

How to ensure a better participation of stakeholders in Sustainability Impact Assessments: *Illustrative examples from the SIA/EMFTA*

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SIA/EMFTA: Background

- As part of the Euro-Mediterranean Partnership, the Euro-Mediterranean Conference of Ministers of Foreign Affairs in November 1995 set the year 2010 as the target date for the establishment of the **Euro-Mediterranean Free Trade Area (EMFTA)**.
- EMFTA to be achieved by:
 - Euro-Med Association Agreements negotiated between the EU and **Mediterranean Partner Countries (MPCs)**, together with
 - Free Trade Agreements between MPCs.
- EC thus commissioned an independent sustainability impact assessment (SIA) study of the EMFTA
 - Project Awarded late 2003
 - Project Duration: 2004 to 2007
- SIA of EC-GCC Free Trade Agreement prepared 2003-2004

There are 10 Guidelines
that can be used to improve the
participation of
Key Stakeholder Groups
in the preparation of
Trade-Related SIAs.

(1) Acknowledge & Promote the Mutual Purpose of Trade SIAs

- Trade SIAs are meant to ensure that trade liberalization is a means to support advancement towards sustainable development and so that more open trade is not an end in and of itself.
- The preparation of a Trade SIA should thus be premised on the assumption that trade liberalization should seek to advance sustainable development goals.
 - The European Commission says it seeks this goals in the EC and in Partner Countries (PCs) when preparing SIAs.

SIA/EMFTA: Objectives

Aims

- To provide an objective analysis of sustainability impacts on sustainable development of trade measures in the EU and its Mediterranean Partner Countries
- To facilitate informed debate between stakeholders and governments

Purpose

- To inform negotiations and the policy-making processes
- To inform the design of mitigation and enhancement measures
- To inform the formulation of development assistance programmes

(2) Ensure Impartiality

- Preparation of Trade SIA should be an impartial process that assesses social, economic and environmental impact and associated enhancement and mitigation measures in Europe and in the Partner Country.
- While EC conducts Integrated Assessments of policies and plans is mostly conducted in-house, the EC maintains an arms' length during the preparation of Trade SIA.
- This is done by:
 - Contracting external consultants/consortia to prepare SIAs
 - Working through academic institutions, think tanks, NGOs
 - Preparing EC comments on reports after completion of drafts, rather than incorporating EC viewpoints directly into the draft and controlling ownership of reports
 - EC comments thus treated equally as those of others consulted during the preparation process.

SIA/EMFTA Team

Consortium Institutions (7):

- University of Manchester – UK (Lead Agency)
- United Nations Economic and Social Commission for Western Asia (ESCWA) - Lebanon
- Bocconi University - Italy
- Overseas Development Institute (ODI) - UK
- The International Centre for Advanced Mediterranean Agronomic Studies (CIHEAM) -France
- Centre International des Technologies de l'Environnement de Tunis (CITET) - Tunisia
- Deloitte, Sustainable Emerging Markets - UK

(3) Formally Engage Stakeholders in the Preparation Process

- While contracting is often bound by government procurement policies, Partners and Stakeholders will have greater **trust** in the impartiality of the SIA findings & recommendations if a recognized institution(s) from the Partner is formally part of the SIA team. Particularly self-evident if results to be used for negotiation purposes.
- **This can be done by:**
 - **Contracting SIA to institution associated with the Trading Partner**
 - **Working through academic institutions, NGOs, think tanks**
 - **Creating an advisory board that includes representation from the region that provides formal comments or input in the SIA preparation process**
- This will assist Partners feel **ownership** of the SIA process & outcomes, and thus encourage them to be more engaged.
- Involvement of representative from the Partner also allows for great sensitivity and awareness about regional concerns and approaches to issues outside the lens of the public sector.

Example: Advisory Committee of the SIA/EMFTA

Purpose of Advisory Committee

- To provide high-level advice and expertise on the preparation and implementation of the SIA/EMFTA.
- Committee is comprised of a limited number of regional institutions that are directly engaged in issues related to the formulation of the assessment.
- The following criteria were applied in identifying the members of the Advisory Committee:
 - Expertise in Euro-Mediterranean trade relations and sustainability issues;
 - Regional perspective about the issues;
 - Geographic and technical balance among Committee institutions;
 - Complementarity of expertise between members and Consortium experts;
 - Capacity of member to represent the interests of major stakeholder group(s);
 - Capacity of member to access and inform major stakeholder group(s) about SIA/EMFTA activities.

Members:

- Blue Plan (MCSD) Economic Research Forum, Friends of the Earth, UNEP/ETB

Results:

- Each has fostered consultations with their constituencies and opportunities for consultation with other groups (see short-list of consultations below), and provided linkages to complementary activities in the Euro-Med region.

(4) Identify & Target Key Stakeholder Groups

- Broad range of stakeholders should be identified.
- **Stakeholders are those that are:**
 - **Potentially affected by the establishment of the EMFTA;**
 - **Involved in the formulation and/or implementation of the EMFTA policies or flanking measures; and/or**
 - **Directly interested in EMFTA policies, as exhibited by previous statements.**
- **Classification system** for targeting stakeholder groups should be prepared to assist in monitoring contacts and consultations with key groups, and to help achieve **balanced consultation**.

