

Biodiversity in European Development Cooperation

Conference - Paris, 19-21 September 2006



Supporting the sustainable development of partner countries



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IUCN – The World Conservation Union

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List of Acronyms

ABS	Access and Benefit Sharing
ACP	Africa, Caribbean, Pacific
AIDCO	EuropeAid Cooperation Office
ALA	Asia and Latin America
BAP-EDC	Biodiversity Action Plan for Economic and Development Cooperation
BDP	Biodiversity in Development Project
BEDC	Biodiversity in European Development Cooperation
BOND	British Overseas NGOs for Development
CARDS	Community Assistance for Reconstruction, Development and Stabilization
CBD	Convention on Biological Diversity
CBO	Community-based Organization
CEP	Country Environmental Profile
CFSP	Common Foreign and Security Policy
CI	Conservation International
CIDA	Canadian International Development Agency
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CMS	Convention on the Conservation of Migratory Species of Wild Animals (also known as the Bonn Convention)
COP	Conference of the Parties
CSP	Country Strategy Paper
DAC	Development Assistance Committee
DCECI	Development Cooperation and Economic Cooperation Instrument
DCNA	Dutch Caribbean Nature Alliance
DFID	Department for International Development (UK)
DG	Directorate General
DG DEV	Directorate General for Development
DG REGIO	Directorate General for Regional Policy
DG RELEX	Directorate General for External Relations
EC	European Commission
EDC	Eco-development Committees
EDF	European Development Fund
EIA	Environmental Impact Assessment
ENPI	European Neighbourhood and Partnership Instrument
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FERN	Forests and the European Union Resource Network
FFEM	Fonds français pour l'environnement mondial
FLEGT	Forest Law Enforcement, Governance and Trade
GAERC	General Affairs and External Relations Council
GEF	Global Environment Facility
GNI	Gross National Income
GTZ	Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation Agency)
IFAW	International Fund for Animal Welfare
IIED	International Institute for Environment and Development
ILO	International Labour Organization

ISPA	Instrument for Structural Policies for Pre-Accession
IPA	Instrument for Pre-accession Assistance
IPU	Inter-Parliamentary Union
iQSP	interservice Quality Support Group
ITU	International Telecommunications Union
LPO	Ligue pour la protection des oiseaux
MA	Millennium Ecosystem Assessment
MDG	Millennium Development Goal
MEA	Multilateral Environmental Agreement
MEDA	Principal financial instrument of the European Union for the implementation of the Euro-Mediterranean Partnership
NATO	North Atlantic Treaty Organization
NBSAP	National Biodiversity Strategy and Action Plan
NGO	Non-Governmental Organization
NIP	National Indicative Programme
NIS	Newly Independent States
NSSD	National Strategy for Sustainable Development
OCTs	Overseas Countries and Territories
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OECD/DAC	Organization for Economic Cooperation and Development/Development Assistance Committee
OR	Outermost Region
PEP	Poverty–Environment Partnership
Phare	Coopération de l'UE vers les pays d'Europe centrale et orientale
PRSP	Poverty Reduction Strategy Paper
REP	Regional Environmental Profile
RIL	Reduced Impact Logging
RSP	Regional Strategy Paper
SAPARD	Special Accession Programme for Agriculture and Rural Development
SEA	Strategic Environmental Assessment
SIA	Sustainability Impact Assessment
SIDA	Swedish International Development Cooperation Agency
SPA	Silent Partnership Agreement
SPD	Single Programming Document
SWAp	Sector Wide Approach
TBAG	Tropical Biodiversity Advisory Group
OTCF	Overseas Territories Conservation Forum
UPR	Ultra-Peripheral Regions
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNICEF	United Nations Children's Organization
WEU	Western European Union
WHO	World Health Organization
WTO	World Trade Organization
WWF	Worldwide Fund for Nature
WRI	World Resources Institute

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Note to readers

- The 'European Union' (EU) includes both the European Commission and Member States.
- 'Conserving biodiversity' and 'biodiversity conservation' should be understood in their simplest form as meaning: keeping it/avoiding further biodiversity loss. The terms in no way refer to the manner in which this is done, nor do they refer to any one specific approach; in no way should they be taken to imply emphasis of strictly protected areas over biodiversity community-based management, sustainable use, etc. Neither do they have any implication for the objective of conserving (e.g. intrinsic value against provision of ecosystem services).

Biodiversity and development: an ever-challenged partnership

One fifth of humanity lives on less than one dollar a day. How can the world reduce poverty, while safeguarding the biodiversity that sustains livelihoods and economic systems?

More than 30 years after the Stockholm conference on the human environment (1972), almost 15 years after the Rio Earth Summit (1992) and four years after the World Summit on Sustainable Development (2002), a considerable amount of knowledge about the relationship between mankind and its natural environment has been accumulated.

Thousands of successes and failures in reducing poverty and conserving biodiversity have been documented. Governments, civil society and the private sector have recognised the importance of biodiversity for human well-being, and have formally committed to conserve it as a pillar of sustainable development and the foundation of economic systems.

What is the status of biodiversity today?

There are some positive trends: protected areas now cover 11% of the world's land area, which is more than ever before. While we must recognise that some of these are under threat or exist on paper only, they express the commitment of governments to biodiversity conservation.

Another positive sign is the rising populations of a few emblematic species such as whales, elephants and pandas. Finally, there is also evidence that, while natural forests continue to decline, the replanting of trees is increasing.

The challenge is that the Millennium Ecosystem Assessment (MA) and the IUCN Red List of Threatened Species leave little room for ambiguity: biodiversity is under severe and intensifying stress. An appropriate and unprecedented effort is needed to reverse that trend.

Is development without biodiversity conservation an option?

It is therefore worrying that we have started to witness increasing scepticism towards biodiversity conservation. But is development without biodiversity conservation an option?

Evidence gathered from around the world clearly shows it is not. A review by the Poverty Environment Partnership shows that in 21 of 27 evaluated cases, conservation – the sustainable use of a wide variety of ecosystem goods and services – yields more net benefits than the “development” alternative – the conversion of natural ecosystems for a single, particular use.

Development, and in particular rural development, needs biodiversity and the services it delivers to be sustainable. Postponing biodiversity conservation to a hypothetical brighter future makes that future less likely. Biodiversity and development are so intrinsically interrelated that it makes no sense to suppose that progress can be achieved separately. We can only achieve the Millennium Development Goals when we also take care of our environment.

As a leading economic and political power, a key development assistance donor and the custodian of 21 Overseas Countries and Territories with outstanding biodiversity, the European Union has a responsibility — not to say an obligation — to lead by example. The targets are clear: the development and environment communities have to walk hand in hand on the narrow path of sustainable development.

This background document, issued with the generous support of the French Ministry of Foreign Affairs, provides a comprehensive analysis of the situation. It aims to provide conference participants with the basic information to come up with concrete recommendations on better ways to support partner countries in sustainably managing their own natural resources.

I am confident that the 2006 Biodiversity in European Development Cooperation Conference will significantly contribute to speeding up progress in this direction.



Valli Moosa
President

The World Conservation Union (IUCN)



The Biodiversity in European Development Cooperation Conference

Paris, 19–21 September 2006

This document is intended to serve as a background paper for the Biodiversity in European Development Cooperation (BEDC) Conference that will take place in September 2006. It is one of the outputs of the preparatory phase of the Conference led by the IUCN Regional Office for Europe. As such, it aims principally to support fruitful discussions during the conference.

Objectives of the BEDC Conference and expected results

Global objectives

The aim of the BEDC Conference is to contribute to transforming political commitments into concrete actions by developing recommendations for the European Commission (EC) and European Union (EU) Member States on how to pro-actively address the integration of biodiversity concerns into development cooperation programmes and policies.

The BEDC Conference is not therefore an event by environmentalists for environmentalists, but rather aspires to bring together development cooperation representatives and environmentalists to jointly pave the way forward.

Specific objectives

The conference will aim specially to:

- Help developing countries, and the EU Overseas Countries and Territories (OCTs), integrate protection of biodiversity into their development strategies.
- Help EU Member States and the European Commission to integrate biodiversity into their development cooperation strategies and programmes, and put in place a monitoring and reporting mechanism to monitor progress in the pursuit of the 2010 and 2015 targets.

While the geographical scope of the conference is worldwide, it has been agreed that special emphasis will be placed on the countries of Africa, the Caribbean and the Pacific (ACP), with particular emphasis on Africa, in order to implement the commitments to environmental issues stipulated in Article 32 of the Cotonou Agreement.

Expected results

The expected outcome of the BEDC Conference is a message from participants which might include some recommendations for the European Commission and the EU Member States, aimed at:

- Reinforcing political will and commitment to better recognise the importance of biodiversity in the sustainable development of partner countries, including building capacity to this effect;

- Promoting good governance of biodiversity, including securing the rights and roles of local communities and indigenous peoples in managing ecosystems and genetic resources;
- Addressing underlying causes of biodiversity loss, such as current incentive frameworks both within EU (including e.g. trade, fisheries, forestry and agriculture policies and strategies) and partner countries;
- Ensuring that the 10th European Development Fund (EDF) negotiations between ACP countries and the European Union include incentives for biodiversity and the sustainable use of natural resources;
- Encouraging active participation of civil society in decision making processes both in partner countries and in the European Union;
- Maximizing synergies and avoiding overlaps through improved exchange and networking between Member States, the European Commission and other relevant donors;
- Sharing and, when relevant, harmonizing tools and indicators for the monitoring and assessment of trends in biodiversity and related programmes and policies.



Why hold the Biodiversity in European Development Cooperation Conference in September 2006?

The year 2006 offers excellent opportunities to translate political commitments into action:

- The publication of the Millennium Ecosystem Assessment (MA) findings in 2005 provided a credible scientific basis and conceptual framework for drawing the links between healthy ecosystems and the attainment of social and economic goals. This report highlights the need for an unprecedented effort to achieve, by 2010, a significant reduction of the current rate of biodiversity loss at the global, regional and national levels, as a contribution to poverty alleviation.
- Several other influential reports were released recently that stress the links between ecosystems and development. For example, *The Wealth of the Poor* (World Resources Institute, 2005) makes a compelling case that environmental income can act as fundamental stepping stone in the economic empowerment of the rural poor.
- 2006 is the first year of implementation of the European Consensus on Development. The Consensus aims at better addressing environmental sustainability in EU development cooperation and at strengthening coherence between the European Commission and EU Member States.
- A communication from the European Commission on Halting the loss of Biodiversity by 2010—and beyond was issued on 22 May 2006.
- The Countdown 2010 (see Annex 3), which combines efforts to achieve the 2010 biodiversity commitments, has decided that development cooperation is a priority area for 2006.
- The 10th EDF, the main financial instrument of European development cooperation for the next five years, is being negotiated in 2006. Under the framework of the Cotonou Agreement, about 21 billion euros are at stake for the 77 ACP countries.

Methodology

Preparation of the BEDC Conference was led by an ad hoc Conference Secretariat based in the IUCN Regional Office for Europe. In addition, a Steering Committee, composed of representatives from EC Directorates General for Development, External Relations and Environment, EU Ministries of Foreign Affairs and/or development cooperation agencies, and environmental/development non-governmental organizations (NGOs), was set up to oversee and provide input to the process. Conference preparation also benefited from presentations and discussions held during two meetings of the Tropical Biodiversity Advisory Group (TBAG) (Brussels, January 2006 and Stockholm, June 2006; see Annex 1). Finally, the consultation process involved numerous interactions with additional representatives of the European Commission, bilateral cooperation agencies and NGOs (see Annex 2); and the circulation of a questionnaire¹ as part of an attempt to gather information in a more systematic manner.

1. Completed questionnaires were received from the governments of Austria, Belgium, Denmark, Finland, France, Germany, The Netherlands and Sweden.

Millennium Ecosystem Assessment

Key messages from the biodiversity synthesis

- Biodiversity benefits people through more than just its contribution to material welfare and livelihoods. Biodiversity contributes to security, resiliency, social relations, health, and freedom of choices and actions.
- Changes in biodiversity due to human activities have been more rapid in the past 50 years than at any time in human history, and the drivers of change that cause biodiversity loss and lead to changes in ecosystem services are either steady, show no evidence of declining over time, or are increasing in intensity. Under the four plausible future scenarios developed by the Millennium Ecosystem Assessment (MA), these rates of change in biodiversity are projected to continue, or to accelerate.
- Many people have benefited over the last century from the conversion of natural ecosystems to human-dominated ecosystems and from the exploitation of biodiversity. At the same time, however, these gains have been achieved at growing costs in the form of losses in biodiversity, degradation of many ecosystem services, and the exacerbation of poverty for other groups of people.
- The most important direct drivers of biodiversity loss and ecosystem

service changes are habitat change (such as land use changes, physical modification of rivers or withdrawal of water from rivers, loss of coral reefs, and damage to sea floors due to trawling), climate change, invasive alien species, overexploitation, and pollution.

- Improved valuation techniques and information on ecosystem services demonstrate that although many individuals benefit from biodiversity loss and ecosystem change, the costs to society of such changes are often higher. Even in instances where knowledge of benefits and costs is incomplete, the use of the precautionary approach may be warranted when the costs associated with ecosystem changes may be high or the changes irreversible.
- To achieve greater progress toward biodiversity conservation to improve human well-being and reduce poverty, it will be necessary to strengthen options for response that have as a primary goal the sustainable use of biodiversity and ecosystem services. These responses will not be sufficient, however, unless the indirect and direct drivers of change are addressed and conditions for implementation of the full suite of responses are established.
- Trade-offs between achieving the 2015 targets of the Millennium Development Goals (MDGs) and the 2010 target of reducing the rate of biodiversity loss are likely, although there are also many potential synergies between the various internationally agreed targets relating to biodiversity, environmental sustainability, and development.

Coordinated implementation of these goals and targets would facilitate the consideration of trade-offs and synergies.

- An unprecedented effort will be needed to achieve a significant reduction in the rate of biodiversity loss at all levels by 2010.
- Short-term goals and targets are not sufficient for the conservation and sustainable use of biodiversity and ecosystems. Given the characteristic response times for political, socioeconomic, and ecological systems, longer-term goals and targets (such as for 2050) are needed to guide policy and actions.
- Improved capability to predict the consequences of changes in drivers for biodiversity, ecosystem functioning, and ecosystem services, together with improved measures of biodiversity, would aid decision making at all levels.
- Science can help ensure that decisions are made with the best available information, but ultimately the future of biodiversity will be determined by society.

Executive Summary

Chapter 1

Starts by making the case for the wide range of ecosystem services in which biodiversity plays a key role. These local and global benefits which people obtain from healthy and fully-functioning ecosystems include goods essential to human well-being (foods, fuels, building materials, medicines, etc.), regulating services such as fixing carbon, purifying air and water, or providing genetic material for crops and livestock. Ecosystems support primary production (agriculture, fisheries, forestry), secondary production (textiles, pharmaceuticals), and service industries (tourism, well-being, recreation).

Because three-quarters of the over one billion people living on less than one dollar a day live in rural areas, the poor depend directly, and more than others, on natural resources and ecosystem services for their well-being. Hence, they are most affected by their degradation.

Richer groups of people are usually less affected because of their ability to purchase substitutes or to offset local losses of ecosystem services by shifting production and harvest to other regions. With over one billion people worldwide depending on forest-based assets for their living, it becomes apparent that biodiversity matters directly to poor people in four principal ways (Timmer & Juma, 2005):

- Food security and health;
- Income generation and livelihoods;
- Reduced vulnerability to shocks;
- Cultural and spiritual values.

That being said, the linkages between biodiversity and poverty are much more complex and dynamic than a simple relation of reliance. In order to further explore the biodiversity–poverty nexus, two issues which are critical to biodiversity in development cooperation are discussed:

- Is biodiversity conservation a route to poverty alleviation? And/or

- Is poverty alleviation a route to better biodiversity management?

The first question is crucial because conserving biodiversity has not always proved favourable to the poor. It appears that there are a number of conditions required if biodiversity is to work for poverty alleviation, among which governance issues are fundamental.

Nevertheless, there are many examples where biodiversity conservation has benefited the poor in developing countries, and this has happened in two main ways:

- At the micro-level, biodiversity conservation can be a route out of poverty for poor people, particularly in areas with few other economic opportunities. It provides a way for poor households to generate a surplus and eventually invest in other economic activities and escape poverty.
- At the macro-level, biodiversity conservation can be a route out of poverty for poor countries, where biodiversity and related ecosystem services can, under certain conditions, generate growth and provide government revenues.

The second question ('is poverty alleviation a route to better biodiversity management?') is important as well because some have argued that alleviating poverty is the most efficient way to sustain biodiversity.

But experience shows that poverty alleviation may yield better biodiversity conservation only if tied to explicit conservation objectives, strategies, policies and actions, in an appropriate governance context.

Synergies and positive externalities between sustainably managing biodiversity and alleviating poverty do exist. They are sometimes obvious, but more often win-win solutions to poverty and conservation dilemmas are elusive,

The primary and overarching objective of European Union (EU) development cooperation is the eradication of poverty in the context of sustainable development.

This background paper discusses how biodiversity, for which the European Union holds special responsibilities and interests, fits into this objective. It is guided by, though not limited to, three main questions:

- How efficiently do EU-funded biodiversity projects, programmes and policies—whose primary objective is biodiversity conservation—contribute to their formal goal?
- How well do EU-funded non-biodiversity development projects, programmes and policies—which do not have primarily biodiversity-related objectives but may have an impact on it—deal with biodiversity issues?
- How do European non-development policies—which do not have development as a primary objective but may have an impact on development and biodiversity in partner countries—deal with biodiversity?

and trade-offs prove to be more realistic outcomes. Giving shape to such trade-offs requires respecting the strengths and weaknesses of both conservation and poverty alleviation efforts.

Having demonstrated the importance of the linkages between biodiversity, poor people and poverty reduction, the document provides an overview of important recent biodiversity assessments, particularly the Millennium Ecosystem Assessment (MA). All these assessments agree that biodiversity is under severe stress globally: not only have degradation trends not been reversed as yet, but the pace of degradation is still increasing.

The MA insists that the benefits arising from ecosystem degradation, although real, have usually been transitory, not equitably distributed among people, and have carried hidden costs that now need to be paid. If the picture of past and current trends is gloomy, projections for the short and longer term are even more worrying.

As a first but fundamental conclusion, it can be asserted that failure to protect biodiversity and ecosystems will prevent the achievement of Millennium Development Goal 7 (MDG 7) of 'ensuring environmental sustainability'—a goal that is already severely off-track according to the Millennium Task Force. In turn, not achieving MDG 7 will seriously undermine global efforts to meet all other MDGs by 2015. Making biodiversity work for poverty alleviation and vice versa is complex and may only be achieved on a case-by-case basis. Still, a number of clear messages emerge from this first chapter:

- The poor, but also the rest of humanity, are heavily dependent on biodiversity for their well-being, either directly or indirectly.
- Biodiversity provides a route out of poverty for poor people and poor countries with few other economic

opportunities. However, biodiversity conservation in itself will not contribute to alleviating poverty unless it is accompanied by appropriate and specific pro-poor strategies.

- Poverty alleviation may, in certain cases, help relieve pressure on biodiversity. However, poverty alleviation in itself will not contribute to biodiversity conservation unless it is accompanied by appropriate and specific strategies.
- Improving governance is key to enhancing the twin outcomes of conservation and poverty reduction. This requires political and institutional changes at all levels.
- Biodiversity is under severe and growing stress as indicated by the MA, which has provided a common reference and several key messages that should be regarded as historical milestones.
- Achieving, by 2010, a significant reduction in the rate of biodiversity loss at all levels will require unprecedented additional efforts.

Chapter 2

Explores in detail the commitments taken by the European Union with regard to biodiversity in development cooperation. At the global level, the main umbrella is the Millennium Development Goals (MDGs). While MDG 7 is the only goal which explicitly targets the environment, nonetheless, ecosystem services and biodiversity underlie the achievement of all the Goals, including the eradication of poverty, hunger, child mortality, and disease. Equally crucial are the Johannesburg Plan of Implementation, adopted at the World Summit on Sustainable Development in 2002, and a number of Multilateral Environmental Agreements (MEA) which include the Convention on Biological Diversity (CBD). The CBD has three main goals:

conservation of biodiversity; sustainable use of the components of biodiversity; and sharing the benefits arising from the commercial and other utilization of genetic resources in a fair and equitable way.

Given its special responsibilities, the European Union has made a number of extra commitments, often more ambitious. They are summarized and briefly described, starting with the 2001 Biodiversity Action Plan for Economic and Development Cooperation (BAP-EDC), and the 2001 Gothenburg Council commitment under which the European Union pledges to halt the loss of biological diversity by 2010. The Message from Malahide on 'Halting the decline of biodiversity—Priority objectives and targets for 2010', was another crucial step, with Objective 11 specifically addressing economic and development cooperation. This was followed in 2005 by the Paris Declaration on Aid Effectiveness signed by over 100 partner and Organization for Economic Cooperation and Development (OECD) countries (including European Official Development Assistance (ODA) donors) as well as by about 40 international and non-governmental organizations (NGOs). The European Consensus on Development was then adopted in 2006: it commits the EU to delivering more and better aid. Finally, the 2006 European Commission (EC) communication on 'Halting the loss of biodiversity by 2010—and beyond' represents a new landmark in European policy. It reaffirms the need to enhance funding earmarked for biodiversity and to strengthen measures to mainstream biodiversity in development assistance. It comes with a list of specific actions set out, with related targets, in an EU Action Plan to 2010 and beyond.

Taken together, these commitments represent a serious and comprehensive public pledge to put the European Union at the forefront of tackling the serious environmental challenges noted above. In particular, the commitment to

stop biodiversity decline by 2010 confronts a real and crucial need, and it matches the idea that most European citizens have of where Europe should be. It is nonetheless an immense challenge, against which the environmental performance of European development cooperation shall be assessed.

Chapter 3

Examines the efforts undertaken by the European Union to tackle the challenge and deal with biodiversity in development cooperation. Starting with the European Commission, it provides a brief overview of organizational arrangements for EC development cooperation, describes existing financial instruments (until 2006–2007), the EC development aid reform and the resulting new financial architecture. It explains the programming cycle of EC development cooperation, with special emphasis on the way environmental issues are dealt with. This synthesis shows that, at least, numerous policies, regulations, tools and instruments exist that may allow biodiversity to be both directly supported and mainstreamed in the EC development cooperation. Significant resources are allocated to this objective.

Current efforts, tools, and instruments implemented by EU Member States are then outlined.

Indications are given of geographical distribution and thematic allocation; financial patterns; procedures, instruments, implementation modalities and approaches for addressing biodiversity issues. Emphasis is placed on observable trends such as:

- The increasing weight of sustainable use approaches within a rural development context to achieve biodiversity conservation objectives.
- The implementation of projects through international NGOs.
- The support to strengthen Overseas Countries and Territories' (OCT) regional integration.
- The increasing number of projects/programmes on which two or more Member States join forces.

Chapter 4

Provides a diagnosis and suggestions to try and put the European Union back on track to reach its commitments. The diagnosis is quite severe: European development cooperation is unlikely to achieve its biodiversity-related commitments. Past actions have yielded significant benefits but are far from enough, so European development cooperation is often assessed as contributing to biodiversity loss more than to its sustainable management. It seems that the gap between rhetoric, policy and practice widens as environmental trends continue to worsen. To come back to our three initial questions:

- The impact of initiatives that have biodiversity conservation as a primary or secondary objective, while usually positive, remains too localized and too limited. Although such projects have now been in existence worldwide for decades, most of the time they seem to be implemented and to deliver outcomes at a pilot scale. Be they from the European Commission or Member States' bilateral cooperation, efforts and results are not commensurate with trends in degradation and the driving forces behind them.
- The environmental impact of development projects and policies which do not include biodiversity management among their objectives is still often negative. Environmental assessments do not match needs, mitigation measures are insufficient, if they exist at all, and the mainstreaming of biodiversity issues in the project and policy cycle remains too much of a paper concept, although things have started moving.
- Several non-development policies from the European Commission as well as from Member States harm biodiversity in developing countries, and therefore hinder their capacity to achieve the Millennium Development Goals. The lack of coherence and mutually mutilating effects of environmental initiatives, development cooperation and non-development policies is probably nowhere as

obvious as in the case of trade, especially in the fields of agriculture, fisheries and forestry.

Radical improvements are needed. Eight broad suggestions, articulated in response to the eight items detailed in the diagnosis, are made to pave the way forward:

1. Intensify and upscale initiatives with biodiversity as a primary or secondary objective.
2. Overcome the EU policy/country-driven dilemma to find more 'breathing space' for biodiversity activities through dialogue with partner countries.
3. Improve mainstreaming of biodiversity by partner countries.
4. Improve mainstreaming of biodiversity by the European Union.
5. Improve coherence with non-development policies, especially trade.
6. Increase complementarity between development cooperation from Member States and the European Commission.
7. Pay more attention to EU Overseas Countries and Territories.
8. Develop tools for reporting on and monitoring biodiversity in European development cooperation.

