

‘Cotonou and You’ WWF Handbook

A manual explaining the ACP-EU Cotonou Agreement and its relevance to WWF
- 2006 (updated for the 10th EDF) -





INTRODUCTION TO THE COTONOU HANDBOOK

The European Community, including its Member States, is the world's biggest aid donor. Key events of 2005 saw its role as a development partner grow even further. By 2010, the EU and its Member States will provide two thirds of total global aid with more than half of the increased funds going to Africa. The year 2005 also saw key commitments by EU and other donors to improve aid effectiveness, ensure non-aid policies are coherent and do not undermine development.

The Cotonou Agreement was signed in 2000 and formally sets out a cooperation agreement between the EU Member States and the African, Caribbean and Pacific (ACP) countries. Cotonou means significant financial resources for ACP countries, mainly via the European Development Fund (EDF). Both the EC's development budget and the European Development Fund are increasing, meaning greater volumes of aid to ACP countries. The EDF for the period 2008 – 2013 will be €21.9 billion.

For these reasons it is now more important than ever that WWF and other civil society organisations understand what the Cotonou Agreement is, how the important programming decisions are made, and – crucially – know how, where and when WWF can engage in the processes.

This 'Cotonou Manual' provides you with important information on how aid is delivered under the Cotonou Agreement. It sets out the **what, who, how and when** of Cotonou and focuses on the mechanisms most relevant to WWF country offices.

How to use this Cotonou Manual

Section I explains what the Cotonou Agreement is and how it sits within the broader context of EC development policy, programming and the commitments made in 2005. **Section II** gives the programming timeframes, summarises key elements of guidance you should know about and tells you which actors and institutions are involved. It also includes a checklist of actions you can take and covers the essential documents which you should refer to.

The Manual also aims to increase understanding about how engaging with Cotonou can have added value on a policy level as well as with respect to funding opportunities for the WWF Network and how to use the Cotonou process in order to achieve this added value.

For more information on the Cotonou Agreement or e.g. upcoming meetings in the ACP-EU context, you can always look on the website of the European Commission (http://europa.eu.int/comm/development/index_en.htm or at http://europa.eu.int/comm/development/body/cotonou/overview_en.htm)

This Cotonou Manual has been designed primarily with our WWF country offices in mind but it will hopefully be a useful tool for all WWF staff. If you have any queries or recommendations regarding its content, please feel free to contact us at the European Policy Office:

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Section I

EUROPE AND DEVELOPMENT – COTONOU IN CONTEXT

The European Union is the world's biggest donor, the world's largest single market and the main trading partner of most developing countries. It is essential that aid and other policies benefit partner countries; civil society has a vital role.

Several key policy documents and commitments agreed in 2005 boosted Europe's role in the international system and will help determine how Europe's substantial aid resources will be allocated in ACP countries in the immediate future:

➔ **More Aid: By 2010, the EU and its Member States will provide two-thirds of the world's total aid.** In May 2005, EU Member States agreed to substantially increase their collective aid to **over \$80bn a year in 2010** – double the levels in 2003. These new funds will represent 80% of the global scaling up of aid to meet the UN's MDG targets by 2015, with **more than half going to Africa.**

➔ **Better Aid: European Consensus on Development.** In December 2005, a common vision for EU development aid and a new EC development policy were agreed, for the first time. They establish several key principles:

- *"the primary and overarching objective of EU development cooperation is poverty eradication in the context of sustainable development"* (paragraph 5)
 - priority for the poorest countries with a focus on Africa
 - EU aid aligned with countries' own strategies eg PRSPs
- Environmental sustainability is a sector focus and a cross-cutting issue in the new EC Development Policy.**

➔ **Emphasis on Africa: the EU-Africa Strategy.**

In December 2005, the European Council adopted an EU-Africa Strategy "EU and Africa: Towards a Strategic Partnership" building on the May 2005 commitments to double Europe's aid with half the increase going to Africa. The Strategy supports development which Africa owns and takes responsibility for.

➔ **Beyond Aid: Policy Coherence for Development**

Aid is only one remedy to poverty. EC Development and other policies, for example trade and agriculture, must be coherent and support each other, not undermine aid efforts. In April 2005, the EU re-stated its commitment to policy coherence (see Articles 177 and 178 of the EC Treaty), making **environment a priority focus area** and referring to the **EU Sustainable Development Strategy.**

The EU has also agreed a number of commitments in the Paris Declaration on Aid Effectiveness (March 2005) and the UN Summit (September 2005) which are in line with the European Consensus, namely a re-emphasis on poverty reduction and the Millennium Development Goals (MDGs), and working jointly and more effectively with others to support country driven priorities.

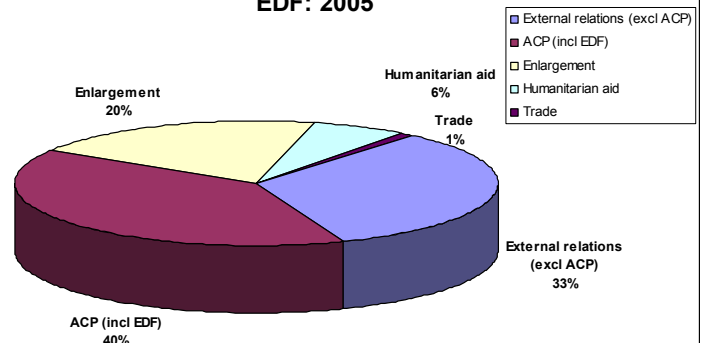
Outlook – the future at a glance: What can we expect from the EU in the coming years?

More aid in total, more aid to the poorest countries (primarily those in Africa), improved effectiveness of aid through joint working with other donors and joint programming which uses existing country budgets and systems. In line with many other bilateral donors, the European Consensus places greater reliance on the use of direct budget support via Country Strategy Papers (CSPs) which are aligned with countries' own Poverty Reduction Strategies (PRSs). The European Consensus sets a target of 50% of EC aid to be spent via budget support by 2010, making it vital that WWF engages in PRSs and CSPs.

"The European Community will support the efforts by partner countries (governments and civil society) to incorporate environmental considerations into development. Protection of the environment must be included in the definition and implementation of all Community policies...It will also help increase their capacity for doing so"

The European Consensus on Development, 2005; para 105

Shares of total EC external assistance including EDF: 2005





WHAT IS THE COTONOU AGREEMENT?

The central objective of the Cotonou Agreement is poverty reduction and its ultimate eradication, sustainable development, and the progressive integration of ACP states into the world economy.

The Cotonou Agreement is the fifth ACP-EU Partnership Agreement and represents a radical and ambitious up-shift in development relations between all 25 EU and 78 ACP states. Last revised in 2005, Cotonou is a legally binding agreement which is updated every five years.

The European Commission in Brussels is responsible for the management of the Cotonou Agreement. However the largest part of ACP aid programming occurs *outside* the Commission's budget and is based on ACP-EU dialogue and negotiation cycles between the parties involved.

