The role of strategic environmental assessment in the EU structural funds evaluation system in Poland

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Abstract

The point of this paper is to identify the role of strategic environmental assessment (SEA) in the EU structural funds evaluation system in Poland. The constitution of the evaluation system is one of the conditions of structural funds implementation. In the case of Poland such a system was created quite recently and it is still being developed in order to reach its full usefulness. We investigate whether the evaluation system is capable of performing integrated sustainability evaluation and to what extent the evaluations are stitched to environmental issues. Secondly, we try to answer the question of what kinds of instrument and evaluation areas are adequate for the sustainability evaluation task. Finally, the objective of the paper is to assess the use of SEA in the process of sustainability and environmental orientated evaluations. We give coverage of SEA use and experiences of evaluation commissioning agents as well as evaluators on the sustainability assessment issues. The last part of the paper is dedicated to the discussion on the future improvements of SEA use in order to increase its role in the creation of sustainable planning at the national and regional administration level.

Keywords: strategic environmental assessment, sustainability evaluation, structural funds in Poland.

1 Introduction

The process of EU structural funds use is subject to a number of strict and demanding requirements. One of these is the evaluation system that is brought and installed together with structural aid. Poland, being the biggest beneficiary of structural funds in the 2007-2013 period, has to follow evaluation requirements

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in order to (1) receive the money and (2) to improve the way of spending it. The criteria of evaluation are very diverse and cover a wide range of issues. Environment and sustainability are the issues covered among others. It is important to notice that environmental issues are very difficult to measure and assess. Bearing in mind that structural funds implementation programs are usually very complex and long lasting instruments used to evaluate environmental issues, they must also be adapted to these requirements. In fact, there are not many instruments that meet them and more often they are combined to reach expected results.

Strategic environmental assessment (SEA) is the most commonly used instrument for that purpose. It was built up on the Environmental Impact Assessment procedure with the focus on policies, plan and programs. SEA is devoted to environmental issues, but there is a big effort being made to make it more diversified to also encompass social and economic issues, and to become an instrument of sustainability evaluation.

The use of SEA in Poland does not have a long tradition. It is true to say that SEA has come to be used together with EU financial help. Firstly, with the PHARE, SAPARD and ISPA programs, and more recently with structural funds. The point of the paper is to place SEA in the structural funds evaluation system and to assess Polish experiences in its usage.

2 Sustainability and EU structural funds implementation

2.1 Sustainability in Poland

The challenge of sustainability is evolving to be the most important objective of economic and social policies all over the globe. Implementing sustainable development concerns all the actors and importantly requires global participation [1]. The implementation process goes through all the branches and sectors of economies. The document stating that Poland is engaged in the pursuit of sustainability is the *Strategy of Sustainable Development of Poland until 2025*. It was issued by the Ministry of Environment Protection in 1999 and since then it has been the key framework for sectoral and regional activities towards sustainable development [2].

The *Strategy of Sustainable Development* states that sustainable development is the key factor influencing strategies of economic growth and social development. The term sustainable development is defined in its classic Brundtland definition, as the development that "meets the needs of the present without compromising the ability of future generations to meet their own needs" [3] and integrates economic, social and environmental concerns into development strategy. Sustainable development is clearly differentiated from traditional ecology and environment protection and is stated to be the tool to stimulate human development whilst preserving important qualities of this development [2].

The Strategy certainly does not define sustainability as a clear and quantifiable target – a frontier to be reached. Instead, it points out that sustainable development is a long-term process, which is not and should not be

limited by any time or target values. It also points out the most important issues that should be addressed in order to reach sustainability.

