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# **EU Aid: Reducing Poverty Through A Sustainable Environment**

Why Should EU Aid Properly Address The  
Link Between Poverty And The Environment?



*“The road to hell is paved with good intentions...”*  
(After Samuel Johnson)

- The **environment** and **development** are intricately linked and while this link receives its fair share of lip service, resulting action is woefully inadequate.
- EU Development Aid is of such magnitude that it could exert a truly positive influence in this area, and its **impact** could be **profound**.
- Despite various formal, documented commitments from the Commission to incorporate environmental **challenges** into the fabric of its programming, this is still hardly happening.
- In this paper, the WWF is offering objective criticism, and its **reasoned recommendations**.

There is considerable room for **improvement...**

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## FOREWORD

This briefing paper is addressed to EU Member States' representatives, developing countries' representatives and EU institution officials.

It aims to demonstrate, taking the ACP/EU Cotonou Agreement for guidance, that despite ambitious political commitments and token recognition that a healthy environment and the ecosystem services provided are of paramount importance for the alleviation of poverty, there is still little attention paid to addressing environmental challenges in development aid programming.

It goes on to analyse the underlying reasons for this deficiency in EU aid policy and further highlights the necessary changes to be endorsed and implemented in development aid management to ensure an appropriate response in future to the correlation between poverty and the environment in the EC's programming methodology.

WWF is calling on all players to grasp the opportunity arising in the context of the Mid-Term Review (MTR) of the Cotonou Country Strategy Papers (CSP) and the Review of the Sustainable Development Strategy (SDS), in order to adapt EU aid programming to a more comprehensive and efficient model of sustainable development.



Tony Long  
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*NB: In this document EC stands for "European Commission" and EU for "European Union", with the latter referring both to the Member States of the European Union and the European institutions.*

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## COLOFON

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## Introduction:

# Environment and the road to Poverty Alleviation

### What is at the heart of the main challenges facing developing countries?

The answer is **the environment and sustainable management of their natural resource bases**.

The mathematics are simple: an estimated 70% of the world's poor live in rural areas and are dependent on natural resources for their survival. ***So what happens if the world's natural resources are declining?***

The poor are disproportionately penalised with less income, less food, less prosperity, less peace, and less security.

**ACP/EU Cotonou Agreement endorses this reality and puts the environment at the topmost level of the agreement, identified as one of the crosscutting areas of financial assistance. This means that 'the environment and natural resources' are expected to be mainstreamed into all aspects of development co-operation (Article 32).**

Every developing country is required to formulate 'Country (CSP) and Regional (RSP) Strategy Papers' for the programming of EC aid and technical co-operation; which must be in line with the provisions of the ACP/EU Cotonou agreement<sup>1</sup>. Therefore it would be expected that these CSPs and RSPs address the **country's environmental challenges in the analyses as well as in the respective indicative programmes (NIP & RIP)<sup>2</sup>.**

### It's time to assess the results of that commitment!

2004 is a very important year, because the European Member States and the European Commission are reviewing both EU relations and the programming of aid with ACP countries. This so called Mid-Term Review is therefore a major test to assess how far *words* have been translated into *reality*.



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Today, WWF is asking:

**Is EC Development Aid ensuring that environmental concerns are at the heart of the countries' development analyses?**

**The answer is *NO!***

A survey held by the European Commission in 2002<sup>3</sup> shows that only 6 out of 60 CSPs included a 'Country Environment Profile (CEP)<sup>4</sup>', and only 3 out of 60 have a 'Strategic Environmental Assessment (SEA)<sup>5</sup>'. Moreover, although the need for environmental integration was re-emphasised at the end of 2003 by the ACP/EU Joint Parliamentary Assembly<sup>6</sup>, this has resulted - almost without exception - in **no additional serious analysis** in EC CSPs of the depletion of natural resources and resulting social, economic and environmental implications<sup>7</sup>. A great number of CSPs do not provide an appropriate response by the EC or by the relevant ACP governments on how to achieve sustainable development.

Despite recent efforts<sup>8</sup> to develop technical assistance for EC staff to increase awareness and skills, there is no clear sign of any radical change as to how the EC proceeds with reviewing aid programming in order to include the poverty/environment dimension.