Cotonou is built on five interdependent pillars:

- 1) Poverty reduction as the overarching objective
- 2) Comprehensive political dimension
- 3) Promoting participatory approaches, particularly with Non-State Actors (NSAs)
- 4) New framework for economic and trade cooperation
- 5) Reform of financial cooperation

Economic Partnership Agreements (EPAs)

Trade is an important element of Cotonou. The effects of EU trade policy and ACP-EU trade agreements are part of the overall framework of Cotonou and they can influence ACP-EU policy dialogue and regional funding priorities, which in turn influence aid allocation in ACP countries.

- EPAs are the reciprocal free trade agreements which are used to integrate ACP states into the world economy.
- EPAs will be negotiated between EU and ACP countries to be concluded by the end of 2007.
- The European Commission agrees that EPAs must be used to 'promote sustainable development and contribute to poverty reduction in ACP countries'.



Cotonou Agreement being signed in Benin, 2000

Partner countries take the lead under Cotonou:

"ACP states shall determine the development principles, strategies and models of their economies and societies in all sovereignty"

Cotonou and the important role of Non State Actors:

"Non state actors shall be informed and involved on cooperation strategies [Country Strategy Papers – CSPs], be provided with financial resources and be involved in the implementation of the cooperation"

...and remember:

The 2005 revisions to Cotonou allow NSAs to benefit directly from financing via grant contracts – see Section II

Why is Cotonou important for ACP countries?

Cotonou combines a **political dimension with trade and development** issues in an integrated framework for cooperation. It allows ACP interests in these three core areas to be addressed mutually with EU support.

Aid finance: Cotonou brings substantial development assistance for ACP states through the EU aid budget, Member States, and the European Development Fund (EDF). Under Cotonou, aid allocation to ACP countries is poverty-focused and based on needs and performance.

Country priorities: Cotonou and the European Consensus are committed to supporting countries' own priorities, and aim to bring all EC funding together aligned behind CSPs.



A GUIDE TO ENVIRONMENT IN THE COTONOU AGREEMENT

Key point: Cotonou establishes firm commitments on environmental integration into ACP-EU programming:

→ mainstreaming environmental issues and sustainable natural resource management across **all** ACP-EU programming at the highest level of the Agreement, and

→ support to specific cooperation on environmental issues and sustainable use of natural resources (Art. 32).

Also, the EC Treaty (Article 6) states that:

“Environmental protection requirements must be integrated into the definition and implementation of the Community’s policies and activities...with a view to promoting sustainable development”.

The EC is committed to its Strategy for Environmental Integration, implementation of Forest Law Enforcement Governance and Trade (FLEGT) and the EU Action Plan on Climate Change (see the ‘European Consensus’, p12).

Article 1: Objectives of the Partnership

“The principles of sustainable management of natural resources and the environment shall be applied and integrated at every level of the partnership”.

Article 9: Good Governance – ‘is the transparent and accountable management of human, **natural**, economic and financial resources for the purposes of equitable and sustainable development’.

Article 20: (includes commitment to Environmental Mainstreaming – note reference to CSPs and PRSs)

(1) “The objectives of ACP-EC development cooperation shall be pursued through integrated strategies [CSPs and PRSs] that incorporate economic, social, cultural, environmental and institutional elements that must be locally owned. ACP-EU cooperation strategies [primarily CSPs] shall aim at:

(e) promoting environmental sustainability, regeneration and best practices, and the preservation of the natural resource base.”

(2) “Systematic account shall be taken in **mainstreaming into all areas of cooperation** the following cross-cutting issues: gender issues, **environmental issues** and institutional development and capacity building. These areas shall also be eligible for Community support.”

Article 32: Environment and Natural Resources

1) Specific cooperation on environmental protection and sustainable natural resource use shall aim at:

(b) “Building and/or strengthening human and institutional capacity for environmental management for all environmental stakeholders.”

(c) “Supporting specific measures and schemes addressing critical sustainable management issues: Tropical forests, water resources, wildlife, soils, biodiversity, coral reefs, sustainable tourism, urban environmental issues, renewable energy sources, desertification, drought, transport and disposal of hazardous waste”

2) “Cooperation shall also take account of:

(a) vulnerability of small island ACP states especially to the threat posed by climate change

(b) the worsening drought and desertification problems of least developed and land-locked countries

(c) institutional development and capacity building”



HOW DO ACP COUNTRIES RECEIVE EU AID UNDER COTONOU?

The main source of EC funding to the ACP countries is the European Development Fund (EDF). The EDF is not part of the EC's main budget but it does represent a larger source of funds – the pie chart on page 4 shows the volume of EC funds available to ACP countries with the EDF included. Once the total EDF is negotiated, it is allocated to ACP regions and countries in accordance with the priorities and requirements identified in programming documents – the Regional Strategy Paper (RSP) and the Country Strategy Paper (CSP) which are drawn up jointly between the EC and ACP countries.

The importance of engaging in CSPs and RSPs (and their associated documents and processes) cannot be understated. The benefits extend further than influencing EDF funds alone. More and more donor aid is now being channelled through these instruments which are aligned with the countries' own Poverty Reduction Strategy Papers (PRSPs) and budget systems – the same systems which allocate and manage their own national funds. Joint strategies drawn up between the EC and ACP countries as well as other donors mean that aid can be more predictable, coherent with policies in other areas, and cheaper and quicker for ACP countries to manage. Remember that the EC is committed to this way of working – in the European Consensus on Development, the Paris Declaration on Aid Effectiveness, the EU-Africa Strategy and the EC Treaty.

→ WWF's role in the EDF programming process

WWF is working in ACP countries to help influence how the EDF is spent and to ensure that EDF resources are used to contribute to poverty reduction and sustainable development, and are not used to encourage depletion of environmental resources. The rest of this manual explains more about how the EDF works, the essential programming documents and processes which help determine how and where the EDF and other ACP funds are spent, and the actors and institutions involved. It provides specific examples of what WWF is doing and a checklist of key actions you could put into practice.

ACP countries may also receive lending resources from the European Investment Bank (EIB), EC humanitarian funds, 'aid for trade' measures, other commodity-specific assistance (eg bananas) and compensation for loss of export earnings.

Decentralisation of EC funding decisions:

In 2000 more than 50% of EC funds were managed by HQ in Brussels. But from 2004, as a result of the ambitious reforms to EC aid initiated in 2000, EC delegations in a total of 78 countries now make more of their own funding decisions – 72% of EC funds are now managed wholly by delegations.

Key message: For WWF this decentralisation means more financial autonomy in-country, more engagement between EC and civil society, and potentially greater rewards from strategic WWF engagement: see pages 14-18 to learn more about EC aid programming and how to do this.



THE EUROPEAN DEVELOPMENT FUND (EDF)

What is the EDF?

The European Development Fund (EDF) is the main source of EC spending in ACP countries and the 'business end' of Cotonou. The EDF lies outside the main EC budget and is therefore covered by its own financial rules. The EDF is more poverty-focused than other EC funds and even many bilateral donors – **93% of EDF resources went to Low Income Countries (LICs) in 2003.**

How much is the EDF worth?

