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Institutional Provisions
for Environmental Policy
Integration:

An Analysis of the “Environmental Profile
of the State Budget” and the “National
Environmental Monitoring System” in
Norway

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PREFACE

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CONTENTS

PREFACE	3
ABSTRACT	7
1 INTRODUCTION	9
2 THE MANDATE FOR ENVIRONMENTAL POLICY INTEGRATION (EPI)	11
2.1 THE POLICY MANDATE OF EPI WITHIN THE EU	12
2.2 THE POLICY MANDATE OF EPI IN NORWAY	12
3 CONCEPTUALIZING ENVIRONMENTAL POLICY INTEGRATION	15
3.1 BENCHMARKS ON VERTICAL ENVIRONMENTAL POLICY INTEGRATION - VEPI	16
3.2 BENCHMARKS ON HORIZONTAL ENVIRONMENTAL POLICY INTEGRATION - HEPI.....	17
3.3 EVALUATING EPI AS PROCESS, OUTPUT AND/OR OUTCOME: SOME CLARIFYING REMARKS.....	18
4 PUBLIC ENVIRONMENTAL GOVERNANCE FOR SUSTAINABLE DEVELOPMENT IN NORWAY	19
4.1 POLICY PRIORITY AREAS OF NORWEGIAN ENVIRONMENTAL POLITICS	20
5 THE ENVIRONMENTAL PROFILE OF THE STATE BUDGET (EPSB)	23
6 NATIONAL ENVIRONMENTAL MONITORING SYSTEM - NEMS	25
6.1 MOE'S BI-ANNUAL WHITE PAPER.....	27
6.2 SECTORAL ENVIRONMENTAL ACTION PLANS (SEAP).....	27
6.3 SECTORAL REPORTING	28
6.4 RESULTS AND DOCUMENTATION SYSTEM (RDS)	28
6.5 CROSS-SECTORAL ANALYSES.....	30
7 SUMMARY ANALYSIS: THE EPSB AND NEMS AS INSTANCES OF EPI	31
7.1 THE ENVIRONMENTAL PROFILE OF THE STATE BUDGET	31
7.2 NEMS.....	31
7.3 GOVERNMENTAL INITIATIVES FOR EPI IN NORWAY	33
7.4 WHY IS THERE A GAP BETWEEN AMBITION AND ACTUAL PRACTICE?.....	37
8 SOME BRIEF - BUT VERY POINTED - CONCLUSIONS	41
REFERENCES	43

ABSTRACT

Norwegian environmental public policy implementation is based on the principle of sectoral responsibility. This implies that specific ministries and directorates have the responsibility to implement and enforce political decisions made by the Norwegian Parliament. Such sectoral responsibility is clearly necessary for an active and effective greening of sectoral policies. But we should not lose sight of the fact that an overly strong emphasis on sectoral responsibility can also create potential barriers for an overall greening of policy across sectors. Environmental policy – and particularly policy for sustainable development – is inter-departmental and interdisciplinary by nature. While sectoral policy operates with a vertical image of governmental responsibility, environmental and SD policy is inherently horizontal.

In earlier attempts to clarify the conceptual nature of EPI (Lafferty and Hovden 2003 and Lafferty 2004b), we have distinguished between the vertical (VEPI) and horizontal (HEPI) dimensions as potential benchmarks for evaluation. As an initial attempt to focus discussion on the quality of governing mechanisms for EPI, we have assigned “scores” on each benchmark. The purpose of the present paper is to use this work as a reference for a more inductive empirical approach. What kinds of institutional provisions are currently in place (in Norway), and to what degree do they reflect the interdependent standards for Horizontal and Vertical Environmental Policy Integration: HEPI and VEPI?

The first case investigated is the reporting procedures established (in 1989) for the ‘Environmental Profile of the Norwegian State Budget’ (EPSB). With this governing mechanism, the goal has been to identify expenditures that are “environmentally motivated”. By requiring all ministries to document the levels and types of “green” expenditures, the goal was to provide a basis for policy-integration assessment.

The second case investigated is what we have termed the ‘National Environmental Monitoring System’ (NEMS). This mechanism was first outlined in 1997. To our knowledge, the system represents a very promising effort to develop a functioning framework for monitoring (and eventually managing) a more holistic greening of Norwegian society within and across sectors. Consequently, the NEMS may represent a significant effort to strengthen EPI in Norway.

The analysis indicates, however, that the promises remain just that: well thought-out systems in theory, but without the necessary administrative and political follow-up to realize the potential for strengthening EPI. The paper concludes with a discussion of the lessons learned from the two assessments, and points towards specific procedural routines which could serve to enhance stronger environmental policy integration.

1. INTRODUCTION

Almost two decades ago the Brundtland Report characterized Environmental Policy Integration (EPI) as “the chief institutional challenge of the 1990s” (WCED 1987: 313). Since then the goal of EPI has been endorsed by amongst others the UN, the EU the OECD and numerous individual countries. While the academic discourse on EPI is growing and significant effort has been put into the conceptual clarification and operationalization of EPI, relatively few assessments of “real life” EPI at the national level have been carried out.¹ The purpose of the present paper is to use previously developed analytic mechanisms (Lafferty and Hovden 2003; Lafferty 2004b) to assess the extent to which two Norwegian institutional provisions contribute to integration of environmental issues into non-environmental policy sectors.

The first provision discussed in this paper, “the Environmental Profile of the State Budget” (EPSB), was proposed in 1989 in the wake of the report from the World Commission on Environment and Development. When environmental issues were connected to traditional finance policy, environmental concerns were expected to be integrated into other policy fields. All Ministries still, as of fall 2004, are required to provide an overview of their annual “green” expenditures in the budget.

The second provision presented and evaluated is the “National Environmental Monitoring System” (NEMS), proposed in 1997 (White Paper 58: 1996-97). To our knowledge, NEMS is a unique effort trying to develop a public governance framework for managing and monitoring sectoral efforts as well as the overall environmental policy implementation in Norway.

The outline of the paper is as follows: First the mandates for Environmental Policy integration (EPI) both within the EU as well as Norway are highlighted. Subsequently the paper conceptualizes EPI and proposes evaluative benchmarks both on horizontal and vertical levels. A brief introduction to public environmental governance in Norway is then presented prior to description of the two policy provision; ESPB and NEMS. These are subject of further analysis illustrating the degree of EPI in Norway. Despite promising features the paper concludes that the degree of environmental policy integration in Norway is limited, and some suggestions are made with respect to the causality and the lessons learned.

¹ The most specific assessments – focussing on the specific idea of EPI as applied here – are Doern (1993); Hovden and Torjussen (2002); the country studies by Jordan (UK), Müller (Germany) and Lewanski (Italy) in Lenschow (2002); Nilsson and Persson (2003); and Lundqvist (2004). The five case studies on “Governance for Sustainable Development” commissioned by the OECD (2002) also contain a wealth of institutional and procedural material of direct relevance for the problematic.

2. THE MANDATE FOR ENVIRONMENTAL POLICY INTEGRATION (EPI)

For the purpose of the paper a key formulation on EPI is found in chapter 12 of the Brundtland Report – appropriately titled “Towards Common Action: Proposals for Institutional and Legal Change”:

Sustainable development objectives should be incorporated in the terms of reference of those cabinet and legislative committees dealing with national economic and planning as well as those dealing with key sectoral and international policies. As an extension of this, the major economic and sectoral agencies of governments should now be made directly responsible and fully accountable for ensuring that their policies, programmes and budgets support development that is ecologically as well as economically sustainable.

Where resources and data permit, an annual report and audit on changes in environmental quality and in the stock of the nation’s environmental resource assets are needed to complement the traditional annual fiscal budget and economic development plans. These are essential to obtain an accurate picture of the true health and wealth of the national economy, and to assess progress towards sustainable development. (WCED 1987: 314)

These ideas formulated by WCED are directly relevant for the two provisions assessed in this paper. The ideas proposed by the Brundtland-commission were followed up more specifically as a series of “objectives” in Chapter 8 of Agenda 21, entitled: “Integrating Environment and Development in Decision-Making”. The statements chosen are from the two most relevant sub-sections of the chapter: (A) “Integrating environment and development at the policy, planning and management levels”, and (D) “Establishing systems for integrated environmental and economic accounting”. Though the general ideas here are well known, it is important for further discussion that we reference and highlight several of the key formulations:

Governments, in cooperation, where appropriate, with international organizations, should adopt a strategy for sustainable development based on, *inter alia*, the implementation of decisions taken at the [Rio] Conference, particularly in respect of Agenda 21. This strategy *should build upon and harmonize the various sectoral economic, social and environmental policies and plans that are operating in the country*. (Para. 8.7)

[To adopt] a domestically formulated policy framework that reflects a long-term perspective and cross-sectoral approach as the basis for decisions, *taking account of the linkages between and within the various political, economic, social and environmental issues involved in the development process*. (Para 8.4.b)

To expand existing systems of national economic accounts in order *to integrate environment and social dimensions in the accounting framework*, including at least satellite systems of accounts for natural resources. The resulting systems of integrated environmental and economic accounting (IEEA) to be established in all member States at the earliest date, and should be seen as a complement to, rather than a substitute for, traditional national accounting practices for the foreseeable future. *IEEA would be designed to play an integral part in the national development decision-making process*. National accounting agencies should work in close collaboration with national environmental statistics as well as the geographic and natural resource departments. (Para 8.42)

[To ensure] *transparency of, and accountability for, the environmental implications of economic and sectoral policies*. (Para 8.4.e) (United Nations 1994: 65-74, our emphasis)

There are more key formulations in the Brundtland Report and in Agenda 21 and the concept of EPI can be traced even further back (Lafferty and Hovden 2003: 3). The mandate for EPI is, however, still very much alive. Let us therefore turn to the approach of the EU and the interpreted policy mandate for EPI.