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***'Gigantic and recurring floods result in major economic losses for developing countries. Still, in the CSPs, which are aiming at economic recovery, (environmental) root causes are not tackled, and therefore no solutions are being proposed.'***



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***Recent studies regarding progress in development co-operation in water priorities<sup>9</sup>, reveals that from 15 ACP Country Strategy Papers 12 have failed to include water as a priority.***

***Given that half of these countries face 'economic water scarcity', with forced migrations as one of the consequences<sup>10</sup>, it is difficult to understand how developing countries can still perceive water as a purely environmental issue, instead of an all-encompassing economic, social and health factor.***

## Chapter I:

# Value of the Environment & Natural Resources for Poverty Alleviation and Human Development

**Why should the EC put the environment at the heart of a country's development strategy?**

**Because economic development is dependent on and closely correlated with the state of the environment.**

Understanding the central role that the environment plays in the life of world's rural poor is fundamental to effective poverty alleviation.

It is estimated that some 70% of the world's poor live in rural areas and depend on natural resources for their livelihoods, and often for their immediate survival. Benefits derived from natural resources by rural communities include food, water, energy, housing, medicines, income and clothing. In many developing countries, dependence on the natural resource base has increased in recent decades, more often than not with a negative impact on the environment.



-Diamant miners, Angola-

**Equally, if a country's environment is being degraded, high costs resulting from flood, famine and drought are not infrequent, and consequently, its solid basis for socio-economic growth is jeopardised.**

Furthermore, conflicts arriving from social and political tensions are causing immense environmental damage.

Yet at the same time, access to natural resources in many developing countries also plays an important role in provoking and financing conflicts. Tension and competition over access rights has led in numerous instances to violent clashes, many of which have led to full conflict. Finances derived from plundering of exploitable natural resources are used by rebel groups or governments for

acquisition of arms (as with diamonds and ivory in Sierra Leone and Angola). In several cases, such as Liberia, Sudan, Iraq and Eastern Congo, conflicts are financially supported by income obtained from resources such as timber, oil, coltan and bush meat, which is causing immense environmental damage. The huge numbers of refugees seeking haven from these conflicts, often in massive



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refugee camps, can have major impact on the local environment, through their own fuelwood and food needs.

Agriculture is by far the **"thirstiest"** sector; some 70% of the world's **freshwater** offtake is for agriculture, rising to more than 90% in some developing countries.

## FRESHWATER

### Provision Of Safe, Clean Water Is A Fundamental Factor In Human Health And Well-Being.

Today, over a billion people do not have access to safe drinking water and, if current consumption patterns continue, at least 3.5 billion people will live in water-stressed river basins in just 20 years - most of them are in developing countries. Already today, 2.4 billion people lack access to basic sanitation. In developing countries, an estimated 90% of wastewater is discharged untreated into rivers and streams, or coastal waters. Each year, 250 million cases of water-related diseases lead to over 2 million deaths. Around the world, poor communities consistently identify the provision of reliable and safe water as a leading priority<sup>11</sup>.



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## MARINE & COASTS

### Marine Resources Support Livelihoods And Economies To The Tune Of Billions Of Euros Per Year.

Oceans and coasts have a tremendous - yet finite - value, and need to be managed accordingly. Estimates suggest that each year coral reefs for example provide nearly €25 billion in net benefits in goods and services to world economies, including tourism, fisheries and coastal protection. Reef fisheries provide basic nutrition and income for millions of people in developing countries, with reef fishing benefits estimated at €4.6 billion annually<sup>12</sup>. For example, even for the small island of Samoa, **fishery production** in 1999/2000 was valued at more than €41 million<sup>13</sup>. Moving beyond the coastline, fish stocks in all oceans have been decimated (often literally) over the last century, with the consequence that many commercially important stocks are close to or even on the verge of collapsing<sup>14</sup>, posing a threat to national economies and livelihoods for the poor in developing countries. Fish is the primary source of protein for 950 million people, and is an important part of the diet of many more throughout the world.



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*Industrial fishing represents 30% of exports of Senegal (€ 274 million) & contributes to 2.5% of GDP*



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## FORESTS

### Forests and their products provide important sources of livelihood security to millions of people

Benefits to local livelihoods from sustainable forest management include direct and indirect benefits from forest products for food, income, fuelwood, medicine and protein and shelter. Forest resources directly contribute to the livelihood of 90% of the 1.2 billion people in the developing world that live in extreme poverty<sup>14</sup>. A study<sup>15</sup> in Cameroon has shown, for example, that the total economic value of sustainable forest manage-



ment of Mount Cameroon amounts to €2139 per hectare per year, as opposed to €903 p/ha/year for conversion to oil palm and €1760 p/ha/year for conversion to small-scale agriculture<sup>17</sup>. These benefits transcend the local level to the regional, national and global levels, providing erosion protection, water regulation, biodiversity conservation, carbon sequestration and scientific research opportunities<sup>18</sup>. So in fact sustainable management of forests often becomes the most economically viable option, but only once economic and social benefits of forests are properly recognised and taken into account.