The EDF has been increasing over the years. This reflects the Fund's growing effectiveness and donors' commitment to the poorest countries. The 9th EDF covering the period 2000-2007 was allocated a total of €13.8 billion, about €2bn a year. In December 2005 Member States agreed the budget of the **10th EDF = €21.9 billion for 2008-2013.** The EDF is a rolling fund which means unspent balances are carried forward into the next EDF – in the 9th EDF this amount was worth an extra €9.9 billion.

→ The EDF is growing, meaning more funds for ACP countries

How is the EDF managed?

The EDF is an inter-governmental fund – this means that EU Member States, who voluntarily fund the EDF and who all sit on the specific EDF Management Committee, must agree then ratify the EDF budget. Once the total EDF budget is agreed, the EDF Committee meets monthly and approves all Country and Regional Support Strategies (and any revisions). The European Commission has delegated authority to exercise day-to-day management of the development programmes funded by the EDF.

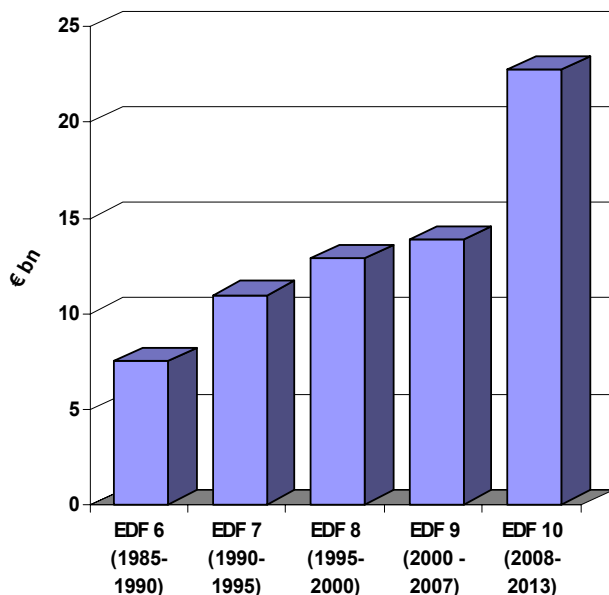
How will the 10th EDF be allocated to ACP countries?

Two criteria determine EDF allocation to ACP states:-

- 1) **Needs** (GDP/capita, population size, vulnerability)
- 2) **Performance** (past use of EDF, progress of reforms)

Country Strategy Papers (CSPs) and Regional Strategy Papers (RSPs), themselves aligned with PRSPs where possible, will be the main instruments for determining how and where EDF resources are spent (see pp 9-11).

EDF Commitments €bn



The future of the EDF – 'budgetisation'?

The EDF is especially important given its focus on funding to the poorest ACP countries. The EU and ACP countries are debating the future of the EDF and if it should be brought into the overall EC budget. The EDF has been criticised by some in the past for slow disbursement and patchy quality. Some believe that EDF budgetisation would bring greater year-to-year flexibility and efficiency, others that it may risk undermining development best practice and threaten allocation of aid to the poorest. The key will be to ensure the EDF improves aid effectiveness and integrates development best practice – watch this space!

Key message: The significant increase in resources under EDF 10, together with more decentralisation of EC funding decisions and the enhanced role for NSAs under Cotonou's 2005 revisions, provide WWF with a valuable opportunity to engage with EC country delegations and ACP government ministries to ensure that EC aid programming [via CSPs] integrates key poverty-environment objectives. The main focus for WWF will be CSPs – please read on to find out how.



MORE, BETTER, FASTER AID: THE NEW JOINT PROGRAMMING FRAMEWORK

In April 2006, the Cotonou Agreement and ACP countries received an added boost as EU Member States agreed on a new joint programming framework. The aim is to make the increased volumes of aid for ACP countries more effective in responding to countries' own priorities.

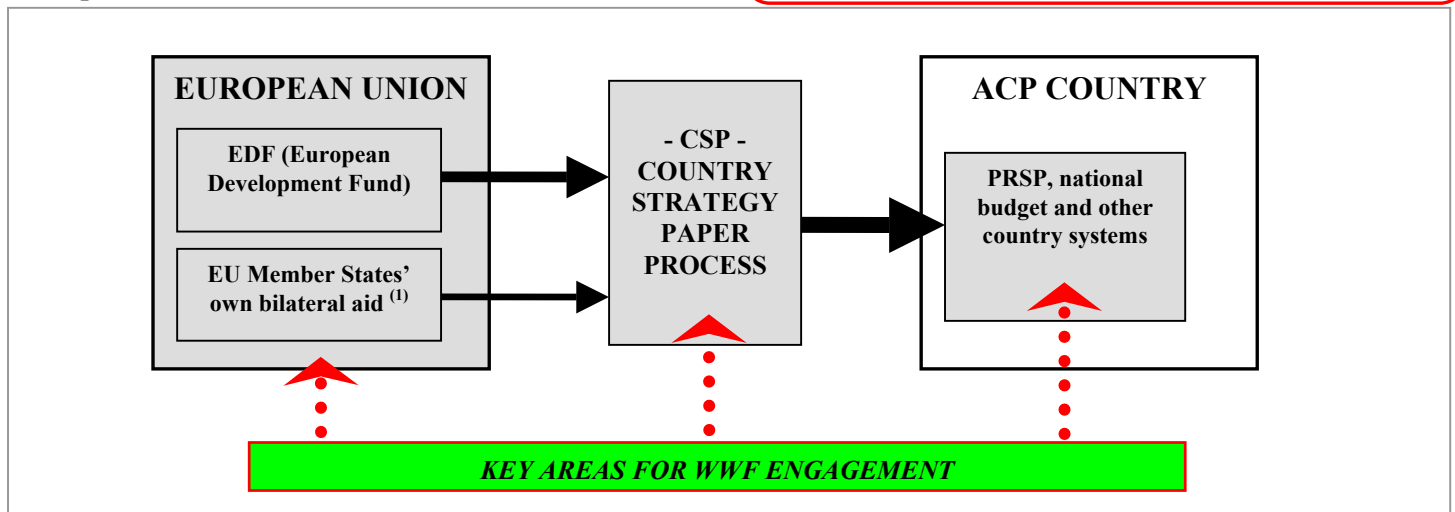
The **Country Strategy Paper (CSP)** will now be the main instrument used for programming **all** aid to ACP countries. CSPs will be drawn up for each ACP country by the EC country delegation and the ACP government. **Key point:** CSPs will have to be aligned with countries' own priorities and processes as set out in their **Poverty Reduction Strategy Papers (PRSPs)** and budget cycles.

This reform means that ACP countries themselves have a much greater say in how EC aid under Cotonou is spent. This is in line with the **European Consensus for Development** and the Paris commitments which call for a

greater proportion of aid to be delivered through partner countries' own systems to meet their own priorities, and a greater reliance on countries' own strategies (PRSPs) and the CSPs which support them. Many bilateral donors are moving in the same direction – it makes sense to channel aid using common and joint programming methods.

