Integrating environmental issues in EU - ACP aid strategies

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This Briefing Note has been prepared by FERN and WWF as background document for the workshop: “Why (not) mainstream? - A critical assessment of the results of a decade of gender and environmental mainstreaming.” The purpose of the workshop is to engage with different issue-based groups on the advantages and disadvantages of mainstreaming in development cooperation. This briefing is based on the FERN-ICCO Briefing note “Integrating environmental issues in the next round of co-operation agreements between the EU and ACP countries”.

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Glossary

The EC Forest Platform is a FERN initiative that aims to ensure that EC aid contributes effectively to the protection and sustainable use of forests and respect for forest peoples’ rights. The Platform promotes active information sharing between the EU institutions and NGOs and the full participation of civil society in decision-making.
Introduction

Since the 1992 UN Conference on Environment and Development in Rio, the world’s governments have underlined the integral importance of the environment and natural resources for human development and as a pillar of global sustainable development. This understanding and corresponding commitments have been re-iterated in many international settings – the World Summit on Sustainable Development in Johannesburg in 2002, the findings of the UN Millennium Ecosystem Assessment, the Millennium Review Summit in 2005. Millennium Development Goal 7 calls for environmental sustainability, reversing the loss of natural resources and the need for environment to be integrated into national plans for sustainable development.

1. EU commitments to the environment and the sustainable management of natural resources in the context of its development co-operation

The 2005 EU Strategy for Africa underlines that: ‘The perception remains in some quarters that environmental protection is something of a luxury in Africa. Yet, evidence shows that environmental degradation often contributes to poverty and when forests disappear and water is exhausted or polluted, it is often the poor of Africa, especially children and women, who suffer most. Promoting sustainable natural resource management is thus politically, socially and economically sound development strategy for Africa.’ Therefore, ‘[m]aking Africa’s development sustainable is the only way to protect the livelihood of Africa’s poor in the medium and long term.’

Another development in 2005 was the approval of a revised EU development policy – the so-called European Consensus on Development. This new legal framework applies not only to ACP states but to all EC partner countries and for the first time introduces the fight against poverty ‘in the context of sustainable development’ as the objective of EU development co-operation. This new commitment places environmental development at the same level as economic and social development.

Specifically, the European Community commits to ‘support the efforts undertaken by its partner countries to incorporate environmental considerations into development, … [giving] particular attention to initiatives ensuring the sustainable management and preservation of natural resources, including as a source of income, and as a means to safeguard and develop jobs, rural livelihoods and environmental goods and services.’ (Para. 75)

To this end EC aid will support in particular: 1) national and regional strategies; 2) European or global initiatives and organisations; 3) the promotion of the sustainable management of biodiversity; 4) the effective mainstreaming of sustainable land management issues in developing countries’ strategies; 5) the promotion of sustainable forest management, especially the efforts to combat illegal logging; 6) the implementation of the EU Action Plan on Climate Change in the context of development co-operation; and 7) the promotion of the sustainable management of chemicals and waste.

Moreover, the EU’s development policy includes the requirement to integrate environmental sustainability, indigenous peoples, human rights, gender equality and good governance issues in all EC aid activities. These so-called cross-cutting issues are considered both objectives in themselves and key factors in strengthening the impact and sustainability of co-operation.

These legal and political commitments will be translated into the EU’s aid programming process from 2006 onwards.

In 2000, the European Union (Member States and Commission) and 78 countries from Africa, the Caribbean and the Pacific (ACP) signed the Cotonou Agreement. This legally binding agreement sets out the legal framework for trade and development co-operation for 20 years and places environmental sustainability at the highest level of the agreement by imposing it as a requirement on all participants. The central objective of the agreement is thus ‘poverty reduction and ultimately its eradication; sustainable development; and progressive integration of the ACP countries into the world economy’ (Art. 19). Furthermore, under this agreement the different signatories have committed themselves, in the pursuit of co-operation, to ‘incorporate economic, social, cultural, environmental and institutional elements that must be locally owned’ (Art. 20). In addition, Article 32, on co-operation over environmental protection and the sustainable use of natural resources, provides for a legal basis to push for the integration of environmental considerations into all aspects of development co-operation.