To take another example, in tropical forests, wild meat or **‘bushmeat’** is an important source of protein and revenue to local communities. The bushmeat trade is a multi-million dollar industry, and often a major component of local as well as national economies<sup>19</sup>. In West and Central Africa, for example, between 1 and 5 million tonnes of meat, worth up to €8 billion, are harvested from tropical forests annually, and bushmeat consumption is likely to double along with the human population in the next 20-25 years. Such demand, along with continued deforestation means that bushmeat protein supplies will drop 80% in less than 50 years, representing a significant threat to livelihood security, particularly for the rural poor<sup>20</sup>.

### IMPACTS OF CLIMATE CHANGE

The impact of climate change, brought on in part by the ruinous global consumption of fossil fuels, is seriously threatening the security of the poor, who depend directly on “climate-sensitive” sectors such as agriculture and forestry, and who often cannot protect themselves against the risks emanating from climate disruption. In 2002 alone, 300 million people in India were affected by drought, with damage amounting to over €750 million<sup>21</sup>. Today, about half of the population of Bangladesh (nearly 30 million people) is estimated to have lost their homes as a result of flooding in two thirds of the country. The floods in South and South East Asia are among the worst in 25 years. The droughts (e.g. Ethiopia, Eritrea, Sudan), causing desertification and severe food shortages, have forced millions of people to leave their homes. Far too often, these trends result in a decrease in the country’s stability, with consequently severe challenges to the region’s security.

About 2 billion people in developing countries rely on fuel wood and animal/cow dung from ‘renewable’ but often unsustainable biomass use for cooking and heating. More than 1 million, with a disproportion of women and children, die each year from in-door pollution by inefficient cooking stoves. Random fire wood collection contributes to land degradation, erosion and depletion of soil nutrients and requires many hours for collection, which could be used much more efficiently for household, jobs and even education. Agroforestry programmes (particularly in the drier tropics) which combine the use of trees with agricultural crops and/or livestock, plus small-scale planting of woodlots can provide a more sustainable and local source of fuelwood. Such programmes combined with the distribution of energy-efficient wood stoves are being very effectively used to address health care, biomass supply scarcity and land degradation.

## Chapter II

# EU Development Co-operation Policy - An Analysis

### a. EU Development Co-Operation Policy: Global Weight, Responsibilities and Positive Impact

Today, the EU is composed of 25 Member States, with a population of nearly 450 million. 450 million producing and consuming goods, which, for the most part, are imports from developing countries, such as timber, fish, minerals, and so on<sup>22</sup>. Pressures of population growth, debt crises, and poor natural resource management have led to ever-greater ecological impact, with the highest incidence in the poorest countries.

This is a vicious circle: around the world, there are countless examples of unsustainable natural resource management exacerbating natural disasters such as floods, forest fires, coastal erosion, landslides, dust storms, and destruction of once fertile areas, driving rural populations even further into poverty.

Financial, human and natural resources are used to fuel national governance in respect of development. Policy and institutional changes such as privatisation, provision of subsidies and opportunities for competition often have direct and profound impact on environmental sustainability as well as on economic opportunities for the rural poor, on their access and management of environmental assets and on their ability to improve their living standards<sup>23</sup>. The way the European Union is - through its policies - supporting these macro-economic changes, relates to the impact of the environment on poverty, and vice versa.

*In Africa, agricultural production losses due to desertification are estimated at over 8%, while in some Asian and Middle Eastern countries they reach 20%.*

The EU's trade policy has done little to reverse, and has sometimes even aggravated the situation of the poor, thus conflicting with its own development aid policy. The pressure on developing countries, especially to open their markets for industrial goods as part of structural adjustment programmes of the IMF and World Bank, has diminished their ability to develop employment in areas other than natural resource extraction. This has contributed to the fact that in Africa **92% of all export earnings stem from primary commodities** (including agricultural products).

### Ethiopia's Policy On Land-Ownership Versus Poverty



Large-scale over-use of Ethiopia's natural resources has led to severe degradation of the land. Because of deforestation, Ethiopia's forests have been reduced from 40% coverage of the country in the Sixties to a mere 3% in 2004. Controversy over land ownership is largely to blame for this environmental and socio-economic disaster. In Ethiopia, 85% of the land is owned by the State. Ethiopian farmers are afraid that the latter will confiscate their land. This fear is eroding any incentive to plant new trees, to invest in their land and to make sustainable use of it, thus aggravating the poverty in one of the poorest countries in the world.