2.2 Strategic perspective of structural funds implementation

Strategy of Sustainable Development is not the decisive document on sustainability of structural funds implementation. Its priorities are partly complemented by the following strategic documents on structural funds:

- *National Cohesion Strategy 2007-2013*
- *National Strategic Reference Framework*
- *National Environment Protection Policy for 2007-2010 including the perspective for 2011-2014*

All these documents are issued to answer the call of European Union requirements concerning environment protection, structural funds implementation or overall development. They cover all institutional engagement into development policy, including also sustainable development. The *National Cohesion Strategy* (NCS) and the *National Strategic Reference Framework* were issued by the Ministry of Regional Development after consulting most of the remaining ministries and governmental agencies. Both of the documents, together with operational programs and regional strategies, constitute the structural funds implementation system in Poland. *National Environment Protection Policy* is a periodically updated document and is issued by Ministry of Environment.

The main objective of the *National Cohesion Strategy* is "to raise the level and quality of lives of Poland's residents" [4]. NCS states that the above goal could be achieved only in conditions of realizing the rules of sustainable development. One of the programs that was set out to realize NCS and to organize structural funds implementation is the *Infrastructure and Environment Operational Program*, which deals directly with environment protection issues.

It is important to mention that *National Cohesion Strategy* is built up on the regional programs, which establish framework for all region-wide policies and strategies. There are 16 Regional Programs that are also strongly involved into some aspects of implementing sustainable development. Each one of the regional programs has it background in Regional Development Strategies. These strategies very often include sustainability driven actions or are completed with separate Regional Strategies for Sustainable Development.

National Environment Protection Policy refers also directly to sustainable development. Its major objective is stated as "providing ecological safety and creating basis for sustainable socio-economic development" [5]. The priority of sustainable development is present also in everyone of the minor policy objectives like for example strengthening environment management country-wide system, rational and sustainable use of natural resources, materials, water and energy or improving environment quality and ecological safety. *National Environment Protection Policy* is updated on a regular basis, and every 3 years new version is issued. Policy and the actions it proposes are highly supported by legal acts, especially Environment Protection Law and many others concerning more detailed environmental issues.

3 Sustainability evaluation instruments

3.1 Structural funds evaluation system

Another important question is the presence of evaluation-related issues in the above-mentioned documents. The *Strategy of Sustainable Development* has only short chapter about monitoring and evaluation issues [2]. It defines the types of indicators, diversifying them into qualitative and quantitative ones to be used for the evaluation and monitoring purposes. It points out the necessity to develop the evaluation system but does not really give any details on its functioning. There are no responsibilities defined as well. Since the strategy is not an executive document, lack of implementation rules is not a major problem here.

National Environment Protection Policy for 2007-2010 is more explicit in formulating evaluation goals. Firstly, it defines the indicators set and the data source and responsibilities for data collection. The set of indicators is based on the Pressure – State – Response model and also includes extension into the Driving forces – Pressures – State – Impact – Response model. According to the *National Environment Protection Policy* the evaluation competences are tied with the National Environment Monitoring System. Policy defines the precise time framework for the evaluation, which is [5]:

- Every 4 years – evaluation of the national policy
- Every 2 years – evaluation of regional policies

Each of the evaluations should be concluded in a report prepared by Council of Ministers and executive boards of local and regional administration units for national and regional level evaluations respectively. It is not clear if mentioned organs should prepare evaluations themselves or they should rather get external evaluator for the job.

Concerning the documents that are part of the process of implementing structural funds in Poland, both at national and regional level, the case is more advanced. It involves current financing period 2007-2013 as well as previous one – 2004-2006. Process of implementing structural funds in Poland is highly determined by EU directives and requirements and, therefore is being subjected to number of systemic evaluations. These evaluations include assessing impact on the number of areas related to structural funds implementation i.e.:

- Territorial and regional development
- Public administration capacity building and implementing "good governance" rule
- Human resources development
- Socio-economic development
- Environment (through Strategic Impact Assessment)
- Innovativeness of economy
- Development and modernization of infrastructure

All of the evaluation areas mentioned above relate directly or indirectly to sustainable development. The competences of preparing evaluations in different areas are divided between Ministry of Environment (SEAs) and Ministry of Regional Development (all remaining areas). The evaluations are being

performed in a three-stage manner, including ex-ante, ongoing and ex-post evaluations. The administration of the evaluation process is being held by both of the Ministries involved.