2.1. The policy mandate of EPI within the EU

The European Union recognizes the challenge of sectoral integration within the Union. In 1997, in Article 6 of the Treaty of the European Community (the Amsterdam Treaty), it is stated that:

‘Environmental protection requirements must be integrated into the definition and implementation of the Community policies and activities referred to in Article 3 [listing the full range of Community activities] in particular with a view to promoting sustainable development’

In the so-called “Cardiff Process”, initiated by the Luxembourg European Council in December 1997, and elevated to a full-scale EU programme in Cardiff, June 1998, the goal is that “all relevant Council configurations” should work to develop “their own strategies for integrating environment and sustainable development into their respective policy areas”. The strong nature of the mandate here is reflected in a policy evaluation from 2001, where the report concludes that:

In summary . . . the Cardiff Process can be characterised as binding and committing. Legally, the binding nature is rather weak, but the political commitment is strong. There was a clearly expressed will at the start, which was reinforced at various levels throughout the whole process. Of significant importance are the various self-commitments of the Council configurations to further refine or revise the strategies, and the work packages delegated to the European Commission or specific working groups.” (Kraemer 2001: 33)

Finally we can mention the EU “Strategy for Sustainable Development”. Authored directly by the office of the President of the EU Commission, and presented to the European Council in Gothenburg in June 2001, the strategy stated that:

The process of integration of environmental concerns in sectoral policies, launched by the European Council in Cardiff, must continue and provide an environmental input to the EU Sustainable Development strategy, similar to that given for the economic and social dimensions by the Broad Economic Policy Guidelines and the Employment Guidelines. The sectoral environmental integration strategies should be consistent with the specific objectives of EU Sustainable Development strategy. (CEC 2001: 14).

2.2. The policy mandate of EPI in Norway

For this paper, focusing on institutional provisions for EPI in Norway, national commitments are of particular interest. In White Paper 46 (1988-89) “Environment and Development. Norway’s follow up of the World Commission report” (presented by the second Brundtland Government²), it is stated in the introduction to chapter 7 on “policy instruments in the environmental policy” that:

The Government puts decisive emphasis on the inclusion of sustainable development considerations into all societal planning and sectoral policies. (White Paper 46 (1988-89): 71) [Authors’ translation]

The White Paper then proceeds with a substantial discussion on how the “inclusion” will be organized. One of the policy instruments introduced is the “Environmental Profile of the State Budget”, the first institutional provision to be presented in the current paper.

In White Paper 58 (1996-97) “Environmental policy for Sustainable Development”, the expressed public commitment to EPI is strong. With explicit reference to cross-sectoral

² Gro Harlem Brundtland, head of the World Commission on Sustainable Development (WCSD) was Norwegian Prime Minister for three periods: Feb 04, 1981 – Oct 14, 1981; May 09, 1986 – Oct 16, 1989; and Nov 03, 1990 – Oct 25, 1996.

interaction causing specific environmental impacts, EPI was established as a guiding principle in Norwegian environmental policies. As stated:

An environmental problem is seldom caused by only a single sector. The sources of negative environmental impacts vary within the sectors and the sectors have varying capacities and cost-benefit structures for reducing environmental impacts. For cross-sectoral environmental problems to be solved at the lowest cost possible, the Government will do everything it can to consider the combined impacts of all relevant sources. *A sector encompassing environmental policy requires a comprehensive cross-sectoral utilization of policy instruments. An efficient environmental policy must ensure that environmental considerations are integrated into the policy frameworks and concerns for all sectors in society.* Integration of environmental concerns early in the decision-making process will prevent environmental problems from arising, which in most cases is less costly than having to “repair” them. (White Paper 58 (1996-97): 25) [Original emphasis. Authors’ translation].

White Paper 58 (1996-97) established the principle of sectoral responsibility and this is still very influential on Norwegian environmental politics. In this White Paper one can also find the first well elaborated reference to the National Environmental Monitoring System (NEMS), the second institutional provision to be presented in the paper.

It is safe to say that the mandate for EPI is well founded in relevant UN, EU and national policy documents. Nevertheless, one challenge has been to conceptualize and operationalize EPI. The next section will draw some broad lines enabling an assessment of EPI.

3. CONCEPTUALIZING ENVIRONMENTAL POLICY INTEGRATION

As illustrated in Figure 1, EPI has a horizontal and vertical dimension. The vertical dimension refers to the particular sectoral responsibility of the individual ministry and its policy fields. The horizontal dimension refers to the governmental responsibility for sustainable development and the overall challenge of inter-ministerial policy coordination between various sectoral concerns and priorities.

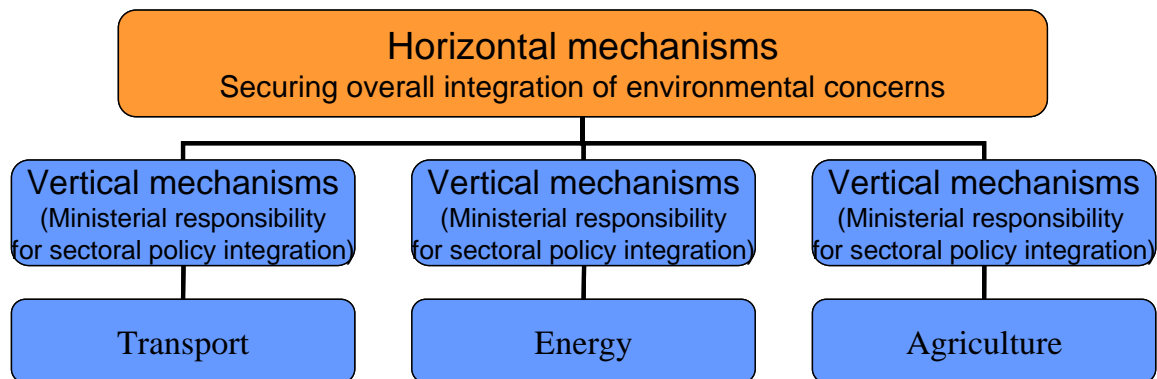


Figure 1: Environmental policy integration. Horizontal and vertical dimensions (Lafferty and Hovden 2003: 14)

Ute Collier’s work on EPI is a valuable starting point for discussing the concept. She is one of the few who define EPI in a way that distinguishes between features of its application such as strategies and indicators. She offers a three-point definition of the objective of EPI (Collier 1994:36). It should aim to:

- achieve sustainable development and prevent environmental damage
- remove contradictions between policies as well as within policies
- realize mutual benefits and the goal of making policies mutually supportive

While Collier’s definition places the concept of EPI in the right intellectual context and provides a number of possible indications as to what it might entail, the definition is short of a precise, *applicable* definition of EPI. In other words, as Lafferty and Hovden ask (2003:8): “How will we recognize it when we see it?”

To answer this question, the early work of Arild Underdal is helpful. Even though Underdal deals with policy integration in general, his approach to the problem has the appealing feature of concentrating on the character of the policymaking process. For a policy to be ‘integrated’, three criteria need to be satisfied: comprehensiveness, aggregation and consistency. Underdal defines an integrated policy as one where: “all significant consequences of policy decisions are recognized as decision premises, where policy options are evaluated on the basis of the effects on some aggregate measure of utility, and where the different policy elements are in accordance with each other” (Underdal 1980: 162).

The definition proposed by Underdal is well developed and precise, but it can in principle be used for any type of policy integration. It is not specifically tied to environmental policy or sustainable development. Consequently, we lack a value

hierarchy of “the aggregate measures of utility” to guide the actual integration in question. In accordance with the reasoning embedded in the UNCED process, but inspired by Underdal (1980), Lafferty (2004b: 201) now proposes that EPI be defined as:

the incorporation of environmental objectives into all stages of policymaking in non-environmental policy sectors, with a specific recognition of this goal as a guiding principle for the planning and execution of policy;

accompanied by an attempt to aggregate presumed environmental consequences into an overall evaluation of policy, and a commitment to minimise contradictions between environmental and sectoral policies by giving principled priority to the former over the latter.

The first part of the definition specifies the integration principle in terms of policymaking and is primarily a process-oriented concept. Environmental objectives need to be part of the fundamental premises for policy-making at all stages. The second part of the definition refers to a crucial and more controversial issue in defining EPI. Many discussions assume that conflicting interests between policy objectives can be resolved to the satisfaction of all affected parties. We would propose, however, that the crucial significance of EPI as a principle rests in the issue of “trump”: that is, that environmental concerns be accorded “principled priority” within a “canon of practical judgement” for resolving trade-offs among environmental, economic and social policy goals (Lafferty, Ruud and Larsen 2004). The increasing recognition and acceptance of the fact that the Earth is facing potentially irreversible damage to crucial life-support systems implies that environmental objectives – under stipulated decision-making constraints – should be seen as principal. This does not imply an “extra-democratic” mandate (Lafferty and Hovden 2003). Political priorities must be agreed within overall democratic procedures. As argued elsewhere (Lafferty and Hovden 2003; Lafferty 2004b), however, there is considerable room for strengthening the mandate for environmental sustainable development within the policy realm of existing sectoral interests. For example, the actual role, scope and significance of a national action plan for sustainable development could serve as a ‘touchstone’ for reconciling intra-sectoral interests.

