THE REVIEW OF THE EC'S DEVELOPMENT POLICY STATEMENT

ENSURING ENVIRONMENTAL SUSTAINABILITY



June 2005













Photo cover: Tanzania. Children present saplings from a WWF-funded nursery Udzungwa Mountains Tanzania Project number: TZ0044 © WWF-Canon / John E. NEWBY

Contacts:

FERN: Iola Leal Riesco; Tel. +32 (0)2 733 36 53

iola@fern.org; internet: www.fern.org

WWF: Hervé Lefeuvre ; Tel. +32 (0)2 743 8810

HLefeuvre@wwfepo.org; internet: www.panda.org/epo

BirdLife: Jesse Griffiths, Tel. +44 (0)1767 68 05 51 Jesse.Griffiths@rspb.org.uk; internet: www.rspb.org.uk

CI - Conservation International: Jim Cannon; Tel. + 32 (0)2 771 23 56 j.cannon@conservation.org; internet: www.conservation.org

IFAW – International Fund for Animal Welfare: Hemmo Muntingh; Tel. +32 (0)2 282 0690; HMuntingh@ifaw.org; internet: www.ifaw.org

CAN - Climate Action Network Europe: Matthias Duwe Tel. +32 (0)2 229 5223; matthias@climnet.org; internet: www.climnet.org

ICCO - Interchurch Organization for Development Cooperation:

Gemma Boetekees; Tel. +31 (0) 30 880 1879;

Gemma.Boetekees@icco.nl; internet: http://www.icco.nl

June 2005















CONTENTS

Main recommendations	3
The Review of the EC's Development Policy Statement	5
Introduction	5
1. Strengthening EC development co-operation	5
The need for strong, effective policies to support <i>sustainable</i> development	5
Coherence among EC policies	6
Good governance: a key issue	7
Addressing the environmental pillar of sustainable development	8
 a) Efficient mainstreaming of environment and natural resources issues in EC geographic co- operation 	8
b) Addressing key thematic environmental issues relevant to EC development policy which cannot be encompassed through geographic programming (CSPs/RSPs) alone.	9
 c) Addressing global environmental issues is important for meeting EC commitments and also increases the effectiveness of development co- operation 	10
ANNEX A. Making environmental mainstreaming effective	12
BACKGROUND: Commitments to mainstreaming have not been followed by effective implementation	12
2. PROBLEMS with existing mainstreaming	13
3. IMPLEMENTING 'ENVIRONMENTAL MAINSTREAMING:' Strategic and practical solutions	14
ANNEX B. Thematic environmental programme	20
1. WHY a thematic programme for the environment?	20
2. WHAT would be included in such a programme?	21
3. INTEGRATION with geographic programming	2
4. Measuring the impact	23
ANNEX C. European global environmental budget	24
1. JUSTIFICATION	24
2. FIVE PRIORITIES to be addressed	25
3. AMOUNTS of FINANCIAL SUPPORT required	25















THE REVIEW OF THE EC'S DEVELOPMENT POLICY STATEMENT: ENSURING ENVIRONMENTAL SUSTAINABILITY

Main recommendations

2005 will be a crucial year for European Union development co-operation. The European Commission is currently leading an important process of reviewing development co-operation policy. It has launched a consultation process designed to rewrite the Community's Development Policy Statement, and has recently issued three communications on the subject of the Millennium Development Goals (MDGs). The recent public consultation has highlighted the environment as a key issue. We, the undersigned organisations, present the recommendations listed below to this review process. We believe these are critical steps that need to be taken if the European Union is to lead the way in promoting a sustainable model of development and meet its international commitments on development and the environment.

We believe that our recommendations will build upon the solid analysis laid out in the Commission's recent communications which address the right issues and spell out the need to foster the *sustainable* development of developing countries. They highlight the fact that environmental damage is not only preventing progress towards EC development goals but also actually worsening the situation in some cases. The recent Issues Paper; "Consultation on the Future of EU Development Policy" is thoughtful in its analysis and identifies many important issues. We hope it will lead to precise pledges on how the EC will meet its international commitments, including on the MDGs and WSSD³ targets.

We also believe that protecting and conserving the environment is the bedrock for sustainable development and is therefore important in its own right. This is why we have recommended the establishment of a global environmental budget. This would ensure that key actions can be taken to, for example, meet targets such as halting biodiversity loss by 2010, or to support developing countries to reduce their carbon emissions. This would allow the EC to meet its global environmental commitments, support directly the achievement of MDG 7 and the conservation of the healthy environment on which all development ultimately depends, as well as contributing to other EC objectives including increasing global security.

¹ Commission Communications COM(2005)132 on "Speeding up progress towards Millennium Development Goals", COM(2005)133 on "Policy coherence Development", and COM(2005)134 on "Financing for Development and Aid effectiveness" of 12.3.2005.

² DG Development, 7.1.2005. Available at

http://europa.eu.int/comm/development/body/theme/consultation/doc/Issues_Paper_EN.pdf

³ World Summit on Sustainable Development, Johannesburg.













We therefore believe that EC development co-operation would be enormously strengthened by the adoption of the following recommendations:

- 1. The **main objective** of EC development co-operation should be the **alleviation of poverty though sustainable development.**
- 2. The EC should clearly state that the **sustainable use of natural resources and nature conservation are fundamental pre-requisites for poverty eradication and sustainable development**;
- 3. If future EC development co-operation defines **priority focal sectors within National and Regional Indicative Programmes** (NIPs and RIPs), the support of **sustainable use of natural resources should be one of the focal sectors eligible for support**;
- 4. The overarching EC development policy objective of eradicating poverty through sustainable development requires a major push for **coherence** of all EC policies that affect developing countries, particularly trade, agriculture and fisheries, as required by article 178 of the EC Treaty;
- 5. To ensure coherence, the EC should be held responsible for **monitoring** its impacts and the impacts of its policies on developing countries, including environmental impacts;
- 6. Meaningful participation of civil society, indigenous peoples and local communities should be ensured from the design to the implementation and evaluation of policies, strategies, programmes, and projects. **Legally binding mechanisms backed up by adequate financial resources,** including a set of independently evaluated performance indicators, should be put in place to ensure this participation takes place.

The following recommendations are, we believe vital for addressing the environmental pillar of poverty reduction through sustainable development:

- 7. **Mechanisms for ensuring effective environmental mainstreaming need to be strengthened.** Mandatory and thorough analyses of environmental challenges and subsequent recommendations, jointly defined by key development partners including partner countries' stakeholders -, should feed into the development of geographic and thematic strategies. Measures should be taken to ensure that high quality environmental integration takes place throughout programming. Commission services should be properly staffed, structured and trained to ensure that both programming and implementation benefit from effective environmental integration. The attached *Annex A* sets out a practical programme of measures for ensuring that the environment can be effectively mainstreamed across policies and programmes.
- 8. A **multi-annual environmental thematic programme** should be designed. This would ensure that key issues which address fundamental poverty-environment linkages (such as illegal logging, illegal fishing, coral bleaching, etc.) are tackled, even though they may have not been included in EC country or regional co-operation strategies (CSPs/RSPs). Further details of what should be included in such a program are attached at *Annex B*.
- 9. In order to meet existing global environmental commitments, that also affect developing countries, a **European global environment budget**, jointly managed by the Development and Environment Directorates General (DGs) and drawing funding from a number of financial instruments, should be established. *Annex C* provides more information on the details of this proposal.