Ministry of Regional Development (MRD) has singled out special unit for the purpose of administrating evaluations. It is the Department of Structural Policy Coordination (also called National Evaluation Unit). It has general competences in coordinating the evaluation process, is responsible for assuring its integrity and decides on the evaluation results. Below, it has number of Steering Groups, which are responsible for evaluations in their specific areas. Steering Groups have competences in preparing the scope of evaluations, monitoring the process of evaluation, operationalisation, its results and monitoring the implementation of eventual changes in programs, policies and plans. The overview of the organizational structure of MRD evaluation system is shown on fig. 1.

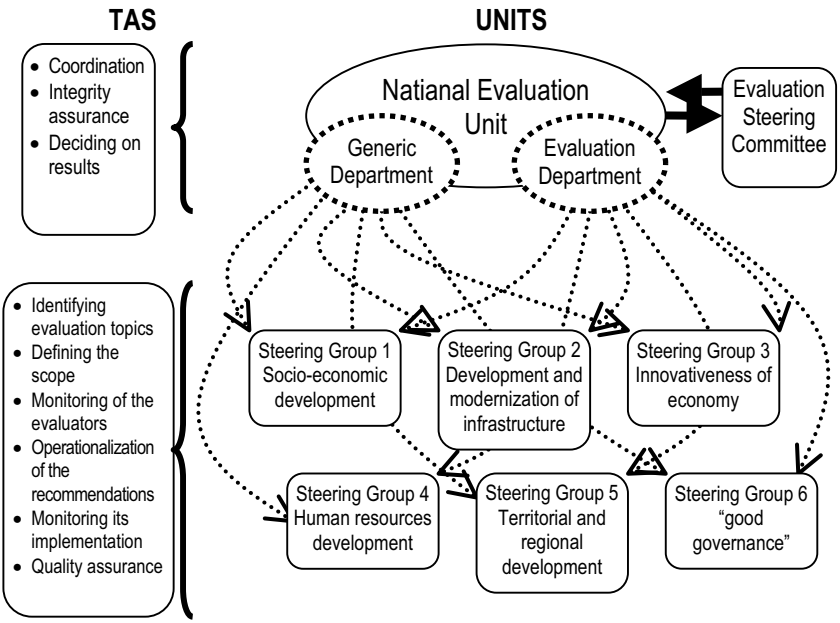

Figure 1: Organizational structure of the evaluation system in the Ministry of Regional Development [6].

The MRD evaluation system is constructed accordingly to the Directive 1083/2006/EC [7]. Also its content, including evaluation definition, its methodology or frequency, is directly taken from the Directive. One of the solutions proposed is the creation of evaluations database. Such a database was created and it covers all the structural funds related evaluations. For the moment database includes 139 evaluation reports. There are no ex-post evaluation reports in the database so far. Reports included are ex-ante or ongoing evaluation reports, concerning all the areas of evaluation. Among them there are 14

evaluations on environmental impact, which were made on all transboundary cooperation programs, National Cohesion Strategy and all Operational Programs in 2007-2013 structural funds implementation period.

There are also evaluation criteria specified, including general criteria as well as criteria specific for certain areas. The catalogue of general criteria includes the following: (1) relevance, (2) efficiency, (3), effectiveness, (4) utility, and (5) sustainability.

General recommendations for evaluation performance also include methodological issues. One of them is the triangulation criterion, which should be applied in order to use different kinds of data sources and different evaluation approaches (quantitative and qualitative).

3.2 Strategic environmental assessment

One of the important aspects of the recent environment protection policy release is the increase of Environment Impact Assessment and Strategic Environment Assessment use. Usage of these two instruments have become one of the major prerequisites for new investments in number of sectors and for newly issued strategic documents on policies, plans and programs within number of areas (i.e. industry, energy, transport, telecommunication, water and waste management, forestry, agriculture, fishery and tourism) and on all administration levels. *Environment Protection Policy* aims at including environment protection and sustainable development objectives in all strategic documents and performing their environment assessment prior to their implementation.