In **Madagascar**, economic reforms, promoted by donors such as the EC, have stimulated the development of large-scale mining operations, including the mining of sapphires and limonite. This mining has led to deforestation, destabilisation of soil, population surges in hitherto small villages and an increased spread of water-related diseases in neighbouring communities.



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Moreover, in the agricultural sector, export dumping of basic food products from the EU and the US has made it virtually impossible for the recipient countries to compete with their own domestic products, because the prices are so low. It has encouraged them to neglect the development of domestic food production and to concentrate on classical export crops such as coffee and cocoa, thereby contributing to the global overproduction of those commodities.

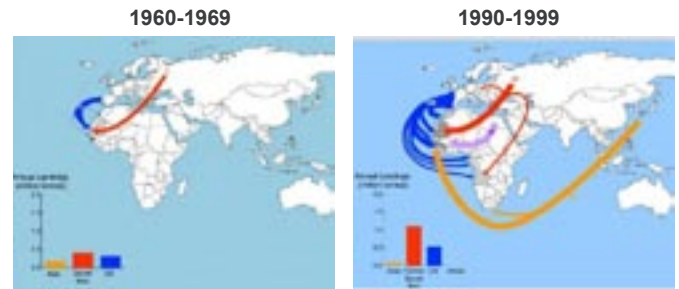
Analysis has shown that growth in agriculture is mostly benefiting the poor. **A 1% growth in agricultural yields reduces the percentage of people living on less than a dollar a day by between 0.6 and 1.2%<sup>24</sup>.** Agricultural development can help to reduce poverty, with the proviso that protectionist policies - which play a part in depressing world commodity prices - are diminished. The World Bank, for instance, estimates that the EU sugar regime depresses the world price of sugar by as much as 17%. The result in many developing countries is a drive to expand production and drop environmental standards in an effort to maintain value. At the same time, a depressed world market prevents many companies from investing in better management practices, such as efficient irrigation technology. This further damages the environment and further increases poverty in the longer run.



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Lastly, the **EU fisheries** agreements with developing countries provide the clearest examples of the feebleness of Europe's attempt to seek to improve the coherence of its policies for promoting the sustainability of poverty/environment relations and the poverty alleviation of coastal populations that are dependent on fishing.

#### International Economic Integration: Fisheries agreements



#### EU Fisheries Partnership Agreements

The EC has established agreements with third countries that give EU vessels access to their fish resources in return for financial compensation, effectively paying its fishing fleets to fish offshore of developing countries. Currently, agreements exist with more than 20 countries, most of them in Africa. In 2000, the EU paid a total of €137.45 million under these agreements. Yet although EU policy in this area is long-established, Brussels continues to 'export' fishing vessels without due regard to the impact that intensive fishing has on the natural resources and fish-dependent communities in other countries. An analysis in 2003 of new fishery access agreements between the EC and four West African countries concluded that the agreements are more likely to have negative effects on the local communities than to contribute to sustainable development. While agreements based on EU subsidies appear to provide a significant benefit to EU commercial interests, they frequently create a situation of unequal



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competition that is detrimental to third country fleets - in places where fish populations are overfished and people are dependent on fish for both livelihood and food.

Therefore, **ignoring the environmental implications** of unsustainable growth and development - even if it leads to short-term economic gains - can **directly hurt the poor** and undermine long-term growth, adversely effective poverty reduction and jeopardise peace and stability.

**Europe has the potential capacity to reverse the negative environmental trends and promote sustainable development via a genuine policy of co-operation and development.**

Some €7 billion of development aid per annum is provided via the European Commission (EDF + budget). The European Union as a whole accounts for more than half of the OECD's global development assistance. If the EC finances projects that increase the over-use of natural resources without proper pre-impact assessment, aid policy management can itself become a major cause of environmental deterioration. Alternatively, European aid policy could become the champion of promoting sound natural resource management by recognising this as a core problem that has to be addressed.

## EU's International Commitments

On numerous occasions and in countless forums (Rio 1992, EC Councils, Millennium Summit 2000, Gothenburg Summit of June 2001, WSSD Johannesburg 2002, Convention on Biological Diversity COP7 2004), Europe has made a commitment to incorporate environmental concerns in its development aid programming. Ambitious targets have been adopted and initiatives have been announced, specifically on water and renewable energy.