The issue of good governance, a key cornerstone for achieving sustainability, forms part of the political dimension of the Cotonou
Agreement and is defined in Article 9.3: ‘In the context of a political and institutional environment that upholds human rights, democratic principles and the rule of law, good governance is the transparent and accountable management of human, natural, economic and financial resources for the purposes of equitable and sustainable development.’ The agreement furthermore underlines the principles of ownership of the development strategies (‘ACP states shall determine the development principles, strategies and models of their economies and societies in all sovereignty’ – Art. 4) and of co-operation with civil society actors (‘non-state actors shall be informed and involved in co-operation strategies, be provided with financial resources and be involved in the implementation of the co-operation’ – Art. 4).

Central to the Cotonou Agreement is the negotiation of Economic Partnership Agreements (EPAs) which are agreed on a bilateral basis between the EU and regional groupings of ACP countries. The requirements of sustainable development must be incorporated in the EPAs.

In terms of development cooperation, Cotonou provides for EU donor aid to be invested through the European Development Fund. For the 10th European Development Fund, some 22 billion euros has been allocated for the period 2008-13.

2. Implementing the commitments

The programming process for 2008–2013

The programming exercise is the process of consultation between the EU and individual governments through which the utilisation of the money allocated to individual countries (and regions) for the coming years is planned.

Programming of EC aid is centred around EC co-operation strategies for a given country or region. The Country and Regional Strategy Papers (CSPs/RSPs) therefore set strategic frameworks for the EC’s main priorities in a given country or region and cover both development assistance and other essential activities (‘the policy mix’). Each strategy paper contains a National or Regional Indicative Programme (NIP/RIP) which indicates the focal areas in which resources will be spent. CSPs/RSPs and NIPs/RIPs are developed at delegation level in collaboration with national governments, Member States, other donors and, wherever possible, with representatives of the country’s civil society.

The programming of EC aid for ACP countries and regions is currently being reviewed by the European Commission in a process which will lead to the adoption of a new generation of Country and Regional Strategy Papers for ACP countries in April–June 2007 (see process and calendar below).

Drafting EC co-operation strategies

The drafting of the Country and Regional Strategy Papers (CSPs/RSPs) follows the scope and content outlined in the Common Framework for Country Strategy Papers and in the internal guidelines for drafting CSPs.

The 2006 revised Common Framework for Country Strategy Papers has been updated to take into account the new EU commitments on sustainable development and environmental integration. The new CSPs/RSPs will have to incorporate three major improvements in environmental integration as compared to previous programming:

- an analysis of the environmental situation of the country or region (with a list of macroeconomic and poverty-related indicators harmonised on the basis of the government’s agenda);
- the EC’s co-operation strategy and specific objectives, including an analysis of the environmental impact and risks that could jeopardise its success. In order to determine whether the priority sectors have a potential environmental impact, the CSP should make a clear commitment to carrying out a strategic environmental assessment;
- a summary of the country or regional environmental profile (to be annexed to the CSP).

Specific guidelines on how to integrate indigenous peoples’ rights or particular environmental issues will be defined in the internal guidelines for drafting the CSPs.

Incentives for governance reform

Within the programming of the 10th European Development Fund, the EU donors are emphasising the importance of governance issues. To this end, a Governance Initiative has been established as a substantive aspect of the dialogue with Africa, Caribbean and Pacific (ACP) states. Commitments to governance reforms will play an important role in deciding country allocations in the programming exercise for the 78 ACP countries. An “incentive tranche” to supplement the initial amount each country receives under the EDF will be allocated according to an assessment on the governance situation and the relevance, ambition and credibility
of governments’ commitments to reform. A Governance Profile will be prepared to guide the dialogue between the EC and the government representatives in country.