The use of Strategic Environmental Assessments in Poland has started in 2001 by its legalization in *Environment Protection Law* (EPL). EPL refers directly to the *European Parliament and Council Directive 2001/42/WE on Strategic Environmental Assessment* and implements its regulations in Poland.

The need of implementing SEA has grown upon use of Environmental Impact Assessment procedure. After EU-wide implementation of EIA it became clear that it is not enough to measure and assess environmental impact of single investments only but it is also necessary to do it on higher decision-making level. The major factor confirming that need was possibility to influence the decision-making processes on early stages of investment planning. Therefore, SEA has been designed to create conditions for sustainable development even before actual investing activities are started [8].

Key requirements to SEA procedure listed in the Directive as follows [9]:

- SEA should be made before formal acceptance of any policy, plan or programme (PPP), in their preparation phase;
- all the significant environmental impacts and pressures of PPPs should be identified and listed in the SEA report;
- SEA report should also include environmental assessment of possible variants of PPPs;
- member states should ensure high quality of SEAs;
- before formal acceptance of PPPs they should be consulted with environmental authorities and with public;

- during the implementation of PPPs their environmental impacts should be monitored.

Both the SEA and the environmental report as a result of the SEA procedure are defined in accordance with the SEA directive. The report is defined as part of the programming document, which contains the information produced within the SEA process. The general content of the Environmental Report is specified in Annex I of the SEA directive and it should include information that may reasonably be required, taking into account [10]:

- current knowledge and methods of assessment;
- the contents and level of detail in the plan or programme;
- its stage in the decision-making process;
- the extent to which certain matters are more appropriately assessed at different levels in that process in order to avoid duplication of the assessment.

According to the regulation submitted by the Ministry of Environment there are two levels where EIS and SEA commissions operate: national and regional [11].

3.3 Polish experiences in SEA use

Since SEA is a relatively new instrument in Poland there are only few examples of its use. In current structural funds budgeting period 2007-2013 it is integral part of the implementation process but before it wasn't so. Pre-accession funds (PHARE, ISPA and SAPARD) and structural funds in 2004-2006 period did not impose SEA use for programming documents. In fact, the only experience of SEA use from that period is the evaluation of *Transport Operational Program*. It was made by Agrotec Polska and EVEKO consortium as a form of ex-post evaluation. The range of the evaluation was limited to chosen projects realized within Transport OP [12]. Because of this limitation the evaluation is more a collective EIA than true SEA.

The current programming period 2007-2013 opens new requirements for SEA performance. First of all each one of country level programs that include investment activities has to be evaluated in environmental context. This requirement also includes trans-boundary cooperation programs for each foreign partner. Moreover, programs concerning big investments projects have to be evaluated also in the scope of these projects separately.

Table 1 presents SEAs made in 2007-2013 structural funds programming period. Naturally, all of them are ex-ante evaluations. All the evaluations have been commissioned by entities responsible for structural funds implementations (managing units of given operational programs). The evaluators have been chosen in public tenders.

The evaluators engaged in SEAs realization are not very diversified. Private evaluation companies (Agrotec or PROEKO) are in clear dominance but there are also some SEAs made by public environmental research institutes: Institute for Sustainable Development (Instytut na Rzecz Ekorozwoju) and Environment Protection Institute (Instytut Ochrony Środowiska). The biggest share in

Table 1: List of SEAs made for structural funds implementing programs (for December 2008).