Moreover, the European Council has adopted strategies for integrating environmental challenges, one on **the integration of environment into development aid policy** and another in the area of **external relations**. In 2000, the European Union

started to reform its external relations, its development aid policy and the management of its aid programme. These changes were made in order to comply with and address the targets set by the international agreements on sustainable development (Millennium Development Goals). The changes included the decision to **mainstream environmental concerns in Country and Regional Strategy Papers** for programming aid and technical co-operation for a period of five years.

## ACP/EU Cotonou Agreement

In 2000, the EU signed an agreement with 77 African, Caribbean and Pacific (ACP) countries; the so-called '**Cotonou Agreement**'. It aims to tackle poverty and promote sustainable development through political dialogue and the programming of aid with a value of €25 billion over a 5-year period. It provides a political and legal framework focusing on two main pillars: **development co-operation and trade** between EU and ACP countries. The 'glue' between the two pillars consists of political dialogue, mutual obligations and equality, the participation of Non-State Actors, and regional initiatives.



-Cotonou Agreement, BENIN, 23<sup>th</sup> of July 2000-

By signing the Cotonou Agreement, all ACP countries, plus the EU Member States and the EC, have committed themselves to the identification of environment and sustainable natural resources management as cross-cutting issues for poverty reduction.

## b. EU Development Co-operation Policy: Deficient Response

Despite the existence of the Cotonou Agreement, the implementation of said agreement comes under the EC's co-operation development aid. EC's development co-operation policy is currently aiming at reducing poverty through the concentration of aid in **six sectors**: trade, regional economic integration, macro-economic support, access to social services, transport, rural development and food security. Along with human rights and gender, the environment is spoken of as a cross-cutting issue.

Despite numerous commitments by the EU to sustainable natural resource management as a key factor on the road to poverty alleviation, how is it possible that environment is still NOT being incorporated at the heart of countries' poverty analyses?

With the complexity of the EU system in its current form, in the context of the ever-increasing globalisation, arguments to explain this deficiency, are of course numerous and diverse, and include:

► An apparent **insufficient awareness** among EC staff in general, as well as among ACP government officials, of the **strong relation between sound natural resource management and poverty alleviation**. Because they are unaware of this, the immediate need to prioritise the incorporation of natural resource management into aid assistance programming is not clear. Consequently, a shortfall of expertise and knowledge in this area has emerged.

► **Lack of a proper methodology** to guide the mainstreaming of the environment as a cross-cutting issue into all aspects of development co-operation (**Cotonou Agreement, Article 32**). A **pro-active incentive** to help ACP governments to analyse how to address environmental matters in their CSPs is **missing**.

► However, even when natural resources are addressed in CSP analyses, **areas such as fisheries and forestry** are currently still **not being recognised as economic sectors**<sup>27</sup>. The labelling of fisheries or forestry in CSPs and PRSPs as 'environmental', means that no balanced policy of sustainable management and conservation of marine and forest resources is being developed in order to reduce poverty and stimulate the economy of the population living in those areas<sup>28</sup>.

► Appendix IV<sup>29</sup> of the CSP framework contains no references to the environment, it therefore **de facto excludes the environmental factor**. The **financial protocol** attached to the Cotonou Agreement, which was increased by €13.5 billion from the **9th European Development Fund (EDF)**, should significantly address the link between the environment and poverty and ensure that natural resources will be managed sustainably.



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This deficiency in the system's structure and the non-prioritisation of environment in CSPs leads to a broader spectrum of causes for the failure to incorporate environmental concerns.

- ▶ **Guidelines** and a checklist regarding **indicators** on poverty/environment analyses are hardly if at all included in the CSP. Therefore it is **difficult to monitor** how natural resources and key questions regarding environmental conservation are being addressed by the EC and the authorities of the beneficiary states.
- ▶ **Absence of a database centralising the EC's environmental activities**, which would allow lessons to be learned from past programming and which would point to future investment needs to be evaluated.
- ▶ Despite the existence of guidelines on **Environmental Sustainability Assessments** (ESA) of EC's programming of aid and **Environmental Impact Assessments** (EIA) of projects developed and implemented with EC money, **no database** is available to collect them.
- ▶ The Cotonou Agreement's principles of political dialogue, mutual obligations and equality, implying **ownership** by the ACP countries of their respective Country Strategies and the choice of sectors for concentration of aid, are sometimes used as a **shield in defence of EC aid spending**.

To increase the impetus given to improve governance and secure the democratic basis of EC aid and the formulation of national development strategies, the Cotonou Agreement foresees building **dialogue with Non-State Actors**<sup>30</sup>. However,

- ▶ Technocratic or bureaucratic rhetoric from development players on the participation of NSAs is frequently continuing, **without changes to the core policy**, the mandate or the modus operandi<sup>31</sup>.