Many of the ideas detailed under each of these eight broad suggestions may be gathered under the umbrella of the necessity to improve governance, both within EU institutions and in partner countries, from the local to the global level, through institutional reforms, enhanced public participation, more equity in the access to and benefit sharing (ABS) from natural resources, better corporate responsibility, more transparent monitoring and evaluation systems, etc. These are vast programmes of action that go well beyond the environmental community and sector. They will require strong partnerships between all stakeholders involved in European development cooperation. Potential recommendations that the conference may draw from discussions will be much broader in scope than anything one stakeholder could assume on its own. Their implementation will remain the key challenge and will need to build on wide support among participants.

The European Union (EU) is not the only development assistance provider, nor is it the only group of countries formally committed to biodiversity protection.

However, for a number of reasons, it bears very special responsibilities and has clear interests in how biodiversity is mainstreamed in its development cooperation, and managed in partner countries.

1. The European Union has special responsibilities towards biodiversity in development cooperation

1.1. The EU has the ambition to be a global leader on environmental issues

Because the European Union acknowledges the importance of sustainable development for human well-being, it has the ambition to behave and be recognised as a global leader on environmental issues in general and biodiversity in particular. Internally, it has set up one of the strictest and most comprehensive regulatory frameworks in the world. It often advocates very progressive positions in related international fora and negotiations. Actions undertaken in the development context need to be consistent with such an ambition or they risk severely undermining its achievement.

Box 1. Europe's ecological footprint

'Home to 7% of the world's population, Europe generates 17% of humanity's footprint. Today, the footprint of the EU-25 is 2.2 times as large as its own biological capacity. This means that at its current rate of consumption just over twice its own land and sea space would be required to support Europe's resource demands. This compares with the situation in 1961 when the EU-25 nations' total resource demand was nearly commensurate with their capacity'.

Source: WWF, 2005a.

1.2. The EU is one of the main economic partners of ODA beneficiary countries

The second level of European responsibility vis-à-vis biodiversity in developing countries derives from the EU's economic characteristics.

Although the second smallest continent on earth, its population density and high per capita consumption make it a significant contributor to the global ecological footprint (see Box 1). In this context, it comes as no surprise that the European Union is one of the main economic partners of developing countries. Indeed, from an ecological perspective, 'trade is the mechanism that makes it possible for Europe to maintain its current way of life. It is only by importing resources and using the ecological services of other countries and the global commons that Europe can continue to increase its consumption while avoiding further liquidation of its own natural capital' (WWF, 2005a).

Being such a prominent partner confers upon the European Union a responsibility over the way natural resources are managed worldwide.

1.3. The EU is one of the main donors of ODA but cannot sustainably alleviate poverty without supporting the sustainable management of biodiversity

With this in mind, European citizens clearly expect the European Union to take bold steps to preserve the global environment while contributing to reduce poverty around the world, as was highlighted during the consultation on development policy organized by the European Commission (EC) in 2005¹.

The fact that the European Union has chosen poverty eradication as the primary objective of its development cooperation, and that it has established itself as the leading donor for development aid with about 55% of all public aid worldwide (see Figure 1), are evidence of this concern.

It also generates more responsibilities since being a leading donor may be worthwhile only if the assistance is channelled in ways that do not compromise the capacity of ecosystems in developing countries to continue providing the services necessary for human well-being.

As repeatedly demonstrated and documented by experience and reports over the years (cf. Millennium Ecosystem Assessment (MA), 2005), the poor and marginalized as well as indigenous people rely heavily on biodiversity and the ecosystem services it provides for their livelihood. Therefore, poverty will not be sustainably alleviated if current rates of biodiversity loss and ecosystem degradation are not significantly reduced.

The EU is one of the main global markets for wildlife and its products. Trade in wildlife can be beneficial to local/national economies and to biodiversity, but it can also deplete resources to a point where they can no longer contribute to livelihoods, development and ecosystem services.

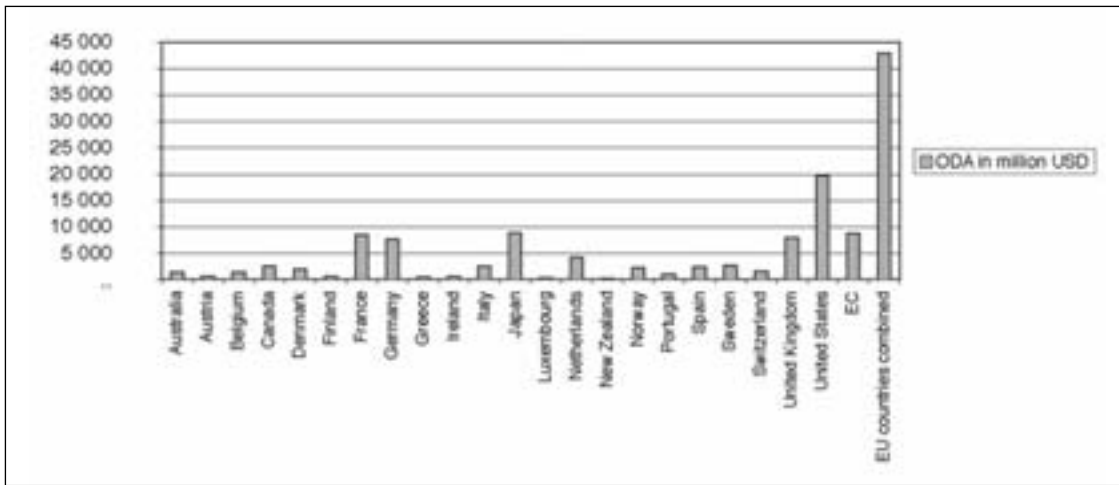


Figure 1. DAC Members' Net Official Development Assistance in 2004
Source: OECD, 2005a.

1.4. The EU Overseas Countries and Territories are home to globally significant biodiversity

In addition to maintaining intensive relations with developing countries, the European Union counts 21 Overseas Countries and Territories (OCTs)¹ belonging to Denmark, France, the Netherlands and the United Kingdom, as well as seven Outermost Regions² (ORs) belonging to France, Portugal and Spain. The overall importance of these 28 OCTs and ORs in terms of their biodiversity is huge and is out of proportion to their size: in biodiversity terms, it is vastly superior to that of continental Europe as a whole³. They are situated in four of the world's 34 biodiversity hotspots (see Figure 2).

The European Commission and concerned Member States therefore have a very direct responsibility for how biodiversity and development are combined in those territories. This is especially true of OCTs which are eligible for development cooperation⁴ and often display several environment and development patterns characteristic of developing countries.

2. The EU and developing countries are 'ecological partners'

Being a prominent economic partner of developing countries does not only imply responsibilities. Biodiversity and ecosystems from developing countries provide such a wide range of essential goods and services to the European Union, that it is actually in the EU's self-interest to support the sustainable management of biodiversity and ecosystems in partner countries.

This *de facto* 'ecological partnership' includes cycling nutrients, creating fertile soils, fixing carbon, purifying air and water, providing genetic material for crops and livestock, pollination, controlling floods and erosion, and checking pests, diseases and alien species. Ecosystems in partner countries support exports and services to the European Union as primary production (agriculture, fisheries, forestry), secondary production (textiles, pharmaceuticals) and service industries (tourism, well-being, recreation).

In addition, genetic diversity is vital to maintain the world's agriculture. As the EC's Biodiversity Action Plan for Economic and Development Cooperation (BAP-EDC) (2001) concludes: 'Although four crops account for 63% of plant-derived calorie intake worldwide, some 7,000 plants are recorded as foods; while only 14 mammal and bird species account for the bulk of the world's livestock,

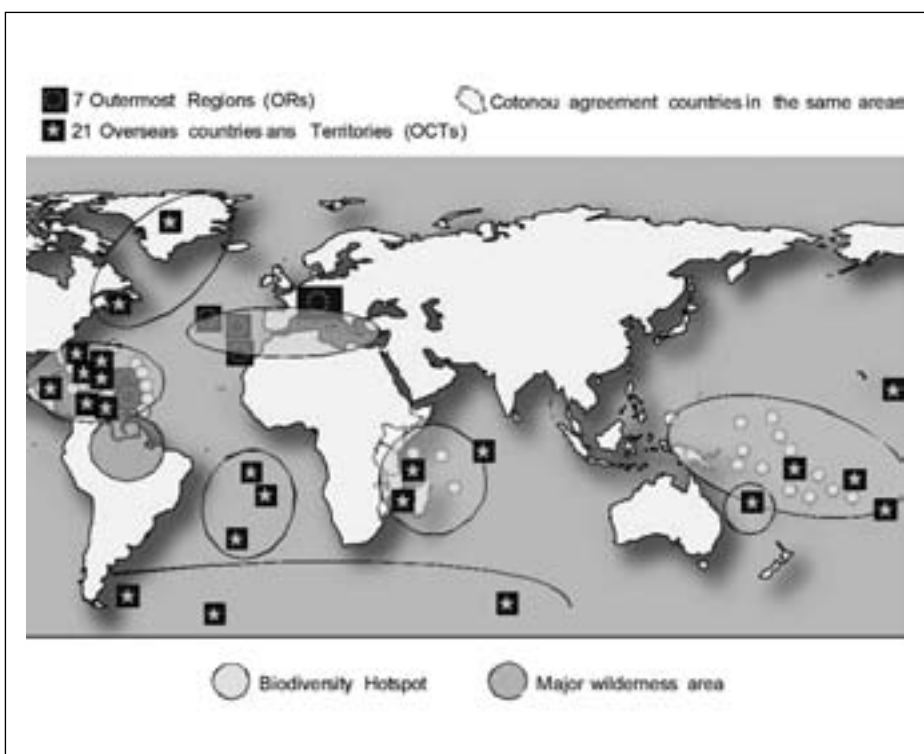


Figure 2. ORs, OCTs, ACP countries and biodiversity, Source: French IUCN Committee.

1. Greenland, New Caledonia and Dependencies, French Polynesia, French Southern and Antarctic Territories, Wallis and Futuna Islands, Mayotte, St Pierre and Miquelon, Aruba, Netherlands Antilles, Anguilla, Bermuda, Cayman Islands, Falkland Islands, South Georgia and the South Sandwich Islands, Montserrat, Pitcairn, Saint Helena, Ascension Island and Tristan de Cunha, British Antarctic Territory, British Indian Ocean Territory, Turks and Caicos Islands, British Virgin Islands.
2. Also called 'Ultra-Peripheral Regions' (UPR). Madeira and Azores (Portugal), Canaries (Spain), French Guiana, Guadeloupe, Martinique and Reunion (France).
3. They include 15% of the world's coral reefs along with rainforests the size of Portugal. According to the IUCN Red List Categories, together OCTs and ORs are home to significant populations of 90 globally threatened species of birds. More than half of these threatened birds occur nowhere else in the world. The importance of the OCTs and ORs for other groups (plants, invertebrates, reptiles and amphibians) is comparably high.
4. On the contrary, ORs are dealt with by the Directorate General for Regional Policy (DG REGIO).

over 200 species supply protein for rural and urban consumers; six species of fish account for 25% of global fish catch, but hundreds of fish species are consumed. Tens of thousands of different tree species exist, and just a handful are planted on a large scale. Reliance on a very narrow range of species for so many livelihoods means that stronger investments need to be made in maintaining genetic and species diversity'. Otherwise, such a focus will limit breeding options to meet future needs to improve yields, to resist pests and diseases, or to grow in new areas.

3. Scope of the Background Paper

This background paper covers a priori all issues that may make a fruitful contribution to the Biodiversity in European Development Cooperation (BEDC) Conference discussions about the way the European Union addresses its responsibilities with regard to biodiversity in development cooperation.

We have identified three key questions across this necessarily broad topic, from which we shall eventually make an overall diagnosis.

These questions will guide but not limit our analysis. The first one relates to sectoral approaches whereas the two others relate to the mainstreaming issue:

- How efficiently do EU-funded biodiversity projects, programmes and policies—whose primary objective is biodiversity conservation—contribute to their formal goal?
- How well do EU-funded non-biodiversity development projects, programmes and policies—which do not have primarily biodiversity-related objectives but may have an impact on them—deal with biodiversity issues?
- How do European non-development policies—which do not have development as a primary objective but may have an impact on development and biodiversity in partner countries—deal with biodiversity? Of particular relevance

are trade policies, especially when related to agriculture, fisheries, forest products and wildlife.

Geographically, all countries eligible for European development cooperation are covered by this paper. Despite benefiting from a system of close cooperation with the European Union (through the 2001 Overseas Association Decision¹), OCTs are included in the scope of the conference and of this document because they are eligible for EU development assistance and because EU environmental legislation and standards do not extend to these territories².

4. Methodology and difficulties in gathering data

The elaboration of this background paper was closely interrelated with the BEDC conference preparation process and relied mainly upon the same sources of information. It paid special attention (1) to international and European commitments regarding biodiversity and development cooperation, and (2) to a series of recent and valuable reporting endeavours and technical evaluations on this topic.

However, it quickly proved impossible to get state-by-state comparable and systematic data, since there is no common reporting framework (project categories, sectors, time frame, etc). The EU donor Atlas (Montes & Migliorisi, 2004) was a valuable resource, though its direct relevance to our subject was limited. More appropriate would have been the generalized use of the Organization for Economic Cooperation and Development / Development Assistance Committee (OECD/DAC) Rio Markers, which track all expenditures made by DAC members for each of the three Rio Conventions, including the Convention on Biological Diversity (CBD)³. However, there was little available data about the situation in recent years.

This is why collecting and dealing with quantitative information on each Member State's development cooperation would have gone way beyond the timeframe and means available for preparing this paper. However, providing somewhat scattered but significant information, and making maximum use of existing assessments, has made it possible to provide stimulating food for thought from the perspective of the BEDC Conference.

5. Structure of the BEDC background paper

This report contains four chapters.

Chapter 1 highlights the fundamental role biodiversity and ecosystem services play in the development process to effectively and sustainably reduce poverty, and examines trends.

Chapter 2 recaps the main commitments made by the European Union to protect biodiversity, especially in the development context.

Chapter 3 then focuses on the instruments and tools available at the European Commission and Member States' levels to tackle the challenge of addressing biodiversity issues in development cooperation policies and programmes.

Chapter 4 assesses these current efforts against commitments and partner countries' needs and priorities. It provides a diagnosis of the extent to which European policies, programmes and projects allow the European Commission and Member States to fulfil their international obligations and responsibilities. Each item of the diagnosis paves the way for suggestions that may serve as a basis for discussing potential recommendations during the BEDC Conference.

The objective of mainstreaming biodiversity is 'to internalize the goals of biodiversity conservation and the sustainable use of biological resources into economic sectors and development models, policies and programmes, and therefore into all human behaviour'

Petersen & Huntley, 2005

1. Council Decision of 27 November 2001 on the association of the Overseas Countries and Territories with the European Community.
 2. The seven European ORs, on the contrary, are integral parts of the EU and implement EU policies and rules—with some noticeable exceptions as we shall see. Therefore, they are not directly dealt with by the conference and its background paper. Nevertheless, since they share many developmental and environmental characteristics with OCTs despite contrasted administrative status, they shall be included on an ad hoc basis.
 3. But for example the OECD's 2005 report on development cooperation (OECD, 2005) does not use the Rio Markers. The only sectors identified in it are: social and administrative infrastructure (education, health, population, water supply and sanitation; government and civil society, other social infrastructure/services, economic infrastructure (transport and communications, energy, other); production (agriculture, industry, mining, construction, trade and tourism); multi-sector programme assistance, action related to debt; and emergency aid.



Biodiversity and ecosystem services : Foundations for sustainable development

1. Biodiversity and ecosystem services

1.1. What is biodiversity?

As defined by the Convention on Biological Diversity (CBD) and reasserted by the Millennium Ecosystem Assessment (MA) (2005), the concept of biological diversity (biodiversity in short) reflects the number, variety and variability of living organisms. It includes diversity within species (genetic diversity), between species (species richness), and among ecosystems.

The concept also covers how this diversity changes from one location to another and over time.

1.2. What are ecosystem services?

Ecosystem services are defined by the Millennium Ecosystem Assessment as the local and global benefits people obtain from ecosystems. Biodiversity plays an important role in the way ecosystems function and in the many services they provide. For ecosystem services it matters which species are abundant as well as how many species are present.

Healthy and fully-functioning ecosystems provide a wide range of goods essential to human well-being, such as foods, fuels, building materials and medicines. They also provide a variety of regulating services, such as cycling nutrients, creating fertile soils, fixing carbon, purifying air and water, providing genetic material for crops and livestock, pollination, controlling floods and erosion, and checking pests, diseases and alien species. Ecosystems support primary production (agriculture,

fisheries, forestry), secondary production (textiles, pharmaceuticals), and service industries (tourism, well-being, recreation). The costs of failing to protect biodiversity are immense—in terms of lost goods and services to these sectors of the economy. Further, restoring degraded ecosystems, or substituting artificially for these biodiversity goods and services where natural systems fail is invariably much more costly than looking after them in the first place.

For example, natural forests (see Table 1) are centres of biodiversity and important stores of carbon. Therefore, disturbing these ecosystems contributes to biodiversity loss and climate change. An estimated 1.6 billion poor people rely heavily on forests for their livelihoods (EC, 2006a), including food security (bushmeat, fruits and vegetables), health (medicinal plants), shelter (building materials), and energy (fuel wood and charcoal). Forest-based industries are an important source of employment and export revenues in a number of countries, and drive economic growth. Similarly, ineffective governance and overexploitation of marine resources threatens the nutritional status of major population groups, particularly people from the poorest African and south Asian countries for whom fish and marine products constitute an essential part of their protein intake. Coastal areas, although often densely inhabited, can provide the basis for considerable economic development through eco-tourism.

matter for poor people?

The European Union (EU) has adopted poverty alleviation as an overarching objective of its development cooperation. Because three quarters of the more than one billion people living on less than one dollar a day live in rural areas, the poor depend directly on a wide range of natural resources and ecosystem services for their well-being, and are therefore most affected by their degradation. For example, over one billion people worldwide draw their living from forest-based assets. For poor people, biodiversity loss is often equivalent to the loss of biological insurance (MA, 2005). Richer groups of people are usually less affected because of their ability to purchase substitutes or to offset local losses of ecosystem services by shifting production and harvest to other regions¹. According to the Organization for Economic Cooperation and Development (OECD)², in low-income countries, environment-based wealth accounts for around 25% of the total wealth (compared to less than 4% in OECD countries).

More precisely, biodiversity matters to poor people directly in four principal ways (Timmer & Juma, 2005), including for:

- Food security and health;
- Income generation and livelihoods;
- Reduced vulnerability to shocks;
- Cultural and spiritual values.

2. Why does biodiversity

2.1. Biodiversity, food security and

1. For example, as fish stocks have been depleted in the North Atlantic, European and other commercial capture fisheries have shifted their fishing to West African seas, but this has adversely affected coastal West Africans who rely on fish as a cheap source of protein.

2. http://www.oecd.org/document/0/0,2340,en_21571361_36099755_36099814_1_1_1_1,00.html

Table 1. Classification of forest ecosystem goods and services and the direction of possible impacts by different land use types in relation to undisturbed forests (from +++, very positive, to ---, very negative).

Goods or services provided	Role of forest ecosystems	Expected impacts of different land uses in relation to undisturbed forests		
		Forest conversion	New forests	Harvesting of timber and other products*
REGULATING SERVICES				
Maintenance of favourable climate	Reflection of solar radiation and gas regulation	---	+-	+-
Maintenance of (good) air quality	Gas regulation (absorption, storage, release, for example CO ₂)	---	+-	+-
Prevention of diseases	Biological control of vectors	---	-	+-
Flood prevention and mitigation, avalanche prevention, natural irrigation	Regulation of run-off and river discharge; mitigation of coastal impacts of tropical storms and tsunamis (mangrove forests)	---	+-	+-
Maintenance or improvement of water quality for consumptive use	Filtering and retention of freshwater	---	-	+-
Maintenance or restoration of natural productivity of soils	Retention and formation of soils, nutrient regulation, and improved soil fertility and structure	---	-	+-
Waste control and disposal, buffering and filtering pollutants	Filtering and breakdown of xenic nutrients, compounds and pollutants	---	+-	+-
Pollination of useful plants	Provide habitat for biota	---	--	-
HABITAT SERVICES				
Provide habitat for (potentially) useful plants and animals	Structure, composition and diversity of forests	---	--	-
PRODUCTION SERVICES				
Production of food, wood and non-wood goods	Conversion of solar energy into edible and other useful plants and animals	+++	++	+
Genetic material for crop improvement, healthcare, etc	Genetic material and evolution in wild plants and animals	---	-	+-
Pollination	Provide habitat for pollination agents	---	-	+-
INFORMATION SERVICES				
Scenic beauty for ecotourism and recreation	Variety of habitats for a variety of plants and animals	---	-	-
Inspiration for arts and other cultural and spiritual activities	Existence of specific features	---	-	+-
Information for science and education	Existence of habitats	---	-	+-

* Assuming application of reduced impact logging (RIL) techniques and planning of non-timber forest products harvests.

Source: Campos, Alpizar, Louman & Parrotta, 2005

health of poor people

Food security is a major issue for poor people who have limited access to land and water.

Many poor people are actually landless and so are especially dependent on wild plants and animals for their food security (see Box 2).

Declining ecosystems can have negative impacts on health, particularly on that of poor women, as they increase the burden of searching for and carrying heavy loads of water, wood or fodder. Such incidences have been reported for instance in Pakistan and China (Yunnan), where women have gynaecological problems because of a life spent carrying heavy loads (Steele, Oviedo & McCauley, 2006).

Box 2. Bushmeat, wildlife and food security for poor people

In many forest countries, bushmeat is an important source of protein. In Ghana, 75% of the population eat bushmeat regularly and wild animals constitute the main source of animal protein for rural households. In many countries, the availability of bushmeat and wildlife is declining and, according to the NGO Save the Children, this is having negative impacts on nutrition. In the Ethiopian highlands and Malawi, dietary intake has declined as large rodents and small mammals have become less available.

Source: DFID, 2002a.

2.2 Biodiversity, income generation and livelihoods of poor people

For the majority of poor people living in rural areas, dependence on agriculture is high. The agricultural labour force, most of it in the developing world, currently includes approximately 22% of the world's population and accounts for 46% of its total labour force (MA, 2005). This means that their livelihoods rely on several ecosystem services that are crucial to agriculture, and on the diversity of food crops available (see Box 3).

2.3 Biodiversity and reduced vulnerability to shocks and stresses

Poor people are often the most vulnerable to shocks and stresses associated with climatic events. These shocks can be stimulated by ecosystem degradation, while better ecosystem management can reduce the impact of such events. There is growing evidence of the role of coastal vegetation (like mangroves) and natural protection (like coral reefs) in mitigating coastal storms and cyclones. Where these ecosystems are declining, poor coastal populations often become more vulnerable. In Bangladesh, the disappearing swamp forests of the haor, which have served as a natural barrier in the past against the monsoon waves, has led to much more severe erosion. As a result, poor households have been compelled to increase spending to protect their tiny homesteads every year (Steele, Oviedo & McCauley, 2006).

2.4 Cultural values of poor people and biodiversity

For many poor people, biodiversity is inextricably linked with identity, culture and spirituality. It is therefore an integral part of their very existence.

'What is equivalent to the biodiversity here, to the things that surround us, is my life. If you took those things away, it would be like taking part of my life, and then my survival would be questionable'.

Pera, Bakalaharil tribe, Botswana'

Box 3. The importance of ecosystems, species and genetic diversity for the livelihoods of poor rural people in Mongolia, India and Vietnam

Only 1% of Mongolia is considered arable land, while about 34% of Mongolia's people are directly dependent on livestock production (most as traditional nomadic pastoralists), with another 26% indirectly so. Some 40% of the 2.7 million citizens live at or below the poverty line. These pastoralists are directly dependent upon the fragile natural resource base.

In some climatically vulnerable parts of India, poor households prefer traditional varieties or so called land races of rice and other crops due to their greater resilience to climate fluctuations and other actors. For example, in Jeypore, Cyclonic conditions, long spells of drought and very high temperatures within a crop season resulted in varying magnitudes of yield stress. Land races of rice were

genetically resilient and withstood the harsh weather while high yielding varieties in nearby areas suffered irretrievably. In Vietnam, medicinal plants are particularly important to ethnic minorities, particularly women in the highlands from which 70% of medicinal plants in the Vietnamese market originate. Traders along the entire market chain are often women. Collectors do the initial processing and then sell to middle-women, who in turn sell to female merchants in Hanoi or China. Herbal medicine is important in Vietnam where the largely rural population has limited access to modern medicine—demand for herbal medicines has further increased with the reduction of government subsidies for modern health care. However, there is a risk this may lead to an overexploitation of medicinal plants.

Source: Steele, Oviedo & McCauley, 2006.

Box 4. What do we know about conservation–poverty linkages?

Accepted and contested relationships

Hypothesis 1: There is a geographical overlap between biodiversity and poverty

Conclusion: At the global level there is a geographical overlap between biodiversity and poor people but it becomes less pronounced the more ‘the South’ is disaggregated. At the national and sub-national levels the two occasionally coincide, but governance factors are generally more significant than geography in determining where biodiversity prevails, where poor people live and how the two interact.

Hypothesis 2: Poor people depend on biodiversity

Conclusion: All of humanity is dependent on biodiversity for the goods and services it provides, but the poor appear to be particularly dependent (although this is hard to quantify). In a large part this dependency is related to the role that biodiversity plays in poor people’s farming systems and the degree of resilience and adaptability to environmental change that poor people have developed.