3.1. Benchmarks on Vertical Environmental Policy Integration - VEPI

Vertical Environmental Policy Integration (VEPI) indicates the extent to which a particular governmental sector has taken on board and implemented environmental objectives as central in the portfolio of objectives that the sector continuously pursues (Lafferty and Hovden 2003: 12). In other words, VEPI refers to a “greening” of sectoral policies. It is important to stress that the term “vertical” is used in a functional sense, and not in the sense of vertical constitutional division of powers. VEPI, the vertical axis of EPI as illustrated in figure 1, signifies administrative responsibility *up and down* within the arena of the specific ministerial sector.

Indicators for VEPI must refer to efforts on how a given governmental ministry aims to integrate environmental concerns into its activities. Lafferty (2004b) proposes the following benchmarks:

- a *scoping report* providing an initial mapping and specification of sectoral activity, which identifies major environmental/ecological impacts associated with key actors and processes – including the government unit itself;

- a *forum* for structured dialogue and consultation with designated principal stakeholders and citizens;
- a *sectoral strategy* for change, putting forth the basic principles and goals for the sector;
- an *action plan* to implement the strategy, with stipulated priorities, targets, timetables, policy instruments and designated responsible actors;
- a *green budget* for the integration and funding of the action plan;
- a *monitoring programme* for overseeing the implementation process, its impacts and target results, including specified cycles for monitoring reports and revisions of the sectoral strategy and action plan.

These mechanisms can be viewed as baseline institutional reforms for vertical policy integration. The key initiative is the combination of sectoral strategy and action plan. However, both these elements will be of limited importance if the overall effort fails to properly assess and identify the key environmental challenges for the sector; or if it fails to stipulate realistic targets, benchmarks and measures for objective assessment of implementation results. Both implemented policy provision to be discussed subsequently are explicitly aimed at strengthening vertical environmental policy integration.

3.2. Benchmarks on Horizontal Environmental Policy Integration - HEPI

Horizontal Environmental Policy Integration (HEPI) refers to whether a central authority has developed a comprehensive *cross-sectoral* strategy for EPI. The central authority could be the government itself, or a particular body or commission entrusted with an overarching responsibility for sustainable development. As emphasized by Lafferty and Hovden (2003:14) “If ‘who gets what, where, when and how?’ is the essence of a political system, the relevant understanding of HEPI is to substitute ‘environmental interest’ for ‘who’, and to insist on at least equal treatment for the environment as for other competing interests”. HEPI also includes the central authority’s ability to communicate to the sectors a detailed understanding of what the central authority aims to achieve by EPI.

Lafferty (2004b) proposes the following benchmarks for horizontal environmental policy integration (HEPI):

- a “*constitutive*” *mandate* providing provisions for the special status of environmental/sustainable development rights and goals;
- an *over-arching strategy* for the sectoral domain, with clearly enunciated goals and operational principles, and a political mandate with direct backing from the chief executive authority;
- a *national action plan* with both over-arching and sectoral targets, indicators and time tables;
- a *responsible executive body* with designated responsibility (and powers) for the overall coordination, implementation and supervision of the integration process;
- a *communications plan* stipulating sectoral responsibility for achieving overarching goals, and outlining how intra-sectoral communications are to be structured and made transparent;

- an *independent auditor* with responsibility for monitoring and assessing implementation at both governmental and sectoral levels, and for proposing revisions in subsequent generations of strategies and action plans;
- a *board of petition and redress* for resolving conflicts of interest between environmental and other societal objectives, interests and actors.

As with the vertical benchmarks, the benchmarks for HEPI should be considered as minimum “baseline” requirements for the horizontal aspect of implementing EPI through governmental steering mechanisms. In the following we will use the benchmarks for an initial assessment of the Environmental Profile of the State Budget (EPSB) and the National Environmental Monitoring System (NEMS) in Norway.

3.3. Evaluating EPI as process, output and/or outcome: some clarifying remarks

Given the complexity and difficulty of taking EPI from rhetoric to actual politics, substantial academic and political efforts have been devoted to developing EPI as concept and to study EPI as a policy process (Collier 1994; Lenschow 2002; Lafferty and Hovden 2003; Nilsson and Persson 2003; Lafferty 2004b, Persson 2004; Lafferty, Ruud and Larsen 2004). EPI may also, however, be studied as *output* in terms of policy initiatives, statements, objectives and so forth. It might, however, be difficult to assess whether the actual policy outputs – or lack thereof – are a direct causal effect of EPI or only part of conventional political bargaining. The study of EPI as an *outcome* is a third option. The purpose of EPI is to eliminate or at least to reduce negative environmental impacts, so that the consequences of both process and output can be assessed in terms of actual changes in the behaviours of target groups and the metrics of sectoral targets.

The focus here, however, is only on EPI as process. Two governmental procedures are discussed with respect to the degree they reflect the “democratic rationality” (Lafferty 2004a: 3-12) of trying to achieve environmental policy integration. The exercise is, therefore, a form of evaluation of the Norwegian governing mechanisms. Without going into detail on evaluation methodology (see Lafferty and Ruud 2004), we can say that the approach used here corresponds with what Vedung (1997: 37) terms a “goal-attainment” design. The key question here is to determine whether the goals of a given “programme” are achieved. In the present case we are assessing whether the procedures adopted by the Norwegian Government with respect to EPSB and NEMS are functioning: (1) in accord with the ambitions specified, and (2) in accord with the HEPI-VEPI benchmarks.

4. PUBLIC ENVIRONMENTAL GOVERNANCE FOR SUSTAINABLE DEVELOPMENT IN NORWAY

Norwegian environmental politics as a major policy area dates back to 1972 with the establishment of the Ministry of Environment (MoE) – the world’s first ministry for environmental protection. Important subsequent developments included the establishment of the Norwegian Pollution Control Authority (SFT) on June 1, 1974, the proposing of the Pollution Control Act on March 13, 1981, and its enforcement in October 1983. The policy formation process, general choice of instruments and mode of representation for interest groups were in accordance with traditional ministerial procedures with emphasis on technical expertise and judicial instruments – what Reitan (2001) terms “administrative rationalism”.

Toward the end of the 1980s, however, new signals began to appear in the area of environmental politics. The report by the World Commission on Environment and Development (WCED 1987) and the decisions made at United Nations Conference of Environment and Development (UNCED) in Rio de Janeiro in 1992, reflected a new paradigm, often referred to as “ecological modernization”. This can be illustrated in three ways that are all reflected in White Paper 58 (1996-97):

First, Norwegian environmental politics took a new direction in terms of policy principles. While previous policies focused on specific environmental problems and on conservation or protection of specific natural resources, the new focus was more systemic with respect to ecosystems and broader solutions. In White Paper 58 (1996-97), two important principles were introduced as premises for Norwegian environmental policy making: the idea of nature’s carrying capacity and the precautionary principle. The idea of nature’s carrying capacity – of critical levels in relation to ecosystems – is directly related to sustainability. Given the complex and interrelated nature of ecosystems, the precautionary principle is introduced to address situations of scientific uncertainty in the policy-making process. The precautionary principle implies that, faced with a risk of serious or irreversible environmental damage, lack of scientific certainty neither justifies environmental destruction nor allows postponement of policies to protect nature (Lafferty and Langhelle 1999).

Second, the traditional focus on nature conservation through administrative/judicial instruments was firmly expanded with White Paper 58 (1996-97) and new policy instruments were introduced, in particular economic instruments. Cost efficiency became a guiding principle in environmental politics. The attempt to introduce a green tax system is a key example of Norwegian experiments with economic instruments in environmental policy (Ruud 2002).

Third, White Paper 58 (1996-97) signalled a shift to a sector-encompassing approach. Sustainable development issues were to be integrated in all aspects of societal planning and sectoral policy (Langhelle 2000) Hovden and Torjussen 2002). The principle of sectoral responsibility in combination with the sector-encompassing approach is still prevalent in Norwegian environmental policy, and has led to the development of the rather unique National Environmental Monitoring System (NEMS).

Throughout the 1990s Norwegian authorities established a number of inter-ministerial committees and groups to address sustainable development issues. Some of these groups

have been ad hoc, reporting on single issues such as environmental taxes, climate policy, environmental instruments, biodiversity and sustainable consumption (Hovden and Torjussen 2002). An official Norwegian Report (NOU 4 1995) showed that the inter-ministerial committees and groups had been successful in reducing conflicts and laying a foundation for inter-ministerial cooperation. However, Hovden and Torjussen (2002:25) point out that cooperation depends in part on the ministries' willingness to prioritize environmental interests over sectoral interests, and that this is due to the fact that the Ministry of Environment does not exercise ultimate power on environmental issues and is therefore forced to negotiate objectives and strategies with other ministries. Today none of these inter-ministerial committees and groups exists. Although they were in place at the same time as EPSB, they will not be included in the analysis in this paper.