This governance initiative has been proposed and developed very quickly, to date there has been no transparent consultation process, and it is already being promoted in the context of the current round of focal areas for country and regional strategy papers. Civil society organisations have objected that the concept of providing incentives, and sanctions, for governance reforms in this way is a form of conditionality and goes against the principles of partnership and country ownership.

The governance assessment covers human rights, democracy, justice, corruption, government capacity, etc. It also looks at Management of Natural Resources under economic governance, in particular:

- Extractive Industries Transparency Initiative (oil, gas and mining)
- Conflict diamonds
- Forest Law Enforcement, Governance and Trade and illegal logging issues
- Implementation of FAO Code of Conduct for Responsible Fisheries

The profile does not cover water as an NR governance issue but conceivably this could be picked up under some of the references to land rights, involvement in regional policies or initiatives, causes of internal or regional conflict.

It also covers Participatory processes, ie the role of civil society in the preparation and follow up of Poverty Reduction Strategies and in programming dialogue for the 10th EDF.

**Participation of civil society**

The programming of EC aid is open to civil society actors. The basis on which NGOs should seek involvement in the programming of EC aid is laid out in several EC documents.

The 2002 Communication on the Participation of Non-State Actors in EC Development Policy states that EC policy aims to further strengthen and involve civil society in the development process. The Communication specifies that civil society ‘ought to be permanently and systematically involved across the definition of country strategies and the programming process.’ It further stipulates that:

- ‘Relevant authorities are expected to take the initiative to involve [civil society] in the preparation of the National Development Strategy, or the Poverty Reduction Strategy where appropriate;
- The relevant authorities and the EC should involve [civil society] in preparing the EC response strategy, which is based on the National Development Strategy as well as on the EC co-operation objectives;
- [civil society] should be encouraged to participate in the consultation on sectoral strategies once the priority focal areas have been agreed;
- [civil society] should be involved in implementing co-operation programmes through different mechanisms;
- [civil society] should be invited to participate in EC co-operation reviews.’

The 2005 EU development policy repeats this statement. It also underlines that it is the role of the Commission to ‘put into effect the principle of participation of civil society.’

The involvement of civil society actors is one of the programming principles of the Common Framework for Country Strategy Papers. This document states that the ‘partnership must be extended to include [civil society], which should be involved in discussing policy, drawing up the co-operation strategy and implementing programmes. Other players, particularly local authorities and parliaments, should also be involved.’

In addition to the above recommendations, in ACP countries the requirements for mandatory consultation with civil society are expressed under the Cotonou Agreement. The Agreement says that civil society actors ‘shall, where appropriate:

- be informed and involved in consultation on co-operation policies and strategies, on priorities for co-operation, especially in areas that concern or directly affect them, and on the political dialogue;
- be provided with financial resources under the conditions laid down in this Agreement in order to support the local development processes;
- be involved in the implementation of co-operation projects and programmes in areas that concern them or where they
have comparative advantage;
• be provided with capacity building support in critical areas to reinforce the capabilities of these actors, particularly as regards organisation and representation, and the establishment of consultation mechanisms including channels of communication and dialogue and to promote strategic alliances.’ (Title I Article 4)

There are no binding EC requirements to consult indigenous peoples. However, since the integration of indigenous peoples’ concerns across all levels of EC development co-operation, this has become a legal requirement under the 2005 EU development policy. This means that indigenous peoples should be involved in the policy dialogue with partner countries and that the Commission should enhance the capacity of indigenous peoples’ organisations to play an effective part in the planning and implementation of development programmes.

3. Direct actions that civil society can undertake to lobby for the integration of environmental issues into EC aid programming

In general, EU and ACP civil society actors can actively work together to:
• ensure that the process of programming EC aid for ACP countries is as inclusive, transparent, open and participatory as possible;
• ensure that the participation of civil society actors, including local communities and indigenous peoples, in the ACP countries in this process is guaranteed;
• ensure that the allocation of financial resources resulting from the programming exercise reflects the development needs of the recipient countries.

