

Initial remarks on SEA and Green Growth/Green Economy

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Green economy

- **Green economy** is an economy that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities (UNECE). It should
 - Be low carbon and low emissions
 - Protect biodiversity and ecosystems
 - Be resource and energy efficient
 - Creates work and green jobs
 - Deliver poverty reduction, well-being, livelihoods, social protection and access to essential services
 - Drive innovation and technology transfer
 - Internalize externalities
 - Use integrated decision making

Green economy

- **'Greening the economy'** is the process of reconfiguring businesses and infrastructure to deliver **better returns on natural, human and economic capital investments**, while at the same time **reducing greenhouse gas emissions, extracting and using less natural resources, creating less waste and reducing social disparities** (UNEP's Green Economy Initiative)
- 11 key sectors: agriculture, water, forests, fisheries (i.e. natural capital), renewable energies, manufacturing, waste, construction, transport, tourism and cities.

General role of SEA

- SEA is recognized as a tool for **mainstreaming sustainability issues** in planning and decision-making
- Sustainability issues
 - Protection of environmental components (air, soil, water, biodiversity...)
 - Environmental management (waste, energy, flood control...)
 - Human health (mainly environmental health determinants)
 - Social aspects (wellbeing, poverty, (un)employment...)
 - Other sectors and approaches (sustainable transport, tourism, integrated coastal management...)

SEA and Green Economy

- So far, SEA has been rarely applied to directly promote green economy, however....
- ...many SEAs addressed issues closely related to green economy
- **SEA is a tool for addressing green economy** in sectoral planning – its 'exploitation' depends on how role of SEA and expected outcomes are defined in each specific SEA case

SEA 'windows of opportunities' for Green Economy

- SEA can help
 - To determine **key aspects related to green economy** for a given sector / areas and proposed development
 - To identify main **drivers affecting trends** important for green economy considerations
 - To evaluate a wide range **of likely impacts** and compare *pros* and *cons*
 - To find **alternative solutions / options** for achieving green economy objectives
 - To facilitate **communication with key stakeholders** (governmental agencies, international initiatives, business sector)

SEA and decision-making

- Decision-makers are main 'clients' for SEA recommendations
- **Results of SEA are supposed to be formally adopted** (as a part of the plan/programme)
- Follow-up actions (investments) and related processes (e.g. project permitting) should be in line with SEA suggestions and thus contributing to green economy targets
(or at least not contradicting it!)

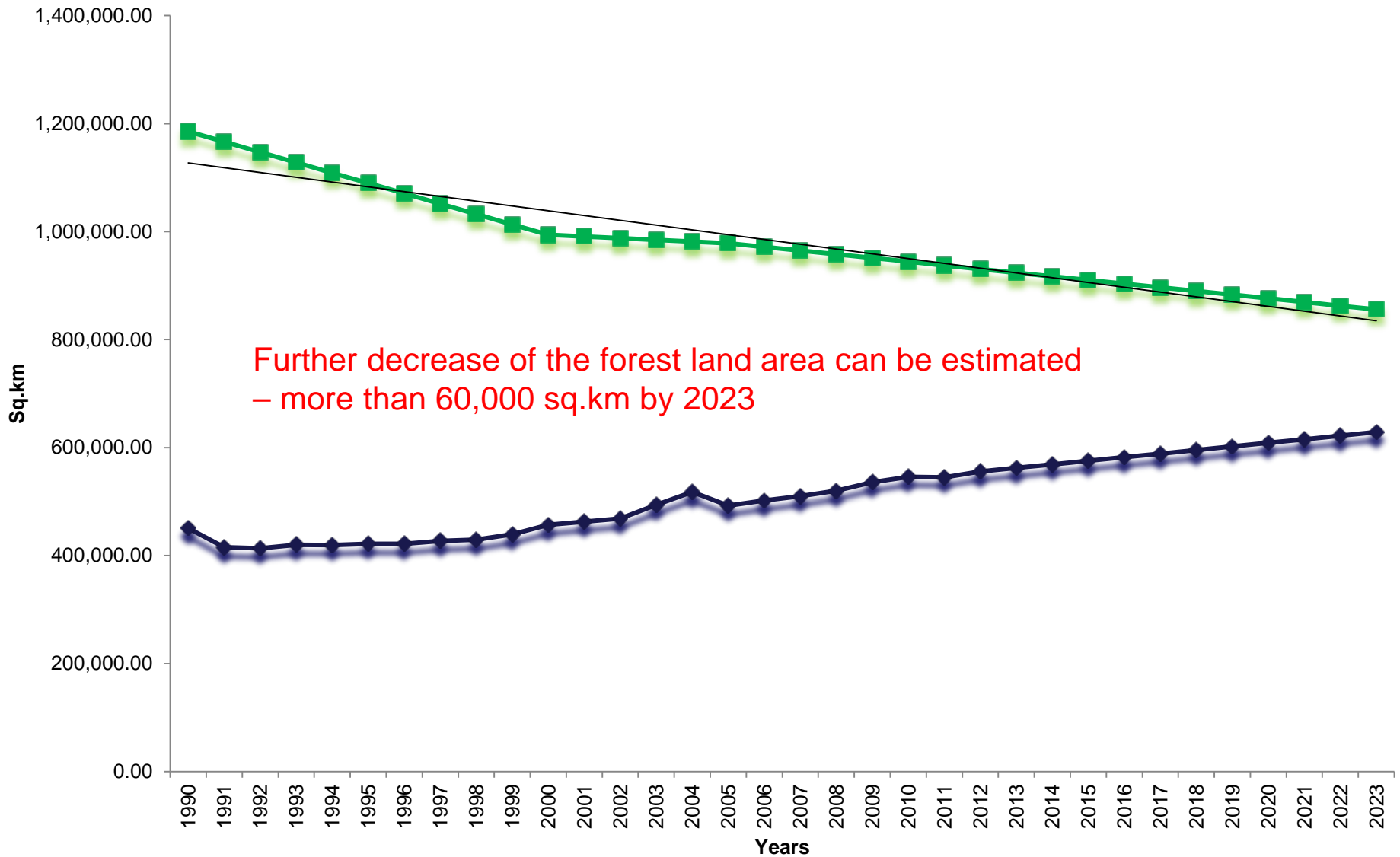
Case example: SEA for MP3EI (Indonesia)