4.1. Policy priority areas of Norwegian environmental politics

Before describing the environmental profile of the state budget (EPSB) and the NEMS, let us briefly present the major policy priority areas constituting the organizing thematic baseline both for EPSB and NEMS.

In MoE's Parliamentary Bill 1 (1994-95) nineteen policy priority areas were originally proposed to organize the information from the ministries in the EPSB. The list was reduced to eleven by the MoE in Parliamentary Bill No. 1 (1997-98). The eleven priority areas consist of the eight priority areas presented in Box 1 (which

Box 1: The eight policy priority areas in Norwegian environmental politics.

1. Conservation and sustainable use of biological diversity
2. Outdoor recreation
3. The cultural heritage
4. Eutrophication and oil pollution
5. Hazardous substances
6. Waste and recycling
7. Climate change, air pollution and noise
8. International cooperation and environmental protection in the polar areas

focus solely on environmental concerns), plus: (9) "regional planning", (10) "maps and geodata" and (11) "cross sectoral policy instruments and municipal tasks". It is only the eight areas listed in Box 1 that the ministries must report on in their annual Budgetary Bills, and that are used to structure the National Environmental Monitoring System.

The eight priority areas were introduced together with NEMS in White Paper 58 (1996-97). All priority areas consist of objectives and targets, thereby providing easy access for the public and policy-makers to comparable data; results and developments on the actual ecological situation; and changes in environmental policy initiatives.

The eight priority areas clearly fit Norwegian circumstances. Some areas might seem more important than others (for example, climate change) and the scope of each priority area varies considerably. Outdoor recreation, for example, would in many countries probably be handled by either the ministry of sports or health. That it is given a separate priority in Norwegian environmental policy is due to the popularity in Norway of trekking and skiing in the vast forest and mountainous areas. At the same time the priority area is a supplement to bio-diversity and to more traditional nature-conservation policies.

The priority areas can clearly be discussed from a variety of different policy implications, but that is beyond the scope of the present discussion. The point to be

emphasized is simply that Norwegian environmental policies are specifically organized in relation to the eight priority areas. They constitute the thematic baseline for Norwegian environmental reporting and documentation, and designate explicit terms of references for both the EPSB and NEMS.

5. THE ENVIRONMENTAL PROFILE OF THE STATE BUDGET (EPSB)³

The “Environmental Profile of the State Budget” (EPSB) emerged as a crucial instrument for promoting horizontal environmental policy integration (HEPI) in the period between White Paper 46 (1988-89) and White Paper 58 (1996-97). The intention of the EPSB was twofold: first, that the ministries should provide an overview of funds connected to the environmental domains within their sectoral allocations; and, second, that ministries should use the EPSB to present the main environmental challenges, targets and initiatives set out for each new fiscal year. If possible, the ministries are also to assess the effects (outcomes) of budget allocations for the previous two years (Hovden and Torjussen 2002). The EPSB has undergone several changes over the years, but is still basically intact as required practice.

In White Paper 46 (1988-89) the EPSB was introduced as follows:

In the State Budget for 1989 the ministries have presented environmental efforts within their sectoral domain in their respective budgetary bills to Parliament. The most important challenges, goals and strategies are described in a separate chapter in the overall State Budget. The presentation represents an initial attempt to provide a collective presentation of efforts and budgetary allocations within all ministries’ sectoral domains.

The Government aims to develop this to become an important incentive to promote sustainable development. The goal is to give an overview of public efforts within each sector related to environmental challenges. This is part of the ongoing work on renewal of public administration. The presentation will be developed so as to be comparable from year to year. (White Paper 46 (1988-89): 72 [authors’ translation])

White Paper 46 (1988-89) was the Norwegian Government’s response to specific proposals put forth in the Brundtland Report (WCED 1987). It introduced the concept of environmental policy integration into Norwegian public administration, with EPSB becoming the first governmental initiative designed to realize EPI in Norway. The task was portrayed in the White Paper as a major challenge: “*A cross sectoral policy will place new demands on the public administration*” (ibid: 71).

Throughout the years several changes have been made in how the ministries are to report on their environmental efforts in the State budget, with the overall coordinating responsibility for the budgetary process resting with the Ministry of Finance (MoF). It is also the MoF that provides the ministries with directives on how the environmental reporting should be carried out. All ministries specify their budgets and the main goals of sectoral policy in the respective Annual Budgetary Bills. A summary of all sectoral Budgetary Bills are then presented in the main State Budget (referred to as the “Yellow Book”) published by the MoF. The Ministry of Environment is, however, responsible for the overall coordination of the *environmental* reporting from the various ministries.

Until 1992 the EPSB was only presented in the main publication of the State Budget under the heading “Follow-up on the World Commission for Sustainable Development”. From 1992 onwards, however, a summary of each ministry’s EPSB was published as part of the MoE’s annual Budget Bill. In addition a full-text version was published in the respective Budget Bills for all the ministries. In 1992 the MoE also asked the ministries to

³ Substantial parts of this section are based on an evaluative report from the Office of the General Auditor (Riksrevisjonen 1999).

classify their environmental allocations into three categories according to “the degree of environmental motivation” (see Box 2).

Box 2: MoE’s guidelines for classifying environmental efforts dependent on the degree of “environmental motivation”*

Category 1: Solely environmental initiatives (at least 2/3 environmentally motivated)

Category 2: Environmental initiatives with considerable environmental motivation (at least 1/3 environmentally motivated)

Category 3: Environmental initiatives with partial environmental motivation (at least 1/10 environmentally motivated)

* The “degree of environmental motivation” is to be estimated by the respective ministries.

In 1994, the presentation of the EPSB was again changed (MoE Parliamentary Bill 1 (1994-95)). The ministries were now asked to drop Category 2 and Category 3 assessments, and only report on Category 1 initiatives. The reporting now, however, was to be estimated for 19 designated policy areas. Targets and indicators were developed for the priority areas. Through these changes the Government aimed to emphasize goal-oriented governance and the documentation of achieved and expected results.

Three years later, in MoE’s Parliamentary Bill (1997-98), the nineteen priority areas were regrouped into eleven (as indicated above). In 1997 another significant change was implemented: The presentation of the EPSB in MoE’s Parliamentary Bill was no longer sorted by Ministry, but by the then newly proposed eleven policy priority areas. White Paper 58 (1996-97), published in June 1997, proposed a new cross-sectoral monitoring system – later to be termed the National Environmental Monitoring System (NEMS), as discussed in the following section.

The Environmental Profile has developed and improved over time. Yet, it is clear that EPSB has suffered from a number of methodological weaknesses. For instance the criteria for the “degree of environmental motivation” (Box 2) were very diffuse. This led to amusing results, particularly at the outset of the system. In one instance the Ministry of Defence argued that virtually *all* their spending was environmentally motivated, since most of their activities could be related to preventing nuclear warfare! Another Ministry claimed that expenses related to renovating bathrooms in the Ministry’s buildings were “solely environmentally motivated” (Nøttestad 1999).

6. NATIONAL ENVIRONMENTAL MONITORING SYSTEM – NEMS

The EPSB procedures focus primarily on input: How much resources are allocated to “environmentally motivated initiatives”? The purpose of NEMS is extended to a focus on output. The system can be characterized as procedural tool to organize national environmental policies and to integrate environmental concerns into other policy areas. In White Paper 58 (1996-97) the system was introduced as follows:

As part of a comprehensive cross-sectoral environmental policy, the Ministry [MoE] will improve control, reporting and follow-up of targets and policy instruments. The Government will develop [the EPSB] to be *a more systematic reporting on the Government's overall environmental efforts*, related to the environmental policy priority areas and the Government's targets for these areas.

(...) The national environmental monitoring system will constitute the basis to assess whether the overall effort is satisfactory with regard to existing targets and obligations, and whether the distribution between sectors and sources is cost-effective. The environmental monitoring system will be a tool to adjust the targets and instruments in environmental policy. An important part of the environmental authorities' task will be to coordinate the Government's efforts on these matters.

(...) The Government will conduct a thorough systematization and development of established routines, within a comprehensive and consistent frame consisting of the Government's total environmental efforts and results. (White Paper 58 (1996-97):27) [Authors' translation, original emphasis]

NEMS is clearly a very ambitious and promising effort to develop a monitoring framework for managing not only sectoral efforts, but also the overall Norwegian national environmental effort. The crucial question is when the ambitions will be realized: how long it will remain “promising”. When NEMS was introduced the expressed political ambitions were high. Two years after NEMS was proposed it was further specified in White Paper 8 (1999-2000: 9): *“Just as the State Budget describes the framework for the Government's economic policy and economic trends, this White Paper is intended to describe the Government's ecological policy and environmental trends.”* Even more importantly in the present context, the White Paper also openly declared that: *“With this report the Government will emphasize the ecological perspective as the foundation for policy formation in all areas of society”* (page 9). An assessment of NEMS goes, therefore, to the very core of EPI initiatives in Norway.