Hypothesis 3: Poor people are responsible for biodiversity loss

Conclusion: Poverty may contribute to biodiversity loss, but it is only one of a number of factors. Whether poor people conserve or overexploit biodiversity is dependent on specific circumstances and contexts—and particularly on the influence of external governance factors—and not a question to which a generalized answer can be given.

Hypothesis 4: Conservation activities hurt poor people

Conclusion: The impacts of conservation activities are not evenly spread. Some forms of conservation activity may have negative consequences for poor people. Others may benefit poor people or even be initiated by poor people. Governance factors appear to be critical once again.

Hypothesis 5: Poor people can undermine conservation

Conclusion: Unless different priorities for biodiversity and incentives for conservation are recognised, local people are often bound to be perceived as ‘undermining’ conservation, and indeed may proceed to do so. Local people need to be engaged to conserve aspects of biodiversity that are critically important to their livelihoods, if broader-based, long-term public support for protection of globally threatened biodiversity is also to be achieved.

Hypothesis 6: Biodiversity is irrelevant to poverty reduction

Conclusion: A lack of quantitative data—particularly at national levels—makes it difficult to challenge the assumption that biodiversity is irrelevant for poverty reduction. In general, poverty reduction policies tend to rely on agriculture—both at the household level through supporting smallholder farmers for their subsistence and income-earning potentials, and at the national level through agriculture’s potential to drive economic growth. Making a better case for biodiversity in poverty reduction therefore means clearer articulation of the links between biodiversity and agriculture and between biodiversity and ecosystem services (those that support agriculture and those that generate other benefits).

Hypothesis 7: Poverty reduction activities can cause biodiversity loss

Conclusion: Historical patterns of rural development—based on primary commodity production—have not performed well for biodiversity—nor in many cases have they performed well for poor people either. Innovative approaches to poverty reduction that are founded on local knowledge, institutions and processes are critical—both to achieving the Millennium Development Goals (MDGs) and tackling biodiversity loss.

Source: Roe & Elliott, 2005

3. A complex relationship between two complex phenomena: the biodiversity–poverty nexus

3.1. An unresolved debate at the general level

We have highlighted that biodiversity matters to the poor. But the linkages between biodiversity and poverty are much more complex and dynamic. The current intense debate on this nexus demonstrates that there are no simple causal relationships between biodiversity and poverty. Instead, conservationists and development practitioners and policy makers often have different opinions on how—and whether—to link biodiversity conservation with poverty reduction. The growing volume of literature on the subject highlights how complex and context-specific poverty-conservation linkages are, and how subjective their interpretation is (Roe & Elliott, 2005).

Despite question marks, uncertainties and debates, Fisher et al. (2005) highlight three reasons for which it is essential to make the effort to link poverty reduction with conservation:

- A focus on the needs of the poor is ethically unavoidable, especially when conservation activities risk negatively affecting poor people by transferring the real costs of conserving global and national public goods to the local level.
- Conservation, as in the case of ecosystem restoration, ought to contribute actively to poverty reduction more broadly where it can, simply because it can.
- While it is unrealistic to assume that linking conservation and development will always (or even usually) maximize both social and conservation outcomes, it will often lead to better conservation outcomes than could have been achieved otherwise.

Box 5. Pro-poor protected areas in India

India has like many countries, faced challenges of how to reconcile local livelihoods with protection for protected areas. The approach adopted is known in India as eco-development and since the late 1990s many protected areas have had eco-development committees (EDC), often supported by Global Environment Facility (GEF) financing. A confederation of these committees was created in 2002. While these EDCs have a mixed track record, there are some definite successes.

One such success was the Periyar Tiger Reserve in Kerala, where the influx of 400,000 tourists a year has been able to generate significant incomes to provide for livelihoods and other related benefits for the neighbouring villagers. A shop has been set up, villagers work as guides and forest watchers. Interestingly the overall incomes of residents from eco-development is still below what they used to earn from smuggling and the other illegal activities they used to engage in prior to this. Yet the

standard of living is higher among them because they are no longer under the threat of being pursued by the police, or under pressure from middlemen and money lenders. The availability of more dignified livelihood opportunities has reduced criminal activities and prostitution.

Source: Kothari & Pathak, 2004

In this context, attempts to find common ground often result in platitudes that fail to confront real problems faced by Overseas Development Assistance (ODA) projects, programmes and policies (Brockington, Igoe & Schmidt-Soltau, 2006). This is why efforts to address real issues—rather than pretending they do not exist—are so badly needed. The Poverty–Environment Partnership (PEP) (see Annex 4) and the International Institute for Environment and Development's (IIED) Poverty and Conservation Learning Group are good examples of this. The latter for instance provides useful insights on a number of key hypotheses (see Box 4). All of the seven hypotheses discussed would deserve a whole section of this paper. However, here we shall only briefly discuss two questions that we think are particularly critical in the European development cooperation context:

- Is biodiversity conservation a route to poverty alleviation? And/or
- Is poverty alleviation a route to better biodiversity management?

Some have argued that biodiversity conservation is incompatible with lifting poor people out of poverty; others that the most effective intervention for biodiversity conservation is poverty reduction. Such questions are quite sensitive and may have very concrete consequences for the way development cooperation policies and programmes are designed. We shall mainly introduce the debate here and underline simplifications that should be avoided—not necessarily answer these questions, which remain partly open.

3.2. Is biodiversity conservation a route to poverty alleviation?

Conserving biodiversity is not always favourable to the poor. Many examples have been documented worldwide where conservation activities have negatively affected poor people living nearby (Brockington, 2003; McLean & Straede, 2003). This seems to be especially true of the establishment and management of protected areas, and of related donor-funded projects. However, that biodiversity conservation can at least contribute to poverty alleviation is supported by a broad consensus—many even argue that the potential of biodiversity conservation to contribute to poverty reduction is still largely unrecognised by developing country governments and international development agencies (DFID, 2002a; Koziell & McNeill, 2002). Much depends on the how: how conservation projects are designed and carried out, how poor and marginalized people are consulted, involved in and associated with the conservation objectives and activities, how poverty alleviation is mainstreamed in biodiversity projects and policies, etc.

The risk of further marginalizing and impoverishing marginalized and poor people is clearly not specific to conservation. It is part of the vicious circles deeply embedded in most societies that tend to make poor people poorer and rich people richer. The development of any economic activity—including conservation but also forest exploitation, handicraft, trade, tourism, infrastructure, etc.—has a tendency to reinforce these circles

unless appropriate attention is paid to the issue. To take this one step further, in a given country, with funding from a given donor, conservation activities are usually just as democratic, participatory and pro-poor as the rest of a government and donor's policy (Billé, 2006). When the political context does not take into account the needs and desires of marginalized groups of stakeholders, especially the poorest, when their access to natural resources and their right to participate in the decisions that directly affect their lives are denied, projects and policies whose primary objective is biodiversity conservation cannot be expected to be transparent and equitable. Good governance at the national and local levels is obviously necessary for biodiversity conservation to bring expected benefits.

That said, there are many examples where biodiversity conservation has benefited poor people in developing countries.

More precisely, this happens in two main ways, at the local and national levels:

- A route out of poverty for poor people (Box 5): biodiversity can, particularly in areas with few other economic opportunities, provide a way for poor households to generate a surplus and eventually invest in other economic activities and escape poverty.

In many ways linking conservation with poverty reduction is more of an art than a science.

Fisher et al., 2005

Box 6. Importance of fisheries for the poorest countries in Africa

In 2001, seafood exports from Africa to the European Union were worth US\$1.75 billion and were the most important product among agricultural exports. For African least developed countries, the seafood trade was worth US\$570 million, and again this was the largest agricultural export product. Fisheries provide revenues at the national level, particularly in many African countries, often through fishery-access agreements with foreign fleets. Between 1993 and 1999, fishery access agreements provided 30% of the government revenue in Guinea Bissau, 15% in Mauritania, and 13% in Sao Tome. At the local level, in some areas, fishery taxes provide a significant source of local revenue.

Source: Steele, 2004.

- Route out of poverty for poor countries (Box 6): at a macro-level, biodiversity and ecosystem services can, under certain conditions, generate growth at an economy-wide level that in turn benefits poor people. Natural resources often provide a key export, foreign exchange earner and source of government revenues. This can be illustrated by the importance of fisheries to least developed countries in Africa: fish are their most important agricultural export, more important than any crops.

Both ways demand that biodiversity not be exploited beyond sustainable levels, and that the growth generated be reinvested to shift away from biodiversity-dependence.

Achieving the goal of liberating half of the world's poor from their poverty by 2015 will either mark the true beginning of sustainability or the end of biodiversity at the hands of the best-intentioned policies
Sanderson & Redford, 2003

3.3. Is poverty alleviation a route to better biodiversity management?

The current international focus on poverty alleviation makes this question crucial. If the answer is yes, development agencies and recipient countries could make the choice to abandon conservation activities so as to concentrate their entire efforts on poverty alleviation, whatever its short-term ecological consequences.

This hypothesis is supported by the well-known Environmental Kuznets Curve, which suggests that environmental quality declines as income rises until income reaches a certain level, at which point environmental quality improves. However, this curve is strongly disputed, and even for its advocates the extent to which it applies to biodiversity is questionable; once a species is lost, it is gone forever.

A majority of analysts actually seem to believe that poverty alleviation will not in itself achieve conservation goals. For example, experience from Africa and Asia shows that as wealth increases, so too does the demand for wildlife (Robinson & Bennett, 2002). More pertinent questions may therefore be: can reducing poverty actually contribute to halting biodiversity loss? If yes, how?

Swanson, among others, highlights the apparent incompatibility between biodiversity and development: 'states with high material wealth have low biodiversity wealth and *vice versa*' (in Koziell & Saunders, 2001). In the same perspective, the MA scenarios suggest that 'future development paths that show relatively good progress toward meeting the poverty, hunger reduction, and health targets also show relatively high rates of habitat loss and associated loss of species over 50 years¹. This does not imply that biodiversity loss is, in and of itself, good for poverty reduction. Instead, it indicates that many economic development activities aimed at income generation are likely to have negative impacts on biodiversity unless the values of biodiversity and related ecosystem services are factored in'.

Many commentators are concerned with the impact that current models of economic development—in the name of poverty reduction—have on biodiversity.
Roe and Elliott, 2005

Although this does not mean that poverty reduction itself is not a laudable objective, it implies that the development cooperation approaches and the development paths that have been followed to date, both in industrialized and developing countries, are at best not the most effective, and at worst clearly inappropriate. If poverty can be a root cause of biodiversity loss, this is just as true of wealth and economic development: 'deforestation, for example, is partly caused by local demand for agricultural land or construction materials, but is even more fundamentally driven by the industrialized world's demand for timber and the growing international trade in forest products' (UN Millennium Project, 2005). Do poor people degrade their environment because they are poor? Do increasing incomes affect the way in which poor people exploit natural resources? IIED's Poverty and Conservation Learning Group came to the conclusion that 'issues of governance, security of land tenure and access to resources are likely to have a significantly greater impact on the way in which people over-exploit now or conserve for the future. (...) Poverty is only one factor driving biodiversity loss. Reducing poverty will not necessarily, therefore, lead to biodiversity conservation unless the other drivers are also addressed' (Roe and Elliott, 2005).

Actually, poverty alleviation may yield better biodiversity conservation only if tied to explicit conservation objectives, strategies, policies and actions, in an appropriate governance context (World Resources Institute, 2005). To some extent this development path, which includes mainstreaming biodiversity in development projects (BDP) and policies but is not limited to it, is still to be tested.

1. From a more general perspective, it is striking that the ecological footprint of countries is almost directly proportional to their development level—with very limited variations and exceptions (see WWF, 2005a).

3.4. An intricate problem with no 'silver bullet'

The aim of this short discussion is mainly to acknowledge that the linkages between poverty and conservation are dynamic and context specific, reflecting geographical, social and political issues among the groups involved (Kepe, Saruchera & Whande, 2004). They are so complex that they rarely authorize simple cause-and-effect analyses.

Synergies and positive externalities between sustainably managing biodiversity and alleviating poverty do exist. They are sometimes obvious, but more often win-win solutions to poverty and conservation dilemmas are elusive, and trade-offs tend to be the more realistic outcome. Creative approaches are needed to remove barriers to such synergies, and connections must be made rather than simply identified. Fortunately, past failures do not necessarily mean future efforts will fail too.

Giving shape to such trade-offs requires respecting the strengths and weaknesses of both conservation and poverty alleviation efforts. This means planning long-term, integrated initiatives involving a wide range of stakeholders: Unfortunately, there is no 'silver bullet' (Robinson & Bennett, 2002) for the twin goals of conserving biodiversity and preventing the people whose lives now depend on biodiversity from being driven further against the wall.

Mainstreaming may involve difficult choices and will require well-informed decisions on:

- *Trade-offs between the interests of biodiversity conservation and conventional forms of economic production, in both the short and long term*
- *Trade-offs between those who gain the benefit and those who bear the cost*

Petersen & Huntley, 2005

4. An accelerated trend to biodiversity loss and ecosystem degradation

Previous sections have demonstrated the importance of biodiversity for poor people and poverty reduction. However all recent assessments (see e.g. Baillie, Hilton-Taylor & Stuart, 2004; and IUCN's 2006 Red List) agree that globally biodiversity is under severe stress. Not only are trends to degradation not reversed yet, but the pace of degradation is still increasing.

4.1. A gloomy picture of past and present trends

In an unparalleled effort to compile comprehensive and objective information on biodiversity and ecosystems, the Millennium Ecosystem Assessment issued a series of reports in 2005, including a 'Biodiversity Synthesis' (MA, 2005) which gives a rather gloomy though unquestionable picture of the world's situation (see Box 7). This is valid both for developed and developing countries: although the most rapid changes in ecosystems are now taking place in developing countries, industrial countries historically experienced comparable changes.

All parameters considered—including rates of wild and domesticated species' extinction, habitat conversion, ecosystem degradation, etc.—show an accelerated reduction in diversity: 'Across a range of taxonomic groups, the population size or range (or both) of the majority of species is declining. Studies of amphibians globally, African mammals, birds in agricultural lands, British butterflies, Caribbean and Indo-Pacific corals, and commonly harvested fish species show declines in populations of the majority of species. Exceptions include species that have been protected in reserves, that have had their particular threats (such as overexploitation) eliminated, and that tend to thrive in landscapes that have been modified by human activity. Marine and freshwater ecosystems are relatively less studied than terrestrial systems, so overall biodiversity is poorly understood; for those species

that are well studied, biodiversity loss has occurred through population extirpation and constricted distributions'.

Ironically, many cases where degradation trends are slowing down or being reversed seem to concern ecosystems that have been so degraded already that further conversion or destruction is not possible. If the net rate of conversion of some ecosystems has begun to slow, it is often because little habitat remains for further conversion. Opportunities for further expansion of cultivation are diminishing in many regions of the world as the finite proportion of land suitable for intensive agriculture continues to decline. Therefore, the needs of an expanding global population will have to be met through reduced per capita consumption and/or an increase in output per unit of land—both of which carry major problems from the perspective of human well-being and ecosystem health. In other words, business as usual for current agriculture production methodologies and the global inequity in the use of natural resources are not sustainable options.

Agro-biodiversity, or diversity among domesticated species, has declined tremendously as well. Starting in the 1960s, the Green Revolution brought about a fundamental shift in the pattern of intra-species diversity in farmers' fields and farming systems. Agricultural systems have been intensified, which has been coupled with specialization by plant breeders and the harmonizing effects of globalization. The resulting reduction in the genetic diversity of domesticated plants and animals indubitably reduces the resilience and adaptability of agricultural systems.

4.2. Worrying projections for the short and longer term

As reported by the Millennium Ecosystem Assessment (2005), and based on IUCN's criteria for threats of extinction, between 10% and 50% of well-studied higher taxonomic groups (mammals, birds, amphibians, conifers, and cycads) are currently threatened with extinction.

For example, 32% of amphibians are threatened with extinction, but relevant information is still limited so that this may be an underestimate. Higher levels of threat (52%) have been found in the cycads, a group of evergreen palm-like plants. Aquatic organisms (including both marine and freshwater) have not been tracked to the same degree as terrestrial ones, masking what may be similarly alarming threats of extinction. With extinction comes more homogeneity in the distribution of species on Earth: the differences between the set of species at one location and the set of species at another location are, on average, diminishing. Two factors are responsible for this trend. First, species unique to particular regions are experiencing higher rates of extinction. Second, high rates of introductions of species into new ranges are accelerating in pace with growing trade and faster transportation. MA scenarios indicate that current trends for biodiversity loss and ecosystem degradation are likely to remain or even worsen over the next 50 years, unless appropriate action is taken with unprecedented intensity (see Box 8).

4.3. Benefits from ecosystem degradation come with hidden costs

The MA recognises that 'substantial benefits have been gained from many of the actions that have caused the homogenization or loss of biodiversity. For example, agriculture, fisheries, and forestry—three activities that have placed significant pressures on biodiversity—have often been the mainstay of national development

strategies, providing revenues that have enabled investments in industrialization and economic growth. The agricultural labour force currently contains approximately 22% of the world's population and accounts for 46% of its total labour force. In industrial countries, exploitation of natural resources continues to be important for livelihoods and economies in rural regions. Similarly, many species introductions, which contribute to the homogenization of global biodiversity, have been intentional because of the benefits the species provide. In other cases, humans have eradicated some harmful components of biodiversity, such as particular disease organisms or pests' (MA, 2005).

However, many of these benefits have been transitory or have carried hidden costs that now need to be paid. The MA underlines that modifications of ecosystems to enhance one service generally have come at a cost to other services due to trade-offs (see Table 1 for the case of forests). Only four of the 24 ecosystem services examined in the MA have been enhanced: crops, livestock, aquaculture, and carbon sequestration. In contrast, 15 other services have been degraded, including capture fisheries, timber production, water supply, waste treatment and detoxification, water purification, natural hazard protection, regulation of air quality, regulation of regional and local climate, regulation of erosion, and many cultural benefits (spiritual, aesthetic, recreational, and others). Furthermore, 'the impacts of these trade-offs among ecosystem services affect different people in different ways.

For example, an aquaculture farmer may gain material welfare from management practices that increase soil salinization and thereby reduce rice yields and threaten food security for nearby subsistence farmers'.

Addressing these trade-offs and achieving poverty alleviation without further depleting biodiversity resources looks like a challenge. But it is not an impossible one.

Beneficial changes in ecosystem services have not been equitably distributed among people, and many of the costs of changes in biodiversity have historically not been factored into decision-making. Even where the net economic benefits of changes leading to the loss of biodiversity (such as ecosystem simplification) have been positive, many people have often been harmed by such changes.

MA, 2005

Box 7. Biodiversity loss and ecosystem degradation

- More land was converted to cropland in the 30 years after 1950 than in the 150 years between 1700 and 1850.
- Some 35% of mangroves have been lost in the last two decades in countries where adequate data are available (encompassing about half of the total mangrove area).
- 20% of known coral reefs have been destroyed and another 20% degraded in the last several decades.
- Over half of the 14 biomes that the MA assessed have experienced a 20%–50% conversion to human use, with temperate and Mediterranean forests and temperate grasslands being the most affected (approximately three-quarters of these biomes' native habitat has been replaced by cultivated lands).
- In the last 50 years, rates of conversion have been highest in tropical and sub-tropical dry forests.
- Over the past few hundred years, humans have increased species' extinction rates by as much as 1,000 times the background rates that were typical over Earth's history.
- There are approximately 100 well-documented extinctions of birds, mammals, and amphibians over the last 100 years—a rate 100 times higher than background rates.
- If less well documented but highly probable extinctions are included, the rate is more than 1,000 times higher than background rates.

Source: Millennium Ecosystem Assessment, 2005.

Box 8. MA scenarios for the 21st century

All scenarios explored in the Millennium Ecosystem Assessment project showed continuing rapid conversion of ecosystems in the first half of the 21st century. Roughly 10%–20% (low to medium certainty) of current grassland and forestland is projected to be converted to other uses between now and 2050, first due to the expansion of agriculture and,

second, due to the expansion of cities and infrastructure. The habitat losses projected in the MA scenarios will lead to global extinctions as species' numbers approach equilibrium with the remnant habitat. The equilibrium number of plant species is projected to be reduced by roughly 10%–15% as a result of habitat loss over the period 1970–2050 in the MA scenarios

(low certainty), but this projection is likely to be an underestimate as it does not consider reductions due to stresses other than habitat loss, such as climate change and pollution. Similarly, modification of river water flows will drive losses of fish species.

Source:
Millennium Ecosystem Assessment, 2005.

5. Conclusion: achieving the twin goals of alleviating poverty and conserving biodiversity

Failure to protect biodiversity and ecosystems will prevent the achievement of MDG 7, that of 'ensuring environmental sustainability'—a goal already severely off-track according to the Millennium Task Force. In turn, not achieving MDG 7 will seriously undermine global efforts to meet all the other MDGs by 2015. Many costs associated with biodiversity loss may appear slowly or only at some distance from where biodiversity was lost. Without environmental sustainability, gains will be transitory and inequitable (UN Millennium Project, 2005). Economic growth and development are intricately linked, in the medium and long term, to the sound management of environmental resources.

Making biodiversity work for poverty alleviation and vice versa is complex and may only be achieved on a case-by-case basis.

However, a number of clear messages emerge from this first chapter:

- The poor, but also the rest of humanity, are heavily dependent on biodiversity for their well-being, either directly or indirectly.
- Biodiversity provides a route out of poverty for poor people and poor countries with few other economic opportunities. However, biodiversity conservation in itself will not contribute to alleviating poverty unless it is accompanied by appropriate and specific pro-poor strategies.
- Poverty alleviation may, in certain

cases, help relieve pressure on biodiversity. However, poverty alleviation in itself will not contribute to biodiversity conservation unless it is accompanied by appropriate and specific strategies.

- Improving governance is key to enhancing the twin outcomes of conservation and poverty reduction. This requires political and institutional changes at all levels.
- Biodiversity is under severe and growing stress as indicated by the Millennium Ecosystem Assessment, which provided a common reference and several key messages that should be regarded as historical milestones.
- Achieving, by 2010, a significant reduction in the rate of biodiversity loss at all levels will require unprecedented additional efforts.

Given Europe's specific responsibilities towards countries and territories of which it is the main economic partner and ODA provider, in which a majority of the world's poor live, and where much of the planet's remaining biodiversity is found, the way the European Union deals with biodiversity in its development cooperation is of extreme importance. This is all the more true as it is in Europe's self-interest to support the sustainable management of biodiversity in countries that are both important economic and ecological partners.

The European Commission (EC) as well as Member States have made a number of commitments in that regard, which we shall now explore in detail.



From global concerns to European action: Commitments from the European Union to take on its responsibilities

1. Global commitments

The European Union (EU) as well as Member States, are parties to numerous Multilateral Environmental Agreements (MEAs), among which several address biodiversity in development cooperation issues. Three of them can be considered as the universal overarching framework for this topic.

1.1. Millennium Development Goals (MDGs)

The Millennium Development Goals (MDGs) are eight goals to be achieved by 2015 that respond to the world's main development challenges. The MDGs are drawn from the actions and targets contained in the Millennium Declaration that was adopted by 189 nations and signed by 147 heads of state and governments during the UN Millennium Summit in September 2000. The eight MDGs break down into 18

quantifiable targets that are measured by 48 indicators (see Annex 5). Many of the targets of the MDGs were first set out by international conferences and summits held in the 1990s. They were later compiled and became known as the International Development Goals.

The MDGs commit the international community to an expanded vision of development, one that vigorously promotes human development as the key to sustaining social and economic progress in all countries, and recognises the importance of creating a global partnership for development.

The goals have been commonly accepted as a framework for measuring development progress.

The seventh MDG focuses specifically upon 'ensuring environmental sustainability'. It establishes three targets regarding environmental sustainability and seven indicators (Table 2). While MDG 7 is the only goal explicitly

targeting the environment, ecosystem services and biodiversity nonetheless underlie the achievement of all the Goals, including the reduction of poverty, hunger, child mortality, and disease (see Table 3).

1.2. World Summit on Sustainable Development Plan of Implementation

Equally crucial is the Johannesburg Plan of Implementation, adopted at the World Summit on Sustainable Development in 2002. All signatories commit to:

- Encourage and promote the development of a 10-year framework of programmes to accelerate the shift towards sustainable consumption and production.

Table 2. Targets and indicators for MDG 7

Targets	Indicators
Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources	<ul style="list-style-type: none"> • Forested land as percentage of land area • Ratio of area protected to maintain biological diversity to surface area • Energy supply (apparent consumption; Kg oil equivalent) per US\$1,000 (PPP) GDP • Carbon dioxide emissions (per capita) and consumption of ozone-depleting CFCs (ODP tons)
Reduce by half the proportion of people without sustainable access to safe drinking water	<ul style="list-style-type: none"> • Proportion of the population with sustainable access to and improved water source • Proportion of the population with access to improved sanitation
Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020	<ul style="list-style-type: none"> • Slum population as percentage of urban population (secure tenure index)

While MDG 7 is the only goal explicitly targeting the environment, ecosystem services and biodiversity nonetheless underlie the achievement of all the Goals, including the reduction of poverty, hunger, child mortality, and disease (see Table 3).