THE REVIEW OF THE EC'S DEVELOPMENT POLICY STATEMENT

Introduction

The European Union is reviewing its development policy in order to take into account new international commitments and political priorities; respond to increased globalisation; and improve the effectiveness of EC development assistance.

The EC aims to strengthen its development policy so that it can better contribute to the sustainable development of developing countries. To achieve this, we believe that the following central aspects of development policy need reinforcement. We have divided our comments into two sections: the first on improving the effectiveness of EC development cooperation and policies that affect developing countries, and the second on addressing the environmental pillar of sustainable development.

1. STRENGTHENING EC DEVELOPMENT CO-OPERATION

The need for strong, effective policies to support sustainable development

The EC should make a *clear commitment* to a distinct, coherently managed, and properly funded development policy, dedicated to eradicating poverty through sustainable development. The key to coherent management will be defining a common framework (for DG Development and External Relations) for the preparation of geographical co-operation strategies: Country Strategy Papers (CSPs) and Regional Strategy Papers (RSPs), enabling the EC to adopt coherent programmes and policies for both ACP and non-ACP developing countries.

The environment is an important element of most efforts to reduce poverty. The term "environment" encapsulates numerous issues. Many are intimately linked to the direct reliance of the world's poorest people on ecosystems services such as clean water, soil conservation and the sustainable supply of marine and forest products for direct consumption or income generation. Two in three of the world's poor live in rural areas and depend on natural resources for their livelihoods, forests support the livelihoods of 90% of the 1.2 billion people living in extreme poverty, and over a billion people worldwide, mostly poor communities, depend on fish to supply at least 30% of their animal protein. Equally, when the environment is being degraded, economic growth is jeopardized. Failure to address environmental issues plays an important role in provoking and financing conflicts, and

⁴ WWF (2004) EU Aid: Reducing Poverty Through a Sustainable Environment: Why should EU Aid properly address the link between poverty and environment?

⁵ World Bank (2002) A Revised Forest Strategy for the World Bank Group, 31.10.2002

⁶ FAO (2002). The State of World Fisheries and Aquaculture. FAO, Rome, Italy













therefore undermines the security agenda. Good governance in the resource sector is essential for sustainable use of natural resources and achieving basic human rights standards.

This is why recent EC and UN documents have reiterated that⁸ the unsustainable use of the world's ecosystems is causing significant harm to the poor. To help reverse this trend requires a major change in both the approach and the efficiency of EC development policy, with serious attention paid to integrating the environment pillar of sustainable development.

Future EC development policy would be significantly strengthened by assisting developing countries to adequately address the links between environment and poverty. Incorporating this as a goal of external policy would allow the EC to fulfil its political commitments to help developing countries to develop in a sustainable manner. Moreover, such reformulated EC development policy would guarantee a clear **policy leadership** on development issues.

- → The main objective of EC development co-operation should be the alleviation of poverty though sustainable development. Sustainable development encompasses interactions between social, economic and environmental issues. Environmental degradation stands at the heart of every major challenge faced by developing countries, which is why it was included in the Millennium Development Goals. Addressing its central role in sustaining and improving the livelihoods of the poor is fundamental to effective poverty alleviation.
- → The EC should clearly state that the sustainable use of natural resources and nature conservation are a fundamental pre-requisite for poverty eradication and sustainable development.
- → If future EC development co-operation defines priority focal sectors within National and Regional Indicative Programmes (NIPs and RIPs), the support of sustainable use of natural resources should be one of the focal sectors eligible for support;

Coherence among EC policies

The consequences of EC internal market policies as well as the lack of coherence among EC aid, trade and investment policies can jeopardize EC development co-operation objectives. These policies can undermine EC development co-operation objectives as much if not more than low quality EC development aid projects and programmes. A clear example of this is global warming which is increasingly impacting developing countries, undermining poverty reduction efforts and the achievement of the MDGs. The EU, as a major greenhouse gas emitter, has a clear responsibility to implement the policies necessary to significantly reduce its greenhouse gas emissions.

⁷ Timber, bushmeat, oil and coltan are used in countries such as Liberia, Congo, Angola and Sudan as currency to purchase arms and fuel conflicts, which are in turn a major cause of environmental damage.

⁸ European Commission Communications COM(2005)132, COM(2005)133, and COM(2005)134 of 12 March 2005; UN Millennium Ecosystem Assessment of March 2005; Commission for Africa report of March 2005; European Commission *Issues Paper* on the Future EU Development Policy, 7.1.2005.













The promotion of sustainable development through a sustainable use of natural resources and nature conservation can be substantially assisted by ensuring better coherence between different EC policies. In fact, development co-operation goals cannot be achieved as long as EC policies in other sectors have negative environmental and social impacts. As well as integrating closely existing social and environmental issues (e.g. biodiversity, tropical forests, climate change, indigenous peoples, etc.), the EC should ensure that the Union's trade, agriculture, fisheries and other policies also contribute to achieving poverty reduction through sustainable development.

We welcome the acknowledgement in the *Issues Paper* that "the activities of the wealthier sectors of society [...] are the source of most environmental damage". This is equally true for the effect of policies determined by the wealthier countries, including EU nations. For example, the EC fisheries policy has proven to be at the heart of the bushmeat crisis in West Africa, 10 undermining important European efforts for biodiversity conservation in the area. Analysts have established direct links between EC agricultural policies such as cotton subsidies or the sugar regime, and poverty. 11

- → Ensuring the overarching EC development policy objective of eradicating poverty through sustainable development requires a major push for **coherence** of all EC policies that affect developing countries, particularly trade, climate change, agriculture and fisheries, as required by article 178 of the EC Treaty;
- → To ensure coherence, the EC should be held responsible for **monitoring** its impacts and the impacts of its policies on developing countries, including environmental impacts;

Good governance: a key issue

Good governance is a prerequisite for sustainable development. Supporting good governance in developing countries is a complex issue that ranges from transparency in the development and management of national policies, to the rights of access and use of natural resources by indigenous peoples and local communities. The participation of a wide range of indigenous peoples and stakeholders, particularly civil society, is a crucial element of improving governance across the world. Therefore, we believe that the effective participation of civil society in policy dialogue and aid programming should constitute a core principle during the implementation of the EC development aid programme.

⁹ COM(2001)162 on EC Biodiversity Action Plan for Economic and Development Co-operation; Regulation (EC) no.2494/2000 on measures to promote the conservation of forests in developing countries; COM(2003)85 on Climate Change in the context of development co-operation; Council Conclusions on Indigenous Peoples, 11.2002.