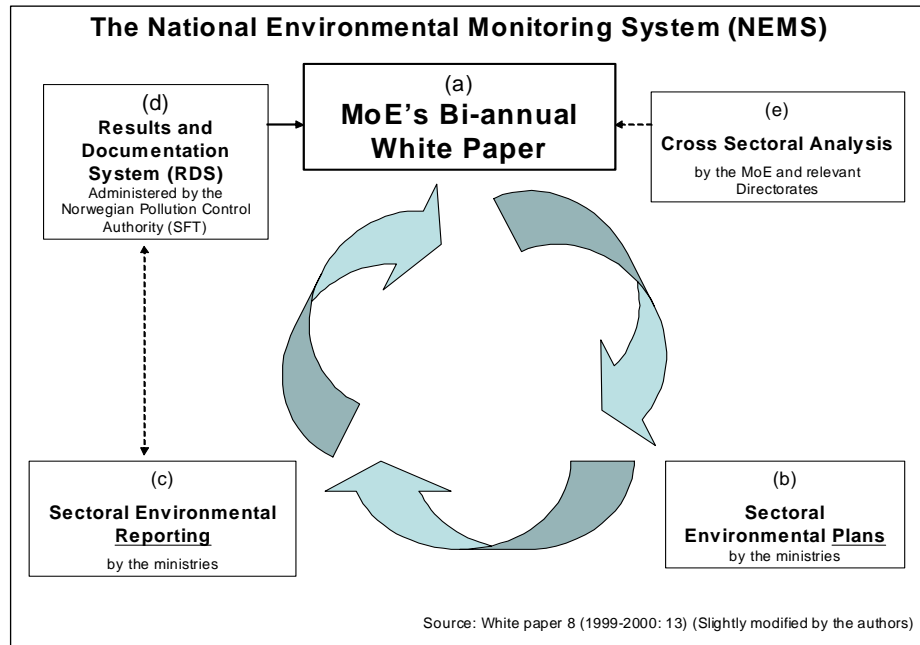


Figure 2: The main elements of the National Environmental Monitoring System (NEMS)

The intention of NEMS is to provide continuous reporting and updates on the outcomes and impacts of national environmental policies. It was originally presented as a five-stage “circular” effort:

First, there is the single most important element of national environmental policy in general, and of NEMS in particular: the MoE’s bi-annual White Paper on “The Government’s Environmental Policy and the State of the Environment” (referred here to as the ‘State of the Environment’ (a) in Figure 2). It presents environmental data and results in general, as well as proposed follow-ups to environmental policy priorities.

Second, the Sectoral Environmental Action Plans (SEAPs) ((b) in Figure 2) describe the environmental challenges and instruments available to meet the challenges within the various sectoral domains as well as sectoral targets and objectives.

Third, sectoral reporting from the ministries ((c) in Figure 2) on the progress and results related to the targets of the SEAPs – such reporting to be incorporated in the RDS.

Fourth, The Results Documentation System (RDS) ((d) in Figure 2) is a continuous monitoring and reporting system, designed to provide input to the bi-annual “State of the Environment” reports. The RDS will be based on national statistics and historical data from the official bureau of statistics (Statistics Norway) and the Norwegian environmental authorities, and sectoral reporting will be covered by the ministries in connection with the SEAPs.

Fifth, based on the results from the RDS and sectoral reporting, cross-sectoral cost-benefit analyses ((e) in Figure 2) are to provide a background for the adjustment of targets or the use of policy instruments. Cross-sectoral analysis is expected to be presented in the “State of the Environment” report.

In the following sections we look more closely at the details of the five-stage “circular” NEMS effort.

6.1. MoE's bi-annual White Paper

The series of bi-annual⁴ White Papers on “The Government’s Environmental Policy and State of the Environment” is the main publication, and in many ways the cornerstone, of NEMS ((a) in Figure 2). The series contains systematic reports on trends in the eight environmental priority areas referred to above, and presents the main elements and priorities in Norway’s environmental policy.

Three bi-annual White Papers – “State of the Environment” reports – have been published thus far. A fairly strict framework for systematizing the reports has been established. The reports begin with a short introduction describing the environmental policy and its main principles, and then present the Government’s main priority areas and specific cross-sectoral efforts. The main body of the report, however, describes the environmental policies and the state of the environment pertaining to the eight priority areas referred to in Box 1. Each priority area is structured in the same way: it contains a presentation of the goals and targets of the specific area, the state of the environment, goals achieved, and the policy instruments and initiatives in use. The goals are divided into two levels: strategic objectives and operational national targets.

The *strategic objectives* are the Government’s superior goals for each of the eight policy priority areas. The strategic objectives express a political ambition to reach or maintain an environmental standard within a reasonable time frame. There is usually only one strategic objective for each priority area. The strategic objective for “depletion of the ozone layer” is, for example, expressed as follows: “All production and use of ozone-depleting substances is to be eliminated” (White Paper 8 (1999-2000)). The strategic objectives are then concretized as *operational national targets*, expressing results that are to be achieved within a shorter time frame. The targets are intended to reflect the main environmental problems and challenges within each result area and should, given a sound scientific basis for assessment, be verifiable and related to specified time limits for fulfilling the targets set.⁵ The operational targets are in addition to be used as a basis for drawing up *sectoral working targets*, thereby enabling the formulation of Sectoral Environmental Action Plans for each Ministry.

6.2. Sectoral Environmental Action Plans (SEAP)

Each ministry is responsible for presenting a sectoral plan ((b) in Figure 2) that covers the administrative domain of the ministry and sectoral areas of responsibility. Plans must present the environmental impact of the sector in terms of the eight policy priority areas referred to in Box 1. The SEAP should also document the driving forces behind the impacts; the sectoral environmental goals; and the instruments and initiatives to be used to deal with the identified challenges. The design and reasoning is very much influenced by the standard Drivers-Pressures-State-Impact-Response (DPSIR) model developed by

⁴ The original intention was to publish annual reports, but the Parliament later asked the Ministry of the Environment to prepare only bi-annual reports.

⁵ Let us illustrate with an example from the depletion of the ozone layer specified in White paper 8 (1999-2000): 1) The consumption of halons, all types of chlorofluorocarbons (CFCs), tetrachloromethane, methyl chloroform and hydrobromofluorocarbons (HBFCs) shall be eliminated. 2) Consumption of methyl bromide shall be stabilized in 1995 and phased out by 2005. 3) Consumption of hydrochlorofluorocarbons (HCFCs) shall be stabilized in 1995 and phased out by 2015.

the OECD and European Environment Agency (EEA). In practice, however, the emphasis is mainly placed on Pressures, States and Responses.⁶

In general the SEAPs are divided into three parts: an initial section which provides a summary of the ministry's main environmental challenges, responsibilities and responses, with an overview of the Government's environmental policy; a second section which is designed as a status report on the environmental issues of particular relevance for the ministry/sector; and a third section containing a presentation of the eight policy priority areas. In this latter section, strategic objectives and operational national targets are referred to, and the ministries are asked to specify the particular sectoral challenges and responses for each priority area. All SEAPs must follow the framework and references included in MoE's bi-annual White Paper on the 'State of the Environment'.

The idea behind the SEAPs is to highlight the sectoral responsibilities related to the eight priority areas, and to indicate how each ministry will contribute to addressing environmental challenges. Further, as stated in White Paper 58 (1996-97), the action plans should try to show how each ministry can contribute to fulfilling the Government's overall environmental policy on sustainable development. The Norwegian Parliament has decided – in accordance with White Paper 8 (1998-99) – that the sectoral action plans must be updated every four years. To date, however, the ministries have only prepared a single SEAP. The quasi-official monitoring agency *Statskonsult*⁷ (2003) has evaluated the plans, and a decision on how to proceed further with the SEAPs is pending in the MoE.

6.3. Sectoral Reporting

A crucial element of the NEMS procedure is *sectoral reporting* on the ministries' implementation of their sectoral environmental action plans (SEAPs) ((c) in Figure 2). This part of the system (reports on the progress on the strategic objectives and sectoral targets) was *supposed to be* executed annually; not only to facilitate internal follow-up of the ministries' policy implementation, but also to enable the functioning of the RDS in accordance with the established routines, formats and standards. However, as of November 2004, no ministry had yet initiated this task.

6.4. Results and documentation system (RDS)

As indicated above, NEMS is dependent on a well-functioning system for reporting and documentation of environmental policy implementation in each sector. White Paper 58 (1996-97:15) states that:

The Government will further develop a national results-monitoring system for enacted environmental measures, environmental impacts, and the state of the environment. This will provide the necessary basis for controlling development in a sustainable direction, for example *by making it possible to see the aggregate environmental impact of the activity within various sectors in an overall context.* (authors' translation and emphasis)

⁶ The PSR model was developed by the OECD and is a simplified version of the DPSIR model proposed by the European Environment Agency (EEA). For further details see:

<http://glossary.eea.eu.int/EEAGlossary/D/DPSIR>

⁷ Statskonsult is a state-owned limited company that deals with public management development. For more information visit: www.statskonsult.no (Accessed Sept 15, 2004)

The need for setting up a monitoring system was further emphasized in White Paper 8 (1998-99), the first ‘State of the Environment Report’, and the State Pollution Control Board (SFT) was asked by the MoE to develop a system with key indicators towards this end. SFT responded with what is now referred to as the Results and Documentation System (RDS) ((d) in Figure 2).