- **MP3EI: Master Plan for Acceleration and Expansion of Indonesia Economic Development 2011-2025**
- MP3EI stipulates
 - Strategic focus on 22 economic activities (i.e. MP3EI Policy)
 - Implementation of relevant projects in the defined Economic Corridors (ECs) – Java, Sumatra, Kalimantan, Bali – Nusa Tenggara, Sulawesi, Papua – Maluku
- MP3EI includes the list of approx. 900 specific projects (energy production, ports, roads, mining, industrial production, agriculture etc.) with expected **investment about 340 billion USD**

SEA approach

- Seven parallel SEAs: 1 MP3EI Policy + 6 EC SEAs (funded by Danida, carried out by the international consortium DHI&Integra Consulting)
- MP3EI Policy SEA provided a general framework by
 - Identifying the key strategic sustainability issues at the national level,
 - **Describing likely risks** related to the MP3EI Economic Categories,
 - Formulating policy recommendations for the MP3EI
- SEAs for ECs were focused on conducting detailed analyses to
 - Describe baseline conditions,
 - Determine EC-specific strategic issues and 'Areas of Concern',
 - **Estimate the strategic impacts** linked to the MP3EI planning for EC
 - Provide EC-specific recommendations and mitigation measures

Agriculture and forest land – future outlook



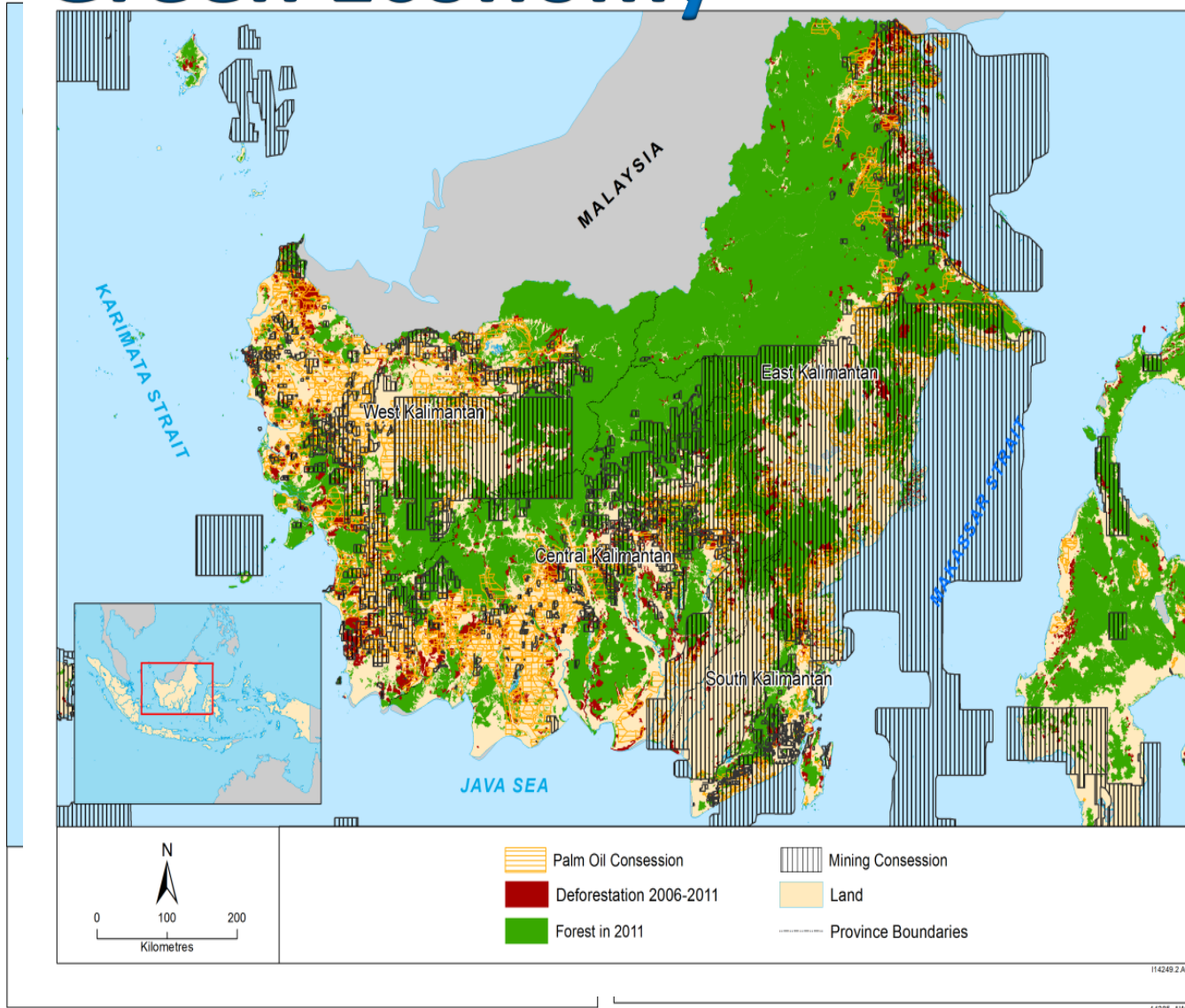


Map data ©2014 GeoBasis-DE/BKG (©2009), Google

Risks and impacts related to Green Economy

- **MP3EI Agriculture & Forestry Policy:**
 - Increasing risks to watersheds, continuing land subsidence
 - Further conversions of primary and secondary lowland rainforest into palm oil plantations leading to
 - Declining biodiversity
 - Adverse effects on indigenous communities (loss of livelihood, continued social conflicts – land disputes, cultural conflicts with migrant workers etc.)
 - Environmental quality related ‘knock-on’ risks to coastal ecosystems and thus likely influencing economic activities there (tourism, fishery)

Risks and impacts related to Green Economy



Risks and impacts related to Green Economy

- Area of MP3EI Planning Deforestation / Footprint in Different Sensitive Habitats in Central Kalimantan

Category of Receptors	Original Area (Ha)	MP3EI Projects (Ha) Deforestation / Footprint Area		Existing Concessions (Ha) Deforestation / Footprint Area	
		Economic Activities	Infrastructure	Mining Concession	Oil Palm Concession
Conservation Areas	1,273,754	-	1,259	4,777	8,357