¹⁰ Brashares, J. et al (2004) Bushmeat Hunting, Wildlife Declines, and Fish Supply in West Africa. Science, Vol 306: 12.11.2004

¹¹ Oxfam (2004) A Sweeter Future? The potential for EU sugar reform to contribute to poverty reduction in southern Africa. Oxfam Briefing Paper no. 70, 22.11.2004; GAWV, DHS, CIECA, ADEID, GRAPAD & Eurostep (2004) New ACP-EU Trade Arrangements: New Barriers to Eradicating Poverty? 3.2004.













While the Commission's *Issues Paper* identifies the critical need for effective participation by civil society, significant past problems with insufficient participation¹² show, however, that the existing regulatory framework is insufficient and that legally binding mechanisms, backed up by adequate resources, are required. A set of independently evaluated performance indicators, including staff performance evaluations, should be put in place to ensure effective dialogue takes place.

Furthermore, future development policy should note that indigenous peoples - often the most marginalized populations in society - need additional measures to protect their interests and rights and ensure their participation. The lack of any reference to indigenous peoples issues in the list of "priority sectors and cross-cutting themes" in the *Issues Paper* contradicts the EC position on the right of indigenous peoples to define their "self-development", stated in several public statements, including two Council Resolutions.¹³

→ Meaningful participation of civil society, and particularly indigenous peoples and local communities, should be ensured from design through to implementation and evaluation of policies, strategies, programmes, and projects. Legally binding mechanisms backed up by adequate financial resources, including a set of independently evaluated performance indicators, should be put in place to ensure this participation takes place.

2. <u>ADDRESSING THE ENVIRONMENTAL PILLAR OF SUSTAINABLE DEVELOPMENT</u>

The direct effects of environmental goods and services on poverty eradication have been a focus of concern in recent EC and international documents. The Commission's *Issues Paper* on the future EC development policy and the recent communications on the MDGs are unequivocal in their recognition that a sustainable environment is crucial not only for maintaining and improving the livelihoods of the poorest people but also for preventing and resolving conflicts. The *Issues Paper* rightly notes that "the environment matters greatly to people living in poverty."

We believe that the following three practical and clearly defined approaches would allow the EC to carry out efficiently its political commitment to addressing the environmental pillar of sustainable development, which is central to poverty eradication.

(a) Efficient mainstreaming of environment and natural resources issues in EC geographic co-operation

Environmental mainstreaming is important for two reasons. Firstly, because, as noted above, the environment is an important element of most efforts to reduce poverty. Secondly, the

¹² For example, despite the guidelines for non state actors involvement in the revision of country strategies for co-operation, civil society platforms in Cameroon were repetitively excluded from dialogue with the EC Delegation on the grounds that they were not properly organised. In practise, the involvement of civil society depends on the will of EC Delegation officials.

¹³ Development Council Resolution of 30.11.1998 and General Affairs Council Resolution of 18.11.2002.

¹⁴ European Commission Communications COM(2005)132, COM(2005)133, and COM(2005)134 of 12.3.2005; UN Millennium Ecosystem Assessment of March 2005; Commission for Africa report of March 2005; European Commission *Issues Paper* on the Future EU Development Policy of 7.1.2005













impact of EC geographic and thematic co-operation activities, such as transport projects or macro-economic support, can negatively affect the environment of the partner country and imperil the livelihoods of its poorest people. It is therefore essential to reinforce 'environmental mainstreaming' and ensure the proper monitoring and impact assessment of the overall EC development programme.

The Issues Paper notes that "addressing [...] poverty-environment linkages must be at the core of national efforts to eradicate poverty". Addressing these linkages requires work across many sectors, and therefore maintaining the environment as a crosscutting issue remains critical. However, recent and past evaluations¹⁵ have found that, while sustainable natural resource management processes and initiatives¹⁶ are increasingly being integrated into development policy objectives,¹⁷ mainstreaming the environment is a long-term effort that has so far failed to be implemented effectively. Despite the numerous European commitments to incorporating environmental concerns in development aid programmes, the achievement of this goal has continuously been prevented by poor implementation due to weak awareness and expertise, low political will at governmental level, and absence of efficient administrative processes and guidelines.¹⁸

→ Mechanisms for ensuring effective environmental mainstreaming need to be strengthened. Mandatory and thorough analyses of environmental challenges and subsequent recommendations, jointly defined by key development partners - including partner countries' stakeholders -, should feed into the development of geographic and thematic strategies. Measures should be taken to ensure that high quality environmental integration takes place throughout programming. Commission services should be properly staffed, structured and trained to ensure that both programming and implementation benefit from effective environmental integration. The attached Annex A sets out a practical programme of measures for ensuring that the environment can be effectively mainstreamed across policies and programmes.

(b) Addressing key thematic environmental issues relevant to EC development policy which cannot be encompassed through geographic programming (CSPs/RSPs) alone.

The Commission's *Issues Paper* recognises that the environment "is a full component of development objectives and cannot be considered only as a crosscutting issue." Moreover, the need to continue and strengthen environmental programming has been the conclusion of several evaluations commissioned by the European Commission.¹⁹

¹⁵ e.g. DNR, ADE, NCG, ECO (2004) Evaluation of the Environmental and Forests Regulations 2493/2000 and 2494/2000. Brussels, 11.2004; FERN (2002) Forests at the Edge. Brussels, 11.2002.

¹⁶ e.g. Convention on Biodiversity, Convention to Combat Desertification, Framework Convention on Climate Change, UN Forum on Forests, etc.

¹⁷ COM (2000)212 on the European Community's Development Policy

¹⁸ DNR, ADE, NCG, ECO (2004) Evaluation of the Environmental and Forests Regulations. Brussels, 11.2004; WWF (2004) EU Aid: Reducing poverty through a Sustainable environment; FERN (2002) Forests at the Edge. Brussels, 11.2002.

¹⁹ DNR, ADE, NCG, ECO (2004) Evaluation of the Environmental and Forests Regulations 2493/2000 and 2494/2000. Brussels, 11.2004; ERM(1997) Evaluation of the Environmental Performance of EC Programmes in Developing Countries (B7-5091/95). London, 12.1977.













We very much welcome this recognition and believe that, in addition to ensuring that environmental issues are properly integrated across all EC development assistance, EC cooperation should address key thematic or inter-regional environmental issues relevant to EC development policy which cannot be encompassed through geographic programming (CSPs/RSPs). There are many reasons that can lead to the exclusion of an important issue from a country or a regional programme; for example when the issue cuts across national borders, as many key environmental challenges do, or because of governance issues that prevent the priorities of the poor or marginalized communities from being addressed. Furthermore, analysis has revealed that, to date, both environment and forests-related development have played a negligible role in EC development co-operation outside the thematic programmes for these sectors. The need to increase the financial allocations for the environment and natural resources sectors was also repeatedly noted by the evaluations mentioned above.