The goal of the RDS is to assemble a wide variety of environmental data which can be measured, calculated and registered in order to follow up the Government’s environmental policy. The RDS is a web-based documentation system, primarily based on statistics and information from SFT, Statistics Norway (SSB)⁸ and other environmental public policy agencies in Norway⁹. The RDS is designed to include descriptions of:

- the state of the environment relative to given environmental goals and key indicators;
- the Government’s use of policy instruments to meet environmental goals;
- environmental responses and changes of conduct in the sectors as a result of policy instruments.

Data from the RDS is to be channelled into the bi-annual State of the Environment report; to be otherwise used by the environmental and sectoral authorities; and to be made available online (<http://www.environment.no> - a simplified and popularized version of the RDS). RDS is also made accessible for all civil servants and employees in the environmental sector. The system allows users to make their own interactive analyses, cross tabulations etc on a wide variety of input, throughput and output variables. If the system is to function effectively, however, the various sectoral ministries must submit the actual results of the implementation of the sectoral Environmental Action Plans for the eight policy priority areas. This remains a “challenge”. As of November 2004, work on the RDS is reported from the SFT to be “on ice”. The SFT has completed a functioning “beta” version of the system, but the response from the Ministry of the Environment has been ambivalent. The SFT has, therefore, ceased working on the RDS until further initiatives come from the Ministry. Given that the former Minister of the Environment¹⁰, Børge Brende, was clearly not an active supporter of administrative initiatives for sectoral integration, and that the current Minister, Knut Arild Hareide, has not yet made any commitment on the issue, there is little reason to expect progress on this initiative in the near future.

According to original intentions, RDS is designed to strengthen environmental policy making by the Government and in the sectors. Consequently, a well-functioning RDS should facilitate both the vertical and horizontal dimensions of EPI, since data assembled through the RDS would provide new possibilities for the documentation and evaluation of environmental policy both within and across sectors. A clarification from the MoE on the status of RDS, and on ambitions for the NEMS in general, is necessary if the goals set forth in White Paper 58 (1996-97) and the first “State of the Environment Report” are to be realized. The fourth “State of the Environment Report” – to be issued in the Spring of

⁸ <http://www.ssb.no/english/> (Accessed Sept 8, 2004)

⁹ For the full list of contributors to the RDS please consult:

<http://www.environment.no/templates/TopPage.aspx?id=3142#B> . (Accessed Sept 10, 2003)

¹⁰ Børge Brende from the Conservative Party was Minister of Environment from Oct 19, 2001 to June 10, 2004 when he was appointed Minister of Trade and Industry.

2005 – will indicate, in one direction or the other, the Government’s intentions for proceeding with the National Environmental Monitoring System.

6.5. Cross-sectoral analyses

Finally, there is the issue of cross-sectoral analyses. Partly based on information derived from RDS, cross sectoral analyses¹¹ ((e) in Figure 2) have been highlighted as a potential source of integrated assessment within NEMS. Such analyses were intended to form the basis for cross-sectoral applications of policy instruments. The initiative was, however, only referred to as part of NEMS in the first State of the Environment report (White Paper 8 (1998-99)). In both the second and third reports (White Paper 24 (2001-2002 and White Paper 25 (2002-2003)), similar references have been dropped. We have to date not been able to discover through our contacts with the MoE why this part of the system has simply vanished. As nearly as we can determine, only one official cross-sectoral analysis was ever carried out. In 2000 The Norwegian Pollution Control Authority (SFT) conducted a cross-sectoral cost-benefit analysis of measures to abate climate change. The study was revised in 2002, but we have not been able to trace any direct influence of the analysis on climate policy in Norway.

¹¹ Norwegian term: “tverrsektorielle tiltaksanalyser”

7. SUMMARY ANALYSIS: THE EPSB AND NEMS AS INSTANCES OF EPI

In sum, the two policy provisions presented have significant *potential* for influencing Norwegian environmental public governance in general and environmental policy integration in particular. However, the task is both demanding and incomplete. Although the provisions have been in use for several years they are still not functioning as proposed. Let us briefly summarize and assess the situation.

7.1. The Environmental Profile of the State Budget

The EPSB is currently standard operational procedure in the annual budgetary process. All ministries have to dedicate a chapter of their annual Budgetary Bill to assessments of “environmental motivation” in proposed expenditures.

Almost a decade after the introduction of EPSB it was evaluated by the Office of the General Auditor¹² in 1999. The report (Riksrevisjonen 1999) was based on an evaluation of the 1997 and 1998 EPSBs from five ministries. It concluded that the EPSB system suffered from a number of weaknesses. Most importantly the criteria for classifying the budgetary funds were unclear, leading to different classifications by different ministries. Second, because one effort could serve a number of areas, three of the five ministries evaluated stated that it was difficult to “fit” their environmental initiatives into the designated policy priority areas. According to the evaluation report, these weaknesses make inter-ministerial comparison difficult.

The report does not identify one single reason for the weak reporting, but questions whether the MoE guidelines are adequate. More generally the report questions the coordinating role of MoE. MoE has, for instance, not carried through any training on how to fulfill the objectives of the EPSB or to effectively classify the budgetary allocations. All ministries were offered seminars in 1998 – but the apparent response from the ministries was that seminars were not necessary. The evaluation report questions why the MoE, as the coordinating ministry, did not take a stronger lead in the EPSB process; both with regard to training and a more general follow up of all the ministries’ EPSBs.

The actual status of the reporting on the EPSB from the ministries is also unclear. A quick scan of some of the ministries’ Budgetary Bills for 2005 reveals that several ministries hardly report on environmental issues at all; that several ministries do not provide an overview of their “environmentally motivated allocations”; and that several do not report in compliance with the eight policy priority areas referred to in Box 1.

7.2. NEMS

According to the Norwegian Pollution Control Authority (SFT), the Norwegian NEMS procedure is recognized worldwide as an innovative effort to enable policy coordination

¹² The Office of the General Auditor in Norway (Riksrevisjonen) is the controlling agency of the Norwegian Parliament, the Storting. More information at: http://www.riksrevisjonen.no/Default.asp?Application=Riksrevisjonen_Engelsk (accessed March 10th 2004).

and integration across different sectoral interests and responsibilities¹³. Nevertheless, although an evaluation of the individual SEAPs has been conducted by Statskonsult (2003), a full assessment of NEMS has not been carried out. NEMS remains, therefore, “amputated” in its functional design. We can briefly summarize the five elements (Figure 2) as follows:

(a) The State of the Environment

The bi-annual “State of the Environment” report is the only element of NEMS that can be considered partly successful so far. Three reports have been produced and presented to Parliament. A fourth is expected during 2005. The State of the Environment reports have been fairly detailed and easy accessible. Relevant and good information has been provided on environmental challenges and the state of the environment.

(b) The Sectoral Environmental Action Plans

All ministries¹⁴ have published an Environmental Action Plan (SEAP) and a summary of each plan has been presented in the State of the Environment reports. The first generation of SEAPs are, however, of varying quality and content, and, as of November 2004, they have not been subjected to any revisions. In the evaluation by Statskonsult (2003) the main conclusions are stated as follows:

1) *Work on the SEAPs has mainly been an administrative process.* The degree of political involvement in the process has varied and the work on the SEAPs has had (in most cases) low priority.

2) *Few effects from the SEAPs can be documented.* The most positive effect is that the process has given the ministries a better overview of their environmental challenges. The plans are, however, not very concrete or demanding. This has made sectoral reporting difficult. The SEAPs cannot be said to function as sectoral steering documents, or as a basis for cross-sectoral analysis. The plans have not improved cooperation between ministries related to cross sectoral challenges, since none of the ministries report inter-ministerial collaboration on environmental initiatives. Finally, the plans do not appear to have had any effect on policy development or the distribution of resources.

3) *The SEAPs are probably not an appropriate policy instrument to integrate and implement environmental considerations into the ministries’ decision- making processes.* Statskonsult recommends that efforts related to sectoral integration should be continued by coupling it to the EPSB or the State of the Environment reports.

4) *A more distinct distribution of roles and responsibilities is required with regard to cross sectoral- environmental challenges.*

Clearly the criticism from Statskonsult is relatively severe. The evaluation report is still under consideration in the MoE, and a clarification on how to proceed with the SEAPs is not expected until the State of the Environment report to be published in 2005.

(c) Sectoral Environmental Reporting

Sectoral reporting from the ministries on the status of efforts implemented in accordance with the SEAPs has not been completed.

¹³ Stated by Olle Morten Grini, scientific advisor on environmental data at SFT, during a ProSus seminar November 6, 2003. Mr. Grini is project coordinator of the RDS.

¹⁴ The Ministry of Health and the Ministry of Social Affairs have submitted one plan together. The Ministry of Foreign Affairs has not made their plan public, but a copy can be obtained by contacting the Ministry.

(d) RDS

SFT has developed a prototype for a Results and Documentation System (RDS) – but the project is, as of November 2004, dormant.

(e) Cross Sectoral Analysis

Only one cross-sectoral analysis has been completed thus far, and it is not clear from the ministry whether cross-sectoral analysis is still considered an essential part of the NEMS procedure.

Having made a summary descriptive conclusion of the two EPI-related procedures, we can conclude by profiling the results in terms of the HEPI and VEPI benchmarks.