Key principles of the Joint Programming Framework – all actors involved must take these on board:

- Partner countries the leading force in their development
- EU to support ACP countries to prepare, coordinate and monitor their CSPs and all donor support they receive.
- Aligned with countries' own strategies (e.g. PRSPs)
- Coordination with other donors to avoid parallel donor processes – align with Joint Assistance Strategies (JASs)
- Use ACP countries' existing analyses and processes



➔ WHAT DOES THIS MEAN FOR WWF?

This reform is an exciting development for WWF for three main reasons:

- 1) The new joint programming framework guidelines set out **firm commitments to include a joint environmental assessment – as well as the Country Environmental Profile – as a mandatory component of the Country Strategy Paper (CSP) process.**
- 2) New joint programming guidance and 2005 revisions to Cotonou confer **enhanced roles for Non-State Actors (NSAs)** in ACP programming decisions, CSPs and the environmental assessments which form a key part of them.
- 3) The new joint programming framework and its requirement for CSPs to include environmental assessments will be **initiated immediately in ACP countries for the 10th EDF** – this means working with EC delegations and national ministries as early as possible in the process.

(1) At the EU Council meeting in April 2005, EU Member States agreed to gradually increase the proportion of their bilateral aid provided through joint framework strategies such as CSPs, where it is acceptable and advantageous to do so. However, no definite timeframes or commitments were set, reflecting valid concerns of some Member States.



Section II

STEP BY STEP GUIDE TO PROGRAMMING FOR ACP COUNTRIES

STEP 1: KEY DOCUMENTS AND PROCESSES

➔ Programming refers to the process of consultation between all parties involved (mainly ACP government, EC country delegation and civil society) and the development of strategies, budgets and priorities for spending aid in ACP regions and countries. NSAs need to understand the role of programming documents and processes in order to influence. This section details the main types of programming documents, who is involved in their preparation and where you can find them.

Use this link to find out what CSPs and RSPs must include - WWF offices will find it useful to be familiar with these.
http://ec.europa.eu/comm/development/body/csp_rsp/programming_ACP.cfm

1) Country (and Regional) Strategy Papers (CSPs and RSPs)

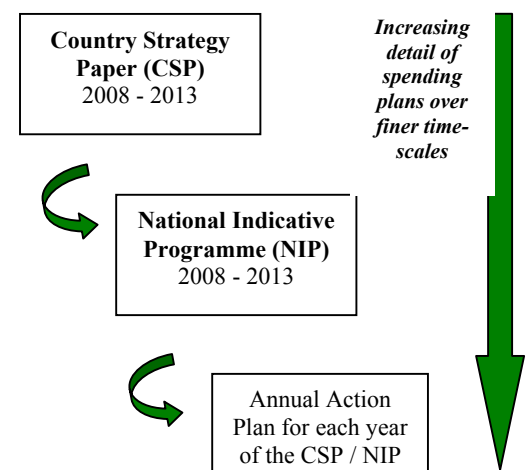
The CSP is the main instrument used to channel EC aid to ACP countries. The CSP must adhere to the Cotonou Agreement (as revised 2005), the 'European Consensus on Development' and the EU-Africa Strategy.

The CSP and RSP are the most important overarching strategy documents for the entire programming period under the EDF and are drawn up for each ACP country and region. It is the RSP and CSP which determine the policies, actions and priorities that the EC will fund as set out in more detailed National Indicative Programmes (NIPs) and annual budget plans.

CSPs are drawn up jointly between the EC Head of Delegation in each ACP country and the National Authorising Officer (NAO) from each partner government, or for RSPs, the Regional Authorising Officer (RAO). **Non-State Actors (NSAs) should be engaged in CSP preparation with the EC delegation and NAO** (see later)

Note that CSPs and RSPs are also known as Country Support Strategies (CSSs) and Regional Support Strategies (RSSs) respectively.

Hierarchy of ACP programming documents for EDF 10



Key point: "Preparation and coordination of CSPs should be based on, and aligned with, the partner country's PRSP or similar strategy and budget cycle" (quote from the EC Programming Guidance).

Remember: CSPs and the PRSPs they support are **now even more important areas to engage in** because the European Consensus on Development commits the proportion of EC aid given as **budget support to increase to 50% by 2010**.

Country Strategy Papers (CSPs) consist of **two main parts**:

- 1) **Country Strategy** and outline of donor response. Mainly a country analysis and diagnosis of the problems including an environmental assessment based on a **Country Environmental Profile (CEP)**
- 2) **National Indicative Programme (NIP)** which translates the EC donor response strategy into more detailed operational budgets for the period – the NIP is annexed to the CSP.

(Note that the same structure also applies for RSPs but include REPs and RIPs instead)



2) National (and Regional) Indicative Programmes (NIPs and RIPs)

At the same time as a CSP is drawn up for each ACP country, Cotonou requires a National Indicative Programme (NIP) to be developed for each country which is then included in the CSP as an Annex. The NIP is essentially a tool to put the CSP into action – to do this it sets out a more focused workplan for the period 2008 – 2013 (i.e. covering EDF-10). It identifies selected priority focal sectors for EC funding, resource allocations, a timetable for action, and performance indicators. The NIP is drawn up by the EC country delegation in close consultation with the ACP government through the National Authorising Officer (NAO) – in much the same way as CSPs. The NIP is agreed at the same time as the CSP.

For guidance on the NIP and what the NIP should include, see this Weblink below:

http://ec.europa.eu/comm/development/body/csp_rsp/files/NIP%20model%20EN.doc

The NIP must specify the measures taken by the Government to achieve objectives and results in the priority focal sectors. If environmental sustainability is part of a focal sector, the NIP must refer to government policy, commitments and action. NIPs might identify 2-3 focal sectors and usually a higher number of non-focal sectors.

Five key points to remember about the NIP – and what WWF can do to influence it:

- 1) ***Focal areas:*** NIPs have been broad in the past but are now becoming increasingly focused – it is essential that WWF works with others to build up vibrant policy dialogue around environmental issues and NRM to raise their profile.
- 2) ***Environmental integration across all sectors:*** Programming guidance states that NIPs must ensure that sectoral policy commitments integrate cross-cutting issues, including environmental sustainability. Ensure the CSP does this.
- 3) ***Influencing the NIP:*** Whilst the NIP is a more ‘internal’ process than the CSP (as it flows from the CSP), the best way for Non-State Actors (NSAs) to influence resource allocations in the NIP is to **work with the donors and ACP government** to ensure that environmental sustainability is a priority in the CSP and the PRSP it supports.
- 4) ***NIPs must allocate resources to NSAs:*** This is a key point for all NSAs. The CSP guidance states that **“all the NIPs for ACP countries must include an allocation to build the capacities of Non-State Actors”**. The amount of this allocation must be detailed in the NIP under the ‘non-focal sectors’.
- 5) ***Formulating NIP performance indicators:*** The NIP guidance states that performance indicators “must be established in partnership with the recipient country and other partners” (these include NSAs). Indicators should be specific, clearly defined, measurable and with a clear timeframe. WWF has expertise in this area.