Accordingly, we believe that addressing such environmental challenges can best be achieved by establishing, as a priority, a thematic programme for the 'environment and sustainable use of natural resources.' This multi-annual environmental thematic programme addressing key environment-poverty linkages should be developed with safeguards ensuring 1) transparency of EC funded projects; 2) co-ordination among EU donors; and 3) the full involvement of all EC development partners, especially those playing essential roles in the use of natural resources, including indigenous peoples and local communities. Further details of what should be included in such a program are attached at *Annex B*.

→ A multi-annual environmental thematic programme should be designed. This would ensure that key issues which address fundamental poverty-environment linkages (such as illegal logging, illegal fishing, coral bleaching, etc.) are tackled, even though they may have not been included in EC country or regional co-operation strategies (CSPs/RSPs). Further details of what should be included in such a program are attached at *Annex B*.

(c) Addressing global environmental issues is important for meeting EC commitments and also increases the effectiveness of development co-operation.

Global environmental issues such as climate change²⁰ and biodiversity loss are increasingly seriously affecting developing countries' ability to develop. The governments of developing countries have not been able to adequately influence international negotiations that address these environmental issues. Developing countries therefore find themselves in the position of having their prospects for reducing poverty seriously affected by global environmental problems over which they have very little leverage.

The EC has noted on numerous occasions (such as the Convention on Biological Diversity 2004, WSSD Johannesburg 2002, Gothenburg Summit 20001, Millennium Summit 2000) its commitment to addressing global environmental problems and has recognised that additional financial resources are needed. We agree with the *Issues Paper* that global environmental issues "need additional efforts from the developed countries through their environmental

²⁰ IIED / nef (2004) "Up in smoke? Threats from, and responses to, the impact of global warming on human development" for the UK NGO Working Group on Climate Change and Development http://www.iied.org/docs/climate/Up in Smoke.pdf















policies including additional financial means to be channelled through external thematic programmes, over and above complementary country-specific allocations".

If the EC is to take a leading role in promoting sustainable development globally – which we believe it should -, it should commit to providing additional funding to address global environmental issues, in particular climate change and biodiversity loss.

We disagree with the *Issues Paper's* statement that such issues "are not of immediate priority for developing countries." Climate change, for example is already having an impact on weather patterns which have negatively affected many developing countries, sometimes severely. This false assumption reflects, we believe, the lack of civil society participation, in particular by poor communities who already experience significant impacts of changing and increasingly erratic weather patterns, in the development of national policies. The recent Commission for Africa²¹ report notes that "poor people consistently highlight the importance of the environment to well-being", and stresses that the failure of policies is often related to the lack of civil society participation in the formulation of policies, leading to a poor understanding of local problems and priorities.

In order to deliver the extra resources that we all recognise are needed to tackle these serious global environmental challenges, we have proposed a European global environment budget, drawing funding from a number of financial Instruments. This budget would be used to support developing countries to, for example meet their commitments under the Convention on Biological Diversity or develop in a way that does not further exacerbate climate change. It would also fund EC contributions to multilateral environmental agreements and global environmental organisations, and support capacity building in developing countries and local communities and stakeholders. *Annex C* provides more information on the details of this proposal.

→ In order to meet existing global environmental commitments, that also affect developing countries, a European global environment budget, jointly managed by the Development and Environment Directorates General (DGs), and drawing funding from a number of financial instruments, should be established.

-

²¹ Commission for Africa (2005) Our Common Interest. 3.2005















ANNEX A

MAKING ENVIRONMENTAL MAINSTREAMING EFFECTIVE: PRACTICAL SUGGESTIONS FOR EC DEVELOPMENT CO-OPERATION

Contents

- 1. BACKGROUND: Commitments to mainstreaming have not been followed by effective implementation
- 2. PROBLEMS with existing mainstreaming tools
- 3. IMPLEMENTING 'ENVIRONMENTAL MAINSTREAMING:' Strategic and practical solutions
 - (a) Using Country and Regional Environmental Profiles to improve geographic programming
 - (b) Improving the quality of environmental integration in geographic programming
 - (c) Thematic Programming
 - (d) Enabling EC staff and systems to rise to the mainstreaming challenge

1) BACKGROUND: Commitments to mainstreaming have not been followed by effective implementation

The European Community (EC) has committed itself to systematically integrating environment into all its development co-operation on numerous occasions.

The obligation to integrate environmental protection into Community policies is enshrined in the EC Treaty. Article 6 stipulates that "environmental protection requirements must be integrated into the definition and implementation of the Community policies and activities [...] with a view to promoting sustainable development". Environmental integration into development co-operation is also part of the Cardiff process launched by the Council in 1998, and part of obligations under Multilateral Environmental Agreements (MEAs).

Article 32 of the Cotonou Agreement (2000)²² explicitly states that "[co-operation on environmental protection and sustainable utilisation and management of natural resources shall aim at mainstreaming environmental sustainability into all aspects of development co-operation and support programmes and projects implemented by various actors". Furthermore, in 2000, the EC issued a communication on EC development policy²³ which emphasises the Commission's commitment to mainstreaming the environment across all its development activities and, more specifically, to integrating the environment as a cross-

²² EU-ACP (2000) Partnership agreement between the members of the African, Caribbean and Pacific group of states of the one part, and the European Community and its Member States; Benin; 21.6.2000

²³ European Commission (2000) *Communication on the European Community's Development Policy* Brussels; COM(2000) 212 final; 26.4.2000













cutting issue into the six priority areas for EC development co-operation (transport; macro-economic support, good governance, rural development and food security, trade, and regional integration).

However, several evaluations highlight that commitments to integrating the environment across EC development co-operation have not been translated into effective action.

A 2003 report of the ACP-EU Joint Parliamentary Assembly indicated that, despite the central role that environmental goods and services play in poverty alleviation and economic growth, the EC had inadequately mainstreamed environmental issues in its development assistance. A 2002 EC review of how environmental issues were mainstreamed into 60 country and 7 regional strategy papers, found a very poor level of integration. Similarly, independent evaluations have repeatedly highlighted insufficient environmental mainstreaming in EC development co-operation.

The integration of the environmental dimension within EC development co-operation is due for review by the Commission in 2005, and is currently subject to an audit by the European Court of Auditors.

Below we outline a number of key actions that would, we believe, help to ensure that environmental mainstreaming becomes an effective method of improving the quality and effectiveness of EC development co-operation.

2) PROBLEMS with existing mainstreaming tools

The two main existing tools – guidelines and environmental profiles – have serious weaknesses. Existing guidelines don't adequately address key poverty environment issues, and environmental profiles are not mandatory and, as a consequence, often are not undertaken.

The current environmental guidelines – included in both the Environment Integration Manual²⁷ and "The 9th EDF Programming Process"²⁸ – are very weak in highlighting the crucial role that natural resources play in economic growth and poverty reduction. More specifically, the existing guidelines do not adequately address key environment-poverty linkages such as the recognition of the critical role of land tenure and access to resources in

²⁴ ACP-EU Joint Parliamentary Assembly (2003) *Report on sustainable management and conservation of natural resources in ACP countries in the context of the 9th EDF programme*; Committee on Social Affairs and the Environment; ACP-EU 3590/03/fin; 11.10.2003.