7.3. Governmental initiatives for EPI in Norway

First it should be pointed out that although White Paper 58 (1996-97) gives the impression that NEMS will replace EPSB, there is no evidence that this has been further discussed, much less attempted. The two procedures continue, therefore, to lead “parallel lives”. This should be taken into account when interpreting the following assessment, since we will cover both systems simultaneously within the scheme. The total EPI effect is dependent on whether and how they eventually are combined. As an initial attempt to focus discussion on the quality of governing mechanisms for EPI, we have assigned “scores” between zero (0) as the lowest and four (4) as the highest score on each benchmark.

Vertical environmental policy integration – VEPI

- A *scoping report* providing an initial mapping and specification of sectoral activity, which identifies major environmental/ecological impacts associated with key actors and processes – including the government unit itself;
 - Assessment: This “documentation” aspect of VEPI is supposed to be specifically covered by the sectoral environmental action plans (SEAPs), there are also elements of the benchmark in the EPSB. The standard is partially fulfilled since all ministries have prepared SEAPs; but the evaluation by Statskonsult (2003) reveals that the quality of the plans clearly varies on this point and could be improved across the board. The mere fact that the exercise has been completed, however, constitutes one of the more positive developments on the vertical dimension, since the ministries now have better knowledge and a more standardized framework for assessing sectoral drivers and impacts. **Score: 3**
- A *forum* for structured dialogue and consultation with designated principal stakeholders and citizens;
 - Assessment: Strangely enough – given Norway’s very strong history of both corporate-pluralism and NGO-state cooperation on the international scene – this aspect of VEPI is simply not a part of either the EPSB or NEMS. We find no evidence or plans for such forums. **Score: 0**

- A *sectoral strategy* for change, putting forth the basic principles and goals for the sector;
 - Assessment: Though officially entitled “action plans”, the general guidelines indicate that the State of the Environment reports and the SEAPs should also give expressions to more overarching and long term goals. Although some of the documents actually do include strategic elements, it is, in our view, a weakness that the strategic and tactical/instrumental aspects of VEPI are not more clearly differentiated. A clear and separate articulation of basic principles and overarching, long-term goals is an important vehicle for focusing the crucial variable of “political will”. **Score: 2**
- An *action plan* to implement the strategy, with stipulated priorities, targets, timetables, policy instruments and designated responsible actors;
 - Assessment: This is of course the main idea behind the Sectoral Environmental Action Plans as an element of NEMS. Our general impression is that the form and intent of the benchmark is captured by the SEAP process – but that the plans vary considerably on the preciseness and quality of the planning elements. Further, there is relatively little in the way of priorities, specific targets and timetables across all of the plans. **Score: 2**
- A *green budget* for the integration and funding of the action plan;
 - Assessment: There is no evidence of this understanding of integrated strategic budgeting. The EPSB cannot be considered a “green budget” in this context since it is not even integrated with the NEMS on a cross-sectoral level, much less functionally focussed on a sectoral level. Reporting as to the “environmental motivation” of ministerial expenditures provides a certain *form* of green budgeting, and provides a *possible* point of departures for more specific strategic follow-up, but the incipience of both aspects speaks for itself. **Score: 1**
- A *monitoring programme* for overseeing the implementation process, its impacts and target results, including specified cycles for monitoring reports and revisions of the sectoral strategy and action plan.
 - Assessment: The combination of SEAPs and the RDS is clearly one of the most innovative and promising aspects of the NEMS design. As documented here, however, the system has not been completed. No ministry has thus carried out a systematic review of its own SEAP; the Ministry of the Environment has not carried out a collective assessment and provided feedback; and the RDS is in political “limbo”. How the system might have been scored had it been in place is difficult to say. As it is, the conclusion is relatively straightforward: **Score: 0**

Horizontal environmental policy integration (HEPI):

- A “*constitutive*” *mandate* providing provisions for the special status of environmental/sustainable development rights and goals;
 - Assessment: Since the launching of the Brundtland report, Norwegian governments of both the “right” and “left”, have presented White Papers,

Long-term Plans, a National Strategy and a National Action Plan – all proclaiming "sustainable development" as an over-arching goal for the Norwegian society. Even more importantly, however, strong environmental prescriptions (and implied "rights") are also included in the Norwegian Constitution. (There is also a constitutional provision entitling citizens to "earn a living" by work, but there are no other provisions in the Constitution related to either economic or social conditions.¹⁵) These very basic normative principles are also reflected in the goals for the NEMS system. As pointed out above, the tone-setting White Paper No. 8 (1999-2000) clearly states that the intent of the report to Parliament is: "to emphasize the ecological perspective as a foundation for policy formulation in all areas of society" (p. 9). Even though the report also specifically equates the relevance of the report in an ecological context with the relevance of the National Budget in an economic context, there can be little doubt that the constitutional provisions imply a status of "principled priority" for the ecological/environmental aspect. The "mandate" is, in short, in place. **Score: 4**

- An *over-arching strategy* for the sectoral domain, with clearly enunciated goals and operational principles, and a political mandate with direct backing from the chief executive authority;
 - Assessment: Norway adopted in 2002 a relatively short, relatively vague and highly controversial "National Strategy for Sustainable Development". The strategy was hastily prepared for the World Summit on Sustainable Development (WSSD) in Johannesburg, where its major function was to embarrass the Government into a political commitment to prepare a National Action Plan as soon as possible after the WSSD. The environmental aspect of SD is covered in both the strategy and the action plan, and it is reasonable to view the logic and structure of the State of the Environment reporting procedure as an expression of "enunciated goals" and at least some "operational principles" for the environmental dimension. Given further the strong political endorsement of the National Action Plan for SD by the Prime Minister, one could conclude that the benchmark is relatively well reflected in the Norwegian system – but that the relationship between the different initiatives is still unclear.¹⁶ **Score: 3**

¹⁵ Article 110b of the Norwegian Constitution states that: "Every person has a right to an environment that is conducive to health and to natural surroundings whose productivity and diversity are preserved. Natural resources should be made use of on the basis of comprehensive long-term considerations whereby this right will be safeguarded for future generations as well. In order to safeguard their right in accordance with the foregoing paragraph, citizens are entitled to be informed of the state of the natural environment and of the effects of any encroachments on nature that are planned or commenced. The State authorities shall issue further provisions for the implementation of these principles." The first paragraph of Article 110 of the Constitution states that: "It is the responsibility of the authorities of the State to create conditions enabling every person capable of work to earn a living by his work." (MoFA 2004).

¹⁶ In his preface to the National Action Plan for Sustainable Development, the current Prime Minister, Kjell Magne Bondevik, states that: "Through the action plan, the Government wishes to ensure that sustainable development is given a permanent place on the political agenda. The Government considers it important to link the sustainable development effort to central political processes and economic policy documents. This is why the action plan has been presented as part of the National Budget and why the Government's efforts to follow up the action plan will be discussed in forthcoming national budgets and long-term planning documents." (MoF 2003)

- A *national action plan* with both over-arching and sectoral targets, indicators and time tables;
 - Assessment: Also here the relationship between the National Action Plan for Sustainable Development (NAPSD) and the bi-annual State of the Environment reports constitutes a solid foundation for the benchmark. The State of the Environment reports stipulate national *strategic objectives* for each of the eight policy priority areas and *operational national targets*. The operational targets are then, in turn, supposed to provide the basis for *sectoral working targets*. The bi-annual reports are, however, not very concrete on indicators and timetables – a relatively normal, and highly demanding, feature of all such plans. **Score: 2**
- A *responsible executive body* with designated responsibility (and powers) for the overall coordination, implementation and supervision of the integration process;
 - Assessment: On this benchmark, there are three “candidates” for “designated responsibility” and “overall coordination”. (1) There is the responsibility designated to the Ministry of the Environment for the NEMS system – which we have documented as incomplete. (2) There is the highly specific responsibility designated to a “State Secretary Committee for Following Up the National Agenda 21” (i.e. the NAPSD) under the Ministry of Finance. Given that the NAPSD is supposed to incorporate the NEMS procedures, this is the strongest candidate for “responsible executive body”. The process to be coordinated by the MoF committee is, however, moving *very* slowly. At present all follow-up actions are focused on the work of a sub-committee assigned the task of developing indicators of sustainable development. Their report is due in early 2005. The role and function of the State Secretary Committee after that is not clear. (3) Finally, there is the candidate of the Prime Minister and his Cabinet. We have seen that the current Prime Minister has strongly endorsed the EPI principle as a key feature of the NAPSD, placing the political weight of his position behind the national strategy and action plan. Given that the first white paper issued in Norway on sustainable development (White Paper 46 (1988-89)) actually designated the Cabinet itself as *the* responsible body for implementing sustainable development (Langhelle 2000), one could make the argument that the Prime Minister’s personal involvement in the SD implementation process, along with the designation of the Ministry of Finance as responsible ministry for the strategy and action plan, is as strong an “executive” indication on the benchmark that one can get in Norway. In short – and once again – very strong potential, but unclear responsibilities and “halting” implementation. **Score: 2**
- A *communications plan* stipulating sectoral responsibility for achieving overarching goals, and outlining how intra-sectoral communications are to be structured and made transparent;
 - Assessment: Given the reasoning presented on the previous benchmarks, we arrive at the same conclusion here. Potential plans on paper for who should do what, where, when and how – but confused and abated follow-through. **Score: 1**