Is the CSP Mid-Term Review process actively pushing for rectification of the missing link between aid assistance programming and environmental challenges, as we would expect (Cotonou Agreement, Article 32)?

- ▶ Current **Mid-Term Review guidelines** focus on the **technical implementation** of the Indicative Programmes of the CSPs. They **do not address the question of better alignment of the analysis and programming with the Cotonou objectives**. The risk of continuing working on symptoms rather than tackling the root causes has therefore emerged.
- ▶ A **limited amount of time and space** is reserved for the Mid-Term Review (a total of 10 weeks has been allocated to the overall Mid Term Review process, of which only 4 weeks are reserved for EC delegations). One could question whether this provides the EC delegations with sufficient time to properly analyse and draw conclusions.

## Chapter III

# RECOMMENDATIONS

### Mid-Term Review Of Cotonou Programming In 2004: Opportunity For Change To Efficient And Sustainable Development

In the context of the intensification of global trade, growing demographic pressure and increasing rural poverty, the sustainability of natural resource management has become an increasingly important issue that needs to be urgently addressed in the ACP/EU dialogue on poverty reduction, and also in the context of the review of EDF programming.

In the context of the Mid-Term Review (MTR) of the Cotonou programming per country (CSPs) and per region (RSP), attention is focusing on the extent to which the EC is honouring its commitments to incorporate environmental challenges into its aid programming.

In order to enable the EC to put the environment at the heart of EC Development Co-operation, WWF would suggest the following:

#### SHORT TERM

##### Country Environmental Profile

Although the Mid Term Review guidelines indicate that a Country Environment Profile (CEP) should be included in the review - which is the only 'formal' requirement with respect to the incorporation of the environment -, it rarely happens in practice. Out of a total of 59 ACP countries reviewed, only 4 have included a proper Country Environmental Profile, in

line with the standard requirements and format (included in the draft Environment Integration Manual). 30 ACP Country Strategy Papers have included some form of Country Environmental Profiles.

**The Country Environmental Profile should be used as a reference for Country or Regional Strategy Papers and their Mid-Term Reviews**, addressing the following subjects in an attempt to tackle root causes, and prevent future problems concerning the vulnerability of poor livelihoods in relation to environmental issues such as:

- ▶ Level of national dependence on natural resources exploitation/trends
- ▶ Ownership structure and land tenure, control of natural resources: policy and trends
- ▶ State of conservation/degradation/trends
- ▶ Analysis of sectorial governmental policies: to what extent is the concept of sustainable management being incorporated into CSPs (diversification, negative and positive incentives, land tenure regime)?
- ▶ Considerations on the link between natural resources and conflict
- ▶ Presence of natural resource management laws and status of their implementation and their compatibility with other legislation.

## LONGER TERM

### Environmental Integration In Future EC Aid Assistance Programming

To improve environmental integration in future EC aid programming, the EC should:

#### Awareness raising

- ▶ Raise **awareness on socio-economic benefits and cost efficiency** when addressing environmental considerations in CSP analyses and the six priority sectors of EC development policy.
- ▶ Develop a strategy, accompanying the CSP, on how an **EC delegation is planning to increase environmental awareness** with its host governments and through its (ongoing) project/programme activities.
- ▶ **Recruit staff** with specific environment and development backgrounds and also provide training for the existing staff working in these areas.
- ▶ Intensify the **involvement of Non-State Actors** (including local communities) in the formulation of CSP analyses.

#### Incentives

- ▶ Include **sustainable natural resource management** as a central element in the EC's concept of good governance.
- ▶ **Create political and financial incentives** for ACP governments to actively address environmental challenges (e.g. government programmes focusing on access to ownership of and control over environmental assets).
- ▶ **Encourage developing countries**, through financial retribution, to **take the lead** in launching new initiatives to encourage the conservation and sustainable use of the natural resources in the developing countries (including renewable natural resources).
- ▶ Introduce the **'polluter pays'** principle into developing countries, by combating

environmentally harmful dumping practices and identifying companies damaging the environment there, by taking abusive advantage of their less rigid environmental standards.

#### Methodology

- ▶ Carry out **environmental audits** of country activities and recommend areas for improvement and set up a database of Environmental Sustainability Assessments (ESA) of EC's programming of aid and Environmental Impact Assessments (EIA).
- ▶ Develop indicators to **monitor the challenges** that ACP countries are facing in **implementing their CSPs** (e.g. incoherence of different EU Policies, etc.)