²⁵ Dávalos ME (2002) *Mainstreaming Environment in the Country Strategy Papers: a review of 60 countries*. Brussels: DG Development, European Commission. Brussels, 2002.

²⁶ WWF (2004) EU Aid: Reducing Poverty Through a Sustainable Environment: Why should EU Aid properly address the link between poverty and environment?; FERN (2002) Forests at the Edge: a review of EC aid spending. Brussels, 11.2002

²⁷ Available at http://www.agreco.be/hde/Download/Accueil/Manuel050131.pdf

Available at http://www.agiccoro.nac.go.monac.go













alleviating poverty, the links between natural resources and conflicts, or the fact that poor are more likely to suffer from health problems arising from environmental degradation.

In addition to this, country and regional strategies for co-operation lack a clear and pragmatic strategic approach towards integrating the environment dimension. The environment guidelines used in EC country and regional strategies focus strongly on the development of Country and Regional Environmental Profiles (CEPs/REPs) but, despite EC policy commitments, there is no binding requirement to develop these profiles nor to include their recommendations in co-operation strategies.

Lack of awareness within the Commission on existing guidelines and policies, and lack of engagement with external stakeholders further weakens existing mainstreaming efforts.

The lack of awareness within the Commission on the existing environmental guidelines (including the Environmental Integration Manual) and on environment-poverty linkages worsens the reality of EC environmental mainstreaming.

Finally, current access to environmental information (e.g., EIAs, SEAs, etc) is poor and insufficiently supported. The EC, as signatory to the Aarhus Convention,²⁹ has made commitments to ensuring access to information and public participation.

3) IMPLEMENTING 'ENVIRONMENTAL MAINSTREAMING:' Strategic and practical solutions

Main recommendations

- Integrating environmental concerns in the programming phase is crucial as it helps avoid unintended negative outcomes during implementation. An analysis of the social, economic and environmental challenges of EC partner countries and regions should be developed *prior* to programming, and its conclusions should be adequately reflected in geographic strategies (Country Strategy Papers and Regional Strategy Papers) and Indicative Programmes.
- ➤ Commission services should be properly staffed, structured and trained to ensure that both programming and implementation safeguard environmental integration.

(a) Using Country and Regional Environmental Profiles to improve geographic programming

Country and Regional Strategy Papers (CSPs/RSPs) set out the framework for EC cooperation with a given country or region. Each document is complemented by a National or Regional **Indicative Programme (NIP/RIP)** indicating the areas where resources will be spent over a given number of years and the amount of funds to be allocated.

²⁹ Convention on access to information, public participation in decision-making and access to justice in environmental matters (1998) Aarhus, Denmark, on 25.6.1998













One of the current formal requirements for CSPs, although not a legal obligation, is the development of **Country Environmental Profiles** (**CEPs**). For the Regional Strategy Programmes, a requirement for **Regional Environmental Profiles** (**REPs**) has just started to be applied. An environmental profile is an analysis of the environmental, social and economic situation within a specific geographic area. If developed properly and used well, **environmental profiles could become a very useful safeguard for environmental integration in EC development aid programming**. Yet in March 2005, Commission documents showed that less than half - 53 out of 160 – of the countries where the EC has cooperation programmes had CEPs, with 3 CEPs and 2 REPs³⁰ under preparation.³¹

If the EC is serious about meeting its commitments to integrating the environment into its programming and thereby improving effectiveness, it will be vital to ensure that Country and Regional Environmental Profiles (CEPs/REPs) become a key reference for EU Member States the European Commission and partner governments when defining national and regional co-operation strategies (CSPs/RSPs). We therefore recommend:

- There should be a <u>binding requirement</u> in EC co-operation policies and programming guidelines for the <u>development</u> of CEPs/REPs for each country and region with an EC co-operation programme. Requirements should build on existing knowledge and incountry processes and must include effective mechanisms for participation of all development actors, including national and European civil society. In addition, it is important to ensure the active involvement of partner countries and EU Member States, and to establish linkages to similar environmental analysis undertaken by other donors (i.e. World Bank, Asian Development Bank).
- ➤ To ensure high quality environmental profiles that tackle key poverty-environment dependencies and help prevent future problems concerning the vulnerability of the livelihoods of the poor in relation to environmental challenges, CEPs/REPs should address at least the following issues:
 - Level of and <u>trend</u> in the <u>contribution of natural resources</u> (forestry, fisheries, tourism <u>etc</u>) to other <u>sectors</u> (food security, health, conflicts, etc.) and to economic growth, including percentage of natural resources' contribution to GDP and an analysis of informal or illegal markets; State of and <u>trends</u> in conservation/degradation or the environment and natural resources in relation to <u>economical and social vulnerability</u> of a country to these trends;
 - <u>Analysis of national/regional policies and institutions</u> relevant to ensuring effective environmental management (land ownership, land tenure, control of natural resources, overview of key agencies' strengths and weaknesses, etc.);
 - Evaluation of <u>needs for priority actions</u>, including additional national and/or EU legislation.

_

³⁰ Andean and Central American Regions

³¹ Helpdesk Environment (2005) *List of existing Environmental Profiles* http://www.agreco.be/hde/EN/D122_CEP.htm













- Development of a key set of <u>indicators</u> to monitor the challenges that partner countries are facing in implementing environmental mainstreaming and CSP/RSP requirements.
- Environmental integration in country and regional co-operation strategies (CSPs/RSPs) should become mandatory. Without explicitly requiring the integration of environmental concerns in co-operation strategies, the continuation of weak (or inexistent) environmental mainstreaming in development programming is inevitable. Improvements would require changing existing guidelines and policies to indicate that environmental issues must be fully integrated in country and regional strategies.

Annex IV of the ACP-EU Cotonou agreement referring to the CSPs/RSPs guidelines would, for example, need to be modified to include environmental analysis and integration along with the current political, social and economic assessments required. This requirement was already requested by the ACP – EU Joint Parliamentary Assembly in October 2003³² but was not applied in the first-review of the Cotonou Agreement, finalised in February 2004.