- An *independent auditor* with responsibility for monitoring and assessing implementation at both governmental and sectoral levels, and for proposing revisions in subsequent generations of strategies and action plans;
 - Assessment: The only “candidate” here is the Ministry of the Environment under the unfinished NEMS/EPBS constellation. Even this, however, would not be “independent” in the same sense as the (for example) Canadian Commissioner for Environment and Sustainable Development, that has a responsibility outside of the governmental steering structure to monitor sectoral action plans and report directly to Parliament. Norway does have a separate section within the Office of the Auditor General (OAG) which has designated responsibility for “performance audits” of public administration processes, but the activities of the OAG are very low-profile in this area and have not, to our knowledge, ever been brought into the discussion of NEMS or the EPSB. **Score: 0**
- A *board of petition and redress* for resolving conflicts of interest between environmental and other societal objectives, interests and actors.
 - Assessment: We cannot see that this function – which, again, is incorporated into the activities of the Canadian Commissioner – has ever been raised in the documents on either NEMS or EPSB, or in the national strategy and action plan for SD. **Score: 0**

There would at this juncture be little point in trying to aggregate the HEPI-VEPI scores into an overall score for EPI in Norway, since there is nothing to compare with. The point of the exercise was primarily to highlight the Norwegian practice against the benchmarks, and to focus on the strengths and weaknesses of the different procedural features. What we in general can conclude is that all ministries have published Sectoral Environmental Action Plans as part of the NEMS structure, but that the plans vary significantly in range and scope, and that significant aspects of the VEPI logic are either not in place or not functioning. With respect to HEPI, we have highlighted what appears to be a very strong constitutional-political mandate for EPI, and a potentially strong potential for both establishing executive responsibility and carrying this through in a completed NEMS/EPBS system. There is in other words a strong case for recognizing environmental concerns as already having “principled priority” in Norway, and there is a latent set of governing mechanisms which *could* be brought into play as part of a “canon of practical judgement” for directly treating and resolving policy trade-offs within an SD value framework.

7.4. Why is there a gap between ambition and actual practice?

It is well beyond the scope of this paper to document *causal* relations as to why the EPSB and the NEMS are not functioning according to plan. Before making our final conclusions, we can, however, speculate on the extent to which a lack of political and bureaucratic will are the main reasons for the poor follow-up on intentions.

As pointed out by the many scholars cited earlier in the paper (Liberatore, Lenschow, Jordan, Nilsson and Persson, Lafferty and Hovden, etc), and as confirmed and codified by the OECD and EEA, the *lack of political will* covers a multitude of EPI-related “sins”. In

the current analysis indications are strong that political will triggered original EPI efforts in the first place (under Gro Harlem Brundtland's leadership), but that the impetus to follow up has steadily declined since (approximately) the mid-1990s.

EPSB was introduced towards the end of Brundtland's second Government, and the 1992, 1994 and 1997 changes and improvements of the EPSB (see section 5 above) coincide with her third and last Government. Some of the ideas related to NEMS must have been conceived during her leadership of the WCED. The following quote from *Our Common Future* (the Brundtland Report) could for example, easily have been taken from White Paper 58 and a description of the bi-annual reports on the "State of the Environment":

Where resources and data permit, an annual report and audit on changes in environmental quality and in the stock of the nation's environmental resource assets are needed to complement the traditional annual fiscal budget and economic development plans. These are essential to obtain an accurate picture of the true health and wealth of the national economy, and to assess progress towards sustainable development. (WCED 1987: 314)

White Paper 58 was published just four months after Brundtland resigned and was presented by a new Labour Government led by Torbjørn Jagland. The NEMS was specified in White Paper 8 (1999-2000), but since then it appears as though interest in the system has gradually declined. The former chairman of the UN Commission on Sustainable Development (Session 12), Børge Brende, was Minister of Environment from October 2001 to June 2004, at a time when NEMS was already presented in detail. A manual published in January 2001 by MoE (MoE 2001) gives a detailed description of the system, and of the status of the five major components at that time. "Only" implementation was left. Certainly not a straightforward and easy task, but since 2001 very little has happened. According to several sources it is a common opinion in the MoE and SFT that Brende "could have been more concerned" about cross-sectoral initiatives and policy integration – but chose not to "front" the issue. Although an interest in NEMS is currently quite low in the bureaucracy, civil servants are clearly not the only recalcitrant actors. We have not discovered any significant interest in following up either NEMS or EPSB in the Parliament either.

Both the Office of the Auditor General (Riksrevisjon 1999) and the quasi-public Statskonsult (2003) conclude that MoE could have been a stronger force and more visible presence in the implementation process. Although it took MoE 10 years from EPSB was introduced until training in the reporting routines was offered, it is symptomatic that none of the ministries found it necessary to participate. In the ministries the work on EPSB is considered a "forced" exercise, and it appears that the reporting system itself is becoming less detailed and less relevant for specific policy initiatives. Some ministries have actually chosen to neglect altogether the requirement of providing assessments of "environmental motivation" in the 2005 budget proposals. As for NEMS, the current activities of developing and implementing the system can conservatively be characterized as "very slow". The only part that has "functioned" thus far is the bi-annual reports to Parliament, perhaps because there is a two-year time frame for the reports?

The *role of the MoE vis a vis other ministries* is also relevant here. The MoE was designed as a sectoral ministry with the same type of sectoral status as other ministries; that is, it was not designated a "super ministry" with powers to exert particular influence

on environmental matters over other ministries. This is clearly reflected in MoE's response to the evaluation of the EPSB:

The Ministry of Environment has [with regard to EPSB] a role as coordinator and driving force vis à vis the other ministries. This always involves a potential for conflict between ministries entrusted with different responsibilities. The Ministry of Environment will only to a limited degree be able to instruct the other ministries on environmental issues. (Riksrevisjonen 1999: 25)

By way of emphasizing the lack of integration of environmental policies into other policy fields *and* the lack of coordination and coherence of the policy documents that aim to promote policy integration, we can refer to the National Action Plan for Sustainable Development (NAPSD). The plan (also referred to as a "National Agenda 21" – NA21) was first published as Chapter 6 of the annual National Budget (White Paper 1 (2003-2004)) in autumn 2003. As such it falls into the Norwegian tradition of incorporating policy integration plans into the budgetary process. As mentioned, the Ministry of Finance has been given the immediate responsibility for following up the NA21, and the document contains a clear commitment to promoting policy integration. But nothing has been stated or done to integrate the national action plan with either the EPSB or NEMS. The eight priority areas of the NEMS reporting system do not correspond with the designated policy areas of NA21, and as of November 2004 there is no sign that the sub-committee on indicators for sustainable development is going to relate their work to the indicators and targets within NEMS.

8. SOME BRIEF – BUT VERY POINTED – CONCLUSIONS

The analysis has shown that both the EPSB and NEMS remain well thought-out systems in theory, but that it will take considerable administrative and political follow-up to realize their potential in practice. How this might be achieved is a very open question. Given Statskonsult's very negative evaluation of the SEAPs on the one hand, and the SEAPs importance for EPI on the other, the challenge as to how to proceed with sectoral strategies and action plans is most crucial. The current procedure of reporting both in accordance with EPSB and NEMS must be replaced with a more comprehensive system, and we would raise the possibility of two possible paths.

One solution would be that the SEAPs in the current model are replaced by the EPSB. That would mean in practice that sectoral action plans would be part of the budgetary process, and that EPSB would be upgraded to include both more issues and a more effective follow-up with respect to sectoral targets. Sectoral reporting could then be completed every year in a “formal” policy document subject to budgetary assessment. The downside of connecting it to the budgetary process is that environmental issues have a tendency to “drown” in the overall noise of the budgetary process, plus that there already seems to be negative connotations related to the EPSB in the ministries.

An alternative solution would be to incorporate sectoral action plans and their follow ups in the “State of the Environment” report. By giving each ministry its own “room” in this bi-annual publication, progress on the targets as well as their environmentally motivated expenditures can be reported. Further, the governmental initiatives could be made much more transparent. Today the bi-annual reports are debated in Parliament and an incorporation of sectoral reporting would possibly add more political weight and status to the NEMS.

Both solutions are possible within the overall logic of the existing NEMS structure. It is also reasonable to assume that the RDS can be made operative, and that sectoral reporting will be more actively enforced as soon as the sectoral action plans provide targets and indicators that make such reporting possible. NEMS seems to be well thought out in theory, but the lack of a *responsible executive body* with designated responsibility (and powers) for the overall coordination, implementation and supervision of the integration process is very much needed and must be addressed head on.

And this leads us to our final – and most important – point. We feel that the findings of the assessment both strengthen and clarify the dominant finding on EPI referred to above: the crucial factor of “political will”. The significance of the results for Norway is to document in precise detail where and how political will has failed to follow up on political intentions. Even more importantly, however, the analysis demonstrates that the constitutional conditions for executing political will as a “principled priority” for environmental concerns are much stronger in Norway than either political leaders or public servants are aware of, or at least willing to openly acknowledge. Both the mandate and the potential steering mechanisms for developing and applying a “canon of practical judgement” for environmental policy integration are in fact present. What is now needed are further studies to clarify and legitimate the nature and relevance of the argument, and

to further explore the implications of the position for the EPI discourse through more focused and detailed case studies.

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