3) Country (and Regional) Environmental Profiles (CEP and REP)

Following the EU Council meeting in April 2006, the new joint programming framework guidance now requires that **CSPs must include a country diagnosis or analysis of the political, economic, social and environmental situation.** This is a strong improvement on previous CSP guidance – environmental assessment is now considered up front in the CSP rather than ‘bolted on’ as an afterthought.

The environmental analysis should be based on the Country Environmental Profile (CEP) which is done jointly between EC country delegations, EC country and regional desks in Brussels and ACP countries themselves. The executive summary of the CEP must be included in the CSP as an Annex – a CEP is required for *all* ACP beneficiary countries. Where a CEP already exists, it is often revised or updated. The CEP is often carried out or updated by consultants contracted by the EC delegation. The environmental analysis will include:

- Overview of availability and use of natural resources that directly affect poverty reduction, MDG7, food security
- Main environmental challenges facing the country
- Assessment of institutions, legal framework, regulatory reform and capacities to manage environmental resources – cf. World Bank’s Country Environmental Assessments

- Progress in the management of environment and natural resources in cross-cutting and/or specific programmes
- Assessment of policy coherence to review how non-aid policies (trade, agriculture, energy) are likely to impact
- Reference to a country’s vulnerability to natural disasters (especially climate change)

Environment in CSPs – WWF evidence

This new CSP guidance is a vast improvement on previous guidance but there will still be some way to go to ensure that CSPs effectively integrate environmental issues...

- A review in 2003 by the ACP-EU Joint Parliamentary Assembly found that EC development assistance was not sufficiently addressing environmental issues, particularly from a poverty reduction angle.
- An EC survey in 2002 found that only 6 out of 60 CSPs included a Country Environmental Profile. Only 3 out of 60 included a Strategic Environmental Assessment (SEA).
- WWF reviews of CSPs in Tanzania and Rwanda found a poor grasp of poverty-environment issues, particularly those around institutional issues such as rights of access to and control over land and other key natural resources.

Strategic Environmental Assessment (SEA) – their role in CEPs

The European Consensus on Development (agreed 2005) made specific reference to the commitment to undertake SEAs in order to strengthen environmental mainstreaming: “**Strategic Environmental Assessments (SEAs)...will be carried out on a systematic basis, including in relation to budget (‘greening the budget’) and sectoral aid**” (paragraph 102).

Standard CEP Terms of Reference state ‘consultants should pay particular attention to *the possibility of recommending a SEA for focal sectors*’. CEPs should consider 1) *existing SEA policies, legislation and use*, 2) *application of SEA in other programmes funded by the EC or other donors* and 3) *recommendations* for initiating an appropriate SEA process.

CEP standard Terms of Reference: http://www.environment-integration.org/Download/D13/CEP_ToR

Key points: CEP preparation guide: http://www.environment-integration.org/Download/D122_CEP_Guidance.doc

- 1) *The annex of the CSP must include a description of how NSAs were involved in the preparation and drafting of the whole CSP. This might be expected to include a reference to involvement of NSAs in environmental assessments.*
- 2) *WWF has a potentially important contribution to make by working with EC delegations and ACP governments to contribute technical and human capacity to CEPs. The CEP Preparation Guide requires that CEPs must be ‘scientifically sound’ – WWF has relevant knowledge and expertise in this area.*
- 3) *CEPs take about 4 months from inception to final report. During this period, the standard Terms of Reference for CEPs state that national and international civil society should be consulted. WWF should ensure this happens.*
- 4) *The new requirement for Environmental Assessments applies immediately to the next CSPs for EDF 10.*



STEP BY STEP GUIDE TO PROGRAMMING FOR ACP COUNTRIES

STEP 2: KEY ACTORS INVOLVED – WHO IS DOING WHAT?

Cotonou was built on the foundations of cooperation and equality between EU Member States and ACP countries. As a result there are three important joint ACP-EU institutions involved in programming processes – ACP countries and their governments are represented in all of these. Over the years greater emphasis has been placed on ACP countries themselves leading the processes.

➔ ACP-EU Council of Ministers

Who: Members from the government of each ACP state (Foreign/Finance ministers), Council of the EU (European Development Cooperation Ministers) and the European Commission (DG Development). Meeting once a year, the Council's Presidency alternates between the EU and ACP members. Decisions are binding and must be arrived at by consensus across its Members.

Role: To initiate the political dialogue that is so important for ACP-EU cooperation and which may underline RSP and CSP priorities.

Key point: the ACP-EU Council of Ministers oversees the involvement of civil society and NSAs.

➔ ACP-EU Committee of Ambassadors

Who: Permanent representatives from each EU Member State, the European Commission and the head of mission from each ACP state.

Role: The Committee of Ambassadors assists the Council of Ministers and monitors the implementation of Cotonou.

➔ ACP-EU Joint Parliamentary Assembly (JPA)

Who: An equal number of European and ACP country parliamentary representatives. They meet twice a year in plenary, alternating between an EU and ACP country.

Role: The JPA is an important advisory body, making recommendations to the Council of Ministers and adopting resolutions. Its overall role is to promote dialogue and consultation with civil society in EU and ACP countries.

Key point: The JPA is in regular contact with civil society and NSAs in ACP and EU countries to ensure Cotonou is being implemented properly. WWF worked with the JPA in 2003 to assess the integration of environment in CSP programming during the 9th EDF.

Other key actors and institutions to be aware of..

➔ National Authorising Officer (NAO)

The National Authorising Officer usually resides in the Ministry of Finance or Planning in the ACP country – the ministry normally responsible for the PRS and budget planning. The NAO is the main 'point person' with which other actors such as the EC delegation in country and NSAs consult with when developing the CSP and NIP.

Key point for WWF: NGOs in country will need to build up a good working relationship with the NAO – immediate actions may include raising awareness of the importance of environment resources to poverty and economic growth.

➔ European Commission delegation in country..

The Head of Delegation in the ACP country works closely with its geographical desks in Brussels and the NAO, who all jointly share responsibility for preparing the draft CSP/RSP. They are all responsible for involving local authorities, NSAs and the national legislative branch.

Key point for WWF: Cotonou obliges EC delegations in ACP countries to engage with NSAs. It is vital that **early and regular engagement with EC delegations** is built up during the CSP consultation and drafting process (see case study of WWF Tanzania on pXX).

...and in Brussels

The European Commission's geographical desks for the ACP countries organise Country Team Meetings (CTMs) which review draft CSPs and make recommendations for changes to the CSP and indicative financial allocations.