#### Coherence of EU external policies and instruments

- ▶ Ensure that dialogues on democratisation and good governance, programming of aid and technical co-operation, trade, EC fisheries agreements, impact of EU Common Agricultural Policy etc. addresses **environmental sources of instability** in a co-ordinated manner.

## MAIN CONCLUSION

Taking **sustainable development** and **natural resources** conservation seriously means **incorporating them at the heart** of Country Strategy Papers' analyses and indicative programmes (i.e. Incorporation of the environment into EC Aid assistance means more than just environmental impact assessments (EIA's) of every financed project).

*Failing* to take the integration of the environment seriously is not only contrary to the declared objectives and principles of the EC, EU Member States and ACP governments, but will constitute, in the medium-term, a major impediment to economic growth and a breeding ground for poverty and violent conflict.

# Notes

1. [http://europa.eu.int/comm/development/body/cotonou/agreement\\_en.htm](http://europa.eu.int/comm/development/body/cotonou/agreement_en.htm)
2. The EC programming document per country includes two parts; A Country Strategy Paper's analysis presenting challenges that the country is facing on the road to sustainable development and a National Indicative Programme identifying priority of EC funding. Regional Strategy Paper and Regional Indicative Programme are the equivalent of CSP and NIP when the European Commission defines programs with regional organisations.
3. Davalos, 2002 'Environment mainstreaming in 60 EC funded CSPs'
4. A CEP includes a brief overview of the country (physical, economic, social, etc. conditions), summary of the state of the environment, overview of the environmental policy, legislative and institutional framework and recommended priority actions. A CEP is one of the requirements for the Mid-Term Review of the Country Strategy Papers (Davalos, 2002).
5. A SEA is an overarching assessment at programming level that incorporates environment and development issues, provides information on alternative options and identifies potential environmental impacts of proposed policies and plans (Davalos, 2002).
6. On 10 October 2003, the ACP-EU Joint Parliamentary Assembly adopted a resolution calling for the European Commission and the African, Caribbean and Pacific (ACP) countries to put management of natural resources at the heart of EC Country Strategy Papers ('Sustainable management and conservation of natural resources in ACP countries in the context of the 9th EDF'/ ACP-EU 3590/03/fin.
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# Chapter IV

## REGIONAL EXAMPLES

### REGIONAL EXAMPLE 1

#### Management of Marine Resources for Sustainable Livelihoods in the Pacific

##### Problems:

The marine ecosystems of the South Pacific contain some of the most significant biodiversity in the world, with outstanding coral reef systems, mangrove forests, coastal and pelagic fisheries, and thousands of species occupying their unique space in this amazing web of life. For the 8 million people occupying the 22 island archipelago countries across 30 million square kilometres of ocean, these marine resources are the very foundation of their existence. Most communities depend to some extent - and many entirely - on the oceans and coasts for their livelihood in terms of subsistence, income, tradition and culture.

While the region's marine resources are still in relatively good condition, they are under increasing threat from a number of factors, including unsustainable patterns of use, internal and external pressures on key resources, and environmental degradation. These trends not only threaten marine biodiversity, but also undermine the food and economic security of the island communities. Efforts to combat these threats and to protect biodiversity and livelihoods are hindered by:

- ▶ lack of funds;
- ▶ shortage of information needed to improve natural resource management;
- ▶ inadequate policy and planning framework;
- ▶ lack of capacity within communities, governments, NGOs and other stakeholders; an inadequately protected marine area system; and
- ▶ insufficient resources dedicated to effective management and enforcement of existing regulations.



- Local people -, Fiji.  
Waisomo Village, Ono Island, Kadavu Province, Fiji.

##### Solutions:

There are many opportunities available for addressing these threats and ensuring the conservation and sustainable use of the marine environment for the benefit of local people. Key solutions that have demonstrated results across the region include:

##### Policy

- ▶ Promote participatory management and sustainable use of marine resources in Country Strategy Papers and policy frameworks
- ▶ Incorporate sustainable development objectives and overall biodiversity into regional and national legislation
- ▶ Facilitate greater dialogue between relevant ministries and support governments to incorporate best practices and lessons learned in drafting national development strategies (CSPs) for tourism, fisheries, environment and development
- ▶ Support country accession and meeting of commitments to international treaties

- ▶ Encourage mechanisms such as tradable fishing quotas, levies, product certification, fishing access fees, and fines for illegal fishing that provide economic incentives for sustainable fishing practices.
- ▶ Encourage the calculation of the socio-economic benefits of natural resources and ecosystem services in national accounting, to allow for longer term and more sustainably oriented allocation of national budgets.