In addition, ACP civil society actors can meet with the NAO/RAO and the European delegation to discuss European intervention in the past and plans for the future (and request draft proposals). Local actors can also influence the EC aid programming process by directly or indirectly engaging in the consultation exercises which will take place as part of the programming.

More specifically, to ensure that the environment and the sustainable use of natural resources is being fully integrated into the next round of CSPs/RSPs, ACP and EU civil society may find useful to include the list of questions set out below when participating in discussions with EC officials, EU Member States and ACP governments.

Civil society participation
• How will the future CSP/RSP ensure real ownership of the development strategy by all sections of society, including local communities and indigenous peoples?
• Will civil society be involved in the programming, implementation and evaluation of EC aid in our country? What are the concrete plans for this?
• What level of resources will be made available to ensure civil society participation?
• Will the specific participation of gender equality advocates be ensured in these processes? How?
• Will the specific participation of indigenous peoples be ensured? How?
• Will the specific participation of marginalised groups be ensured? How?

Integration of environmental and human rights issues
• Will the CSP/RSP set the basis for a development model that is environmentally sustainable? How?
• Will the dependence of the poor on the services obtained from ecosystems (e.g. clean air to breathe, fresh water to drink, fuel for warmth and cooking, and food to eat) be considered when deciding priority sectors? How?
• Will the promotion of human rights form an integral part of the CSP/RSP? How?
• Will gender issues be taken into account in the CSP/RSP? How?
• Will the promotion of indigenous peoples’ rights form an integral part of the CSP/RSP? How?

CEP/REP
• Has a CEP/REP been developed previous to the drafting of the CSP/RSP? Has it been developed at all?
• Has the CEP/REP been drafted and finalised in consultation with local and national civil society?
• Is the CEP/REP a public document?
• Have the findings/recommendations of the CEP/REP been integrated into the CSP/RSP? How have they changed it?
• Is the CEP or REP a comprehensive overview of the environmental issues in your country/region? Does it define the main challenges, opportunities and risks, the links between poverty reduction and environmental sustainability?
• Have the findings/recommendations of the CEP/REP been integrated into the CSP/RSP and taken through into the NIP/RIP?
SEAs

- Has an analysis of the environmental impact and risks of the CSP/RSP been done? If not: when will it be undertaken?
- Have any of the priority sectors been highlighted as having a potential environmental impact? When will a strategic environmental assessment (SEA) take place? Will civil society be involved?
- Are the SEAs publicly available?

Trade negotiations (EPAs)

- What studies are available to measure the impact of the economic partnership agreements in the country? Are sustainability impact assessments (SIAs) being developed? Which sectors will be affected? What will be done with the problem of supply-side constraints?
- Is money set aside to address possible negative effects on the economy?
- What issues and proposals are being discussed in the Regional Preparatory Task Forces?

Continuing involvement of civil society – monitoring and watchdog role

Even when the CSP or RSP is finalised, and the programme interventions have been defined, there is an important role for civil society in monitoring the way EC aid is spent and ensuring that commitments on mainstreaming are met. For example:

- Involvement in consultations for SEAs of environmentally sensitive sectors
- Involvement in consultations of EIAs for projects to be implemented
- Are documents and decisions made public to enable civil society to monitor process of EC investment? Is there easy access to information? Do officials respond to requests for information in a timely and helpful manner?
- Are issues highlighted in the Country or Regional Environmental Profiles taken into account throughout the implementation process?
- Do investments in the water sector include proper analysis for the management of the water resources, ie include plans for integrated water resource management?
- Have programmes taken into account the potential impacts of climate change, risks and the need for adaptation and mitigation?
- Are other EU initiatives and funds, those of EU donors as well as the Commission, actively mainstreaming environmental considerations? e.g. EU-Africa Infrastructure Partnership, EU Fisheries Partnership Agreements.
- Are programmes and investments coherent with national commitments to Multilateral Environmental Agreements such as the Convention on Biodiversity, Convention to Combat Desertification.