Stakeholders & Beneficiaries

National Governments

- European Union Member State Governments:
 - 25 EU Member States, European Parliament, Council of Europe
- Mediterranean Partner Country Governments:
 - 10 MPCs: Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Occupied Palestinian Territory, Syria, Tunisia and Turkey

European Commission SIA/EMFTA Steering Committee

- DG EuropeAid (Lead Agency), DG-Trade, DG-Environment, DG-RELEX, DG-Social Affairs, European Environment Agency

Stakeholders & Beneficiaries

Civil Society

- Commercial/industrial organizations
- Associations of small and medium sized enterprises (in key sectors particularly)
- Syndicates and labor groups
- Consumer groups
- Women's groups and youth groups
- Cultural and religious organizations
- Environment and health NGOs
- Organizations working on governance
- Researchers, experts and academic institutions
- Media, etc,...

(5) Raise awareness about SIA Purpose, Process & Methodology

- Governments as well as the key stakeholder groups need to be informed about the SIA purpose and process in order to appreciate its utility.
- **Capacity Building Component** should thus be part of the SIA preparation process if stakeholders are to be involved - Integrated assessment not standard practice in most Arab Countries, and thus integrated approaches for policy analysis and decision-making should be part and parcel of efforts to explain the purpose of the specific SIA being conducted.
- Increasing awareness about SIA tools can thus increase understanding about the process, findings and outcomes of an SIA – and thus its utility for decision-makers and stakeholders.

(6) Ensure Transparency & Easy Access to Information

- **Introduce and raise awareness about SIA process from the beginning**
 - Sponsor has role in informing Governments about anticipated conduct of SIA
- **Provide information, findings & recommendations in concise, user-friendly fashion** (diagrams, tables, arrows, easy to understand figures)
- **Reduce length of reports** - some exceed 300 pages
- **Translation** - Translate reports into key language(s) - if full reports can not be translated for budgetary reasons or due to time constraints, translate extended executive summary that highlights the main points.
 - Translation should be an inherent part of the SIA budget
- **Create E-mail list** to inform stakeholders about SIA developments, upcoming meetings, new reports – preferably in key languages
- **Create website** – preferably in key languages
- **Project e-mail address and formal system for responding to inquiries and inputs** received
- **Post comments and response to comments received to demonstrate transparency of the process** - U. Manchester with SIA/EMFTA has been very effective in monitoring, responding and reporting on comments received.

SIA/EMFTA Contributor	Contribution
Friends of the Earth Europe	FoEME report on environmental review of EMFTA
Friends of the Earth Mednet	Participation in study
Oxfam International	Concerns about rural poor.
Toon Poppe, Belgium	Information on econometric simulation model.
Vanya Walker-Leigh, Malta	Contacts provided for consultation, reports, Med Journal, gender issues.
Friends of the Earth Middle East	Stakeholder participation + reports
Adelphi Research, Berlin	Observations on institutional priorities in the region.
Euromediterranean Network of Social Economy (ESMED), Spain	Key issues – job creation, investment, diversification. SIA analysis Consultation – ESMED network, Economic and Social Councils.
International Federation of Agricultural Producers, France	Information on current study of agriculture impacts.
UN University-CRIS, Belgium	Integrating SIA findings into government strategies, consultation process and.
Euro Med Civil Forum, France	Consultation on assessments and recommendations needed with MPCs
Rym Ben Zid, Tunisia	Information on agricultural impacts.
Konrad von Moltke	Links on website
WIDE joint NGO statement, Belgium	<ol style="list-style-type: none"> 1) SIA should begin at an early stage in order to inform negotiating positions 2) SIA should be fully integrated into the policy-making process 3) Enhance policy coherence and inter-service co-ordination 4) Increase stakeholder involvement in the process (particularly civil society and governments in the EU's trading partners) 5) Expand the roles of other EU institutions (EP, Council, 133 Committee, Member States) - Transparency
Ivan Martin, Spain	Papers on economic and social rights
RSPB and Birdlife International, UK Position Paper	<ul style="list-style-type: none"> • Reflect Rio Declaration of 1992 & Millennium Development Goals / Impacts on poverty reduction, • Evoke principle of common but differentiated responsibilities • Consider environmental resource use and consumption/longer-term global and local values of public goods, especially biodiversity. • Ensure broad developing country involvement. • SIA should be developed and applied with support from international agencies and NGOs to draw on their technical experience • Include cross-border impacts as well as influences on other countries. • Avoid being prescriptive with respect to developing countries • Make recommendations are clear and capable of quick implementation

(7) Organize Consultations with Key Stakeholders

- Consultations must be held at **every stage** in the process – serves to raise awareness, solicit input, and guide orientation of SIA analysis.
- Consultation must go beyond *pro forma* Public Meetings stakeholders are to be engaged in the SIA preparation process
 - Consultations must be held in the key affected regions
 - Link in to existing meeting schedule and functions of key groups: is more effective in terms of access, impact and cost
 - This facilitates access to key groups and provides opportunity for that regional forum to then independently follow-up on the SIA's process and progress. (*fosters inherent monitoring structure – see below*)
 - Linkage to stakeholder institution(s) as part of SIA Team or Advisory Body assists in accessing key groups.