➔ Non-State Actors (NSAs)

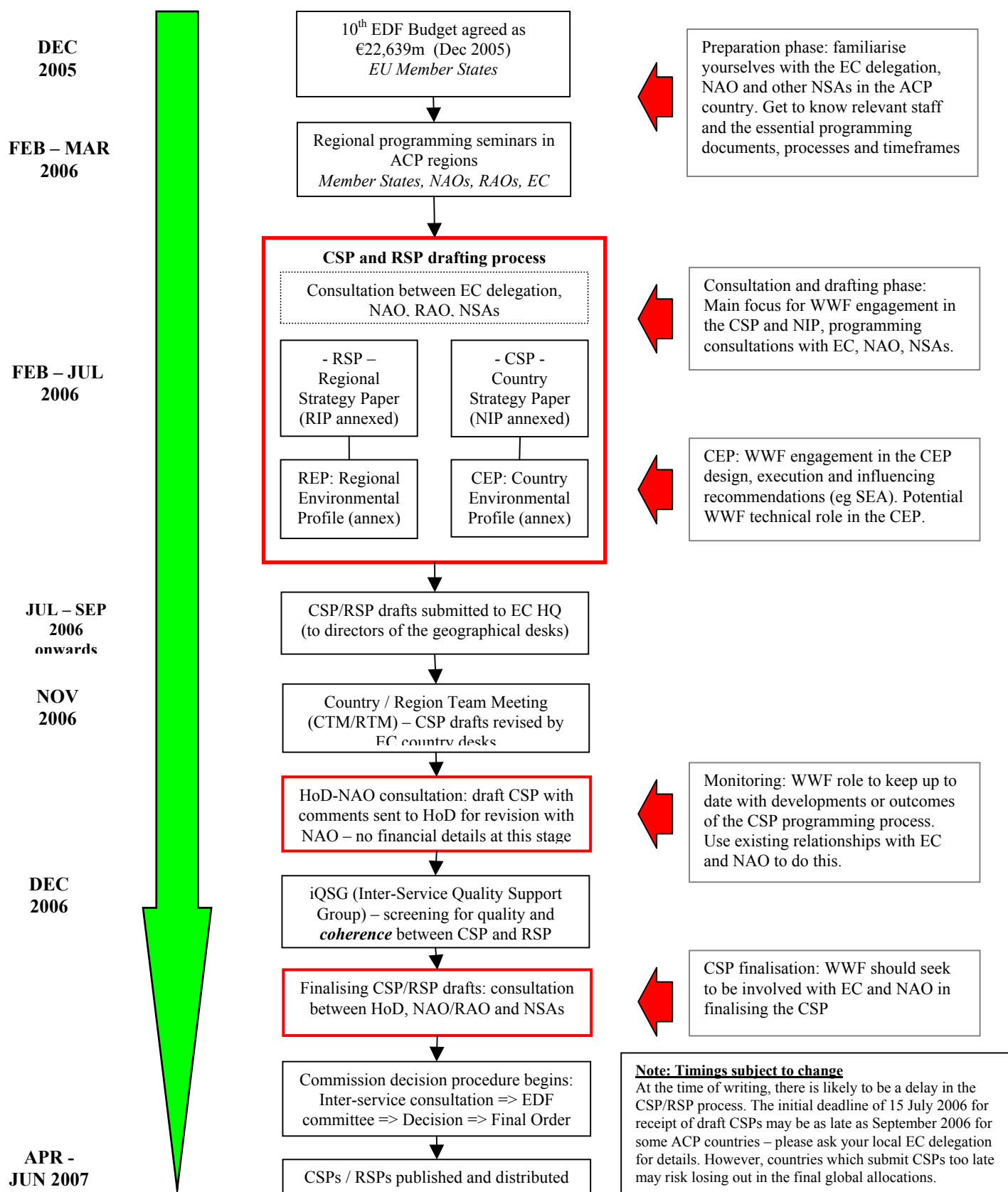
Active engagement of NSAs in the CSP drafting process is enshrined in Cotonou - the ACP-EU joint institutions, the EC delegation and ACP government are obliged to involve NSAs throughout. This was bolstered by the 2005 revision

Key point: Both Cotonou and the European Consensus for Development are committed to NSA involvement. **NSAs should request EC support to allow them to sufficiently engage in CSP consultations with the EC delegation, ACP government and other NSAs.**



STEP BY STEP GUIDE TO PROGRAMMING FOR ACP COUNTRIES

STEP 3: KEY TIMEFRAMES





WWF CHECKLIST FOR ACTION

- **Meet with your NAO** to discuss outcomes of the initial regional seminars – what the regional (RSP) priorities are and therefore how CSPs might be aligned with these. This will influence which focal sectors are discussed in the CSP drafting process, provide an indicator of possible financial allocations, and affect how WWF may want to get involved. Remember – the European Consensus on Development emphasises policy coherence so CSPs and RSPs should be aligned with the priorities in this, as well as with each other.
- **Familiarise yourself with the key documents**, processes and actors as early as possible, and certainly prior to consultations and meetings with EC delegations (see pages 9-13 for this information)
- **Obtain the key documents**: the CSP framework/template, the allocation criteria and CSP internal guidelines (page 10 and http://ec.europa.eu/comm/development/body/csp_rsp/programming_ACP.cfm). The key documents are: CSP, NIP and CEP (with regional level equivalents - RSP, RIP, REP).
- **Build a good working relationship with your NAO** – raise awareness of the Cotonou process and the potential financial resources available (see WWF West Africa case study – page 16).
- **Liaise early on with other NSAs/NGOs** to form a mutually supportive group to pool resources and technical capacity to work with the EC delegation and NAO during the CSP drafting process.
- **Engage fully in CSP consultations and forge strong links with your EC delegation officials** – seek out the EC staff responsible for engaging NSAs as early as possible. Discuss opportunities to engage regularly throughout – remember that delegations are obliged to engage NSAs and describe this in the CSP annex.
- Obtain the CSP documents and guidance. **Request updates on processes and timings.**
- **Explore potential of receiving direct EC support.** Cotonou's 2005 revisions and the internal CSP and NIP guidelines allow NSAs to benefit directly from financing via grant contracts – but this process must be initiated with your EC delegation as early as possible these must be identified in the CSP (see page 11).
- **Engage in the CEP process and explore WWF roles.** Remember that consultants often carry out either a new or revised CEP. **Discuss the Terms of Reference (ToR) for the CEP** with your EC delegation – use the CEP checklist from the website below to ensure consultants focus attention on the most relevant issues in your ACP country. Work with the EC delegation to ensure these key areas are included in the ToRs.
- **Insist that recommendations for SEA in the key sectors are fully considered in the ToRs** (see page 12) http://www.environment-integration.org/Download/D122_CEP/CEP_Guidance.doc
- **Explore potential technical roles for WWF in the CEP.** The CEP guidance states NSAs should be consulted when drafting the CEP. WWF may be able to secure a technical assistance role in the CEP.
- **Build on WWF work on Environmental Integration in PRSPs.** The EC clearly states that CSPs will support and be aligned with PRSPs where possible. WWF has an important role to conduct analytical work to raise awareness – ideally targeted at Finance or Planning Ministries – of the importance of environment and natural resources for poverty reduction and economic growth.
- **Engage in joint Environment Working Groups** and with other donors where possible (e.g. WWF Tanzania with DFID, UNDP, EC and the Poverty and Environment Division of Government of Tanzania).
- **Engage in the CSP/RSP finalisation consultation to ensure documents reflect prior outcomes.** After the EU Development Commissioner validates the strategies and orientations for financial allocations, CSPs and RSPs are sent to EC delegations for finalising - **“in close dialogue with the Non-State Actors”**.
- Remember CSPs must in annex 5 describe the NSA engagement process – make sure this is accurate.
- **Watchdog role** – work with other NSAs to collect information on environment and poverty and use this to advocate better consideration of environment in PRSPs and CSPs. Ensure that CSP/RSP programming documents actually support key EC commitments for example around policy coherence (see page 4 for these). Consider using **Freedom of Information (FoI) requests** to do this (or support others to do so).