We will have time to reach the Millennium Development Goals—worldwide and in most, or even all, individual countries—but only if we break with business as usual. We cannot win overnight. Success will require sustained action across the entire decade between now and the deadline. It takes time to train the teachers, nurses and engineers; to build the roads, schools and hospitals; to grow the small and large businesses able to create the jobs and income needed. So we must start now. And we must more than double global development assistance over the next few years. Nothing less will help to achieve the Goals.

*Kofi A. Annan,
United Nations Secretary General*

Table 3. Some key links between MDGs and the environment

Millennium Development Goals	Examples of links to the environment
1/ Eradicate extreme poverty and hunger	<ul style="list-style-type: none"> • Livelihood strategies and food security of the poor often depend directly on functioning ecosystems and the diversity of the goods and ecological services they provide. • Insecure rights of the poor to environmental resources, as well as inadequate access to environmental information, markets, and decision making, limit their capacity to protect the environment and improve their livelihoods and well-being.
2/ Achieve universal primary education	<ul style="list-style-type: none"> • Time that children, especially girls, spend collecting water and fuel wood can reduce study time. • Additional income generated from sustainable management of natural resources is available to be spent on education.
3/ Promote gender equality and empower women	<ul style="list-style-type: none"> • Time that women spend collecting water and fuel wood reduces their opportunity for income-generating activities. • Poor rural women often depend heavily on natural resources, but inequity and lack of secure rights limit their access to decision making and resources.
4/ Reduce child mortality	<ul style="list-style-type: none"> • Improved management of local watersheds can reduce child mortality related to water-borne disease.
5/ Improve maternal health	<ul style="list-style-type: none"> • Indoor air pollution and carrying heavy loads during late stages of pregnancy put women's health at risk before childbirth.
6/ Combat HIV/AIDS, malaria and other diseases	<ul style="list-style-type: none"> • Environmental risk factors account for up to one-fifth of the total burden of disease in developing countries. • Preventive environmental health measures are as important, and at times more cost-effective, than health treatment.
8/ Develop a global partnership for development	<ul style="list-style-type: none"> • The complex interaction between human well-being, ecosystem services and biodiversity requires an integrated approach including partnerships between civil society, the private sector and government.

Source: Mainka, McNeely & Jackson, 2005.

- Adopt new measures to consolidate institutional arrangements for sustainable development at international, regional and national levels.
- Explore the possibility of a more coherent institutional framework to allow more efficient environmental governance within the UN system.
- Achieve, by 2010, a significant reduction in the current rate of loss of biological diversity¹.
- Encourage the application by 2010 of the ecosystem approach for the sustainable development of the oceans. Maintain or restore depleted fish stocks to levels that can produce the maximum sustainable yield by 2015. Eliminate subsidies that contribute to illegal, unreported and unregulated fishing and to over-capacity.

Box 9. The Convention on Biological Diversity²

In 1992, the largest-ever meeting of world leaders took place at the United Nations Conference on Environment and Development in Rio de Janeiro, Brazil. An historic set of agreements was signed during this 'Earth Summit', including two binding agreements, the Convention on Climate Change, which targets industrial and other emissions of greenhouse gases such as carbon dioxide, and the Convention on Biological Diversity the first global agreement on the conservation and sustainable use of biological diversity. The biodiversity treaty gained rapid and widespread acceptance. Over 150 governments signed the document at the Rio conference, and more than 187 countries have ratified it since.

The Convention has three main goals:

- Conservation of biodiversity;
- Sustainable use of the components of biodiversity;
- Sharing the benefits arising from the commercial and other utilization of genetic resources in a fair and equitable way.

The Convention stands as a landmark in international law. It recognises for the first time that the conservation of

biological diversity is 'a common concern of humankind' and is an integral part of the development process. The agreement covers all ecosystems, species, and genetic resources. It links traditional conservation efforts with the economic goal of using biological resources sustainably. It sets principles for the fair and equitable sharing of the benefits arising from the use of genetic resources, notably those destined for commercial use. It also covers the rapidly expanding field of biotechnology, addressing technology development and transfer, benefit-sharing and biosafety. Importantly, the Convention is legally binding: countries that join it are obliged to implement its provisions. The Convention reminds decision makers that natural resources are not infinite and sets out a new philosophy for the 21st century, that of sustainable use. While past conservation efforts were aimed at protecting particular species and habitats, the Convention recognises that ecosystems, species and genes must be used for the benefit of humans. However, this should be done in a way and at a rate that does not lead to the long-term decline of biological diversity.

The Convention also offers decision

makers guidance based on the precautionary principle that where there is a threat of significant reduction or loss of biological diversity, lack of full scientific certainty should not be used as a reason for postponing measures to avoid or minimize such a threat. The Convention acknowledges that substantial investments are required to conserve biological diversity. It argues, however, that conservation will bring us significant environmental, economic and social benefits in return.

Some of the many issues dealt with under the Convention include:

- Measures and incentives for the conservation and sustainable use of biological diversity.
- Access and benefit sharing of genetic resources and associated issues on intellectual property rights.
- Access to and transfer of technology, including biotechnology.
- Technical and scientific cooperation.
- Impact assessment.
- Education and public awareness.
- Provision of financial resources.
- National reporting on efforts to implement treaty commitments.
- Rights of indigenous peoples and local communities.

1. This objective was re-emphasised at the 2005 World Summit (UN, 2005).
2. <http://www.biodiv.org/doc/publications/guide.asp?id=action>

1.3. Multilateral Environmental Agreements

Thirdly, and still at the global level, a number of MEAs have been signed and/or ratified by the European Union, including:

- The three Rio conventions signed at the Earth Summit in 1992, namely the United Nations Convention to Combat Desertification (UNCCD) (1992), the United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol (1997), and more importantly for our subject, the Convention on Biological Diversity (CBD) (see Box 9) and its Cartagena Biosafety Protocol (2000).
- The Ramsar Convention on Wetlands of International Importance especially as Waterfowl Habitat, signed in 1971, is an intergovernmental treaty which provides the framework for national action and international cooperation for the conservation and wise use of wetlands and their resources. There are presently 152 Contracting Parties to the Convention, with 1,609 wetland sites, totalling 145.8 million hectares, designated for inclusion in the Ramsar List of Wetlands of International Importance.
- The Convention Concerning the Protection of the World Cultural and Natural Heritage (1972) links together in a single document the concepts of

nature conservation and the preservation of cultural properties. The Convention recognises the way in which people interact with nature, and the fundamental need to preserve the balance between the two. The Convention sets out the duties of States Parties in identifying potential sites and their role in protecting and preserving them. The States Parties are encouraged to integrate the protection of the cultural and natural heritage into regional planning programmes, set up staff and services at their sites, undertake scientific and technical conservation research and adopt measures which give this heritage a function in the day-to-day life of the community.

- The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES, 1973/1975) is an international agreement between governments. Its aim is to ensure that international trade in specimens of wild animals and plants does not threaten their survival. It accords varying degrees of protection to more than 30,000 species of animals and plants. It provides a framework to be respected by each of its 169 Parties, which have to adopt their own domestic legislation to ensure that CITES is implemented at the national level.

- The Convention on the Conservation of Migratory Species of Wild Animals (also known as CMS or Bonn Convention, 1979) aims to conserve terrestrial, marine and avian migratory species throughout their range. It is an intergovernmental treaty, concluded under the aegis of the United Nations Environment Programme (UNEP), concerned with the conservation of wildlife and habitats on a global scale. Since the Convention's entry into force, its membership has grown steadily to include 97 today. CMS acts as a framework convention.

The agreements may range from legally binding treaties (called Agreements) to less formal instruments, such as Memoranda of Understanding, and can be adapted to the requirements of particular regions.

Box 10. Actions to help the European Community address biodiversity issues as part of economic and development cooperation

1. To mainstream biodiversity objectives into Community development and economic cooperation strategies and policy dialogue with developing countries and economies in transition. Biodiversity objectives should be integrated into development projects across different sectors of the economy of recipient countries, ensuring greater coherence between Community development cooperation policy and other Community policies, such as trade, agriculture and fisheries

2. To support sustainable use of natural resources, particularly in relation to forests, grasslands and marine/coastal ecosystems

3. To strengthen the capacity of relevant agencies involved in conservation and sustainable use of biodiversity

4. To further integrate Environmental Impact Assessment (EIA) practices in development cooperation

5. To coordinate the implementation of this strategy and the action plans emerging from it, with third country strategies, ensuring coherence between Community support to third countries and the objective of these countries' own biodiversity strategies

6. To ensure complementarity and coordination of policies and approaches in Community and Member States' aid programmes, as well as other donors and international institutions, particularly the Global Environment Facility (GEF) for coherent implementation of the Convention on Biological Diversity

7. To provide sufficient funds for biodiversity in bilateral aid as well as in international mechanisms

Source: EC, 2001.

2. European commitments complementing MEAs

Given its special responsibilities and interests, the European Union has made a number of extra commitments, often more ambitious than these MEAs.

2.1. A brief retrospective of European commitments to biodiversity in development cooperation

In 1998, the European Biodiversity Strategy established a set of objectives for biodiversity as well as four action plans, including the Biodiversity Action Plan for Economic and Development Cooperation (BAP-EDC) (EC, 2001). This highlights seven actions to be taken by the European Commission (EC) to address biodiversity as part of its economic and development cooperation (see Box 10).

In 2001, on the occasion of the Gothenburg Council, the European Union and Member States committed to halt the loss of biological diversity by 2010. Although a worldwide objective, it necessarily has more strength on the EU territory, and therefore in Overseas Countries and Territories (OCTs) and Outermost Regions (ORs).

During the World Summit on Sustainable Development held in Johannesburg in 2002, by way of a

complement to the Plan of Implementation, the European Union made a strong political commitment to improve forest governance and eliminate illegal logging through the Forest Law Enforcement, Governance and Trade (FLEGT) action plan.

The Message from Malahide¹ (2004, see Annex 6) on 'Halting the decline of biodiversity—Priority objectives and targets for 2010', was another crucial landmark. Objectives 6 on forestry, 11 on economic and development cooperation (Box 11), 12 on international trade, 13 on access and benefit sharing, 14 on property rights for indigenous and traditional knowledge and practices and 15 on indicators and monitoring are all of primary importance to biodiversity in development cooperation.

In 2005, the Paris Declaration on Aid Effectiveness (see Annex 7) was signed by over 100 partner and Organization for Economic Cooperation and Development (OECD) countries (including European ODA—Overseas Development Assistance—donors) as well as by about 40 international and non-governmental organizations. By doing so, they all committed to increase not only the volume of aid and other development resources, but aid effectiveness, coherence and coordination. More specifically,

under the section on 'harmonization', adhering countries committed to 'promote a harmonized approach to environmental assessments', i.e. to 'strengthen the application of EIAs and deepen common procedures for projects, including consultations with stakeholders; and develop and apply common approaches for 'strategic environmental assessment' at the sector and national levels³.

More recently, the European Consensus on Development⁴ (see Annex 8) adopted by the Council in February 2006 once again commits the European Union to delivering more and better aid. Its first part provides the European Union Vision of Development, sets out common objectives and principles for development cooperation. The primary and overarching objective of EU development cooperation is the eradication of poverty in the context of sustainable development, building on a set of common principles such as ownership, partnership and in-depth political dialogue, promoting policy coherence for development⁵, participation of civil society, gender equality and the need to address state fragility. The second part of the statement, the European Community Development Policy, defines how to implement the vision. It introduces the principle of concentration, by which nine areas

Box 11. Objective 11 of the Message from Malahide (2010 and earlier targets)

To ensure an improved and measurable contribution of EU economic and development cooperation to achieving the global target 'to significantly reduce the current [2002] rate of biodiversity loss by 2010' in support of the Millennium Development Goals.

EU Regional and Country Strategy Papers (RSPs/CSPs) and Sectoral Strategy Papers have integrated implementation of the CBD by 2007.

Partner countries² have integrated implementation of the CBD in national development strategies, including Poverty Reduction Strategy Papers (PRSP) by 2007.

European Commission and Member States' to support implementation in partner countries of the CBD, its work programmes and its Biosafety Protocol, significantly increased by 2007.

Adequate dedicated EU funding secured to support international implementation of the CBD where these actions fall outside development cooperation.

All programmes and projects funded by the European Union in partner countries have ex ante strategic environmental assessments (SEA) and environmental impact assessment, and actions are taken to prevent and mitigate negative impacts on biodiversity in a timely manner.

Adequate long term capacity has been established in EU delegations and development cooperation agencies to sustainably achieve the above targets by 2006.

EC and Member States cooperate and coordinate their efforts to support the above targets, with corresponding reporting mechanisms by 2006.

Effective mechanisms are in place to enable non-governmental organizations (NGOs) and local communities to access EU funding and to increase synergies between governments, NGOs and the private sector.

1. Issued at the Stakeholders' conference 'Biodiversity and the EU-Sustaining life, sustaining livelihoods' in Malahide, Ireland.

2. The term 'partner countries' includes Overseas Territories.

3. Even though this commitment is not reflected in the 'Indicators of progress' and 'Targets for 2010' attached to the Declaration.

4. European Parliament, Council, Commission, 2006/C 46/01, also referred to as 'Development Policy Statement'.

5. See Com(2005) 134 Final in Annex 7.

shall be covered by European Union ODA, including 'environment and sustainable management of natural resources'. Environmental sustainability is also one of the seven cross-cutting issues to be mainstreamed. The Consensus underlines in particular that:

- Two of the main comparative advantages and added values of the EC development cooperation are 'ensuring policy coherence' and 'promoting development best practices';
- Stronger support for the implementation of the CBD is needed, by helping developing countries integrate environment into their development strategies;
- Efforts to combat illegal logging will be strengthened through the FLEGT initiative;
- The European Union will promote a sustainable transport sectoral approach for minimizing negative effects on the environment;
- The European Union will implement a strengthened approach to mainstreaming environmental sustainability across EC development efforts.

2.2. A new landmark in European policy: Halting the loss of Biodiversity by 2010—and beyond

The 2001 commitment to halt the loss of biodiversity by 2010 was followed in May 2006 by a communication from the European Commission on 'Halting the loss of Biodiversity by 2010—and beyond' (EC, 2006b), which comes as the European Commission answer to the Message from Malahide. It recognises that 'there is a real risk of failure to meet the global 2010 target' of significantly reducing the current rate of loss of biological diversity. It points out that 'the EU shares responsibility for this'. Addressed to both Community institutions and Member States, the recommendation provides an overview of progress in implementation of the EC Biodiversity Strategy and Action Plans. It reaffirms the need to enhance

funding earmarked for biodiversity in the EC Thematic Programme for Environment and Natural Resources and ensures the usage of these is targeted at biodiversity priorities. It identifies four key policy areas for action and, related to these, ten priority objectives and four key supporting measures. Their delivery clearly requires specific actions, set out, with related targets, in an EU Action Plan to 2010 and beyond, annexed to the Communication (and to this paper, see Annex 9). Policy area 2 is about 'the EU and global biodiversity', involving objectives such as 'to substantially strengthen support for biodiversity and ecosystem services in EU external assistance', and 'to substantially reduce the impact of international trade¹ on global biodiversity and ecosystem services'.

2.3. Financial ODA targets

In addition to these biodiversity-oriented commitments, four additional and more financial commitments to the Paris Declaration on Aid Effectiveness were made by the European Union at the Paris High Level Forum in March 2005, among which included 'to channel 50% of government-to-government assistance through country systems, including by increasing the percentage of our assistance provided through budget support or swap agreements'. As we shall see, this has some importance as to how—through which tools and procedures—biodiversity may be mainstreamed in development cooperation.

In May 2005², the European Union and Member States also agreed on financial targets for their development cooperation: they will have collectively increased their ODA level up to 0.51% of gross national income (GNI) individually and 0.56% of their GNI collectively by 2010—which means an additional sum of 20 billion euros. They also reaffirmed their commitment to achieving an ODA of 0.7% of their GNI by 2015. Collectively, at least 50% of increases in aid volumes should be dedicated to Africa.

Taken together, 'these commitments represent a serious and comprehensive public pledge to put the EU at the forefront of tackling the serious environmental challenges noted above' (Birdlife et al., 2005). In particular, the commitment to stop the decline in biodiversity by 2010 meets a real and crucial need, and it matches the idea most European citizens have of where Europe should be. It is nonetheless an immense challenge, against which the environmental performance of European development cooperation will be examined and assessed.

The EU as well as most Member States are parties to the Aarhus Convention on 'Access to information, public participation in decision-making and access to justice in environmental matters', which has direct implications for EIAs and SEAs procedures and practices.

1. Including wildlife trade.

2. Document 9266/05 of May 2005 including annexes I and II. These quantitative targets were reaffirmed at the 2005 World Summit (UN, 2005).



Tackling the challenge: Endeavours for dealing with biodiversity in European development cooperation

1. Current efforts, tools, instruments implemented by the European Commission

In order to better understand endeavours undertaken at the European Commission (EC) level to integrate biodiversity in development cooperation, it is essential to first recall what the big picture is and where the levers are.

1.1. A brief overview of organizational arrangements for EC development cooperation

Three entities play a key role in the European Commission's development assistance: the Directorate General for External Relations (DG RELEX), the Directorate General for Development (DG DEV) and the EuropeAid Cooperation Office (AIDCO).

The Directorate General for External Relations contributes to the formulation of the external relations policy for the European Union (EU), so as to enable the EU to assert its identity on the international scene. To this end DG RELEX works closely with other Directorates General, notably AIDCO, the Humanitarian Aid Office, DGs Development and Trade. The External Relations Commissioner coordinates the external relations activities of the Commission. She is its interface with the EU's General Affairs and External Relations Council (GAERC) and its interlocutor with the High Representative for the Common Foreign and Security Policy (CFSP). DG RELEX is specifically responsible for:

- Relations with South Eastern Europe, the Caucasus and Central Asian Republics, European countries which

are not members of the European Union or part of the wider enlargement process (i.e. Iceland, Liechtenstein, Norway, Switzerland), North America, Australia, Japan, Korea, the Middle East and the South Mediterranean, Latin America and Asia;

- Relations with international organizations, i.e. United Nations, the North Atlantic Treaty Organization (NATO), the Western European Union (WEU), the Organization for Security and Cooperation in Europe (OSCE), Council of Europe;
- Commission's participation in the Common Foreign and Security Policy;
- Administration of more than 120 EC delegations in third countries (External Service).

DG DEV's mandate is to enhance development policies in all developing countries worldwide. DG DEV provides policy guidance on development policy and oversees the programming of aid in the ACP countries (sub-Saharan Africa, Caribbean and Pacific) and regions, including the African Union, as well as the Overseas Countries and Territories (OCTs)¹. To this end, DG DEV follows political relations with these countries, prepares strategies for cooperation with them, monitors implementation, programmes resources of the European Development Fund (EDF) and of financial resources dedicated to certain sectors and themes in support of the development policy under the Community budget. The most significant budget lines are human rights, food aid/food security, environment/tropical forests, health and non-governmental organization (NGO) co-financing. The implementation of programmes funded under the budget rests, however, with AIDCO.

As part of its efforts to reform the management of external aid, the Commission formally set up AIDCO on 1 January 2001. Its mission is to implement the external aid instruments of the European Commission which are funded by the European Community budget and the EDF. The Office is responsible for all phases of the project cycle (identification and appraisal of projects and programmes, preparation of financing decisions, implementation and monitoring, evaluation of projects and programmes) that are necessary to ensure the achievement of the objectives of the programmes established by the Directorates General for External Relations and Development and approved by the Commission. It is also involved in initiatives to improve programming systems and their content, to establish policy evaluation programmes and to develop mechanisms for feeding back evaluation results. Among others, this means that AIDCO handles the devolution to EC delegations of all operations which can be better managed locally, and decentralization to beneficiary countries. It sets up the management, supervision, support and control systems needed to achieve these objectives.

1. Development cooperation with OCTs is dealt with by DG DEV and governed by the same Cotonou Agreement as ACP countries. They have a unique status with the European Community through the 2001 Overseas Association Decision. EU environmental legislation and standards do not extend to them.

1.2 Existing financial instruments (until 2006—2007) for EC development cooperation

Until now, EC development cooperation has been structured financially around geographical programmes, providing funding for implementation of country and regional programmes (defined in Country and Regional Strategy Papers (CSPs/RSPs), as we shall see below), and thematic instruments (based on ad hoc regulations and specific budget lines).

1.2.1. Geographic programmes

First and foremost, the EDF targets mainly African, Caribbean and Pacific (ACP) countries in the framework of the Lomé Convention, which has been replaced by the Cotonou Agreement¹ which was signed in June 2000 and came into force on 1 April 2003 (see Box 12). The 21 OCTs² benefit from the EDF under a specific association agreement, but their relations with the European Union are also covered by DG DEV. Substantial financial resources have been committed: 13.5 billion euros were allocated to the 9th EDF (2000–2004) which, complemented by the transferred balances from previous EDFs, will cover the period until the end of 2007 (16.4 billion euros for 2002–2007). The 10th EDF was adopted in June 2006 and commits over 24 billion euros from 2008 to 2012 (see below section on EC programming process).

The BAP-EDC states that EDF should allocate 5% of its resources to environmental activities.

The Asia and Latin America (ALA) regulation is the main legal and financial instrument governing the EU's cooperation with Asian and Latin American countries. Policy issues and programming of aid are the responsibility of DG RELEX, while on the basis of the programme documents AIDCO manages the projects from identification to evaluation. The ALA regulation committed respectively 1.61 and 2.98 billion euros to Latin America and Asia between 2001 and 2005 (EC, 2006c). The regulation stipulates in Article 5 that 10% of financial resources should be 'set aside for projects specifically aimed at protecting the environment, in particular tropical forests', in addition to mainstreaming requirements—which was reaffirmed by BAP-EDC.

The MEDA programme is the principal financial instrument of the European Union for the implementation of the Euro-Mediterranean Partnership. The Programme offers technical and financial support measures to accompany the reform of economic and social structures in the Mediterranean partner countries. MEDA has a double vocation (bilateral and regional) and applies to states, their local and regional authorities as well as actors of their civil society.

Regulation 2698/2000 established MEDA II for the period 2000–2006, with funding amounting to about 5.35 billion euros. The main areas of intervention and objectives are directly derived from those of the 1995 Barcelona Declaration. Implementation arrangements between DG RELEX and AIDCO are the same as for ALA⁵.

The EU's relations with the countries of Eastern Europe, the South Caucasus and Central Asia were underpinned in 1991 through a programme of technical assistance called TACIS. The Programme supports the process of transition to market economies and democratic societies in the above-mentioned countries. In the first eight years of operation, it committed a total of approximately 4.2 billion euros of funding to projects. A Council Regulation (No. 99/2000) adopted in January 2000 provided assistance totalling approximately 3.1 billion euros until the end of 2006 and focused on seven key areas of activity in the region. Similarly to ALA and MEDA, TACIS is defined and managed by two Directorates General within the European Commission. DG RELEX is responsible for political direction (such as for negotiating the Partnership and Cooperation Agreements) and for multi-annual programming (Indicative Programmes), while AIDCO is responsible for managing the project cycle and Annual Programmes.

Box 12. The Lomé Convention and Cotonou Agreement

From 1975 until 2000 relations between the EU and ACP countries were governed by the regularly adapted and updated Lomé Convention. However, major upheavals on the international stage, socioeconomic and political changes in the ACP countries, the spreading of poverty, resulting in instability and potential conflict, all highlighted the need for a re-thinking of cooperation.

The February 2000 expiration of the Lomé Convention provided an opportunity for a thorough review of the future of ACP–EU relations. Against a background of an intensive public debate, based on a

Commission Green paper (1996)³ and a discussion paper⁴, negotiations started in September 1998 and were successfully concluded in early February 2000. The new ACP–EU agreement was signed on 23 June 2000 in Cotonou, Benin and was concluded for a 20-year period from March 2000 to February 2020.

The Cotonou Agreement is a global agreement introducing radical changes and ambitious objectives while preserving the *acquis* of 25 years of ACP–EU cooperation. It is based on five interdependent pillars with the underlying objective of the fight against poverty: an enhanced political

dimension, increased participation, a more strategic approach to cooperation focusing on poverty reduction, new economic and trade partnerships and improved financial cooperation.

The Cotonou Agreement provides for a revision clause which foresees that the Agreement is adapted every five years. In accordance with this clause, negotiations to revise the Agreement were launched in May 2004 and concluded on 23 February 2005. The overriding objective of the revision process was to enhance the effectiveness and quality of the ACP–EU partnership.

1. Relations with Cuba and South Africa are different in the sense that they do not benefit from the European EDF, although South Africa is a signatory to the Cotonou Agreement.

2. The seven Outermost Regions do not receive development aid but apply the same legislations as the countries they belong to and are eligible for the same funding sources. However, the four French Outermost Regions (Ors) do not enjoy the benefits of the EU's nature conservation directives (Birds and Habitats), despite their outstanding importance for biodiversity conservation on a global scale.

3. COM(96)570 Final of 20 November 1996 'Green Paper on relations between the European Union and the ACP countries on the eve of the 21st century—challenges and options for a new partnership'.