END NOTES

01. COM(2005) 489 final ; Brussels, 12.10.2005
02. Official Journal of the European Union; 2006/C 46/01
03. This new generation of Strategy Papers will cover the period 2008–2013 and set out the main priorities for funding towards ACP countries and regions, with a total of 22.8 billion Euros being provided in the 10th EDF.
05. Not public documents.
06. There are at a minimum the following environmental related guidelines: 1) Agriculture; 2) Sustainable land management, development and poverty alleviation; 3) Policy coherence for development – fisheries; 4) Policy coherence for development – climate change; 5) Energy, development and poverty alleviation; 6) Mainstreaming the environment; 7) Environment and the sustainable management of natural resources; 8) Biodiversity; 9) Territorial development; 10) Forests; 11) Water and sanitation; and 12) Rural development, territorial planning, agriculture and food security.
07. For more information on EC consultation requirements with civil society see FERN’s briefing note Consultation requirements for civil society in EC development policies and practices (April 2003).
09. For a list of general questions regarding EU–ACP relations, read the Cotonou Working Group briefing note EU-ACP relations: Will the EU deliver on its promises? Information on the Programming of EC Aid for African, Caribbean and Pacific (ACP) Countries (March 2006)
GLOSSARY

**Cotonou Agreement** – The Cotonou Agreement is the treaty which sets out the relationship between the European Union and the African, Caribbean and Pacific governments (the ‘ACP countries’) of the signatories on issues of foreign aid, trade, investment, human rights and governance. Signed in June 2000 in Cotonou (Benin), the Agreement came into force in 2002 and succeeded the Lomé Convention, which did not address human rights and governance issues. The Agreement has a total of 77 signatories.

Source: http://europa.eu.int/comm/development/body/cotonou/index_en.htm
Full text of the agreement: http://europa.eu.int/comm/development/body/cotonou/pdf/agr01_en.pdf#zoom=100

**Country and Regional Environmental Profiles (CEPs/REPs)** – Country and Regional Environmental Profiles are the main tools for mainstreaming environmental issues within CSPs/RSPs. They analyse the environmental conditions of a country or region and outline their relation with social and economic development, and the actions needed to ensure a sustainable development of the area.

A CEP/REP includes: a description of the natural and human environment; a profile of vulnerability and exposure to the risk of natural disaster; the legislative and institutional framework; information on the links between the social, economic and environmental situations; key data on areas where environmental action is needed and recommendations for the future; an analysis of the co-operation from an environmental point of view as regards its integration in programmes and projects in other areas and/or as regards its integration as a focal sector.

A summary of the CEPs/REPs should be annexed to the CSPs/RSPs.

Source: http://www.environment-integration.org/EN/D122_CEP.htm

**Country and Region Strategy Papers (CSPs/RSPs)** – Country and Regional Strategy Papers are the main strategic tools for the programming of EU aid. They set up the political guidelines for the implementation of co-operation policies. They are instruments for guiding, managing and reviewing EC aid programmes. The purpose of a Country or a Regional Strategy Paper is to provide a ‘strategic framework’ for EU aid programmes.


**Economic Partnership Agreements (EPAs)** – Economic Partnership Agreements are agreements on trade negotiated between the European Union and the ACP group of countries. The negotiations leading to the Economic Partnership Agreements (EPA) were launched in Brussels on 27 September 2002 and will be conducted in two phases:

- The first phase is conducted at ‘All-ACP’–EU level and takes on board cross-cutting themes of interest to all parties concerned. These consist mainly of: legal matters; the development ‘dimension’ of the EPAs; Agriculture and Fisheries agreements; services; market access; and trade-related matters.
- The second phase is conducted at ACP national and regional level with a spotlight on specific commitments.