(b) Improving the quality of environmental integration in geographic programming

Not only should environmental issues be integrated in geographic and thematic strategies, but there should be safeguards ensuring the quality of such integration. We would propose the following:

• The development of a <u>useable</u> set of environmental guidelines for geographic programming. These guidelines should build upon existing guidelines used by different donors and should be backed up by comprehensive indicators;

Practical environmental guidelines for development co-operation should address poverty-environment dependencies. Ideally, they would address the importance of natural resources for local livelihoods, economic growth and poverty reduction; the ownership structures (i.e. land tenure regimes, control of and access to natural resources by the poor, etc.); the impact to health of environmental degradation; the links between natural resources and conflict, and the way to reinforce government policies and good governance;

• For the prioritisation of the sectors for investment in the National or Regional Indicative Programmes (NIPs/RIPs): a set of quantitative indicators should be used, defining a country/region's dependence on natural resources (i.e. GDP derived from each sector) and/or indigenous peoples, poor people /local communities' dependence on a specific natural resource sector (forests, fisheries, etc.). In cases where important natural resource sectors identified by such analysis were not selected, the NIP/RIP should adequately explain the reasons for the omission;

³² ACP-EU Joint Parliamentary Assembly adoption of 'Report on Sustainable Management and Conservation of Natural Resources in ACP Countries in the Context of the 9th EDF Programming' in 10.2003, Rome













- The evaluation of the impact on the environment and the livelihoods dependent on it - of development programmes should be done in a systematic way. Strategic Environmental Assessments (SEAs) should be undertaken every time that a proposed sectors of intervention in a country or region is likely to have negative environmental and social effects. Such SEAs should be undertaken before the final adoption of CSPs/RSPs and/or a given programme, and programming for these focal sectors should integrate the results obtained;
- Sustainability Impact Assessments (SIAs) of trade negotiations should be done systematically and prior to the conclusion of the negotiation.
- Carrying out environmental audits of ongoing programmes in a systematic way, and to ensure that priority actions and indicators identified always fed back into the programming process;
- Allocating clear staff responsibilities to monitor the environmental integration process in the definition and review of country and regional strategies for co-operation (CSPs/RSPs). This would entail both revising the existing framework relations with National and Regional Authorising Officers (NAOs/ RAOs), as well as reviewing current (and future) Terms of Reference regarding environmental commitments at EC delegations and headquarters level.

(c) Thematic Programming

There is a need to address key thematic inter-regional environmental issues relevant to EC development policy, which have not been prioritised through geographic programming (CSPs/RSPs) alone. This need also exists for other thematic issues, such as human rights, and indigenous peoples, and has been acknowledged by EC development policy, which has outlined its thematic areas of co-operation in numerous regulations.

Programming guidelines differ among sectors, and between thematic and geographic programmes. This fact lowers the transparency and coherence of the system, which in turn diminishes the impact of thematic co-operation. Aiming to solve these problems, ongoing restructuring of EC aid programming foresees the creation of an analogous framework to the one used in geographic programming (CSPs/RSPs) of multi-annual strategy papers for thematic co-operation.

To ensure that environmental considerations are properly mainstreamed across all EC development co-operation strategies, Thematic Strategic Programmes should include an ex ante participatory Strategic Environmental Assessment (SEA) of the programme. The SEA should identify environmental impacts and opportunities, and propose mitigation measures that could be addressed at project level.

(d) Enabling EC staff and systems to rise to the mainstreaming challenge

Regardless of how the environment is integrated in policy and programming documents, making mainstreaming work will mostly depend on the awareness and capacity of EC and partner country officials in charge of implementing EC co-operation strategies.















Awareness raising and capacity building of EC officials on the social and economic links between environment and development should become an on-going practice. Due to the current systematic under-representation of the environmental dimension of sustainable development in EC co-operation,³³ special emphasis needs to be placed on addressing environmental considerations in co-operation activities. The European Community should:

- Recruit staff with specific environment and development backgrounds and also provide training for the existing staff working in these areas.
- Have an environment and a civil society focal point in every partner country (either in the EC delegation or an EU Member State's co-operation office). These posts would be charged, respectively, with ensuring the proper integration of the environment in the CSPs, and with conducting proper identification and consultation of civil society.
- Develop a strategy, accompanying the CSP and RSP, on how an EC delegation and EU states embassies are planning to increase environmental awareness with its host governments and through its (ongoing) project/programme activities.
- Ensure the adaptation of a framework of working relations with developing countries National and Regional Authorising Officers (NAOs/RAOs) regarding mutual environmental commitments to safeguard coherence between administrative management of CSPs/RSPs review and objectives. This should raise the awareness of NAOs/RAOs on the need for environmental integration and will increase coherence among partner country Ministries regarding environmental commitments.

The European Commission has set up in last few years a Helpdesk Environment³⁴ and is developing an Environmental Integration Manual³⁵ to assist staff and partner countries to mainstream environmental issues. These initiatives can succeed in mainstreaming environmental issues only if they are perceived as instruments (and not as ends in themselves), and if they are not limited to the project approach (therefore being used at programming and policy levels). The European Commission should:

- Set up clear indicators to monitor how both the Helpdesk and the Manual help the integration of environmental concerns in EC co-operation.
- Develop case studies and examples demonstrating how to mainstream environmental concerns in the priority sectors/main areas of co-operation to support those in charge of programming.

Participation of civil society actors in EC development programming is low and, when exists, tends to involve development organisations only. Environmental degradation effects are mostly suffered by poor local communities and often not reflected in national political priorities. Lack of civil society involvement in policy making may therefore cause a lack of integration of environmental issues in country and regional strategies. To ensure that EC geographic and thematic strategies take full consideration of environmental concerns, the Commission should:

http://europa.eu.int/comm/development/body/theme/environment/env integ/env integration/index1.html

³³ DNR-ADE-NCG-ECO (2004) Evaluation of the Environment and Forests Regulations 2493/2000 and 2494/2000. November 2004. Synthesis Report, Volume I, page 66.

³⁴ Helpdesk Environment (HDE) – <u>www.agreco.be/hde</u>

³⁵ The document, which is to be finalised in 2005, offers advise on tools that can or must be used at policy, programming and project levels. See















• Set up effective and legally binding mechanisms allowing for civil society participation in geographic and thematic programming, including indigenous peoples and local communities and organisations with specific environmental expertise.

Transparency and accountability are a prerequisite for good governance, and have been integrated in the EU law through the adoption of the Aarhus Convention.³⁶ To pursue this objective, the Commission should set up public databases of programmes and projects. This exercise would allow it to capitalise on lessons learnt and experiences, and hence improve its ability to pass on opportunities for institutionalised learning,³⁷ including in environmental mainstreaming. The Commission could:

- Obtain information with respect to which projects address environmental issues and how do they do, which should also include follow up activities Environmental Impact Assessment (EIA).
- Carry out <u>environmental audits</u> of country and regional projects and recommend areas for improvement.
- Set up a central <u>database</u> of Strategic Environmental Assessments (SEAs) of policies and programmes, Sustainability Impact Assessments (SIAs) of trade negotiations, Environmental Impact Assessments (EIAs) of projects, and audits and evaluations.
- Set up regular subject-matter <u>dialogue of information exchange</u> for EC officials, projects staff and other development actors, including civil society.

³⁶ Convention on access to information, public participation in decision-making and access to justice in environmental matters (1998) Aarhus, Denmark, on 25.6.1998; EC Directive 2003/4/EC on Public Access to Environmental Information; EC Directive 2003/35/EC providing for public participation in respect of the drawing up of certain plans and programmes relating to the environment and amending with regard to public participation and access to justice; Proposal for a Directive on Access to Justice in Environmental matters, COM(2003)642 final.