4. COM(97)537 Final of 29 October 1997 'Guidelines for the negotiation of new cooperation agreements with the African, Caribbean and Pacific countries'.

5. Except for Turkey, Cyprus and Malta: cooperation with these countries is managed by DG Enlargement.

Finally, a number of pre-accession aid programmes exist, such as:

- CARDS (Community Assistance for Reconstruction, Development and Stabilization), adopted through Council Regulation No. 2666/2000 and targeting the Western Balkans. It supports the participation of these countries¹ in the stabilization and association process.
- Phare (Coopération de l'UE vers les pays d'Europe centrale et orientale).
- ISPA (Instrument for Structural Policies for Pre-Accession).
- SAPARD (Special Accession Programme for Agriculture and Rural Development).

1.2.2. Thematic instruments for environment and natural resources

Thematic instruments allow other actions in partner countries, which are additional to and should be coherent with actions funded under the geographical instruments. Council Regulations EC No. 2493/2000 on 'measures to promote the full integration of the environmental dimension in the development process of developing countries', and No. 2494/2000 on 'measures to promote the conservation and sustainable management of tropical forests and other forests in Developing Countries', are budget lines that were first created in 1992 to implement pilot actions and strategic studies. The former was

allocated a budget of 93 million euros for 2000–2006 while the latter received 249 million euros for the same period. They were merged in 2001 into budget line 21 02 05. The emphasis of this new budget line is on work in developing countries that fosters sustainable forest management and environmental protection. Allocations are made both through calls for proposals aimed at NGOs, among others, and by way of targeted projects undertaken by intergovernmental organizations in support of EC policy objectives. Of the 218 million euros spent between 2000 and 2004, 10% were allocated to biodiversity, 39% to forests and 2% to oceans and fisheries.

An additional support of 53 million euros between 2000 and 2006 is being provided through the LIFE–Third Countries Programme, a part of EC Regulation No. 1682/2004 which expires at the end of 2006. It is active in non-EU countries around the Mediterranean and Baltic seas and helps to establish the capacities and administrative structures needed in the environmental sector and in the development of environmental policy and action programmes. Priority is given to projects that promote cooperation at trans-frontier, transnational or regional levels.

The European Commission's International Environment budget line 07 02 01 commits between 6 and 8 million euros a year, of which an increasing share (currently about 2

million euros) is needed for regular contributions for the core costs of Multilateral Environmental Agreements (MEAs). The legal basis for regular contributions is provided by the decisions on EC ratification while the rest of the line is based on the Annual Work Programme of DG Environment. The budget line supports global and European regional MEAs and other international environmental processes. For example, using the budget line and other resources, the European Commission pays for preparatory analytical work required for negotiations, helps developing countries to participate in environmental meetings, and holds dialogues with key partners on major issues.

1.3. EC development aid reform and new financial architecture

The recent aid reform (EC, 2004) resulted in a new financial architecture aimed at rationalizing and simplifying the current legislative framework governing external actions of the Community.

Not changing are the geographical programmes, which continue to be the privileged framework for Community cooperation with third countries although their funding structure is modified. For example, the 24 billion Euros allocated to the 10th EDF represent an increase of about 35 % on the 9th EDF.

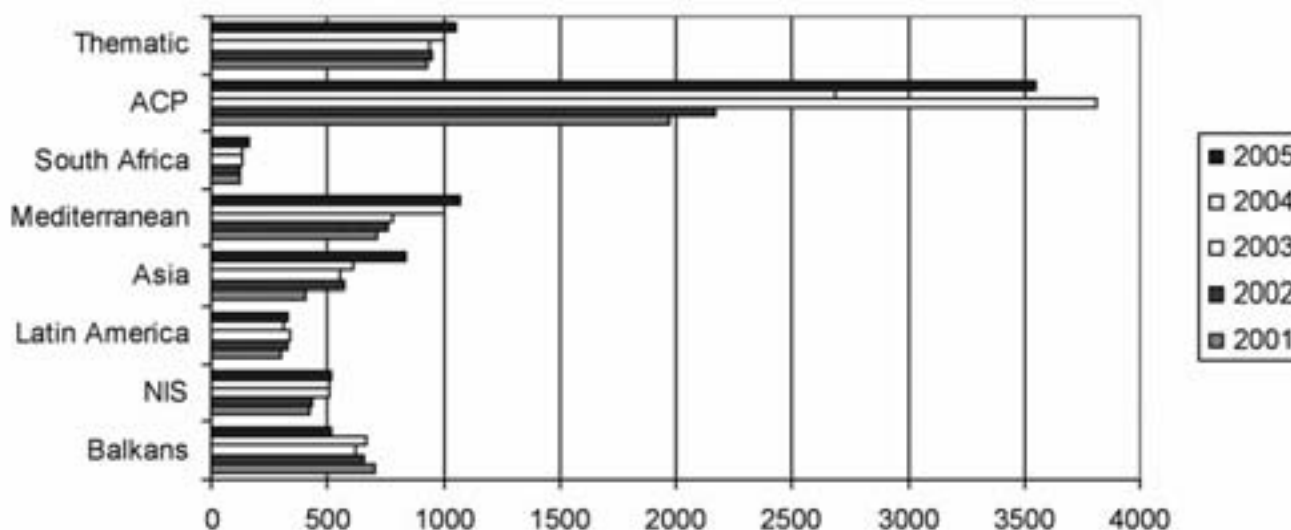


Figure 3. Evolution of regional breakdown in EC commitments managed by AIDCO - Source: EC, 2006c.

1. Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro, including Kosovo, under United Nations Security Council Resolution 1244 of 10 June 1999, and the former Yugoslav Republic of Macedonia.

However, the European Commission has proposed a set of six new instruments under the Financial Perspectives 2007 to 2013. Three of these instruments are of a horizontal nature (i.e. they are potentially relevant to all countries) and will respond to particular needs and circumstances:

- The Instrument for Stability, a new instrument designed to provide an adequate response to instability and crises and to longer term challenges with a stability or security aspect. It will provide assistance to establish the necessary conditions for the implementation of the policies supported by the IPA, EPNI and the DCECI (see below).
- The Instrument for Humanitarian Aid, which remains unchanged except that all food aid of a humanitarian nature will be included under humanitarian aid instead of being dealt with under a separate regulation.
- The Instrument for Macro Financial Assistance, which remains unchanged.

The other three instruments are designed to implement specific policies and have a defined geographical coverage:

- Instrument for Pre-Accession Assistance (IPA): covers the candidate and potential candidate countries and is driven by the accession and pre-accession framework. This instrument for pre-accession will replace a range of existing instruments (PHARE, ISPA, SAPARD, CARDS, etc).
- The European Neighbourhood and Partnership Instrument (ENPI): covers countries targeted by the European Neighbourhood Policy, i.e. the countries of the south and eastern Mediterranean (the MEDA countries), the Western NIS and the countries of the southern Caucasus, and Russia.
- Development Cooperation and Economic Cooperation Instrument (DCECI): this policy covers, in particular, all countries territories and regions that are not eligible for

assistance under either the IPA or the EPNI. The purpose of the Community's Development Cooperation and Economic Cooperation policy is to support development, economic, financial, scientific and technical cooperation with the partner countries and regions. The DCECI will be the main vehicle for supporting developing countries in their efforts to achieve the MDGs.

These three main instruments are policy driven and have, as a consequence, particular geographical implications and coverage. In future, they will provide the basic legislative acts for Community expenditure in support of external cooperation programmes, including appropriate thematic programmes, and will replace, inter alia, the existing thematic regulations.

In order to complement geographical programmes, the Commission has defined a number of thematic programmes. A thematic programme for the environment and sustainable management of natural resources, including energy, was proposed and has recently been agreed to address the environmental dimension of external policy, especially development policy, and promote the European Union's environmental and sustainable energy policy abroad (EC, 2006a). Funded by the DCECI and the ENPI, the programme will cover all geographical regions except the pre-accession and potential candidate countries.

1.4. Programming EC development cooperation

1.4.1. EC programming policy

At a general level, programming is based on a number of existing policy documents such as the Millennium Development Goals (MDGs) communications package¹, Paris Declaration², European Consensus on Development³, Strategies for Africa⁴ and the Pacific, etc. New communications are in the final stages of preparation on Migration⁵ and the Caribbean.

The fundament of the cooperation assistance programming cycle is the CSP, or the RSP at the regional level. Their preparation is a shared responsibility between the EC (DG RELEX or DEV depending on countries) and its delegations on the one hand, and partner countries on the other hand. In the specific case of OCTs, development assistance is based on Single Programming Documents (SPD) adopted jointly between the OCTs and the European Commission.

The 'policy mix' adopted in the GAERC conclusions of May 2005 has identified twelve EU policy areas that are of particular importance for attaining the MDGs. On each of these 12 subjects (of which one is environment) the Council has agreed on a 'policy coherence for development'⁶ commitment that needs to be ensured. Partner countries/regions and delegations make use of the thematic and coherence programming fiches and the more detailed sector and thematic guidelines and policy documents.

Box 13. Main steps of the 10th EDF programming exercise

February 2006	Start of the programming exercise
February–March 2006	Commissioner for Development meets National/Regional Authorizing Officers to discuss programming approach and priorities during programming seminars in the region
July 2006	Submission of draft CSPs to EC headquarters
September–November 2006	Country Team Meetings
October–December 2006	Screening by the interservice Quality Support Group (IQSG)
January–March 2007	Validation by Commissioner for Development
February–April 2007	Inter-service consultation
March–May 2007	EDF Committee
April–June 2007	Commission decisions
January 2008	Signature of CSPs
	Beginning of implementation

1. COM/2005/132, 133, and 134.

2. High Level Forum on Aid Effectiveness, Paris, 28/2-2/3/2005.

3. COM/2005/311.

4. COM/2005/489.

5. COM/2005/390.

6. COM/2005/134.

1.4.2. EC programming principles

The European Consensus on Development (European Parliament, Council, Commission, 2006) provides in its first part a set of common principles such as ownership, partnership and in-depth political dialogue, promoting policy coherence for development, participation of civil society, gender equality and the need to address state fragility. The second part of the statement, the European Community Development Policy, defines how to implement the common vision and in particular introduces the principle of concentration, by which nine areas shall be covered by EU Overseas Development Assistance (ODA), including 'environment and sustainable management of natural resources'.

The Commission has required that only two¹ focal sectors be selected per country, among the nine concentration areas² mentioned in the European Consensus on Development. The choice of the concentration areas 'shall flow from the partner country/region policy priorities, the dialogue with the partner country/region and with the donor community, the analysis of needs and priorities, the Community's policy priorities, the assessment of comparative advantages of the Commission (based on past and present cooperation) and other donors and the Commission's implementation capacity'.

At the beginning of the programming exercise, each partner country is informed of an initial and indicative financial allocation. During the programming dialogue, the partner country and the Commission shall agree on the policy objectives, policy commitments, and governance reform commitments of the government concerned. Depending on the outcome of the dialogue and the level of commitment that the government enters into, the Commission proposes to either confirm the indicative allocation through formal notification or, in countries/regions with good governance performance, a proven absorption capacity and where during the programming dialogue the partner country/region has demonstrated a

commitment to economic, political and sectoral reforms and results, to notify a financial allocation exceeding the initial indicative amount.

1.4.3. EC programming process

Depending on countries and in collaboration with them, DG RELEX or DEV are responsible for designing national and regional indicative programmes, and defining the main goals, guidelines and priority sectors of Community support in the fields concerned. Based on this input, AIDCO establishes the annual financing plans which contain a list of the projects for financing and are generally adopted annually. AIDCO then manages the projects and programmes from the identification to the evaluation phase.

ALA countries, countries covered by the European Neighbourhood Policy, and Russia, are already at the final stage of their second generation (2007–2013) programming exercise. Meanwhile, ACP countries are currently in the middle of this exercise. By way of an (important) example we will describe in detail the process involved—which is similar for other regions.

The 9th EDF expires on 31 December 2007. Therefore, implementation of the new Country and Regional Strategy Papers should commence on 1 January 2008. This means that CSPs and RSPs should be signed in the first semester of 2007 for implementation to start on 1 January 2008. This explains why the programming exercise started in early 2006 (see Box 13). Partner countries, regions and delegations simultaneously carry out the national and regional 9th EDF end-of term review and the 10th EDF programming exercise, so that they have a chance to maximize synergies between those processes.

The Common Framework for Country Strategy Papers was being revised at the time the current report was being prepared. Its implementation will be progressive: since Asia and Latin America as well as countries covered by the European Neighbourhood Policy and Russia are well advanced in their multi-annual programming exercise, they do not have the possibility to

incorporate new guidance from this framework before their mid-term review process in 2010. The timing should on the contrary be perfect for ACP countries to implement this new Common Framework in the process described above.

The EC recently funded a Strategic Environmental Assessment of the Regional Development Plan in Maldives. A seminar for DG RELEX family staff is foreseen to disseminate the results of the study and to illustrate how environmental soundness of national plans can be tested in the context of national planning relating to EC cooperation in a non-environmental field.

1. Countries with an envelope of less than 40 million euros should programme aid in one concentration area only.

2. Trade and regional integration; the environment and the sustainable management of natural resources; infrastructure, communications and transport; water and energy; rural development, territorial planning, agriculture and food security; governance, democracy, human rights and support for economic and institutional reforms; conflict prevention and fragile states; human development; social cohesion and employment.

1.4.4 Dealing with environmental issues while programming EC ODA

The 2006 European Consensus on Development (European Parliament, Council, Commission, 2006) states that 'the environment and the sustainable management of natural resources' should be considered both as a separate concentration area as well as a cross-cutting issue to be mainstreamed in EC funded CSPs. While the extent to which the former is taken into account depends on the outcomes of the EC/partner countries' dialogue, the latter is compulsory.

Environmental Integration¹ is important in the whole of the Operations Cycle for any aid delivery modality, including for the Sector Wide Approach (SWAp) and budgetary support. Different tools, mechanisms and approaches for environmental integration are available at the different stages, the main ones being (see also Figure 4)²:

Identification

Green logical framework
Environmental appraisal of project proposals
Environmental impact assessment screening

Formulation

Environmental impact assessment
Environmental integration in the feasibility study
Environmental integration in the financing proposal

Implementation

Implementation of environmental management plan
Good environmental practices in project implementation

Evaluation

Environmental integration in the evaluation criteria

The new CSP/RSP format mentioned above, in its provisional version of February 2006, includes a section on the 'Environmental situation', based on a 'Country/Regional Environmental Profile' (CEP/REP, see Annex 10) a summary of which is to be annexed to the core document³. Such CEPs have already been prepared for all 'RELEX countries' by the EC delegations, desk officers or consultants, and are annexed to new CSPs. CEPs are currently being elaborated for all ACP countries as part of the CSP designing process. In addition, Strategic Environmental Assessments (SEAs) and, where necessary, Environmental impact Assessments (EIAs), are encouraged (see for example BAP-EDC).

The new format also has a section on 'Other EC policies' which can play a crucial role for biodiversity conservation. Since non-development policies have at least as much impact as development cooperation itself, the principle of consistency requires special attention in so far as these other policies can contribute to the country's development process, or can adversely affect the partner country. It must then be specified what measures should be taken to limit such effects. This section addresses the following EU policy areas: trade, the environment, climate change, security, agriculture, fish, the social dimension of globalization, employment and decent work, migration, research and innovation, the information society, transport and energy.

1.4.5. Implementation modalities

The funding of projects remains the main aid delivery mechanism, and beyond, the prevailing paradigm of ODA. However, EC development assistance can be provided through various other implementation modalities or instruments such as budget support, sector programme support and contribution agreements (for cooperation with regional or international organizations). The country-specific situation and the cooperation possibilities in the selected focal intervention areas shall influence the choice of the delivery instrument. At the same time, the possibility to use more efficient delivery mechanisms may influence the selection of the focal intervention area.

It should be underlined that like most donors in recent years, the European Commission has engaged more and more extensively in budget support and sector programme support. These are relatively new aid modalities which are increasingly supported in international commitments as they are able, under certain circumstances and in specific contexts, to offer alternatives to the project/programme approach, the limits of which have been documented throughout development cooperation history.

1.5. Conclusion

This synthesis shows that, at least, numerous policies, regulations, tools and instruments exist that may allow biodiversity to be both directly supported and mainstreamed in EC development cooperation. Significant resources are allocated to this objective.

1. http://www.environment-integration.org/EN/D112_ProjectCycleManagement.htm

2. This figure describes the project cycle, not the programming phase (CEP, CSP, NIP) nor sector/budget support approaches. It is so far only a proposal from the Environment Helpdesk for development cooperation.

3. The Strategy Paper must also reflect the degree to which all other issues recognised as cross-cutting (children, gender equality, HIV/AIDS, culture, capacity building and institutional development) have been mainstreamed.

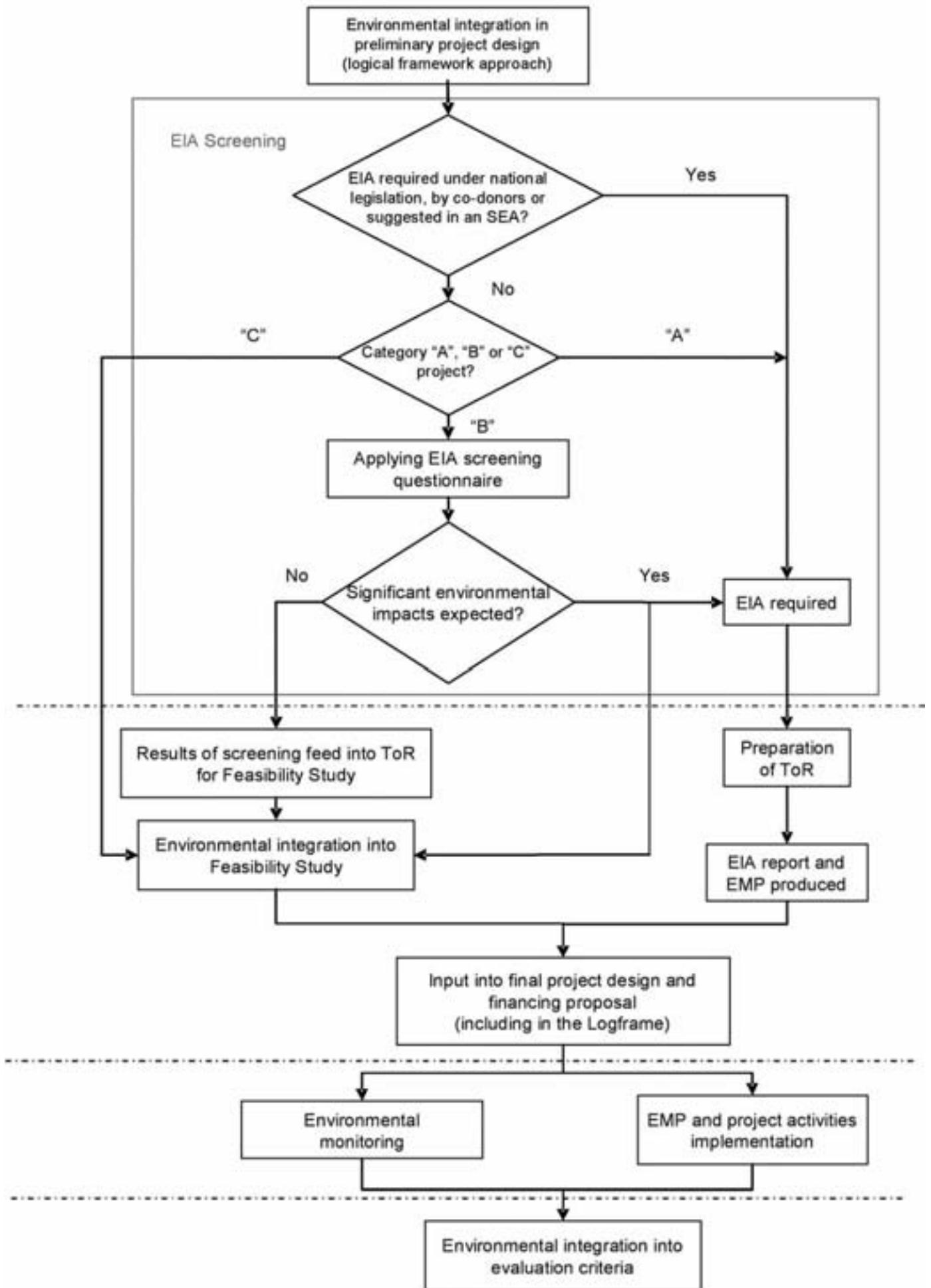


Figure 4. Integrating environment in the EC project cycle

a lesser extent the Congo Basin, seem to be attracting the greatest share of available resources.

Projects with biodiversity as a primary objective have historically concentrated to a large extent on terrestrial protected areas and tropical rainforests. Over the last decade, the focus has extended to marine protected areas and, more significantly, has shifted to approaches placing the sustainable use of biodiversity at their centre: access and benefits sharing, biodiversity–poverty linkages, indigenous peoples’ empowerment, forest concessions certification, payment of ecosystem services, agro-biodiversity of cultivated plants and domesticated animal species.

2. Current efforts, tools, instruments implemented by EU Member States¹

2.1. Geographical distribution and thematic allocation

In general, development cooperation provided by Member States covers all continents and the vast majority of eligible developing countries—although none of the Member States provides assistance to all countries. Where each EU Member decides to concentrate its efforts obviously depends on a wide range of parameters, including history (especially colonial history), cultural and language-related connections, strategic priorities. Some prefer focusing on least developed countries, others on countries which are most likely to make the best use of funding, etc. However, according to information we were able to gather, no Member State providing ODA is totally absent from Africa. As an example, regional allocation of Member States’ ODA in 2001–2002 was as follows (Montes & Migliorisi, 2004): Africa—South of the Sahara 46%, Latin America and Caribbean 13%, South and Central Asia 11%, other Asia and Oceania 10%, Middle East and North Africa 10%, Europe 10%. As far as biodiversity is concerned, Brazil, and to

2.2. Financial patterns

As we warned in the introduction, gathering comparable and systematic financial data for all Member States’ cooperation turned out to be difficult within the framework of this report and the Biodiversity in European Development Cooperation (BEDC) conference preparation, especially data covering recent years (2004–2005). Comparisons between donor countries are made even more challenging by their unequal contributions to a number of multilateral mechanisms and organizations such as UN agencies, European geographic programmes (EDF, etc), IUCN (with which e.g. the French and Swedish governments have signed multi-year framework agreements) and the GEF. For instance, Germany contributes about 12% of the overall GEF, of which 40% is spent on biodiversity. Therefore, it can be estimated that during the period 1991–2006, Germany provided approximately 295 million euros to GEF biodiversity projects.

Box 14. Peru’s Fondo Nacional para Areas Naturales Protegidas por el Estado (PROFONANPE)

In 1996, Peru consolidated its national debt which amounted to 7,585 million euros, of which 80% was eligible for swaps. The Fondo Nacional para Areas Naturales Protegidas por el Estado (PROFONANPE) is Peru’s first private environmental fund. The main conditions for candidate projects are followed by a ‘Debt Swap Protocol’, and include: the signing of a project implementation agreement by the financial ministry, the donor country and the fund manager of PROFONANPE; the signing of a fund transfer agreement between the finance ministry and PROFONANPE; and a bank deposit for the negotiated counter value funds. To date PROFONANPE has negotiated swaps with Germany, Canada, Finland and the USA, totalling 27.8 million euros. This has allowed PROFONANPE to fund biodiversity conservation and sustainable development programmes in 28 protected areas.

There are several countries where payments for ecosystem services are now being implemented. In Costa Rica, for example, a nationwide system has been experimented with since 1996, based on recognition by the Forest Law of four services provided by different forest ecosystems in private lands (Campos, Alpizar, Louman & Parrotta, 2005). The German government and the GEF provided support to this initiative.

Table 4. Austrian CBD marked projects 1998–2004 (disbursements, in million euros)

	1998	1999	2000	2001	2002	2003	2004	Total 1998-2004
Specific (Code 2)	0.40	1.40	1.21	3.03	3.28	2.48	2.96	
Integrated (Code 1)	1.08	1.92	1.59	2.38	1.44	0.92	2.12	
UNCBD total	1.48	3.32	2.80	5.41	4.72	3.40	5.07	25.8

1. As explained in the Introduction, because both data and time were lacking, it was clearly not possible to go into as much detail for each Member State’s bilateral cooperation as we did for the European Commission. Therefore, we made the choice to give a general overview of the situation, and to focus on highlighting what we thought was worth discussing from the perspective of the BEDC conference.

