

## Legal Status of the Strategic Environmental Assessment (SEA), Practice of Application and Challenges in Pakistan

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### Abstract

The private sector has given relatively little attention to the emergence of strategic environmental assessment (SEA); even recently privatised utilities, where SEA might be deemed particularly appropriate, and whose activities are likely to fall within the scope of the European Union SEA Directive, have shown less interest than might be expected. However, the global trend towards the privatisation of state-owned enterprises makes the adaptation of SEA towards these industries all the more pressing. This paper addresses the place that SEA might take within the electricity sector, taking the privatised UK electricity industry as an example. Particular challenges are posed by the radical restructuring of the industry, designed to introduce competitive behaviour, making the development of comprehensive SEA processes problematic, and requiring SEA to be placed in the context of corporate environmental policy and objectives.

### Keywords

*strategic environmental assessment, privatisation, utilities, electricity industry, UK*

### Introduction:

The way international development assistance is provided is changing. The aim is to make aid more effective in supporting progress towards the Millennium Development Goals (MDGs) and to meet the needs of the poor. This involves a shift towards strategic interventions, in line with the Johannesburg Plan of Implementation (see Box 1.1). Increasingly, development co-operation agencies provide support at the level of policies, plans and programmes (PPPs). This includes, in particular, supporting comprehensive development frameworks such as “poverty reduction strategies” which are formulated and led by the developing partner country and implemented through national and local systems and institutions.

### SEA and the energy sector

The energy sector has, for some time, been seen as an obvious candidate for the application of SEA. Some of its characteristics give added weight to the need for SEA, such as the central importance of energy to national economies, the significant environmental issues associated with energy supply and use, and the growth in the use of renewable resources (Thérivel et al, 1992; Sheate, 1996). However, practice has been slow to develop in the sector, with relatively few examples

documented. Where SEA has been carried out, it has focused either on broad-level energy policy, or on narrowly-defined components of the industry.

### Privatisation of the UK electricity industry

Privatisation can broadly be defined as “the shifting of a function, either in whole or in part, from the public sector to the private sector” (Butler, 1991, page 17). Most of the UK’s major utilities underwent this process between the mid-1980s and the mid-1990s, during the time of consecutive Conservative governments.

### Implications of privatisation for SEA

Through privatisation, the overriding change to the electricity industry has been the loss of central planning by a unified body (the CEGB) with responsibility for both generation and transmission acting collaboratively with the distribution networks. Although strategic environmental planning had not been a feature of the nationalised industry, centralised financial planning had been developing (Jennings, 1999), and it could be argued that the potential existed for a hierarchical, forward planning regime, of the kind envisaged by early proponents of SEA (Lee and Walsh, 1992; Wood and Djeddour, 1992).

### Conclusion

The privatisation of state-owned enterprises has taken many forms over the last two decades, ranging from limited provision of private-sector capital, to the complete transfer of assets to privately-owned companies. It may or may not be accompanied by deregulation (the removal of rules hindering competition) and liberalisation (the creation of competitive markets) of the activity concerned. However, the underlying theme of privatisation is the insertion of market forces in utilities that had, through programmes of nationalisation, for instance, been characterised by central planning and notions of public service (Ernst, 1994; Robinson, 2000). Privatisation of the UK electricity industry provides a particularly striking example of this shift to stronger economic objectives being exercised in an increasingly competitive environment, and the loss of co-ordinated and public-interest driven infrastructure planning, which has often been hailed as the reduction of “government interference” (Thomas, 1996b).

The prospects for the assimilation of SEA rationale and practice into privatised settings might therefore seem unpromising. By

being conceptualised as an accompaniment to clearly-defined, authorised planning processes, which it seeks to inform and influence (for instance, Thérivel and Partidário, 1996), SEA will struggle to find a place in contexts where strategic planning

itself has become inherently difficult and weakened; its role is clearly called into question if the processes it seeks to assess are themselves ill-defined and hard to locate.

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