

Introduction to Integrated Assessment

Session 1

Purpose of session 1

- ◆ Introduction to the concept of integrated assessment, particularly of trade-related policies.
- ◆ To allow participants to decide whether integrated assessment is relevant, useful and applicable to their own situation.

Main topics of session 1

1. The context of trade, environment and poverty
2. The need for integrated assessment
3. From impact assessment to integrated assessment
4. Objectives
5. Expected benefits
6. Timing
7. Principles
8. Focus
9. Conditions

(1) What is sustainable development?

'Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.'

Principles of intra- and inter-generational equity

Taking steps to alleviate poverty, protect the environment and stimulate economic development through trade.

(1) Environment – poverty issues

- ◆ Risk of poverty reduction affecting environment upon which poor depend (long-term vs. short-term gains)
- ◆ Environmental degradation particularly effects the poor
- ◆ Pressure on natural resources caused by poor families
- ◆ Impacts caused by rich as compared to poor
- ◆ Need to improve sectoral and overall policies
- ◆ The search for win-win policies

(1) Environment – trade issues

- ◆ Trade is both an opportunity and a threat
- ◆ Pressure to boost export and extractive industries
- ◆ Pressure to produce more (e.g. agriculture)
- ◆ Price changes of agricultural inputs
- ◆ Increasing water and energy use of modern industries
- ◆ Emphasis on comparative advantages for more efficient production systems

(1) Poverty – trade issues

- Winners and losers
- Distinguish rural and urban poverty; producers and consumers
- Direct effects of trade: prices of tradable goods and effects on households
- Indirect effects through changes in government revenues and social spending
- Impacts on local industries and sectors, due to high competition of imported products

(1) Synergy between trade, environment and poverty

“Clean” rice production:

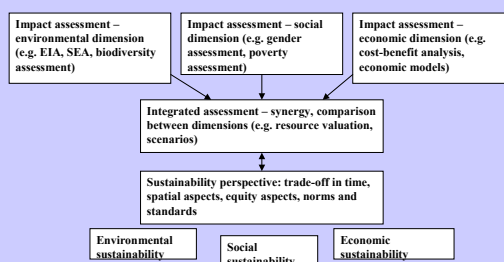
- Rice using less chemical inputs (fertilizers and pesticides) and causing less pollution.
- Expanding market for organic products (a relevant trade issue).
- Profitable enterprise for local communities (reducing poverty).

(2) The need for integrated assessments

Integrated assessments can help :

- Encourage sustainable trade (strengthening sustainable development);
- Gain insight into impacts of trade policies (both positive and negative);
- Stimulate inter-ministerial and inter-sectoral policy dialogue and cooperation;
- Strengthen good governance in policy making.

(3) From impact assessment to integrated assessment



(3) From impact assessment to integrated assessment

Impact assessments:

- Detailed and mainly quantitative;
- Sectoral and thematic focus;
- In most cases mandatory.

Integrated assessments:

- Much attention for process (negotiation, participation);
- Horizontal integration to compare different impacts and assess trade-offs

(3) From integrated assessment to sustainability assessment

- Taking into account a sustainability framework
- Attention for spatial trade-off: here and there
- Attention for temporal trade-off: now and later
- Sustainability indicators

(4) Objectives of integrated assessment

- Explore interactions between SD pillars
- Provide insights and information necessary for informed decision-making
- Structured and well-informed negotiation between stakeholders
- Gain insight into risks and opportunities of a policy
- Propose alternatives

(5) Expected benefits of integrated assessment

- Informed policy making
- Policy packages that help strengthen sustainable development and poverty reduction
- Enhanced transparency and participation in policy dialogue and decision-making
- Saved time and money by developing a coherent integrated development approach

(5) Expected benefits within context of trade-related policies

- Help clarify linkages between trade, the environment and development.
- Better understanding of these relationships to encourage policy makers develop sustainable development strategies and support among stakeholders.

(6) Timing of an integrated assessment

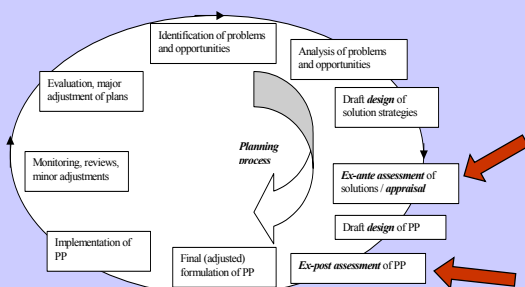
Ex-post assessments

- Retrospective examination of social, environmental and economic impacts of a given event or policy, allowing policy-makers to make adjustments / corrections

Ex-ante assessments

- Prospective examination of an event or policy change, to allow policy-makers develop a coherent and integrated set of policies.

(6) Planning cycle



(6) In practice

Both *ex-post* and *ex-ante* assessments have an important role to play in designing policies for sustainable development. Recently, there has been a shift in emphasis towards *ex-ante* approaches, in recognition that acting early allows policy makers to respond more effectively to new challenges and to proactively develop more integrated policies.

(6) Timing integrated assessment of trade-related policies

- Prior to the implementation of a trade measure or the planning or negotiating of a trade agreement (*ex-ante*).
- During the process of planning or negotiating a trade agreement (*concurrent*).
- Following implementation of a trade-related policy or the final ratification of a trade liberalization agreement (*ex-post*).

(6) Ex-post integrated assessments

Ex-post assessments can:

- Draw on a larger set of data;
- Improve understanding of linkages by concrete impacts as opposed to projected ones;
- Identify policy measures to mitigate negative or promote positive impacts;
- Help define future *ex-ante* assessment and inform preparations for future agreements;
- Be used to assess how governments are meeting commitments to sustainable development

(6) Ex-ante integrated assessments

Ex-ante assessments can help governments :

- Avoid negative impacts before they occur, rather than simply mitigating impacts;
- Contribute to policy making ;
- Identify policy priorities to put forward in negotiations;
- Develop trade policies that reflect interdependence of economic, environmental and social goals;
- Build consensus within government.

(6) Concurrent assessments

- Conducted in parallel to trade negotiations.
- May keep trade negotiators informed on sustainable development issues.
- Useful as a mid-term review in negotiations to influence final agreement .

(7) Principles of integrated assessment

1. **Cost- and time-effective**
2. **Objectives-led**
3. **Sustainability-driven**
4. **Comprehensive scope**
5. **Focused**
6. **Participatory**
7. **Transparent**
8. **Accountable**
9. **Decision-centred**
10. **Fit-for-purpose**

(8) Focus of an integrated assessment

Focus is required for integrated assessment process to be manageable and generate targeted results.

Checklist to decide on focus :

1. What policy and policy measures are assessed?
2. What time-frame in view of the stage of planning?
3. What sectors of interest ?
4. What geographical focus (e.g. poor regions)
5. What critical issues (e.g. biodiversity, equity etc.)?

(9) Conditions to undertake integrated assessment

- ♦ Policy to be assessed should have potential impacts, be sufficiently concrete to assess impacts, and have scope for change.
- ♦ Public sector decision makers and key stakeholders should be involved.
- ♦ Results of the integrated assessment should be accessible to the public.
- ♦ The assessment should be carried out within a time-span of 4-6 months.

Outlook on the other sessions

- ♦ Session 2 will focus on the integrated assessment process and phases.
- ♦ Session 3 will focus on the contents and methods for an integrated assessment.
- ♦ Session 4 will focus on integrated policy responses.