Consultations (partial listing)

- Regional Meetings of the Mediterranean Commission on Sustainable Development (MCSD), Genoa, Italy (2004); Rome, Italy (2005); Nicosia, Cyprus (*May 2006, forthcoming*)
- Arab Regional Workshop on Trade and Environment Capacity Building for Ministries of Trade and Environment, Muscat, 25-27 March 2006 (*today!*)
- Regional Seminar on Sustainable Development and Competitiveness of the Agro-Food Sector, Beirut (Dec 2005)
- Euro-Med NGO Platform & NGO Consultation, Malaga, Spain – Sept 2005
- Executive Bureau/Council of Arab Ministers Responsible for the Environment (CAMRE), Cairo (Sept 2004); Cairo (Nov 2005)
- First Euro-Mediterranean Industrial Cooperation Forum, Barcelona, Spain – Oct 2004
- Public Consultation (Phase I), Brussels, Belgium – EC SPONSORED – Nov 2004
- Policies and Strategies for Small and Medium Enterprise Development, Cairo, Egypt – 2004
- Sustainability Impact Assessment of the Euro-Mediterranean Free Trade Area: Side Event to the Annual Meeting of the Economic Research Forum, Beirut, Lebanon – Dec 2004 & Presentation of SIA/EMFTA Findings at ERF Meeting (Cairo, Dec 2005)

Working Group Sessions

- Meetings with EC SIA/EMFTA Steering Committee (2004, 2005, 2006)
- Meeting of Advisory Committee

Individual Meetings (selected)

- European Parliament - Luxembourg
- Small and Medium Industry Development Organization (KOSGEB), Ministry of Industry & Trade, Turkey
- Council of Arab Ministers Responsible for the Environment/Technical Secretariat, Egypt
- Regional Arab Network for Environment & Development, Egypt
- Ministry of Economy and Trade & Ministry of Environment, Lebanon
- Institute for Industrial Promotion, Italy

(8) Foster the Creation of a Monitoring Mechanism

- The sustainability of the SIA process can only be ensured if a follow-up mechanisms is fostered through appropriate consultation with key groupings and mechanisms.
- Such a monitoring group (or groupings) should include representatives from both the EC and PCs.
 - Having a institution linked to the stakeholder community engaged in the SIA preparation process can help to foster such a mechanisms, as the institution is likely to monitor SIA outcomes even after the completion of the SIA terms of reference
- **If Stakeholders have been effectively engaged during the process – and have been effectively made aware and convinced about the utility of an SIA in ensuring sustainable development outcomes – the creation of a monitoring mechanisms should be a self-fulfilling outcome of the SIA process and an indicator of the utility of the SIA to the community.**

(9) Government Must Decide on its Role & Responsibilities in Facilitating the Process

- Trade SIAs have been mostly conducted through Government Funding
- Inter-Ministerial Coordination & Communication is key step in ensuring utility of SIA document.
 - EC Steering Committees of DGs exist to follow-up on Trade SIAs, but EC communication channels remain informal
 - Situation limits opportunities for accessing regional mechanisms/groupings linked to different departments, which is unfortunate since it is those stakeholder groups who are often the most informed and aware government policies and programs and thus could effectively contribute to SIA preparation process and its use
- Communication lines between Government and Stakeholder Representatives should also be clear to allow contractor appropriate access stakeholder groups.

(10) Stakeholders Must Decide on their Role & Responsibilities in Facilitating the Process

- Not all the responsibility falls on the Government - Stakeholders must also be committed to understanding, contributing, monitoring and using Trade SIA outcomes.
- **SIA can provide significant value to stakeholders – particularly those not able to conduct their own SIA analysis**
- Stakeholders should provide input to the SIA process to make sure the findings & recommendations are accurate and balanced, and then draw from the SIA to support their negotiation positions when useful.
 - Would also reduce risks of Governments adopting policies that are thereafter labeled as positions that did not even take into consideration stakeholder interests
- **However, PCs must be CONVINCED that the SIA process, findings and recommendations are impartial and ACTUALLY DO take into consideration their views and concerns – this can only be possible if there is communication and if stakeholders take a proactive approach to becoming involved in the SIA preparation and monitoring process.**
- Both Public and Private Sector (including civil society) should thus access and provide input to the process, and thus by becoming engaged, they become informed of the impact and measures help trade liberalization support sustainable development goals.

Thank You!



SIA/EMFTA Website

English: <http://www.sia-trade.org/emfta/en/>

French: <http://www.sia-trade.org/emfta/fr/>

Arabic: <http://www.sia-trade.org/emfta/ar/>

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