**European Consensus on Development** – The European Consensus on Development, adopted on 20 December 2005 by the three European institutions, defines the new development policy of the European Union. It builds on the strong consensus that now exists on the Millennium Development Goals (MDGs)* and puts poverty eradication to the fore. It highlights the importance of partnerships with developing countries and the promotion of good governance, human rights and democracy, as a means of harnessing globalisation.

This ‘European Consensus’ sets development as a key element of the EU’s external action along with the common foreign and security policy and trade policy. It also establishes links between development policy and other related policy areas such as migration, environment and employment.

Source: http://europa.eu.int/comm/development/body/development_policy_statement/index_en.htm
Full text of the Statement: http://europa.eu.int/comm/development/body/development_policy_statement/docs/eu_dps_en.pdf#zoom=100

* The Millennium Development Goals (MDGs) are a set of numerical and time-bound targets that express key elements of human development. They include halving income poverty and hunger; achieving universal primary education and gender equality; reducing under-5 mortality by two-thirds and maternal mortality by three-quarters; reversing the spread of HIV/AIDS; and halving the proportion of people without access to safe water. These targets are to be achieved by 2015, from their level in 1990 [United Nations (2000) Millennium Declaration. New York: United Nations].
European Development Fund – The European Development Fund (EDF) is the main instrument for Community aid for development co-operation in the ACP countries and the Overseas Countries and Territories (OCT). The EDF does not come under the general Community budget but is funded by the Member States. It is covered by its own financial rules and managed by a specific committee. Each EDF is established for a period of around five years; the 10th EDF is currently being negotiated for the years 2008–2013.  

Environmental Impact Assessments (EIAs) – Environmental Impact Assessments (EIAs) are ex ante environmental assessments of projects. They involve a systematic assessment of the potential environmental impacts of a proposed project and its alternatives, in order to propose appropriate measures to mitigate negative environmental impacts and optimise positive effects, and to assist the decision-making process. An EIA should be carried out for any project with potential significant negative impacts on the environment.  

National and Regional Indicative Programmes (NIPs/RIPs) – National and Regional Indicative Programmes are a management tool to identify and define actions for attaining the objectives set down in the CSPs and RSPs. Each CSP/RSP is therefore accompanied by an NIP/RIP. The NIP/RIP acts as the executive plan of action for the strategy laid out in the CSP/RSP and covers a period of several years (from three to five years depending on the applicable regulation/agreement).  

Strategic Environmental Assessments (SEAs) – Strategic Environmental Assessments are ex ante environmental assessments of policies or programmes. The SEAs evaluate the environmental consequences of a proposed policy or programme in order to ensure they are appropriately addressed at the earliest stage of decision-making on a par with economic and social considerations. The SEAs provide recommendations that feed back into the planning process to optimise its environmental impacts (minimising negative effects and enhancing positive ones). Compared with the Environmental Impact Assessments (EIAs) – see above – SEAs provide for impacts to be taken into consideration at an early stage, prior to the definition of policies and programmes.  

Sustainability Impact Assessments (SIAs) – Sustainability Impact Assessments are ex ante economic, social and environmental assessments of trade negotiations. SIAs identify the impacts of any given trade agreement in order to help policy-makers integrate sustainability into trade policy. The SIAs also provide recommendations for the design of accompanying measures to maximise the positive impacts of an agreement and to reduce any negative impacts. SIAs are carried out by independent external consultants and reports are published on the Commission’s website. The EU has set up a procedure for consultation and dialogue with stakeholders from both within the EU and from other countries. The EU launched the first Sustainability Impact Assessment in 1999, in anticipation of the new round of World Trade Organisation negotiations. Currently, the EU is carrying out assessments for the WTO negotiations, and for the EPAs with African, Caribbean and Pacific countries, with Mercosur and the Gulf Cooperation Council countries.  

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