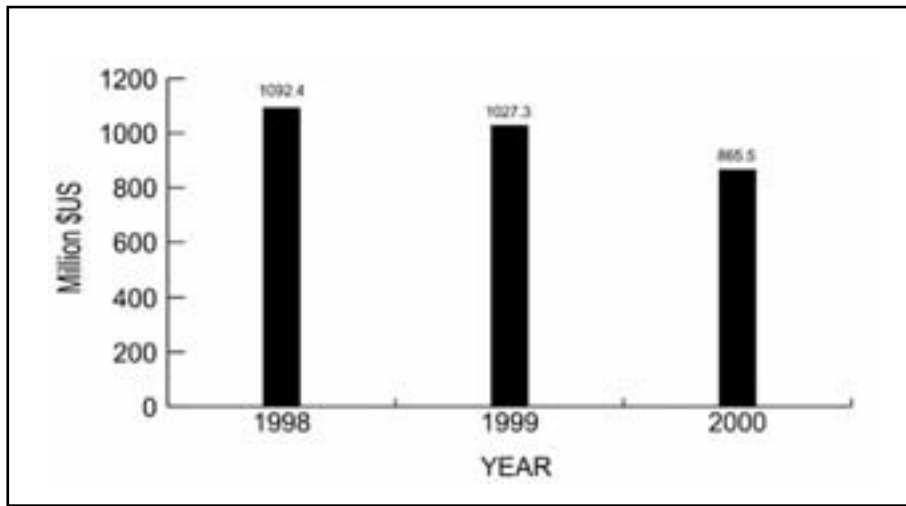


Figure 5. Biodiversity-related aid commitments 1998–2000 by 19 members of the OECD/DAC
Source: OECD/DAC.

Even if they do not give any idea of aggregated resources at stake at the European level, two countries which provided us with financial information based on Rio Markers are interesting in that they show how these OECD tools can be used:

- The case of Austria is reported in Table 4.
- Belgium roughly disbursed, over five years (2001–2004), 4.62 million euros on Code 2 projects, and 81 million euros on Code 1 projects—which accounts for respectively 0.18% and 3.11% of Belgium's total development cooperation budget.

2.3. Financial trends and targets

In general, ODA from European Member States is increasing, while allocation by sector is more and more delegated to embassies and to partner countries. Actually, with most Member States not having set financial targets, funding for biodiversity seems to be under pressure (Figure 5), with Code 2 projects stagnating and Code 1 projects increasing slowly.

Since the early 1990s, environmental and resource conservation projects have accounted for 15 to 27 percent of the total resources deployed each year on German development cooperation activities. Funding for biodiversity in development cooperation reached 70 million euros in 2004.

Two specific cases are worth highlighting:

- The Netherlands have committed to spend 0.1% of their GDP for nature and environment in developing countries.
- France has set up a dedicated financial instrument—a 'French GEF' (FFEM)—which by March 2006 had 69 projects running for about 80 million euros (yearly average expenditure: 10 million euros), covering the same focal areas as the GEF. Although such an initiative clearly has heavy administrative and management costs, it allows funding for biodiversity to be less dependent on case-by-case agreements between embassies and recipient countries.

Box 15. Conservation and sustainable management of natural resources in Mongolia

This 5-million euro project over the period covering 2002–2006 supports the government of Mongolia in harnessing natural resources' potential to develop the economy and improve the social situation of the population, while preventing destruction of natural resources. Germany supports the Mongolian Ministry of Environment and the State Specialized Inspection Agency, who are responsible for implementation of the project. The Embassy of The Netherlands in Beijing provides financial support to the project as a form of silent partnership agreement (SPA).

The aims are: (1) to foster organizational development of local and regional administrations at the target group level; (2) to develop models for monitoring wildlife and other natural resources; (3) to identify and promote income-generating activities for local people, such as milk processing, felt manufacture, leather-goods production, tea and medicinal plant processing; (4) to develop a strategy for public awareness; and (5) to elaborate a legal framework.

This successful co-financing experience between Germany and The Netherlands has led to another joint project in the Khangai region.

Box 16. Indigenous honeybees in the Himalayas—promoting partnerships with rural development organizations in the Hindu Kush–Himalayan region (Austrian Development Agency)

This 3-million euro project (1993–2007) targets the following countries in the Himalaya–Hindu Kush Region, i.e. Nepal, India, Pakistan, Bangladesh and Afghanistan. Funded by the Austrian Development Agency, the project aims to contribute to increasing the income of marginalized rural populations (mountain women and men) by promoting conservation and sustainable management of indigenous honeybees through strengthening partnerships with rural development organizations, technical institutions and international agencies. In addition, the project contributes to the income and conservation of biodiversity and sustainable management of mountain agriculture through pollination services, as natural pollination has become a major problem in many areas.

This project has taken a long-term and regional approach to promoting the sustainable exploitation of Himalayan indigenous honeybees, and to understanding and developing this little-known sector. Apiculture offers real possibilities for the creation of sustainable livelihoods (through honey and wax production, crop pollination), while maintaining biodiversity and providing incentives for the conservation of habitats. In the current phase the project is about to be scaled up to include rural development networks/ organizations and community-based organizations (CBOs). This innovative module of development plans to organize and stimulate a partnership of CBOs, focal technical institutions on a country level, rural development organizations and the International Centre for Integrated Mountain Development.

2.4. Procedures, instruments, implementation modalities and approaches for addressing biodiversity issues

2.4.1. Procedures and instruments for mainstreaming

Our information confirms that conducting EIAs for non-environmental projects is now a widespread practice. It is generalized and standardized in most Member States' cooperation procedures—which does not necessarily mean that it is always undertaken in an appropriate manner. On the contrary, SEAs still appear to be more at a piloting phase: with some noticeable exceptions (The Netherlands, Sweden, UK), most Member States do not seem to carry out SEAs in a standardized and systematic way. However, comparisons here are difficult since some Member States have a very broad understanding of what an SEA is—almost any environmental integration into a strategic document sometimes seems to fall under this category.

It is also interesting to remark that several Member States draw up their own CEPs for the countries where they provide ODA. Among respondents to our questionnaire, only Belgium explicitly uses the European Commission's CEP. Experiences and needs vary considerably between Member States. For example, the Swedish International Cooperation Development Agency (SIDA) finds it more useful and relevant to produce short fact sheets on environment–poverty linkages (rather than environmental profiles per se). These fact sheets directly relate to core Swedish development cooperation concerns, and when useful draw on other documentation available (including CEPs).

The EC wishes to share experience and best practice among Member States' foreign affairs staff on how environment/sustainable development matters can be successfully integrated in their everyday work. DG RELEX considers e.g. sharing some of the best examples of CEPs as showcases. In order to address environmental matters in a systematic way, bilateral cooperation could benefit from the use of already assembled data and proposed range of action.

2.4.2. Other funding modalities

As with the European Commission, the project is still the prevailing organizational paradigm for delivering support to biodiversity conservation. However, Member States appear to be increasingly involved in the following modalities.

Trust funds are often perceived enthusiastically as able to circumvent the well-known shortcomings of projects, especially to sustain the financing of protected areas systems in developing countries. In Madagascar, Conservation International (CI), the Worldwide Fund for Nature (WWF), the World Bank, the GEF, France (AFD, FFEM) and Germany (KfW) have joined forces to support the Protected Areas Foundation. Some 24 million euros (50% of the target) have already been collected to establish a trust fund which will bear recurrent costs of managing protected areas. Other trust funds have been created for forests in the Democratic Republic of Congo (funding from the European Commission, Belgium, France and the World Bank), and for protected areas in Peru, where Finland supports the Peruvian Trust Fund for National Parks and Protected Areas. However, some Member States, as well as the European Commission, are still facing administrative and juridical restrictions to joining trust funds.

Debt-for-nature swaps are also developing—although less quickly—as illustrated by the Peruvian case (Box 14).

Direct budget support and sector support are a strong recent trend in many countries where the governance context allows it. Nevertheless, to the best of our knowledge, it has not as yet reached the environmental sector.

2.4.3. Sustainable use approaches

Finally, and coming back to the thematic allocation of biodiversity efforts that were described previously, we shall give a few examples of sustainable use approaches that we came across.

For instance, the projects ‘Conservation and sustainable management of natural resources in Mongolia’ (see Box 15) and ‘Indigenous honeybees in the Himalayas—promoting partnerships with rural development organizations in the Hindu Kush–Himalayan Region’ (Box 16), illustrate clearly the tendency to deal with biodiversity issues through its sustainable use within a rural development framework. Another interesting example is the project on ‘Sustainable use of forest resources in the Guyana Shield’ (Box 17). In addition to the sustainable use approach, it illustrates other tendencies like

implementing projects through international NGOs (in this case, WWF), supporting forest certification, and most importantly strengthening OCTs’ regional integration.

The first and latter projects also tend to show that Member States increasingly join forces (Germany and The Netherlands, France and The Netherlands).

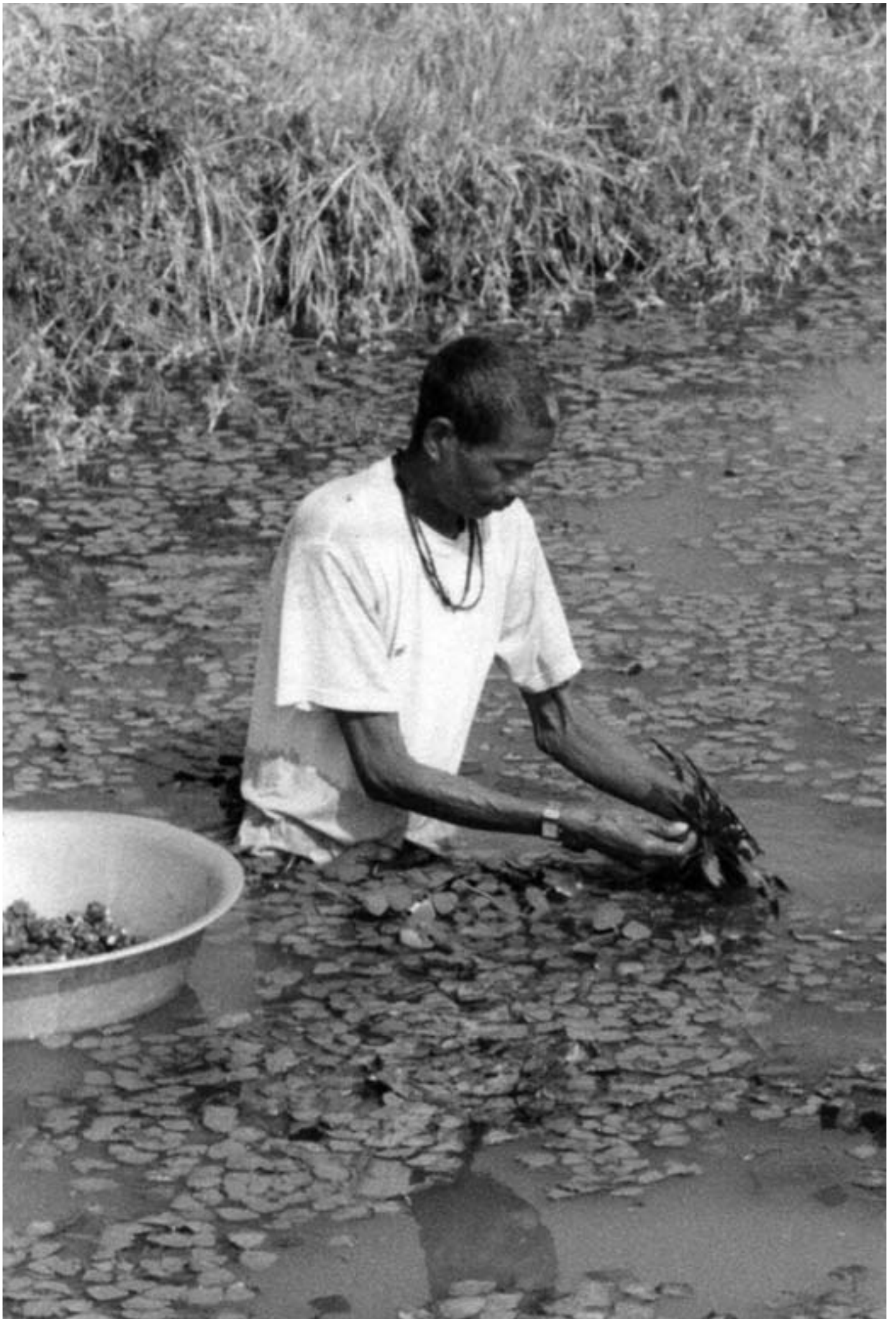
Box 17. Sustainable use of forest resources in Guyana Shield

This 5-million euro project, funded by the French GEF, WWF, The Netherlands and Surinam, aims to contribute to the protection of forests on the Guyana Shield by promoting sustainable uses of natural resources for the benefit of local communities.

The project’s results will be: socio-economical, by optimizing and diversifying incomes from forest products and tourism; ecological, with the conservation of vast areas that are home to numerous endemic and migratory species of global significance; institutional, by developing the capacity of administrations in charge of forests and protected areas.

Beyond the intrinsic ecological value of the area at stake, an important added value of the project is to improve and strengthen relations between the three Guyanas (including French OCTs), as well as between them and their Latin American neighbours.

This project has already succeeded beyond expectations in obtaining FSC certification for 570,000 of the 1.6 million-hectare Barama concession—the largest ever certified area in the world. Other concessions are currently involved in certification processes.



Nearing the target: How to put the European Union back on track to reach its commitments

1. Missing the target: a worrying overall diagnosis

Despite the many success stories documented around the world, most observers agree that European development cooperation is unlikely to achieve its biodiversity-related commitments. As we shall see, past actions have yielded significant benefits but are far from enough. What is more, European development cooperation is often assessed as contributing to biodiversity loss more than to its sustainable management.

Non-governmental organizations (NGOs) have on several occasions expressed their concern, as stated for example by a coalition of them in 2005 (Birdlife et al, 2005): 'sadly the gap between commitment and action widens as environmental trends continue to worsen'. In the same perspective, WWF (2005b) noted 'an enormous gap between EU rhetoric, EC policy and on-the-ground practice. EC aid programming must be radically improved in order to honour the full range of political commitments that the EU has made to address environmental concerns.

In many cases, EC aid, through its support to macro-economic changes, has actually worsened the situation of the poor, not to mention exacerbated environmental problems'.

However, NGOs are not the only organizations to deliver such worrying assessments. In 2005, the European Court of Auditors pointed out that 'the most recent [OECD peer] review in 2002 noted a distinct gap between policy and practice in environmental mainstreaming in the Commission'. And the Court's audit itself strongly reinforces the disappointing analysis, as we shall see on various occasions in the following sections.

Drawing on numerous external or internal reports that have been released in the last few years, we will now offer a more detailed analysis of this failure, of its driving forces and explanatory factors. We will also provide suggestions as to how each item of the diagnosis may be transformed into positive action.

2. A converging body of deficiencies which outline the way forward

2.1. Insufficient projects/programmes with biodiversity as primary or secondary objective

The European Union (EU) has funded many projects that have as their primary objective biodiversity conservation. Achieving the 2010 target—to which Europe voluntarily committed—clearly requires huge funding and, as stated by the Millennium Ecosystem Assessment (MA), an unprecedented effort.

Nevertheless, despite commitments and alarming global biodiversity assessments, the impression is rather one of 'business as usual': as noted by Birdlife et al. (2005) about the European Commission (EC), it 'has not mobilized resources on a scale anywhere near sufficient to allow the EC to play the leadership role that is expected. In fact, less than 0.15% of the EC's total external actions budget is allocated towards environmental priorities'. For instance, the obligation (as mentioned in Chapter 3) for the Asia and Latin America (ALA) regulation to set aside 10% of its financial resources to projects 'specifically aimed at protecting the environment, in particular tropical forests', has not been fulfilled. On the whole, funding for biodiversity is increasing steadily but so are destructive driving forces. Efforts are being undertaken but the direction in which we are heading remains unchanged.

Part of the explanation lies in a lack of awareness and interest at various levels of decision making. But this is articulated with organizational issues that should also be tackled. Regulations 2493/2000 and 2494/2000 have indeed ensured some funding for biodiversity, but the European Court of Auditors (2005) found that 'their existence has sometimes been given as a reason by Commission services for not funding the environment sector through CSPs [Country Strategy Papers]'—a risk recognised by the European Commission in a recent Communication¹.

Another pattern of biodiversity efforts in the EU development cooperation context is that they are usually of a pilot nature. For various reasons, small-scale experiments are often preferred to large-scale replication of success stories. If the former are of undeniable importance to foster our common understanding of biodiversity-poverty linkages, 'going to scale' is nonetheless crucial—and will rarely happen without appropriate support. Key to this is learning from previous efforts both in terms of successes and failures.

Moreover, the rapid decline of the environment on the development agenda 'in part has to do with changes in the mechanisms for giving aid'. As noted above, 'more and more donors are moving away from supporting "projects" and are providing Budget Support to developing countries' governments—to be spent according to the government's priorities. These priorities are generally articulated in Poverty Reduction Strategy papers (PRSPs), few of which feature biodiversity or the environment in a significant way' (Roe & Elliott, 2005). This leads directly to the twin issue of the EU policy/country-driven dilemma.

1. EC, 2006a: 'It is of fundamental importance that the existence of a thematic programme is not taken as justification to leave aside the environment, natural resources and energy when programming country and regional strategies'.

Suggestions for discussion:

Intensify and upscale initiatives with biodiversity as a primary or secondary objective

The European Union may find ways to make sure that funding for biodiversity is commensurate with the need for an unprecedented effort diagnosed by the Millennium Ecosystem Assessment. Biodiversity protection could be funded by geographical programmes within Country Strategy Papers/Regional Strategy Papers (CSPs/RSPs) (or the equivalent for Member States), and not only through thematic instruments. In order to overcome the country-driven/European policy dilemma, to find the 'breathing space' for biodiversity activities through dialogue with partner countries, the following might be considered:

- Convince and raise awareness among European development policy makers and cooperation planners so that they themselves become biodiversity advocates.
- Allow appropriate participation of European and partner countries' civil society in major stages of development cooperation planning.
- Stimulate the demand for cooperation agencies to address biodiversity and natural resources issues in partner countries. This may entail awareness raising and capacity building in various administrations, appropriate representation and participation of civil society in development cooperation planning at all stages of the project and policy cycle.
- Use Country Environmental Profiles/Regional Environmental Profiles (CEPs/REPs) or national equivalents as tools to highlight the importance of undertaking specific actions for biodiversity, with regards to their indirect benefits to the poor.
- Develop sustainable, beyond-projects sources of funding for biodiversity (such as trust funds or payment for ecosystem services).
- Support initiatives that favour the replication and up-scaling of success

stories, for example by investing in learning networks such as the Poverty–Environment Partnership (PEP) or the Poverty and Conservation Learning Group.

- Support the establishment of long-term partnerships between Member States and international, national and local NGOs aiming at protecting biodiversity.

2.2. The EU policy/ country-driven dilemma

We have mentioned demand-driven criteria as one of the most important programming principles for the EC and Member States. Therefore, to a certain degree, the extent to which the priority given to environmental expenditure under the European Consensus on Development is actually implemented depends on whether beneficiary countries select environment as a priority focal sector. Since biodiversity is usually not high on their agenda, it is often difficult to obtain their support for biodiversity projects¹. This is a real dilemma that is faced by all Organization for Economic Cooperation and Development (OECD) countries—increasingly as they try to move both to bottom-up approaches to projects and to more direct budget support.

Nevertheless, the European Court of Auditors points out that 'whatever the position of beneficiary countries on environmental issues, the Commission is responsible and accountable for seeking to ensure its policies are implemented'—which is equally applicable to Member States. Biodiversity sustainable management being one of its strong political commitments, the European Union does not have any alternative but to find 'breathing space' for biodiversity activities through its dialogue with partner countries.

Suggestions for discussion:

Overcome the EU policy/country-driven dilemma

Although there is no silver bullet to tackle this dilemma, some room for manoeuvre does exist.

It is recognised (EC, 2000) that 'in some cases a country's institutions are either not functioning well or have become dysfunctional. This means that the structured approach to "country-owned" policy formulation outlined above will simply not provide a realistic starting point. In such cases the CSP will be based on the Community's own analysis of the development needs of the country'. The criteria of 'institutions functioning well or being dysfunctional' probably can provide leeway to introduce environmental activities in CSPs and other programming documents since in practice, most developing countries are in intermediary situations with 'relatively functional/ dysfunctional institutions'. If demand-driven criteria are a commendable principle, the EC and Member States can still inspire and stimulate the demand for certain kinds of interventions.

The demand expressed by a country may vary significantly depending on who expresses it and who is listened to. Ensuring adequate lobbying capacity is therefore crucial:

- Environment ministries have a key role to play but still often do not have appropriate capacity.
- Civil society's participation in EC development assistance, including in CSP elaboration, is still very limited in many instances (BOND, 2004). More participatory programming processes within a good governance context could open the door to local stakeholders who may be more concerned with environmental issues than central governments. Whereas this would not automatically be the case, raising biodiversity awareness of Community-based organizations (CBOs) and NGOs in recipient countries would also be a path worth exploring.

1. Before the European Consensus on Development included Environment and Natural Resources as a concentration area, the problem was obviously even fiercer. Carl Bro's 2004 assessment identified a 'lethal combination of a demand-driven EC development policy, and financial support restricted to six specified focal areas' (excluding natural resources).

2.3. Weak mainstreaming of biodiversity on the side of partner countries

According to the OECD (2006), 'the integration of environmental factors into national development and poverty reduction strategies remains weak'. Many beneficiary countries still attach relatively low priority to environmental issues, for at least three general reasons:

- 'Insufficient understanding of the environment–development linkage.
- Insufficient capacity, political will, and financial resources to develop and enforce domestic environmental legislation, combined with weak capacity to mobilize and manage the financial resources needed to support investments that simultaneously address both environmental and development objectives.
- Weak institutional structures, which often mean that the authorities responsible for environmental management are not fully integrated into development decision making and planning mechanisms'.

Indeed, and as analysed by the European Court of Auditors (2005), ministries of environment, 'even in more developed countries with major environmental concerns such as Brazil and China, do not have the same resources and influence of other, longer established ministries'. In that sense, development and poverty reduction strategies, and to a certain extent donor programming documents such as CSPs, reflect an imbalance of power in states—and civil societies—which is still not favourable to environmental protection.

Suggestions for discussion:

Improve mainstreaming of biodiversity in partner countries

The degree of priority that beneficiary countries attach to environmental issues could be increased. National Biodiversity Strategy and Action Plans (NBSAPs) could be more fully integrated into PRSPs and into bilateral cooperation or trade agreements. This could be made possible by:

- Raising awareness among partner administrations.
- Building capacity at the individual and institutional levels, especially within environment administrations. Direct

budget support could be used to strengthen their weight in the balance of power between sectors.

- Involving ministries responsible for environment and biodiversity as well as environmental NGOs in the drafting and reviewing of the development and poverty reduction strategies—in particular PRSPs and national strategies for sustainable development (NSSDs).
- Developing a coherent set of economic and regulatory tools and incentives that promote and reward integration and added value, while discouraging inappropriate behaviours (see also the 10 'Principles for effective mainstreaming' in Box 18).

2.4. The mainstreaming/cross-cutting challenge for the European Union

2.4.1. An acknowledged failure to mainstream biodiversity issues within EC cooperation'

From the Commission's point of view, mainstreaming has three interlinked dimensions: within CSPs, within Commission projects outside the environment sector, and within the Commission's direct budgetary support (or similar approaches such as sector-wide support).

Once again, within these three spheres, the diagnosis is quite harsh. For example, Dávalos (2002) reviewed 60 CSPs (2001 to 2006 or 2007) and assessed the extent to which the environment was effectively mainstreamed in the EC's CSPs. The result is straightforward: 'there is still considerable scope for improvement in matters of environment in the formulation of the CSPs. The average total score is 2.96 out of a possible 10'. Only six countries out of 60 included a CEP. CSPs/RSPs in most cases either do not address biodiversity issues adequately and sometimes even generate serious negative impacts. Dávalos also remarked, however, that some good practices can be found where CSPs have demonstrated concerted efforts to mainstream environmental issues. For example, CSPs from China and Indonesia

Box 18. Principles for effective mainstreaming

Effective mainstreaming requires:

1. Awareness and political will from the highest levels, providing support for implementation.
2. Strong leadership, dialogue, and cooperation at all levels.
3. Mutual supportiveness and respect between biodiversity and development priorities.
4. A strong focus on economic sectors, supported by cross-sectoral approaches, securing sector-based biodiversity conservation.
5. Analysis and understanding of the changing motivations and opportunities of each sector, including the effects of globalization.
6. Identification and prioritization of entry points and the development of sector-specific tools and interventions (such as international codes of conduct or standards).
7. Awareness within sectors of the relevance of biodiversity conservation and the capacity needed for implementation.
8. A coherent set of economic and regulatory tools and incentives that promote and reward integration and added value, while discouraging inappropriate behaviours.
9. Sustained behavioural change within individuals, institutions, and society, and in both public and private domains.
10. Measurable behavioural outcomes and biodiversity impacts.

Source: Petersen & Huntley, 2005.

1. This section focuses on the EC for practical reasons. However, each Member State and associated stakeholders may be able to draw EU-wide generalisations from the analysis.

appear to integrate environmental issues in a comprehensive manner and identify them as a priority sector for cooperation.

More recently, Carl Bro's assessment (2004) notes that 'one of the main objectives of the Biodiversity Strategy is the mainstreaming of biodiversity objectives into other (non-environment) sectors, and in this respect implementation has been singularly disappointing'. Further, 'the [Biodiversity Action Plan for Economic and Development Cooperation] BAP-EDC has not been effective in influencing policy, programmes and projects. The Action Plan should have influenced programming by incorporating biodiversity issues in PRSPs, CSPs and RSPs and through the universal use of CEPs, [Strategic Environmental Assessments] SEAs, and [Environmental Impact Assessments] EIAs. This has not happened. There is no detectable mainstreaming effect at the project level'. And earlier this year, the European Commission (2006b) recognised that progress in mainstreaming biodiversity in development aid budgets 'had been disappointing, largely due to the low priority often given to biodiversity in the face of other compelling needs'.

