantiated. This "approach" section of the evaluation report should make a clear distinction between findings that are derived directly from document reviews or interviews, and the expert opinions of the evaluation team. Detailed information on the sources of information for the evaluation should be provided in appendices to the main evaluation report.

9.4 Evaluation Questions/Evaluation Criteria

This section outlines a set of evaluation questions which are intended to *guide* the evaluation teams in fulfilling the evaluation objectives. The questions are posed to the evaluators and should not be interpreted as interview questions that should be posed to different respondents. In order to assist the evaluators in answering the general evaluation questions, detailed evaluation questions are specified. The detailed evaluation questions can also be seen as interim markers of progress[34] in relation to the influence of the SEA pilot (evaluation question 1) and the achievement of envisaged process outcomes of the SEA pilots (evaluation question 3).

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[34] Weiss, C.H. (1998), page 127-129.

GENERAL QUESTIONS FOR THE EVALUATION OF I-SEA PILOTS

1. How and why has the I-SEA pilot influenced decision making processes?

   - In relation to policy, plan or program formation in the sector, country or region?
   - In relation to country work supported by the World Bank?
   - In relation to other actors and processes?
   - What are the factors that may explain the pilot's influence or lack thereof?
   - Which trends or processes may favor or hinder the influence of the I-SEA pilot in the future?

2. How was the pilot undertaken given the context?

   - How were key contextual factors identified and taken into account?
   - How were analytical and participatory tools and methods used?
   - How were stakeholders' vulnerability aspects considered?
   - Appropriateness, strengths and weaknesses of tools and methods used?

3. To what extent did the pilot achieve key I-SEA process outcomes? How and why?

Intended outcomes:
   - Raised attention to environmental and social priorities for policy reform, plans and programs
   - Strengthened constituencies
   - Improved social accountability
   - Enhanced social learning

Other outcomes of the I-SEA pilot?

4. What were the strengths and weaknesses of the I-SEA pilot for influencing decision making processes?

DETAILED QUESTIONS FOR THE EVALUATION OF I-SEA PILOTS

1. How and why has the I-SEA pilot influenced decision making processes?

   A. *In relation to policy, plan or program formation in the sector, country or region?*

      - Increased integration of environmental and social priority issues?

      - Specific policy decisions including, if relevant, the preparation of laws, executive power or judiciary decisions and regulations?

   B. *In relation to country work supported by the World Bank?*
      - The preparation of a World Bank project or loan to support a client country's policy, plan or program?
      - The dialogue between the client country and the Bank?
      - Other processes and actors within the World Bank such as staff working across the region or the world on similar sectoral interventions?

   C. *In relation to other actors and processes?*

      - Other expected or unexpected changes in the behaviour, relationships or actions of people, groups, organizations and institutions with which the I-SEA Pilot has engaged with?

   D. *What are the factors that may explain the pilot's influence or lack thereof?*

   E. *Which trends or processes may favor or hinder the influence of the I-SEA pilot in the future?*

      - How has the I-SEA pilot attempted to assure that its influence reaches beyond the discrete policy intervention?

2. How was the I-SEA pilot undertaken given the context?

   A. *How were key contextual factors identified and taken into account?*
      - Historical, political, economic, social, cultural and institutional factors (formal/informal) critical for the decision making process?
      - Political economy factors affecting the viability of the proposed intervention?
      - Seizing windows of opportunity for influencing the decision making process related to the discrete intervention or dealing with the effects of the closing of these windows of opportunity?

   B. *How were analytical and participatory tools and methods used for:*
      - Stakeholder dialogue
      - Identifying and selecting environmental and social priorities?
      - Institutional and political economy analysis?
      - The validation of pilot recommendations and dissemination?

C. How were stakeholders' vulnerability aspects such as gender discrimination, youth unemployment, weak land titling/property rights of farmers, etc, considered?

D. Appropriateness, strengths and weaknesses of tools and methods used?

3. To what extent did the pilot achieve intended I-SEA process outcomes? How and why?

A. Raised attention to environmental (and social) priorities
   - Are priorities more clearly defined? How is this documented?
   - Have environmental priorities been "politicized" and linked to growth, poverty reduction or other key development issues?
   - To what extent are priorities shared among key stakeholders?
   - How has the Pilot contributed to raise attention to priorities?

B. Strengthened constituencies

   - Which constituencies have been strengthened (CSO CBO, Private sector, networks within the bureaucracy, networks involving many different kinds of actors)?

   - Have stakeholder engagement and networks been maintained after completion of the I-SEA report?

C. Improved social accountability

   - New or improved legislation on access to information, public participation or justice on environmental matters?

   - Strengthened institutional mechanisms for the implementation/enforcement of legislation on access rights?

   - Mechanisms for stakeholder participation or involvement in strategic decision making, particularly weak and vulnerable stakeholders?

   - Enhanced transparency and media scrutiny of policy decision making?

   - Other accountability mechanisms that have been strengthened through the I-SEA pilot?

D. Enhanced social learning

   - Who has learned? Is it primarily government officials and policy makers or a broader set of societal actors?

   - In the Bank, is it just at the level of an individual task team leader (TTL) or broader among sectoral TTLs that learning has occurred?

   - What has been learnt? Is it mainly technical learning or have more fundamental problems and strategies been re-conceptualized?

- Has the I-SEA pilot initiated or strengthened mechanisms for:

  ▪ inter sector or multi sector coordination?

  ▪ dialogue on policy reform that includes environmental and social perspective and involves multiple stakeholders?

  ▪ compensating potential losers of policy changes?

  ▪ monitoring and evaluation creating feedback for policy and planning fine-tuning?

  ▪ linking policy making with research communities?

E. What other outcomes did the I-SEA pilot lead to?

4. What were the strengths and weaknesses of the I-SEA pilot for influencing decision making processes?

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Appendice: Checklist for analyzing institutional capacity for environmental management

Picking up signals	Balancing interests and reaching agreements	Executing and implementing decisions
Monitoring environmental quality for priority-setting and informing public policies	Identification of key agencies and stakeholders and linking them with their mandates (including those relating to EA), interests and incentives facing them (Organizational mapping very useful here)	Gaps in formal rules (e.g., constitutional framework, legal and regulatory framework, EA legislation) shaping the incentives of key actors
Public disclosure of information; presence of an effective mechanism for responding to citizen concerns	Processes within key organizations (for example, leadership, organizational culture, quality and quantity of personnel, conflicts of interest)	Divergence between formal and informal rules (e.g., respect for rule of law and property rights, presence of internal and external accountability mechanisms)
Assessment of demand for specific environmental priorities	Adequacy and transparency in allocation and execution of financial resources for managing environmental priorities	Independence of oversight institutions
	Formal and informal rules shaping coordination between Sector Ministries and key stakeholders; horizontal accountability mechanisms; capacity for EA in sector ministries	Role of the judiciary
	Environmental management at sub-national levels and accountability mechanisms between different administrative levels; mandate and capacity for EA at sub-national levels	

Source: Pillai and Lunde, 2006