Forest	4,583,407	-	5,752	124,847	564,974
Important Bird Area	57,759	-	-	-	1,342
Mangrove	23,847	-	14	15	55
Orangutan	5,816,296	1,209	7,602	140,631	1,247,694
Peatland	2,664,759	-	6,624	14,583	429,143

Likely costs related to MP3EI associated risks and impacts

- Annual per hectare monetary values (US\$) were applied to calculated MP3EI induced **losses of habitats** (i.e. based on components of their Total Economic Value {TEV}, as estimated by a recent comprehensive meta-study of natural resources)
- TEV comprises
 - both use values (e.g. including direct use such as resource use, recreation, and indirect use from regulating services), and
 - non-use values, e.g. the value people place on protecting nature for future use (option values) or for ethical reasons (i.e. bequest and existence values)

BY ECONOMIC CORRIDOR	Value of natural capital at risk (\$m)	EC as % of MP3EI Total
BALI-NT	10,149	2.16%
JAVA	10,757	2.29%
KALIMANTAN	185,503	39.46%
PAPUA-MALUKU	82,581	17.57%
SULAWESI	28,160	5.99%
SUMATRA	152,970	32.54%
INDONESIA/All MP3EI	470,121	100%

BY TYPE OF HABITAT	Value of natural capital at risk (\$m)	Habitat as % of MP3EI Total
Combined Conservation Area (CCA)	34,824	7.41%
Coastal wetlands	220,190	46.84%
Coral reefs	41,381	8.80%
Inland wetlands	115,501	24.57%
Marine	390	0.08%
Tropical forest	57,835	12.30%
ALL BIOMES/CCA	470,121	100%

Examples of mitigation measures

- Consider protected or ecologically sensitive areas and biodiversity hotspots as “no-go-areas”
- Make a clear decision on size of ‘productive plantation areas’ and reduce the area of existing plantation concessions
- Before allocating public funds for further Palm-Oil development, review existing concessions
- Focus on improving standards of sustainable management of the natural forests in order to decrease converting forests into industrial timber plantations
- Apply strictly principles and criteria of the Indonesian Sustainable Palm and policies of the Sustainable Forest Management
- Enhance regulation regarding indigenous people and their land rights to strengthen protection of customary land

Issues for discussion

- How would you see the role of SEA regarding Green Economy in your country?
- What type of support would you need to further promote SEA application and its use for Green Economy purpose?
- Are there any other mechanisms / schemes in your country, which SEA could
 - promote and strengthen?
 - be integrated in?

Thank you for your attention!