³⁷ DNR-ADE-NCG-ECO (2004) Evaluation of the Environment and Forests Regulations 2493/2000 and 2494/2000. November 2004. Synthesis Report, Volume I, page 67.















ANNEX B

THEMATIC ENVIRONMENTAL PROGRAMME

1. WHY A THEMATIC PROGRAMME FOR THE ENVIRONMENT?

"Environment is one of the three pillars of sustainable development and as such is a full component of development objectives and cannot be considered only as a crosscutting issue. The environment matters greatly to people living in poverty. The poor often depend directly on natural resources for their livelihoods; at local level they are often the most affected by unclean water, indoor air pollution and exposure to toxic chemicals; and they are particularly vulnerable to environmental hazards such as floods, droughts, and climate change and to environment-related conflicts." (European Development Policy Issues Paper, European Commission, January 2005)

We fully agree with the above statement by the European Commission. This is why we believe that coherent environmental programming is essential for guiding, managing and evaluating all EC activities. The integration of the protection of the environment and sustainable use of natural resources in EC co-operation is enshrined in the Treaty. Environmental protection and the promotion of sustainable development are also inextricably linked to the achievement of social justice and to the promotion of the Union's principles of democracy, human rights and the rule of law.

For EC development co-operation, there are two key aspects to achieving coherent environmental programming. The first is ensuring that environmental dimensions to policy and programming decisions are properly integrated or 'mainstreamed' across all EC development assistance. We have produced a detailed list of suggestions for improving performance on mainstreaming. The second aspect, which this paper covers, is the challenge of addressing key national or inter-regional environmental issues relevant to EC development policy. Very often these cannot be encompassed through geographic programming (CSPs/RSPs) alone due to the fact that they cut across national borders; because the poor people affected by them do not have the opportunity or power to raise the issues, or because of governance issues within developing countries. We believe this challenge can best be tackled by **establishing a multi-annual thematic programme for the 'environment** and natural resources' under the next EC development policy strategy.

Convincing arguments for environmental programming have been outlined by the Commission and independent documents:³⁸

• It will further co-operation in the promotion of the EU's key core objective of sustainable development;

³⁸ Guidelines for interventions to be financed in 2005 - 2006, and 2002 – 2003 (DEV/2790/2002; DEV/2792/2002) under the Environment and Forests Regulations (EC) 2493/2000 and 2494/2000; DNR, ADE, NCG, ECO (2004) Evaluation of the Environmental and Forests Regulations. Brussels, 11.2004; WWF (2004) EU Aid: Reducing poverty through a Sustainable environment; FERN (2002) Forests at the Edge. Brussels, 11.2002.













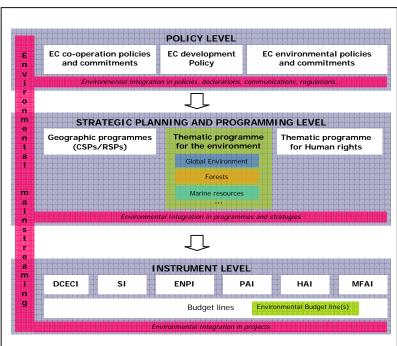


- It plays an important role in poverty alleviation because it tackles the dependence of poor communities on natural resources;
- It provides the opportunity to support critical medium or longer term issues that may not be tackled by governments focusing on short term objectives
- It complements other programmes of co-operation by introducing initiatives that can be subsequently integrated in geographic programming;
- It gives flexibility and allows the EC to directly support local civil society, who play a crucial role in the process of promoting environmental protection;
- It ensures the visibility of EC efforts to tackle environmental challenges.

Below we set out the kinds of vital work that could be encompassed in a thematic programme for the environment; how it can be integrated across geographic programming; and how impacts could be measured.

This paper covers a thematic environmental programme for development co-operation, but we also believe that such a programme is vital for success under other EC external policies, including for example, those related to pre-accession countries, security and near neighbours.

We therefore strongly urge the adoption of co-ordinated programmes such as the one outlined below across *all* EC programming. The diagram at the end of the paper shows how this can be achieved (see Box 1).



Box 1. Co-ordinated Programme for the Environment

2. WHAT WOULD BE INCLUDED IN SUCH A PROGRAMME?

The programme should aim to focus on key environmental issues relevant to fostering sustainable development, achieving the Millennium Development Goals, and therefore also contributing to other EU environmental commitments, including the Council's commitment to halt biodiversity loss by 2010. This focus will include sustainable use of natural resources and conservation of important biodiversity, as well as supporting new approaches to integrating the environmental dimension across development co-operation.













A set of **thematic environmental sectors** of key significance (forests resources, marine resources, freshwater resources, etc.) should be defined, and **sub-thematic strategies** should be developed for each given multi-annual period. This will help to ensure that key issues which address fundamental poverty-environment linkages (such as illegal logging, biodiversity loss, illegal fishing, coral bleaching, bushmeat, etc.) are not left aside by the EC development policy due to their non inclusion in the design of geographical strategies for cooperation (CSPs/RSPs).

This programme should aim to enhance coherence among the activities funded through national and regional co-operation, as a first step towards integrating these activities in geographic programmes. It would also complement these activities through supporting pilot projects, innovative programmes, studies and research, and by acting as catalyst, promoting the recognition of poverty and environment linkages. This exercise would increase coherence among EC policies while ensuring explicitly visible support of environmental priorities.

The annual allocation of the environment and forest budget lines has decreased from previous programming.³⁹ Its scope, on the other hand, has been extended to include other geographic areas (e.g. all types of forests from an initial focus on tropical forests) or action plans (e.g. FLEGT). To secure the advances that have been made to date and move forward, the financial allocation for these objectives must at least remain at its current level. The necessary addition of new sub-thematic strategies or priorities for co-operation must be matched by new resources for the given areas.

3. INTEGRATION WITH GEOGRAPHIC PROGRAMMING

A co-ordinated framework covering geographic and thematic areas of co-operation would ensure that EC aid reflects the EC's priorities and the commitments of both the EC and its partner countries and regions.

Recent research underlines that, under the current EC aid programme, measures initiated under horizontal environmental programmes are often not fed into geographic programming. EC co-operation in the promotion of environmental protection would improve significantly if synergies with geographic programming were established, as has previously been argued by Commission and Council. We support the following approaches:

 A common multi-annual framework for geographic and environmental programming could help increase coherence, co-ordination and complementarity between EC policies and actions, and between the EC and other donors.

³⁹ The annual financial allocation under the previous Tropical Forests and Environment Regulation stood at about EUR 50 million and EUR 15 million respectively. This figure has decreased to about EUR 41.5 million for forests and EUR 13.5 million for environmental activities.

⁴⁰ DRN–ADE–NCG-ECO (2004) *Evaluation of the Environment and Forests Regulations* 2493/2000 and 2494/2000. Evaluation for the European Commission, Brussels, 11.2004, pg 66-67.