CASE STUDY: WWF EXPERIENCE

→ WEST AFRICA

Case Study: Moving the Cotonou process ahead in West Africa with Government and NGOs

In West Africa, WWF responded to the challenges of integrating environment into CSPs, RSPs and NIPs by building links with the key government ministries and getting a group of NGOs together to raise awareness of the opportunities for dialogue on environmental issues. Acting in this ‘catalyst’ role, WWF can play an important role to help influence governments to address environmental issues in development strategies.

A major obstacle to integrating environmental issues into RSPs and CSPs was that environment and natural resource ministries are poorly resourced and are unfamiliar with the Cotonou process and the financing opportunities it represents. To overcome this, WWF brought together NAOs from six countries (Mauritania, Senegal, Cape Verde, Gambia, Guinea and Guinea Bissau) to develop a marine ecoregion conservation action plan. Importantly, finance ministries were present alongside environment ministries – it is important in CSPs to assess the contribution of natural resources to economic growth and WWF has a vital role to play here.

As a result of this work, dialogues between the different ministries are now underway in Senegal, Guinea and the Gambia. In the Gambia, progress has already begun on reviewing its Environmental Action Plan – an important entry point for further dialogue on the role of environment in poverty reduction and economic growth.

Key lessons from this work are that when people are made aware of opportunities to push for better consideration of environmental issues, they find common ground. NGOs such as WWF have a vital role to play in bringing people and organisations together to catalyse this dialogue.



NEWSLASH - EU PACIFIC STRATEGY

At the end of May, the European Commission adopted a proposal to deepen the EU’s relations with the Pacific Islands, in particular the 15 ACP countries. The Commissioner for Development and Humanitarian Aid said “The Commission’s proposed strategy will strengthen political dialogue and focus development cooperation on sustainable management of natural resources”.



TIPS AND IDEAS ON GETTING INVOLVED

Now that you have read this 'Cotonou' handbook, here is a list of ideas for what to do next. *Use this list together with the timeline and suggested action points on pages 14 and 15.*

■ Visit relevant websites: Background Information

→ The Cotonou Agreement

http://europa.eu.int/comm/development/body/cotonou/agreement_en.htm

→ The European Consensus for Development (2005)

http://ec.europa.eu/comm/development/body/development_policy_statement/docs/edp_statement_oj_24_02_2006_en.pdf

→ The EC Treaty (Articles 6 and 178 in particular)

http://eur-lex.europa.eu/en/treaties/dat/12002E/pdf/12002E_EN.pdf

→ European Commission: DG Development

http://europa.eu.int/comm/development/index_en.htm

→ European Commission: Sustainable Development

http://ec.europa.eu/comm/sustainable/welcome/index_en.htm?sfgdata=4

→ European Commission: Environmental Integration

<http://europa.eu.int/comm/development/body/theme/environment/index.htm>

→ The EU Strategy for Africa

http://www.delago.cec.eu.int/ao/assuntos_especiais/eu_strategy_for_africa_12_10_2005_en.pdf

→ Environmental Integration in EC Development Aid

<http://www.environment-integration.org>

http://europa.eu.int/comm/development/body/theme/environment/integration/env_integ/env_integration/frameset.html

→ European Development Fund – EDF 10

<http://europa.eu.int/scadplus/leg/en/lvb/r12102.htm>

■ Key programming documents to be aware of:

→ Essential programming documents for EDF 10

http://ec.europa.eu/comm/development/body/csp_rsp/programming_ACP.cfm

For the EDF-10 Calendar, see:

http://ec.europa.eu/comm/development/body/csp_rsp/files/ACP%20programming%20process%20en.doc

→ Country Strategy Paper (CSP) template:

http://ec.europa.eu/comm/development/body/csp_rsp/files/CSP%20model%20ACP%20EN.DOC

→ Regional Strategy Paper (RSP) template:

http://ec.europa.eu/comm/development/body/csp_rsp/files/Regional%20strategy%20paper%20-%20model%20EN.doc

→ National Indicative Programme (NIP) template:

http://ec.europa.eu/comm/development/body/csp_rsp/files/NIP%20model%20EN.doc

→ Country Environmental Profile (CEP) documents

CEP Guidance: http://www.environment-integration.org/Download/D122_CEP/CEP_Guidance.doc and http://www.environment-integration.org/EN/D122_CEP.htm

Standard ToRs for CEPs: http://www.environment-integration.org/Download/D13/CEP_ToR.doc

■ Develop and use Briefing Papers detailing how WWF's work relates to Cotonou process

Use such Briefings to raise awareness of Cotonou with the NAO and with ACP government ministries, and with the EC delegation to highlight WWF's work in key areas (WWF EPO may be able to assist).

■ Visit EC delegation officials in your ACP country, who is/are charged with Country Strategy Papers and Non-State Actor engagement

- build lasting dialogue – start early!
- gather information on current status of Country Strategy Paper (CSP) and links with the PRSP
- gather information on status of integration of environment in CSP
- request updates on programming timeframes
- look for possibilities of WWF-input in environmental integration (for example through reviewing and commenting on the Country Environmental Profile, organising/ forming part of Working Groups on environmental integration involving EC delegations, government representatives and a range of NGOs (environmental, development etc.)

■ Share with relevant 'Cotonou'-actors key documents that show the inadequacy of the European Commission to properly integrate environmental issues. If possible, use material which highlights the contribution of environment and natural resources to economic growth and poverty reduction, aimed at Finance Ministries.

- Report on Environmental Mainstreaming in EC Country Strategy Papers (an evaluation of Tanzania & Madagascar CSPs and opportunities to address environment-poverty linkages). Report by WWF's EPO and Macroeconomic Policy Office (MPO).
- ACP-EU Joint Parliamentary Assembly (JPA) Report on Sustainable Management and Conservation of Natural Resources in ACP countries in the context of the 9th EDF programming.