## **Management & Training**

- ▶ Support the establishment of locally-managed protected areas, with effective, sustainably funded management plans in place.
- ▶ Support an ecosystem-based management approach to coastal, offshore and migratory fish stocks, which results in equitable benefits to source countries and sustainable management of the stocks.
- ▶ Change damaging patterns of resource use by assisting local communities to adopt sustainable management practices.
- ▶ Assess the feasibility of alternative livelihood methods and pilot selected alternative livelihoods with local communities.
- ▶ Build capacities of local communities to better manage the resources that support their livelihoods

## **Science**

- ▶ Support targeted, applied research on biological, social and economic topics.

## **Communications**

- ▶ Raise awareness at the national and local levels of the long-term socio-economic benefits of sustainable management practices.
- ▶ Raise awareness among donors that environmental issues cannot be tackled without addressing poverty and livelihoods, and that these “people” issues also require a good environment and continued availability of resources for both subsistence and cash needs, as well as for national development.
- ▶ Raise awareness at a national and local level on the impacts of, and adaptive strategies in response to, climate change.
- ▶ Promote partnerships among communities, NGOs, Governments and donors for the sustainable use of marine natural resources.

## **REGIONAL EXAMPLE 2**

### **Sustainable Management of Forest Resources in the Congo Basins**

#### **Situation:**

The Congo Basin is under heavy pressure from a combination of increasing population depending directly on forest resource use for their livelihoods, and demand for economical and social development. Governments mainly derive revenues from the extraction and sale of natural resources to international buyers, paying little attention to the domestic economy. Pressure to maintain foreign debt service payments and weak domestic economies leave Central African nations with little alternatives but to focus on extractive export industries to generate foreign exchange.

Logging and mineral exploitation are the main foreign exchange earners in the region. European companies have dominated the sector as a result of greater capitalisation and longstanding political influence of former colonial governments. There has been a recent influx of Asian companies and an increase in timber exports to the Asian region.

Logging practices in Central Africa are usually unsustainable and in many cases illegal, with little or no returns to local populations.

### Problems:

**Poor governance and weak enforcement of forestry legislation** is resulting in rampant illegal logging, significant loss of local and national revenues and negative environmental impacts. Unsustainable and illegal logging accounts annually for 11% of forest cover loss, representing about 2 Million hectares, and an estimated loss of \$5 Billion for national economies. This loss of revenue consequently affects the amount of national funds available for health, education and drinking water programmes, as well as environmental programmes, with severe impact on the livelihoods of the population, particularly those in rural and more remote areas.

**Inadequate monitoring of concession operations**, poor or non-existent land use planning, combined with in-appropriate policies relating to land ownership, benefit sharing and lack of involvement of local communities are the root causes of forest and biodiversity loss and degradation in the Congo Basin which in turn contribute to further loss of livelihoods and increased poverty.

Logging roads also open up previously inaccessible forest areas to poaching of bushmeat to supply a growing commercial trade. Now the most immediate threat to biodiversity conservation, this results in more than one million metric tons of wildlife, equivalent to 4 millions of animals being killed, and consumed by rural and urban families every year. However, much of the benefit goes to poachers coming into the area from outside, with less to local populations who are left with a rapidly shrinking resource that supplies vital protein for their diet.



Children present saplings from a WWF-funded nursery Udzungwa Mountains Tanzania

### Solutions:

- ▶ Promote good governance of forest estate and legal/legislative framework for natural resource management, combating illegal exploitation, and ensuring fair benefit sharing.
- ▶ Community forest management that facilitates and encourages local control of forest resources.
- ▶ Strengthening the civil society is also essential to improve forest governance, as it will create a third sector able to counter-balance the public and private sectors.
- ▶ Promote economically integrated multi-use conservation areas, that provide local and national benefits and economic incentives, while helping to sustain global values such as species diversity (i.e.: areas that include protected areas, community hunting zones, commercial hunting concessions, community and communal forests, and logging concessions.)
- ▶ Encourage decentralisation of decision-making in governance structures and management, required for multiple-use landscape conservation, while still protecting the interests of stakeholders at the national and global levels.
- ▶ Build Public-Private Partnerships. As private companies are often both de jure and de facto in charge of the majority of the use of the forest estate in Central Africa, attempts to work with these companies to improve the sustainability of their logging practices have the potential to generate significant benefits both in terms of improved livelihoods and biodiversity conservation. Governments must provide appropriate incentives and adapt their



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

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



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