Scope of SEA	Year	Commissioner	Evaluator	Scale
National Strategic Reference Framework	2006	NEU	Instytut Ochrony Środowiska	big
Fisheries development strategy and "Sustainable development of Fisheries" Operational Program	2007	MA	Agrotec sp. z o.o. i PROEKO	big
List of big projects within Infrastructure and Environment Operational Program	2007	NEU, MU I&E OP	PROEKO	big
Infrastructure and Environment Operational Program	2006	NEU, MU I&E OP	PROEKO	very big
List of big projects within Innovative Economy Operational Program	2007	NEU, MU IE OP	PROEKO	small
Innovative Economy Operational Program	2006	NEU, MU IE OP	PROEKO	big
Operational Program Development of Eastern Poland	2006	NEU, MU DEP OP	Instytut Ochrony Środowiska, Instytut na Rzecz Ekorozwoju	big
Rural Development Program	2006	MA	Agrotec sp. z o.o., Instytut na Rzecz Ekorozwoju	big
Operational Program Transporter Cooperation between Poland and Brandenburgia	2007	MRD (PL and Brandenburgia)	Various	small
Operational Program Transporter Cooperation between Poland and Lithuania	2007	MRD (PL and Lithuania)	BEF Lithuania	medium
Operational Program Transporter Cooperation between Poland and Slovakia	2007	MRD (PL and Slovakia)	Biuro Inżynieryjno-Doradcze EKOdora	medium
Operational Program Transporter Cooperation between Poland and Meklemburgia	2007	MRD (PL and Meklemburgia)	Landgesellschaft Mecklenburg-Vorpommern mbH	medium
Operational Program Transporter Cooperation between Czech Rep. and Poland	2006	MRD (PL and Czech Rep.)	DHV CR, spol. s r.o	big
Operational Program Transporter Cooperation between Lithuania, Poland and Russia	2008	MRD (PL, Lithuania and Russia)	Biuro Projektowo Doradcze EKO-KONSULT Andrzej Tyszewski Sp z o.o.	medium

Abbreviations:
NEU – National Evaluation Unit; MA – Ministry of Agriculture; MRD – Ministry of Regional Development or its equivalent in given country/region; MU – Managing Unit of Operational Program: I&E OP – Infrastructure and Environment, IE OP – Innovative Economy, DEP – Development of Eastern Poland

structural funds SEAs belongs to PROEKO, which was the Polish company at the time of the evaluations being performed. Quite recently, PROEKO was acquired by CDM Group, an international US-based consulting company and

now becomes a part of CDM global network. Thus, its status is similar to Agrotec Polska Sp. z o.o., which is a subsidiary of Agrotec S.p.A., international consulting company, specialised in agriculture and environment based evaluation. The record shows that these two companies together with two public research institutes mentioned above have covered all the country-wide programs evaluations.

Concerning the trans-boundary cooperation programs the situation is much different and the group of evaluators is more diversified (there is no single company realizing more than one evaluation). Since the scope of evaluation concerned two or more countries the participation of foreign evaluators is very significant.

4 Conclusions

Although evaluation methodology is quite well developed, by both public [14] and private efforts [15], it still needs some time to be properly implemented. It is important to mention that the scopes of evaluations constitute visibly separate entities and are not trying to integrate all the aspects of sustainability. Therefore, there is no single sustainability evaluation system within structural funds but some part of the existing evaluation system could contribute to create such. On the other hand, authors of SEA reports clearly claim, that sustainability is the object of evaluation, while the reports in fact cover almost only environmental issues. The exceptions of that rule happen, more and more often recently, which is the sign of incorporating sustainable development into evaluations.

The problem of integrating three different pillars of sustainable development is clearly present here. The indicators used for the purpose of sustainability evaluation are describing separate areas of development and the evaluations do not really come to assess interrelations between them [16]. Considering that evaluation culture has started to grow only a few years ago in Poland, we have to be patient awaiting its benefits. Still, the infrastructure that has been designed for the evaluation purposes is becoming stronger and hopefully will contribute in the nearest future to good governance.

Despite all the drawbacks presented above, SEA is for the moment the only instrument used for structural funds driven environmental evaluation. Its use is too environmentally and technically orientated for the moment but due to some positive pressure from commissioning agents and the public it is becoming more complex, therefore more sustainability oriented.

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