■ Develop indicators in WWF's work that show progress on EC objectives and focal sectors



...and more

- **Explore with your EC delegation the possibility of obtaining direct financing for Non-State Actors.** The 2005 revisions to Cotonou provide for grants to be given to NSAs to engage in the EDF programming consultations (i.e. CSPs). The CSP guidance states that *“all the NIPs for ACP countries must include an allocation to build the capacities of Non-State Actors”*. But begin this process as early as possible with the EC because such financing commitments need to be identified in the CSP early on.
- **Build on WWF work to integrate environment into PRSPs.** The PRSP is important because it is the PRSP which the CSP will be aligned with. This is also important because other donors are aligning more of their aid behind PRSPs, and the EC foresees more of its aid being delivered as budget support. It is important that environment is integrated strongly into sectoral targets, priorities and budgets. *Refer to the WWF guide: How to Put Environment at the Heart of Poverty Reduction Strategies (PRSs).*
- **Engage in work on national budgets to ensure environment is integrated into PRSP and linked budget systems.** Experience from Tanzania shows that it is essential that poverty-environment indicators are integrated into the budgeting and review processes in order to provide incentives for national prioritisation of environment. *Work with environment and natural resource ministries to support budget allocation negotiations – refer to WWF’s Environment and PRS Guide.* WWF in Madagascar is working to ensure that environmental commitments in the PRSP are budgeted for, by advocating a full costing of the environmental strategy and tracking budget flows.
- **Monitor key policy issues which help influence regional and therefore country funding priorities.** For example, policy coherence debate (agriculture and trade policies) and the thematic budget lines. WWF’s work in country and in Brussels to highlight the importance of sustainable natural resource management to poverty reduction should be used (contact with EPO advised).
- **Explore WWF roles in environmental assessments and Country Environmental Profiles (CEPs).** When developing a Country Environmental Profile (CEP) the European Commission is required to call in environmental expert organisations, such as WWF, for assistance in carrying out environmental studies and assessments. Given the strengthened emphasis on environmental assessments and CEPs as part of the CSP in the latest internal guidance, *this is an important area for WWF to engage in, particularly where government capacity in this area is weak.* WWF can work with Government environment ministries and build on technical expertise in this area. Explore this with the EC delegation.
- **Advocate and recommend Strategic Environmental Assessment (SEA) as an important tool to integrate environment into country development plans.** WWF offices should consider working with the EC delegation during the CEP design phase to ensure SEA is a focus of the CEP and that recommendations for SEA are made if appropriate. WWF can pursue this throughout the CEP process in the consultation phase (NSAs must be consulted during the CEP) or as a provider of technical assistance to the CEP.



WWF direct interest in the EDF programming cycle (CSPs and NIPs)

1. **Indicative Programme:** WWF can influence the programming directly with the ACP governments plus the EC Delegation present in the ACP countries, in order to have a strategic response to the environmental issues within the sectors identified as the focal areas of the European Development Coordination Policy. Therefore, WWF NO's and PO's have to make sure that they are visible to the ACP governments (NAO in particular) and to the European Member State governments, because they will all be deciding jointly which civil society organisations they will approach with regard to the implementation of their CSP and NIP. For instance, programming guidelines of the European Commission tell us that EU-delegations present in the partner countries are obliged to inform and consult the available and relevant non-state actors throughout the CSP and NIP process.
2. **Identification:** WWF can present projects/ solutions to environmental problems relevant to priority sectors.

3. **Formulation:** WWF is able to present good projects in time according to financial and administrative requirements specified in the Cotonou Agreement
4. **Finances:** Even in the financial allocation process WWF can be involved. This can be either through an invitation to participate in the implementation of government programmes to be financed under NIP or they can introduce their own proposals
5. **Evaluation:** WWF assesses projects financed by the European Commission with regard to ongoing programming priorities, in order to prepare for the next indicative programme (5 years).

These opportunities for involvement in the CSP process are important because in practice 'environment' is rarely addressed as a priority in CSPs. Therefore, advocating to national governments of ACP countries as well as to the EC delegations that the environment should be more and better integrated into CSPs. As we have seen the EC is obliged to integrate environment in CSPs (the EC Treaty, the European Consensus for Development, the Cotonou Agreement and the CSP internal guidance).

Further reading:

WWF publications (available from <http://www.panda.org/epo>):

- Environment in PRS Guide: 'How to Put the Environment at the Heart of Poverty Reduction Strategies' (March 2006) and the accompanying guide: 'Strengthening the case for water'.
- The Importance of Poverty-Environment Linkages in EU Development Aid (2006)
- EU Aid: Reducing Poverty Through a Sustainable Environment (June 2004)

EU publications:

- ACP-EU Joint Parliamentary Assembly (JPA) Report on Sustainable Management and Conservation of Natural Resources in ACP Countries in the context of the 9th EDF programme. ACP-EU 3590/03 (October 2003).
http://www.europarl.europa.eu/intcoop/acp/92_01/reports_en.htm
- European Court of Auditors (ECA) Statement of Preliminary Findings of the Environment Audit: the European Commission's Management of the Environmental Aspects of its Development Cooperation (2005)
- European Council conclusions: Financing for Development and Aid Effectiveness: Delivering More, Better, Faster. (11 April 2006).
http://ec.europa.eu/comm/development/body/communications/docs/communication_85_2006_en.pdf
- Policy Coherence for Development: Accelerating Progress towards attaining the MDGs. Communication from the Commission to the Council, European Parliament and the Economic and Social Committee (12 April 2005)
http://ec.europa.eu/comm/development/body/communications/docs/communication_134_en.pdf
- The EU Sustainable Development Strategy (SDS) – *being finalised at the time of writing*
http://ec.europa.eu/comm/development/body/communications/docs/communication_88_2006_en.pdf



LIST OF ABBREVIATIONS

ACP	=	Africa, Caribbean and Pacific countries (p. 2, 4)
CEP	=	Country Environmental Profile (p. 12)
CSP	=	Country Strategy Paper (p. 9, 10)
CSO	=	Civil Society Organisation (p. 4)
CSS	=	Country Support Strategy (see CSP)
EC	=	European Community (p. 4)
EDF	=	European Development Fund (p. 7, 8)
EPA	=	Economic Partnership Agreement (p. 5)
EU	=	European Union (p. 4)
JAS	=	Joint Assistance Strategy
JPA	=	ACP-EU Joint Parliamentary Assembly (p. 13)
LIC	=	Low Income Country (p. 4, 5, 8)
MTR	=	Mid Term Review of CSP/RSP
NAO	=	National Authorising Officer (p. 13)
NGO	=	Non-Governmental Organisation
NIP	=	National Indicative Programme (p. 13)
NSA	=	Non-State Actors (p. 5, 13)
UN	=	United Nations (p. 4)
RAO	=	Regional Authorising Officer (p. 13)
RIP	=	Regional Indicative Programme (p. 11)
RSP	=	Regional Strategy Paper (p. 9, 10)
RSS	=	Regional Support Strategy (see RSP)
PRS	=	Poverty Reduction Strategy (p. 10, 18)
PRSP	=	Poverty Reduction Strategy Paper (p. 10, 18)

WWF's mission is to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature, by:

- conserving the world's biological diversity
- ensuring that the use of renewable natural resources is sustainable
- promoting the reduction of pollution and wasteful consumption



for a living planet®

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