A number of factors within the Commission explain why it has not adequately complied with its policy of mainstreaming the environment in general and biodiversity in particular into CSPs. All of them can probably be interpreted as deriving from a lack of political will at the European and Member State level—which in turn may be seen as a failure of governance. Having said that, it is useful to separate each of these shortcomings into different—possibly more technical, but also more workable, categories—in order that the proposed analysis may lead to action.

2.4.2. A conceptual weakness

First of all, the very concept of mainstreaming, and the way it is translated in European cooperation, is unclear. As noted by Mackie (2005), too many cross-cutting issues to mainstream make the concept somewhat unmanageable. For example, the European Consensus on Development stipulates eight cross-cutting issues to be mainstreamed: human rights, gender equality, democracy, good governance, children's rights, indigenous peoples, environmental sustainability and combating HIV/AIDS, whereas the EC 2000 overall development policy identified only six cross-cutting issues for mainstreaming: good governance, human rights, poverty reduction, capacity building, gender equality, environment. Such a lack of convergence unavoidably generates confusion and, what is worse, may make these issues and the whole mainstreaming rhetoric look like fashionable concepts that vary according to latest international trends.

In addition, although mainstreaming the environment is obviously a priority, 'Commission staff have a whole series of other policy priorities to also take into account and the hierarchy of priorities is not defined. In particular, it is not clear whether environment is to be treated as a major priority, because it is one of the three pillars of sustainable development, or if it was only one of a larger number of cross-cutting issues' (European Court of Auditors, 2005). Such a lack of effective prioritization of the half a dozen or more cross-cutting issues can only lead to them being dealt with by staff on an ad hoc basis, according to their own backgrounds, interests, etc. It will in no way lead to the coherent mainstreaming of all six or eight issues.

2.4.3. Lack of internal capacity

Although acknowledged as a prerequisite for mainstreaming, awareness of biodiversity issues is very low within the Commission (Carl Bro, 2004). This has been confirmed by the European Court of Auditors which noted that Commission staff generally do not have the necessary training on mainstreaming the environment in general and biodiversity in particular. Auditors underline that a Commission Staff Working Paper foresaw that there would be some mandatory training for every official working in key policy areas or with responsibility for a particular geographic area. Nevertheless, Commission management did not make the course compulsory with the result that it was poorly attended.

Moreover, building internal capacity for biodiversity mainstreaming is a much broader task than just forcing managers to attend a training session. Environmentalists have a key role to play internally, however, for example, many delegations still do not have an environmental expert on their staff. This is a matter for concern especially following devolution. It is most likely no coincidence that the two CSPs cited as good examples by Dávalos (2002) come from delegations (in China and Indonesia) which do have several environmental experts at hand internally. This demonstrates that good human resources can achieve more with fewer procedural requirements (CEPs were not a mandatory part of the CSP framework at that time).

2.4.4. Organizational issues

Mainstreaming also has an organizational dimension that has so far not been fully addressed within the Commission (European Court of Auditors, 2004). Organizational changes, made necessary by the commitment to implement a strengthened policy on environmental mainstreaming, are certainly made more difficult because they have to be implemented across three Directorate Generals and all the delegations, with none of the Directorate Generals having overall responsibility.

2.4.5. Lack of adequate tools and procedures

The last explanatory factor that we want to highlight is the lack of adequate tools and procedures. Several required procedural changes have not been implemented yet. There is still widespread ambiguity regarding the mandatory nature of environmental integration tools (i.e. what are the practical consequences if they are not mobilized?) and uncertainties remain about the division of related roles and responsibilities.

Coming back to the three areas of mainstreaming mentioned above, we can briefly review the status of the main tools at hand for mainstreaming environment within CSPs, within Commission projects outside the environment sector, and within the Commission's direct budgetary support and similar approaches.

First, environmental appraisal tools for integrating environment into CSPs have been little used so far. CEPs are just beginning to become mandatory with the new batch of CSPs being prepared for African, Caribbean and Pacific (ACP) countries. However, their actual integration in CSPs is still very much in question: although we can assume significant progress will be made, any compulsory section in or annex to the CSP offers no guarantee whatsoever.

Second, for projects that fall outside the environmental sector, there is a surprising variability in the existence, quality, utilization and follow-up of EIAs. The 2004 Audit paints quite a dismaying picture of the situation—dismaying because EIAs have been undertaken worldwide for decades and were supposedly a well defined and systematically used instrument in development cooperation as early as the 1990s. In fact, Auditors have highlighted the existence of poor project screening practices for potential EIAs, the absence of a system whereby environmental experts screen non-environmental projects, etc. They have identified a long list of recent infrastructure or agricultural projects where no EIA was drawn up (despite the fact that 35% of 9th European Development Fund (EDF) funding was

allocated to roads), or where the EIA consists of just one page in a feasibility study. This is definitely one of the most easy mainstreaming issues to resolve and requires urgent action.

Third, as far as direct budget support and similar approaches are concerned, to date, strategic environmental assessments have rarely been implemented, although a few examples do exist. This is definitely no small matter since non project-based approaches such as direct budget support are expanding quickly and are encouraged internationally¹, with approximately 25% of EDF funding allocated to ACP countries under the current CSPs having been committed to such programmes.

This reluctance to use SEAs may have its roots in a variety of explanations including: lack of knowledge among decision makers regarding the potential value of SEAs for development effectiveness (rather than perceiving it only as a constraint); lack of institutional experience in the use of systematic decision-making tools such as SEAs; etc. Tackling those challenges will surely require capacity development (OECD/DAC, 2006).

One thing that is not lacking, however, is guidance. Contrary to what the European Court of Auditors affirms (2005), SEA is not 'a relatively new tool in the development context'. As early as the mid-1990s a wide range of guidelines already existed and had been tested successfully by major bilateral and multi-lateral development agencies². Production of guidelines on SEA has continued ever since with for example, the Directive 2001/42/EC of the European Parliament and of the Council on the assessment of the effects of certain plans and programmes on the environment, the Convention on Biological Diversity's (CBD) 'Guidelines on biodiversity-inclusive strategic environmental assessment' (CBD, 2006), and the OECD Development Assistance Committee's (DAC) 'Good practice guidance on applying Strategic Environmental Assessment (SEA) in development cooperation'.

1. Cf. European Consensus on Development: 'Where circumstances permit, the use of general or sectoral budget support should increase as a means to strengthen ownership'. Cf also the additional commitments made by the EU at the Paris High Level Forum in March 2005: 'channel 50% of government-to-government assistance through country systems, including by increasing the percentage of our assistance provided through budget support or swap agreements'.

2. Cf. Billé (1997): This study was building on a wide range of existing international knowledge and guidelines, already available in 1997, in the field of SEAs for development cooperation.

Suggestions for discussion:

Improve mainstreaming of biodiversity within the EU

The EC and Member States must act on their commitments to mainstream biodiversity. In addition to suggestions made in above, this may involve:

- Building capacity within headquarters and delegations/embassies to tackle the specific requirements of biodiversity mainstreaming.
- Generalizing the use of tools such as EIAs and SEAs. For example, no important infrastructure project should ever be funded without an appropriate EIA being undertaken and its results factored into the project. Similarly, infrastructure sectors such as transport should benefit from careful SEAs that would review and compare options.
- Making sure the way CEPs/REPs are integrated into programming documents like CSPs/RSPs is reviewed by environmental experts at necessary points of the programming cycle. A global review of the implementation of CEPs/REPs could be undertaken as early as 2007 to assess the impact of this relatively new tool on CSPs/RSPs.
- On a more general note, the conference could discuss whether the environment should be considered as one issue among several others to be mainstreamed, or one of the three pillars of sustainable development.

2.5. Lack of coherence with European non-development policies, especially trade

Despite repeated commitments to ensure policy coherence (cf. the European Consensus on Development), many of the important sustainable development and natural resource management objectives that the European Union has adopted are damaged or negated by other European policies. This is probably nowhere as true as in the trade policy and its fisheries, agricultural or forestry components. For example, EU fisheries policies so far have hindered the objective of supporting conservation of

marine resources, have often hurt developing countries and increased—not reduced—poverty.

Some progress has undoubtedly been made recently. For instance, the fisheries 'Partnerships Agreements', the impact of which we are likely to witness progressively over the next few years, are an important step forward. Another example is the Forest Law Enforcement, Governance and Trade (FLEGT) initiative, which addresses the impact of timber trade on tropical forests—but results remain limited and many other trade-related causes of deforestation are still to be tackled. More generally, as stated by the Commission (EC, 2006b), 'the EU has promoted the integration of the environmental dimension into international trade (for instance through its work on trade-related sustainability impact assessments (SIA)) and in global efforts to curb unsustainable production and consumption patterns—but with few concrete results for biodiversity to date'.

Actually, it seems that Europe is 'biting a too large piece of the global ecological cake': its consumption patterns are almost intrinsically not sustainable. Its ecological footprint on the planet is simply not compatible with achieving its biodiversity commitments at the global level. If globalization and trade can help, to a certain extent, developing countries to prosper, excessive demand on natural resources inevitably causes degradation of ecosystems in the countries providing them. As suggested by WWF (2005a), 'to achieve global sustainable development, the world community would need to decide how big the planet's ecological budget is, and how it will be shared. Or more simply put: how big is the ecological cake, and who gets which piece?' Although a general remark not directly relevant to the main topic of this report¹, such a determining issue cannot be entirely left aside in the discussion.

Non-aid policies can assist developing countries in attaining Millennium Development Goals (MDGs) but key challenges must be addressed. Such efforts are always at risk, especially

because the existence of a thematic programme for the environment may make other EC (or even EU) actors feel they are allowed to evade their responsibilities to understand and adapt their policies in order to improve environmental outcomes. But 'the severe problems caused by a lack of coherence of other EU policies with EU environmental policies and commitments cannot be solved by the Thematic Programme. Ensuring that other policies and programmes do not limit or prevent the achievement of the EU's global environmental commitments must remain the responsibility of those policies themselves' (Birdlife et al, 2005).

It would be inaccurate to see the lack of coherence as a simple administrative or operational shortcoming that may be overcome by technical instruments, procedures or discussions. Different policies respond to different and sometimes contradictory needs, they result from the demand of various lobbies or groups of stakeholders throughout the society, with contrasted mindsets and often conflicting interests. Inconsistencies are usual components of democratic systems—which does not mean they cannot and should not be reduced. Formal commitments made by the European Union make it a necessity to reorient agricultural, fisheries and trade policies. It is the role of the environmental community to hold the European Union responsible for altering these policies as necessary.

1. Much of Europe's ecological footprint comes from CO₂ and other greenhouse gas emissions.

Suggestions for discussion:

Improve coherence with non-development policies

In order to improve coherence between development cooperation and non-development policies, especially related to trade, the MDGs should always be kept in perspective as the overarching priority. This would prevent accepting significant negative side-effects from policies capable of bringing only limited benefits. In particular, the following could be further explored:

- Systematically undertake SEAs/SIAs as appropriate for all EU external trade agreements. For example, they could be used to ensure that the approaching negotiations between Central America and the European Union on a free trade agreement fully integrate environmental issues and biodiversity in particular.
- Promote sustainable patterns of production and consumption at the global and national levels. This may include the development of certification schemes and eco-labelling, support to the establishment of a worldwide access and benefit sharing framework, raising awareness of consumers, developing partnerships with the private sector to better capture the potential of 'green businesses', etc.
- Monitor closely the ecological footprint of Europe, develop an action plan to reduce it and commit to its implementation.

2.6. Lack of complementarity and added value between EC and Member States' cooperation

The European Commission is not fully delivering its comparative advantages and added values to Member States' cooperation. According to the European Consensus on Development, these include:

- A global presence. The European Commission is indeed represented in a vast majority of partner countries but this adds value only in countries where Member States do not have embassies and cooperation offices.
- The best position to ensure policy coherence. This is theoretically true. In practice, as discussed above, the European Commission has been unable to do so—often because of Member States' reluctance.
- A key role in promoting development best practices. This role is real and several European communications or commitments effectively invite Member States to change their development cooperation practices. On the other hand, the European Commission lies behind several Member States on a number of critical issues such as the use of EIAs and SEAs, as discussed above.
- A facilitator of coordination and harmonization. Again true in theory, with CSPs supposed to be appropriate mechanisms for enhancing the complementarity of the external assistance of the Commission and the Member States. However, coordination and harmonization are difficult for the European Commission to put into practice for many reasons, including the administrative burden they represent for aid managers and the reluctance of some Member States to be 'harmonized' on specific subjects, approaches, partner countries, etc.

On the whole, it is sometimes difficult at the partner country level to distinguish what the added value of the European Commission is, i.e. what exactly the EC is doing that another donor could not do or would do less efficiently. This is all the more true when delegations support 'standard' projects—in the case of biodiversity, for example, capacity building for the management of a protected area.

Suggestions for discussion:

Increase complementarity between Member States and the EC

The complementarity between the European Commission and Member States should be made clearer, especially with regards to the value added by EC development cooperation. A platform for exchange of information, knowledge and experiences on how to better support the sustainable use of renewable natural resources in partner countries, should exist. A new one may be created or an existing one could be modified and revitalized.

2.7. Inadequate attention to EU OCTs and ORs

The OECD's assessment regarding French overseas territories (OECD, 2005b) can be extended to European Overseas Countries and Territories (OCTs): The scientific, budgetary and institutional resources devoted to conserving biodiversity in the OCTs are not proportionate to the exceptional wealth of that biodiversity. European commitments to halting the loss of biodiversity by 2010 did not lead to much concrete implementation. Single Programming Documents (SPDs) make very limited mention of the environment and biodiversity conservation, and so far allocation of financial resources for biodiversity projects has been insignificant (Birdlife et al., 2006). Just like CSPs, SPDs do not usually undergo relevant strategic environmental assessments of their impact on biodiversity. nor do they frequently involve environmental NGOs in their elaboration process.

What is more, the four Outermost Regions (ORs) of France (Guadeloupe, French Guiana, Martinique and Reunion) are an integral part of this EU Member State. They are therefore eligible for assistance under various EU funds (structural funds, rural development funds, fisheries funds), which often finance environmentally damaging activities. Meanwhile, projects that actively benefit biodiversity and sustainable development are lacking, and the impact assessment directives (EIA and SEA), which theoretically apply to these regions, are inadequately transposed and complied with. Most importantly, the two nature directives (the Birds 79/409/EEC and Habitats 92/34/EEC directives) do not apply to these regions, thereby stripping them of an effective protective measure for their unique biodiversity (Birdlife et al, 2006).

Although understandable from an ecological perspective (given the distances at stake, one can hardly speak of an ecological network between French ORs and the European mainland), this issue needs to be addressed by appropriate alternative legislation and instruments. The current situation 'goes against the spirit of cohesion of the European Union' (IUCN, 2004).

Suggestions for discussion:

Pay more attention to EU Overseas Countries and Territories (and Outermost Regions) Biodiversity in OCTs, and to a lesser extent in ORs, would clearly benefit from most of the previous suggestions. However, they also require special attention, as they could become examples for neighbouring countries. From this perspective, their regional integration would be supported.

2.8. Inadequate tools for monitoring and reporting

Compliance with the highest standards of transparency and accountability is an essential condition for the legitimacy of the European Union. Nevertheless, the EC and Member States lack the necessary monitoring mechanisms to track, measure and evaluate progress in the implementation of their commitments and their contribution to meeting key challenges.

The difficulties we faced in collecting data when preparing this paper (see Introduction) are evidence of this. The fact that the Commission will report annually to the Council and the Parliament on progress in the implementation of the action plan on 'Halting the loss of biodiversity by 2010—and beyond' from 2007, and especially that the fourth annual report (to end 2010) will evaluate the extent to which the European Union has met its 2010 commitments (EC, 2006b), represent steps in the right direction. However, they are not sufficient: specific monitoring and reporting mechanisms remain unclear and the Evaluation Unit seems to be expected to evaluate the whole of EU external aid with very limited staff and little expertise on environmental issues.

The biodiversity markers, developed jointly by the OECD/DAC and CBD Secretariats, represent a promising initiative. They are based on codes to mark the importance of biodiversity in development projects:

- 0: Biodiversity not targeted
- 1: Biodiversity is a significant objective
- 2: Biodiversity is the principal objective

First tried in 1998–2000¹, the Rio Markers were integrated in 2004 for 3 years (on a trial basis) into the regular OECD/DAC Creditor Reporting System. However, as noticed by the European Court of Auditors (2005), 'the DAC system, while satisfactory for identifying expenditures on projects whose primary objective is support to the environment, has only a basic marker system for identifying expenditure on the environment within projects which do not have support to

the environment as their primary objective. The marker system only allows projects to be identified where environment-related expenditure has been made but not the amount of that expenditure'.

In addition, expenditures do not necessarily translate into outcomes because (CBD Secretariat, 2004):

- Overseas Development Assistance (ODA) utilized in other activities can offset positive impacts of biodiversity-related ODA;
- Analyses that only draw on financial data may inadequately reflect the real level of donors' efforts, since capital-intensive investment projects in infrastructure sectors will dominate the data, hiding smaller-scale labour-intensive seminars, training courses, research projects and consultancies;
- The indicator does not measure the effectiveness of utilization of ODA.

A recent publication (Petersen & Huntley, 2005), based on a workshop held in Cape Town, provides a set of innovative indicators to assess the effectiveness of mainstreaming (see Annex 11). Although initially developed for the Global Environment Facility (GEF) they could be used to overcome the expenditure bias described above. They include potential indicators for the following targets: spatial, government, private sector, individual, multilateral donor organization, poverty alleviation agenda, markets for ecosystem services.

Suggestions for discussion

Develop tools for reporting on and monitoring biodiversity in European development cooperation

Some new paths for reporting on and monitoring biodiversity in European development cooperation may be worth exploring or deepening:

- In 2004, Carl Bro's assessment suggested indicators to evaluate the progress of the BAP-EDC. They could be refined and tested, which does not seem to have been the case so far.
- In order to 'strengthen mechanisms for tracking aid flows towards the environment', as demanded by OECD's Framework for common action around shared goals (see Annex 12) which was adopted by all OECD Development and Environment Ministers in 2006, DAC biodiversity markers could turn out to be a useful tool. They might be integrated in the EU donor atlas.
- Indicators developed at the Cape Town workshop to assess the effectiveness of mainstreaming could be refined, adapted and implemented in the EU development cooperation context.

1. A review of these markers' utilization will be undertaken in 2007.

3. Conclusion: A conference to pave the way forward

Despite incontestable efforts undertaken by the European Commission, Member States and partner countries, despite resources allocated to biodiversity in development cooperation, and despite the numerous improvements, innovations, experiments and success stories documented, the trend which has sometimes made European aid self-defeating by contributing to biodiversity loss has not yet been reversed. As stated in the Introduction, the diagnosis may be articulated around answers to our three initial driving questions:

- The impact of initiatives with biodiversity as a primary or secondary objective (DAC Code 1 and 2), while usually positive, remain too localized and too limited. Although such projects have now been in existence for decades worldwide, most of the time they seem to be implemented and to deliver outcomes at a pilot scale. Be they from the European Commission or Member States, bilateral cooperation, effort and results are not commensurate with degradation trends and driving forces.
- The environmental impact of development projects and policies which do not have biodiversity management among their objectives (DAC Code 0) is still often negative. Environmental assessments do not match needs, mitigation measures are insufficient when they exist at all, and the mainstreaming of biodiversity issues in the project and policy cycle remains very much of a paper concept.
- Several non-development policies from the European Commission as well as from Member States harm biodiversity in developing countries, and therefore hinder their capacity to achieve the Millennium Development Goals. The lack of coherence and mutually mutilating effects of environmental initiatives, development cooperation and non-development policies are probably nowhere as obvious as in the case of trade, especially in the fields of agriculture, fisheries and forestry.

The vast majority of issues, driving forces, rooms for manoeuvre identified here are not new. Many of them could be gathered under the umbrella of the necessity to improve governance, both within EU institutions and in partner countries. In the absence of a silver bullet to achieve sustainable development and stimulate synergies between poverty alleviation and biodiversity conservation, we should underline the importance of major institutional reforms, enhanced public participation, more equity in the access to and benefit sharing from natural resources, better corporate responsibility, more transparent monitoring and evaluation systems, etc. These are vast programmes of action that go well beyond the environmental community and sector. They will require strong partnerships between all stakeholders involved in European development cooperation.

Potential recommendations that the conference may draw from discussions based in part on this background paper will not be entirely new either and will be much broader in scope than anything one single stakeholder could take on. Their implementation will remain the key challenge and should be used to build on wide support among participants. In that respect, negotiations of the 10th EDF implementation will provide a good reality check.

We hope the analysis, suggestions and hints provided in this document will fruitfully support discussions to help the European Union come closer to the target it has largely been missing so far.

It is in the implementation of recommendations and agreed-upon actions that there is the greatest need for innovation.

UN Millennium Project, 2005



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Countdown 2010



Declaration

Biodiversity—the web of life on earth—is essential to the quality of human well-being, and it is a crucial element in sustaining the social, economic and spiritual dimension of all Europeans. Yet, biodiversity continues to decline. Political commitments have been made to stop this trend by 2010. Further steps need to be taken to honour this commitment and to translate it into action.

We the undersigned will take every practical opportunity to:

Support the commitments to halt or significantly reduce the current rate of biodiversity loss by 2010.

Encourage European decision makers at all levels, in both the public and the private sector, to contribute to these commitments.

Commit ourselves to encourage and assist decision makers and European societies in achieving the 2010 biodiversity target.

Overarching goal

That all European governments and members of civil society, at every level, have taken the necessary actions to halt the loss of biodiversity by 2010.

Objectives

1. Encourage and **support the full implementation** of all the existing binding international commitments and necessary actions to save biodiversity;
2. Demonstrate clearly **what progress Europe** makes in meeting the 2010 Biodiversity Commitment;
3. Gain **maximum public attention** across Europe for the challenge of saving biodiversity by 2010.

Principles

Science based: all Countdown 2010 work will be underpinned by sound science and/or relevant practical conservation experience and will be carried out to the highest possible standard.

Transparency: Countdown 2010 is committed to the principle of transparency in process and decision making. It will ensure public access to information, while respecting individual privacy and institutional confidentiality, as appropriate.

Subsidiarity: the Countdown 2010 Secretariat will work at the most appropriate level (local, national, regional, multi-regional) and it will only undertake those Countdown 2010 activities that partners are unable to undertake.

Autonomy: Countdown 2010 is an independent alliance. It is governed by the will of its partners through the institutional mechanisms in place (Executive Group and Steering Group).

Countdown 2010 is a network of active partners ranging from governments, local authorities via civil society organizations to private businesses.

By signing the Countdown 2010 declaration, each organization commits itself to promoting the 2010 biodiversity target and to working towards its achievement.

For more information: info@countdown2010.net | www.countdown2010.net

The poverty-environment partnership¹

The Poverty–Environment Partnership (PEP) is an informal network of development agencies that aims to address key poverty–environment issues within the framework of international efforts to achieve the Millennium Development Goals (MDGs), by: (1) sharing knowledge and operational experience; (2) identifying ways and means to improve coordination and collaboration at country and policy levels; and (3) developing and implementing joint activities.

At the 2002 World Summit on Sustainable Development in Johannesburg, world leaders agreed that sound and equitable management of natural resources and ecosystem services is critical to sustained poverty reduction and achievement of the Millennium Development Goals. The 2005 World Summit in New York assessed progress and achievements since international endorsement of the Millennium Declaration in 2000 and establishment of the MDGs. In this period since 2000, there has been widespread confusion and neglect concerning MDG 7: Ensuring Environmental Sustainability. Consequently, there has been a considerable risk that the Summit would not agree on needed measures

to improve and scale-up efforts to tackle the critical linkages between environmental sustainability, poverty reduction and achievement of the other MDGs.

In response, the Poverty–Environment Partnership has launched a three-pronged approach to reinvigorating political attention and commitment to the environmental challenges central to achieving the MDGs:

(1) Making the Case for Environment and the MDGs by presenting best evidence on the economic importance of environment to poverty reduction and pro-poor growth, and identifying priority areas for improved investment to achieve MDG 7 and contribute to the broader MDG agenda.

(2) Holding High-Visibility Summit Events on Environment and the MDGs to focus Summit attention on the critical role of sound environmental management for the MDGs and the broader Summit agenda, and to showcase and generate wider political commitment to scaling-up action beyond the Summit.

(3) Supporting Summit Follow-Up Action on Environment and the MDGs by positioning PEP members

collectively and individually to take forward the decisions of the Summit and mobilizing a more broad-based coalition on environment for achieving the MDGs.

PEP Member Organizations

Bilateral Agencies: Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Japan, Netherlands, Norway, Sweden, Switzerland, United Kingdom, United States.

Multilateral/UN Agencies: African Development Bank, Asian Development Bank, European Commission, UN Food and Agriculture Organization, Global Environment Facility, Inter-American Development Bank, International Fund for Agricultural Development, International Monetary Fund, Organization for Economic Cooperation and Development, UN Department for Economic and Social Affairs, UN Development Programme, UN Environment Programme, The World Bank, World Health Organization.