⁴¹ Commission Staff Working Paper Progress Report on the Implementation of the common framework for country strategy papers SEC(2002)1279, 26.11.02, page 14; General Affairs and External Relations Council conclusion of 2495th Council Meeting. Brussels, 6941/03 (Presse 63), 18.05.2003, page IV.













- Multi-annual programming frameworks would increase the predictability of activities and help improve coherence and co-ordination;
- For current EC geographic strategies (CSPs/RSPs), environmental programming should examine the EC strategy for co-operation in this area, and define priorities and added value in relation to other programmes, the global situation, and the activities of its partners and other donors. This assessment should conclude in the development of a strategy and an Indicative Programme where a multi-annual financial allocation should be established:
- Thematic strategy documents should be developed in dialogue with the European Parliament and civil society and within the framework of the Financial Perspectives;
- Last but not least, the establishment of legally binding mechanisms for participation in this stage, which could include the adoption of thematic Indicative Programmes through codecision procedure, would help to better integrate the needs of EC development partners. Engaging in open dialogue at this stage would furthermore help the EC to gain citizens support and improve its communications strategy.

4. MEASURING THE IMPACT

The Commission could increase the impact and sustainability of its environmental programme by setting up mechanisms for integrating these activities in its national, regional or global co-operation programmes.

In order to address fundamental poverty-environment linkages at programme and project level, safeguards should be developed to ensure:

- Transparency of EC funded projects;
- Coherence between EC policies impacting on sustainable development in southern countries
- Co-ordination among EU donors; and
- Full involvement of all EC development partners, especially those playing essential roles in the use of natural resources, including indigenous peoples and local communities.

The development of indicators to monitor both this integration and the way Commission services capitalise on lessons learnt and experiences would improve the impact and sustainability of the programme.















ANNEX C

PROPOSAL FOR A EUROPEAN GLOBAL ENVIRONMENT BUDGET FINANCIAL PERSPECTIVES 2007-13

Heading 4 – External Actions

PROPOSAL for a European global environment budget in the external heading of the European Community (EC) future financial perspectives 2007-13 - Heading 4- in order to fulfil EC's global environmental commitments.

1. JUSTIFICATION

Europe can lead in international environmental diplomacy if equipped with a thematic budget for environmental co-operation in the external dimension of the EC's financial perspectives.

Mainstreaming environmental issues in the EC's external policies alone does not live up to commitments made by the EC to address major environmental challenges, which severely affect developing countries. This weakness is partly due to gaps created by the complicated splits between regulations and partly due to the policy objectives driving major EC external instruments.

In the current budget, EC's responses to some key global environmental challenges are funded through LIFE Third Countries - **now set to disappear**, or through the Tropical Forest and Environment budget line – **whose future is now uncertain**, whereas other activities were never funded.

A <u>new EC horizontal financial budget on global environmental issues</u> is therefore needed to tackle these global challenges adequately and meet agreed EC commitments.

The Commission's strategic priorities for 2005-2009⁴² stipulate that EC external relations must "target effective implementation of key goals in the area of environmental protection" (article 4.2). This commitment relates to all external relations activities, including those covered by the instruments of pre-accession (IPA), neighbourhood (ENPI) and development co-operation and economic co-operation (DCECI) currently under discussion.

The same Communication states that the guiding objective of the EC's development policy must be the achievement of the achievement of the 2000 Millennium Declaration objectives, including the Millennium Development Goals set for 2015, and acknowledges the need for a substantive change to address challenges faced by Africa. Albeit the fact that the Commission is committed to improve development policy results against MDG 7, solutions to global environmental challenges often fall outside national borders and therefore not all EC environmental commitments can be delivered through country geographical programming. This is notably true for the institutional architecture necessary to implement the EC's international environmental commitments.

⁴² COM(2005)12 final Communication from the President in agreement with Vice-President Wallström on 'Europe 2010: A Partnership for European Renewal, Prosperity, Solidarity and Security'; 26.1.2005.













The proposal below is therefore a safeguard to ensure that the EC will have an adequate financial instrument to address key questions about EC external coherence on environmental challenges over the next decade as a major contribution to better global sustainable development. The types of additional measures are described in broad outline below.

2. FIVE PRIORITIES TO BE ADDRESSED

a) Support for EC global environmental commitments

The EC has endorsed specific commitments (climate change, biodiversity, desertification, chemicals, etc.) through the 2002 World Summit on Sustainable Development and other convention-based programmes in order to contribute to better world-wide environmental governance, the backbone of safer and more sustainable development. This priority would apply to obligations not covered by geographical programming.

EC financial interventions outside country and regional strategies must directly target issues such as global biodiversity priorities, safeguarding threatened protected areas or mitigating climate change impacts, as well as more politically complex issues such as illegal harvesting and trade in natural resources.

b) Global environmental multilateral agreements

The EC will need to continue contributing in an active and effective manner to the activities of the secretariats and institutions supporting the implementation of multilateral environmental agreements it has signed up to.

c) Support for Global Environmental Organisations

The EC must continue to contribute towards and support the organisations, not exclusively EU based, who are concerned with promoting the international environmental policy agenda and are actively working with key stakeholders involved in environmental governance issues.

d) Support for Small Grant Funds for local communities and stakeholders

The EC must continue support for local communities and civil society organizations to improve better environmental governance and sustainable resource use. Activities covered must also build capacity to enable local stakeholders to have a strong voice in the emerging process of bottom-up policy formulation, including in multilateral environmental fora.

e) Capacity building in recipient countries

Additional financial support to help developing countries to prepare for and participate in international negotiations impacting on environment issues (i.e WTO) and multilateral environment agreements' conferences and meetings. Activities covered by this section will include capacity building for environmental awareness and negotiation skills.

3. AMOUNTS OF FINANCIAL SUPPORT REQUIRED

It is estimated that a sum of 250 million euro per year from heading 4 of the EC budget for the 2007-13 period - a total of 1.75 billion euro - will be required to meet these global environmental commitments.















Contacts

FERN: Iola Leal Riesco; Tel. +32 (0)2 733 36 53 iola@fern.org; internet: www.fern.org

WWF: Hervé Lefeuvre ; Tel. +32 (0)2 743 8810 HLefeuvre@wwfepo.org; internet : www.panda.org/epo

BirdLife: Jesse Griffiths, Tel. +44 (0)1767 68 05 51 Jesse.Griffiths@rspb.org.uk; internet: www.rspb.org.uk

CI - Conservation International: Jim Cannon; Tel. + 32 (0)2 771 23 56 j.cannon@conservation.org; internet: www.conservation.org

IFAW – International Fund for Animal Welfare: Hemmo Muntingh; Tel. +32 (0)2 282 0690; HMuntingh@ifaw.org; internet: www.ifaw.org

CAN - Climate Action Network Europe: Matthias Duwe Tel. +32 (0)2 229 5223; matthias@climnet.org; internet: www.climnet.org

ICCO - Interchurch Organization for Development Cooperation:

Gemma Boetekees; Tel. +31 (0) 30 880 1879; Gemma.Boetekees@icco.nl; internet: http://www.icco.nl

June 2005