International NGOs:

International Institute for Environment and Development, The World Conservation Union (IUCN), World Resources Institute, WWF International.

1. <http://www.undp.org/pei/aboutpep.html>

The Millennium Development Goals

Goal 1. Eradicate extreme poverty and hunger

Target 1: Reduce by half the proportion of people living on less than a dollar a day

1. Proportion of population below \$1 (PPP) per day (World Bank)
2. Poverty gap ratio, \$1 per day (World Bank)
3. Share of poorest quintile in national income or consumption (World Bank)

Target 2: Reduce by half the proportion of people who suffer from hunger

4. Prevalence of underweight children under five years of age (UNICEF)
5. Proportion of the population below minimum level of dietary energy consumption (FAO)

Goal 2. Achieve universal primary education

Target 3: Ensure that all boys and girls complete a full course of primary schooling

6. Net enrolment ratio in primary education (UNESCO)
7. Proportion of pupils starting grade 1 who reach grade 5 (UNESCO)
8. Literacy rate of 15–24 year-olds (UNESCO)

Goal 3. Promote gender equality and empower women

Target 4: Eliminate gender disparity in primary and secondary education

preferably by 2005, and at all levels by 2015

9. Ratio of girls to boys in primary, secondary, and tertiary education (UNESCO)
10. Ratio of literate women to men 15-24 years old (UNESCO)
11. Share of women in wage employment in the non-agricultural sector (ILO)
12. Proportion of seats held by women in national parliaments (IPU)

Goal 4. Reduce child mortality

Target 5: Reduce by two-thirds the mortality rate among children under five

13. Under-five mortality rate (UNICEF)
14. Infant mortality rate (UNICEF)
15. Proportion of 1 year-old children immunized against measles (UNICEF)

Goal 5. Improve maternal health

Target 6: Reduce by three-quarters the maternal mortality ratio

16. Maternal mortality ratio (WHO)
17. Proportion of births attended by skilled health personnel (UNICEF)

Goal 6. Combat HIV/AIDS, malaria and other diseases

Target 7: Halt and begin to reverse the spread of HIV/AIDS

18. HIV prevalence among 15–24 year-old pregnant women (UNAIDS)
19. Condom use, rate of the contraceptive prevalence, rate and population aged 15–24 years with comprehensive correct knowledge of HIV/AIDS (UNAIDS, UNICEF, UN Population Division, WHO)
20. Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years

Target 8: Halt and begin to reverse the incidence of malaria and other major diseases

21. Prevalence and death rates associated with malaria (WHO)
22. Proportion of population in malaria risk areas using effective malaria prevention and treatment measures (UNICEF)
23. Prevalence and death rates associated with tuberculosis (WHO)
24. Proportion of tuberculosis cases detected and cured under directly-observed treatment short courses (WHO)

Goal 7. Ensure environmental sustainability

Target 9: Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources

25. Forested land as percentage of land area (FAO)
26. Ratio of area protected to maintain biological diversity to surface area (UNEP)
27. Energy supply (apparent consumption; kg oil equivalent) per \$1,000 (PPP) GDP (World Bank)
28. Carbon dioxide emissions (per capita) and consumption of ozone-depleting CFCs (ODP tons)

Target 10: Reduce by half the proportion of people without sustainable access to safe drinking water

30. Proportion of the population with sustainable access to and improved water source (WHO/UNICEF)
31. Proportion of the population with access to improved sanitation (WHO/UNICEF)

Target 11: Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020

32. Slum population as percentage of urban population (Secure Tenure Index) (UN-Habitat)

Goal 8. Develop a global partnership for development

Target 12: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system, includes a commitment to good governance, development, and poverty reduction—both nationally and internationally

Target 13: Address the special needs of the least developed countries, includes a tariff and quota free access for least developed countries' exports; enhanced programme of debt relief for HIPC countries and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction

Target 14: Address the special needs of landlocked countries and small island developing states

Target 15: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term

Target 16: In cooperation with developing countries, develop and implement strategies for decent and productive work for youth

Target 17: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries

Target 18: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

Official Development Assistance

32. Net ODA as percentage of OECD/DAC donors' gross national product (targets of 0.7% in total and 0.15% for LDCs)
33. Proportion of ODA to basic social services (basic education, primary health care, nutrition, safe water and sanitation)
34. Proportion of ODA that is untied
35. Proportion of ODA for environment in small island developing states
36. Proportion of ODA for transport sector in landlocked countries

Market Access

37. Proportion of exports (by value and excluding arms) admitted free of duties and quotas
38. Average tariffs and quotas on agricultural products and textiles and clothing
39. Domestic and export agricultural subsidies in OECD countries
40. Proportion of ODA provided to help build trade capacity

Debt Sustainability

41. Proportion of official bilateral HIPC debt cancelled
42. Total number of countries that have reached their HIPC decision points and number that have reached their completion points (cumulative) (HIPC) (World Bank-IMF)
43. Debt service as a percentage of exports of goods and services (World Bank)
44. Debt relief committed under HIPC initiative (HIPC) (World Bank-IMF)
45. Unemployment of 15–24 year-olds, each sex and total (ILO)
46. Proportion of population with access to affordable, essential drugs on a sustainable basis (WHO)
47. Telephone lines and cellular subscribers per 100 population (ITU)
48. Personal computers in use and internet users per 100 population (ITU)

The message from Malahide selected objectives

Objective 6:

To conserve and enhance biodiversity through sustainable forest management at national, regional and global levels.

Wood imported by the EU derived only through sustainable forest management.

EU imports driving deforestation identified and reduced.

Bilateral agreements made between the EU and the major timber exporting countries with the aim of supporting forest law enforcement, governance and trade (FLEGT).

Objective 11:

To ensure an improved and measurable contribution of EU economic and development cooperation to achieving the global target 'to significantly reduce the current [2002] rate of biodiversity loss by 2010' in support of the Millennium Development Goals (MDGs).

EU Regional and Country Strategy Papers and Sectoral Strategy Papers (RSPs/CSPs) have integrated implementation of the Convention on Biological Diversity (CBD) by 2007.

Partner countries¹ have integrated implementation of the CBD in national development strategies, including Poverty Reduction Strategies by 2007. EC and Member States' funding for supporting implementation in partner countries of the CBD, its work programmes and its Biosafety Protocol, significantly increased by 2007.

Adequate dedicated EU funding secured to support international implementation of the CBD where these actions fall outside development cooperation.

All programmes and projects funded by the EU in partner countries have ex ante strategic environmental assessments (SEAs) and environmental impact assessments (EIA), and actions are taken to prevent and mitigate negative impacts on biodiversity in a timely manner.

Adequate long term capacity has been established in EU delegations and development cooperation agencies to sustainably achieve the above targets by 2006.

EC and Member States cooperate and coordinate their efforts to support the above targets, with corresponding reporting mechanisms by 2006.

Effective mechanisms are in place to enable NGOs and local communities to access EU funding and to increase synergies between governments, NGOs and the private sector.

¹ The term 'Partner countries' includes Overseas Territories.

Objective 12:

To contribute to the global 2010 target by promoting ecologically sustainable international trade.

Major negative impacts of trade on third countries' and EU's biodiversity identified, and mechanisms proposed and adopted and action taken to significantly reduce them.

All trade agreements between the EU and third countries avoid or at least mitigate negative effects on biodiversity.

All trade in CITES species effectively controlled to ensure that it is not detrimental to their conservation and sustainable use.

Biodiversity conservation and sustainable use fully integrated into EC trade-related technical assistance and capacity-building activities.

Mutual supportiveness between biodiversity-related agreements and the WTO and other trade-related agreements ensured, consistent with the precautionary principle.

Objective 13:

To ensure the fair and equitable sharing of benefits arising out of the use of genetic resources while promoting their conservation and sustainable use.

Capacity built in developing countries for the implementation of the (access and benefit sharing) ABS provisions of the CBD.

International regime on ABS concluded according to the mandate adopted at the 7th Conference of the Parties (COP 7).

International Treaty on Plant Genetic Resources for Food and Agriculture effectively implemented by 2007.

Objective 14:

To ensure the implementation of CBD decisions on knowledge, innovations and practices of indigenous and local communities embodying their traditional lifestyles.

Ensure application of the principle of prior informed consent when commercially using traditional knowledge.

Apply the CBD Akwe-Kon Guidelines for projects affecting terrestrial lands of indigenous and local communities both within the EU Member States and in third countries.

Objective 15:

To implement an agreed set of biodiversity indicators to monitor and evaluate progress towards the 2010 targets, with the potential to communicate biodiversity problems effectively to the general public and to decision-makers and provoke appropriate policy responses.

Indicators: biodiversity headline indicators adopted in 2004, tested, optimized, finalized by 2006; biodiversity indicator adopted in list of Sustainable Development Indicators for reporting on Sustainable Development Strategy by 2004; interim biodiversity structural indicator developed by 2005 and finalized by 2006.

Monitoring: use, and if necessary develop, monitoring frameworks (building on existing monitoring approaches and methods including those of civil society) in order to establish adequate harmonized data flows for the biodiversity headline and structural indicators to reveal and communicate key trends from 2006.

Reporting: adopt best approaches to streamline national reporting to European Community, pan-European and international agreements from 2006 onwards; headline indicators applied for reporting on progress in implementation of the European Community Biodiversity Strategy (ECBS) and Biodiversity Action Plans (BAPs) 2007 and 2010.

Funding: adequate financial resources allocated to biodiversity indicators, monitoring, reporting and their coordination.

The Paris Declaration on Aid Effectiveness



PARIS DECLARATION ON AID EFFECTIVENESS Ownership, Harmonisation, Alignment, Results and Mutual Accountability

I. Statement of Resolve

1. We, Ministers of developed and developing countries responsible for promoting development and Heads of multilateral and bilateral development institutions, meeting in Paris on 2 March 2005, resolve to take far-reaching and monitorable actions to reform the ways we deliver and manage aid as we look ahead to the UN five-year review of the Millennium Declaration and the Millennium Development Goals (MDGs) later this year. As in Monterrey, we recognise that while the volumes of aid and other development resources must increase to achieve these goals, aid effectiveness must increase significantly as well to support partner country efforts to strengthen governance and improve development performance. This will be all the more important if existing and new bilateral and multilateral initiatives lead to significant further increases in aid.

2. At this High-Level Forum on Aid Effectiveness, we followed up on the Declaration adopted at the High-Level Forum on Harmonisation in Rome (February 2003) and the core principles put forward at the Marrakech Roundtable on Managing for Development Results (February 2004) because we believe they will increase the impact aid has in reducing poverty and inequality, increasing growth, building capacity and accelerating achievement of the MDGs.

Scale up for more effective aid

3. We reaffirm the commitments made at Rome to harmonise and align aid delivery. We are encouraged that many donors and partner countries are making aid effectiveness a high priority, and we reaffirm our commitment to accelerate progress in implementation, especially in the following areas:

- i. Strengthening partner countries' national development strategies and associated operational frameworks (e.g., planning, budget, and performance assessment frameworks).
- ii. Increasing alignment of aid with partner countries' priorities, systems and procedures and helping to strengthen their capacities.
- iii. Enhancing donors' and partner countries' respective accountability to their citizens and parliaments for their development policies, strategies and performance.
- iv. Eliminating duplication of efforts and rationalising donor activities to make them as cost-effective as possible.
- v. Reforming and simplifying donor policies and procedures to encourage collaborative behaviour and progressive alignment with partner countries' priorities, systems and procedures.
- vi. Defining measures and standards of performance and accountability of partner country systems in public financial management, procurement, fiduciary safeguards and environmental assessments, in line with broadly accepted good practices and their quick and widespread application.

4. We commit ourselves to taking concrete and effective action to address the remaining challenges, including:

- i. Weaknesses in partner countries' institutional capacities to develop and implement results-driven national development strategies.

- ii. Failure to provide more predictable and multi-year commitments on aid flows to committed partner countries.
- iii. Insufficient delegation of authority to donors' field staff, and inadequate attention to incentives for effective development partnerships between donors and partner countries.
- iv. Insufficient integration of global programmes and initiatives into partner countries' broader development agendas, including in critical areas such as HIV/AIDS.
- v. Corruption and lack of transparency, which erode public support, impede effective resource mobilisation and allocation and divert resources away from activities that are vital for poverty reduction and sustainable economic development. Where corruption exists, it inhibits donors from relying on partner country systems.

5. We acknowledge that enhancing the effectiveness of aid is feasible and necessary across all aid modalities. In determining the most effective modalities of aid delivery, we will be guided by development strategies and priorities established by partner countries. Individually and collectively, we will choose and design appropriate and complementary modalities so as to maximise their combined effectiveness.

6. In following up the Declaration, we will intensify our efforts to provide and use development assistance, including the increased flows as promised at Monterrey, in ways that rationalise the often excessive fragmentation of donor activities at the country and sector levels.

Adapt and apply to differing country situations

7. Enhancing the effectiveness of aid is also necessary in challenging and complex situations, such as the tsunami disaster that struck countries of the Indian Ocean rim on 26 December 2004. In such situations, worldwide humanitarian and development assistance must be harmonised within the growth and poverty reduction agendas of partner countries. In fragile states, as we support state-building and delivery of basic services, we will ensure that the principles of harmonisation, alignment and managing for results are adapted to environments of weak governance and capacity. Overall, we will give increased attention to such complex situations as we work toward greater aid effectiveness.

Specify indicators, timetable and targets

8. We accept that the reforms suggested in this Declaration will require continued high-level political support, peer pressure and coordinated actions at the global, regional and country levels. We commit to accelerate the pace of change by implementing, in a spirit of mutual accountability, the Partnership Commitments presented in Section II and to measure progress against 12 specific indicators that we have agreed today and that are set out in Section III of this Declaration.

9. As a further spur to progress, we will set targets for the year 2010. These targets, which will involve action by both donors and partner countries, are designed to track and encourage progress at the global level among the countries and agencies that have agreed to this Declaration. They are not intended to prejudge or substitute for any targets that individual partner countries may wish to set. We have agreed today to set five preliminary targets against indicators as shown in Section III. We agree to review these preliminary targets and to adopt targets against the remaining indicators as shown in Section III before the UNGA Summit in September 2005; and we ask the partnership of donors and partner countries hosted by the DAC to prepare for this urgently¹. Meanwhile, we welcome initiatives by partner countries and donors to establish their own targets for

¹ In accordance with paragraph 9 of the Declaration, the partnership of donors and partner countries hosted by the DAC (Working Party on Aid Effectiveness) comprising OECD/DAC members, partner countries and multilateral institutions, met twice, on 30-31 May 2005 and on 7-8 July 2005 to adopt, and review where appropriate, the targets for the twelve Indicators of Progress. At these meetings an agreement was reached on the targets presented under Section III of the present Declaration. This agreement is subject to reservations by one donor on (a) the methodology for assessing the quality of locally-managed procurement systems (relating to targets 2b and 5b) and (b) the acceptable quality of public financial management reform programmes (relating to target 5a.ii). Further discussions are underway to address these issues. The targets, including the reservation, have been notified to the Chairs of the High-level Plenary Meeting of the 59th General Assembly of the United Nations in a letter of 9 September 2005 by Mr. Richard Manning, Chair of the OECD Development Assistance Committee (DAC).

improved aid effectiveness within the framework of the agreed Partnership Commitments and Indicators of Progress. For example, a number of partner countries have presented action plans, and a large number of donors have announced important new commitments. We invite all participants who wish to provide information on such initiatives to submit it by 4 April 2005 for subsequent publication.

Monitor and evaluate implementation

10. Because demonstrating real progress at country level is critical, under the leadership of the partner country we will periodically assess, qualitatively as well as quantitatively, our mutual progress at country level in implementing agreed commitments on aid effectiveness. In doing so, we will make use of appropriate country level mechanisms.

11. At the international level, we call on the partnership of donors and partner countries hosted by the DAC to broaden partner country participation and, by the end of 2005, to propose arrangements for the medium term monitoring of the commitments in this Declaration. In the meantime, we ask the partnership to co-ordinate the international monitoring of the Indicators of Progress included in Section III; to refine targets as necessary; to provide appropriate guidance to establish baselines; and to enable consistent aggregation of information across a range of countries to be summed up in a periodic report. We will also use existing peer review mechanisms and regional reviews to support progress in this agenda. We will, in addition, explore independent cross-country monitoring and evaluation processes – which should be applied without imposing additional burdens on partners – to provide a more comprehensive understanding of how increased aid effectiveness contributes to meeting development objectives.

12. Consistent with the focus on implementation, we plan to meet again in 2008 in a developing country and conduct two rounds of monitoring before then to review progress in implementing this Declaration.

II. Partnership Commitments

13. Developed in a spirit of mutual accountability, these Partnership Commitments are based on the lessons of experience. We recognise that commitments need to be interpreted in the light of the specific situation of each partner country.

OWNERSHIP

Partner countries exercise effective leadership over their development policies, and strategies and co-ordinate development actions

14. **Partner countries** commit to:

- Exercise leadership in developing and implementing their national development strategies² through broad consultative processes.
- Translate these national development strategies into prioritised results-oriented operational programmes as expressed in medium-term expenditure frameworks and annual budgets (**Indicator 1**).
- Take the lead in co-ordinating aid at all levels in conjunction with other development resources in dialogue with donors and encouraging the participation of civil society and the private sector.

15. **Donors** commit to:

- Respect partner country leadership and help strengthen their capacity to exercise it.

² The term 'national development strategies' includes poverty reduction and similar overarching strategies as well as sector and thematic strategies.

ALIGNMENT

Donors base their overall support on partner countries' national development strategies, institutions and procedures

Donors align with partners' strategies

16. **Donors** commit to:

- Base their overall support — country strategies, policy dialogues and development co-operation programmes — on partners' national development strategies and periodic reviews of progress in implementing these strategies³ (**Indicator 3**).
- Draw conditions, whenever possible, from a partner's national development strategy or its annual review of progress in implementing this strategy. Other conditions would be included only when a sound justification exists and would be undertaken transparently and in close consultation with other donors and stakeholders.
- Link funding to a single framework of conditions and/or a manageable set of indicators derived from the national development strategy. This does not mean that all donors have identical conditions, but that each donor's conditions should be derived from a common streamlined framework aimed at achieving lasting results.

Donors use strengthened country systems

17. Using a country's own institutions and systems, where these provide assurance that aid will be used for agreed purposes, increases aid effectiveness by strengthening the partner country's sustainable capacity to develop, implement and account for its policies to its citizens and parliament. Country systems and procedures typically include, but are not restricted to, national arrangements and procedures for public financial management, accounting, auditing, procurement, results frameworks and monitoring.

18. Diagnostic reviews are an important — and growing — source of information to governments and donors on the state of country systems in partner countries. Partner countries and donors have a shared interest in being able to monitor progress over time in improving country systems. They are assisted by performance assessment frameworks, and an associated set of reform measures, that build on the information set out in diagnostic reviews and related analytical work.

19. **Partner countries and donors** jointly commit to:

- Work together to establish mutually agreed frameworks that provide reliable assessments of performance, transparency and accountability of country systems (**Indicator 2**).
- Integrate diagnostic reviews and performance assessment frameworks within country-led strategies for capacity development.

20. **Partner countries** commit to:

- Carry out diagnostic reviews that provide reliable assessments of country systems and procedures.
- On the basis of such diagnostic reviews, undertake reforms that may be necessary to ensure that national systems, institutions and procedures for managing aid and other development resources are effective, accountable and transparent.
- Undertake reforms, such as public management reform, that may be necessary to launch and fuel sustainable capacity development processes.

21. **Donors** commit to:

- Use country systems and procedures to the maximum extent possible. Where use of country systems is not feasible, establish additional safeguards and measures in ways that strengthen rather than undermine country systems and procedures (**Indicator 5**).

³ This includes for example the Annual Progress Review of the Poverty Reduction Strategies (APR).

- Avoid, to the maximum extent possible, creating dedicated structures for day-to-day management and implementation of aid-financed projects and programmes (**Indicator 6**).
- Adopt harmonised performance assessment frameworks for country systems so as to avoid presenting partner countries with an excessive number of potentially conflicting targets.

Partner countries strengthen development capacity with support from donors

22. The capacity to plan, manage, implement, and account for results of policies and programmes, is critical for achieving development objectives — from analysis and dialogue through implementation, monitoring and evaluation. Capacity development is the responsibility of partner countries with donors playing a support role. It needs not only to be based on sound technical analysis, but also to be responsive to the broader social, political and economic environment, including the need to strengthen human resources.

23. **Partner countries** commit to:

- Integrate specific capacity strengthening objectives in national development strategies and pursue their implementation through country-led capacity development strategies where needed.

24. **Donors** commit to:

- Align their analytic and financial support with partners' capacity development objectives and strategies, make effective use of existing capacities and harmonise support for capacity development accordingly (**Indicator 4**).

Strengthen public financial management capacity

25. **Partner countries** commit to:

- Intensify efforts to mobilise domestic resources, strengthen fiscal sustainability, and create an enabling environment for public and private investments.
- Publish timely, transparent and reliable reporting on budget execution.
- Take leadership of the public financial management reform process.

26. **Donors** commit to:

- Provide reliable indicative commitments of aid over a multi-year framework and disburse aid in a timely and predictable fashion according to agreed schedules (**Indicator 7**).
- Rely to the maximum extent possible on transparent partner government budget and accounting mechanisms (**Indicator 5**).

27. **Partner countries** and **donors** jointly commit to:

- Implement harmonised diagnostic reviews and performance assessment frameworks in public financial management.

Strengthen national procurement systems

28. **Partner countries** and **donors** jointly commit to:

- Use mutually agreed standards and processes⁴ to carry out diagnostics, develop sustainable reforms and monitor implementation.
- Commit sufficient resources to support and sustain medium and long-term procurement reforms and capacity development.
- Share feedback at the country level on recommended approaches so they can be improved over time.

⁴ Such as the processes developed by the joint OECD-DAC – World Bank Round Table on Strengthening Procurement Capacities in Developing Countries.

29. **Partner countries** commit to take leadership and implement the procurement reform process.
30. **Donors** commit to:
- Progressively rely on partner country systems for procurement when the country has implemented mutually agreed standards and processes (**Indicator 5**).
 - Adopt harmonised approaches when national systems do not meet mutually agreed levels of performance or donors do not use them.

Untie aid: getting better value for money

31. Untying aid generally increases aid effectiveness by reducing transaction costs for partner countries and improving country ownership and alignment. **DAC Donors** will continue to make progress on untying as encouraged by the 2001 DAC Recommendation on Untying Official Development Assistance to the Least Developed Countries (**Indicator 8**).

HARMONISATION

Donors' actions are more harmonised, transparent and collectively effective

Donors implement common arrangements and simplify procedures

32. **Donors** commit to:
- Implement the donor action plans that they have developed as part of the follow-up to the Rome High-Level Forum.
 - Implement, where feasible, common arrangements at country level for planning, funding (e.g. joint financial arrangements), disbursement, monitoring, evaluating and reporting to government on donor activities and aid flows. Increased use of programme-based aid modalities can contribute to this effort (**Indicator 9**).
 - Work together to reduce the number of separate, duplicative, missions to the field and diagnostic reviews (**Indicator 10**); and promote joint training to share lessons learnt and build a community of practice.

Complementarity: more effective division of labour

33. Excessive fragmentation of aid at global, country or sector level impairs aid effectiveness. A pragmatic approach to the division of labour and burden sharing increases complementarity and can reduce transaction costs.

34. **Partner countries** commit to:
- Provide clear views on donors' comparative advantage and on how to achieve donor complementarity at country or sector level.
35. **Donors** commit to:
- Make full use of their respective comparative advantage at sector or country level by delegating, where appropriate, authority to lead donors for the execution of programmes, activities and tasks.
 - Work together to harmonise separate procedures.

Incentives for collaborative behaviour

36. **Donors and partner countries** jointly commit to:
- Reform procedures and strengthen incentives—including for recruitment, appraisal and training—for management and staff to work towards harmonisation, alignment and results.

Delivering effective aid in fragile states⁵

37. The long-term vision for international engagement in fragile states is to build legitimate, effective and resilient state and other country institutions. While the guiding principles of effective aid apply equally to fragile states, they need to be adapted to environments of weak ownership and capacity and to immediate needs for basic service delivery.

38. **Partner countries** commit to:

- Make progress towards building institutions and establishing governance structures that deliver effective governance, public safety, security, and equitable access to basic social services for their citizens.
- Engage in dialogue with donors on developing simple planning tools, such as the transitional results matrix, where national development strategies are not yet in place.
- Encourage broad participation of a range of national actors in setting development priorities.

39. **Donors** commit to:

- Harmonise their activities. Harmonisation is all the more crucial in the absence of strong government leadership. It should focus on upstream analysis, joint assessments, joint strategies, co-ordination of political engagement; and practical initiatives such as the establishment of joint donor offices.
- Align to the maximum extent possible behind central government-led strategies or, if that is not possible, donors should make maximum use of country, regional, sector or non-government systems.
- Avoid activities that undermine national institution building, such as bypassing national budget processes or setting high salaries for local staff.
- Use an appropriate mix of aid instruments, including support for recurrent financing, particularly for countries in promising but high-risk transitions.

Promoting a harmonised approach to environmental assessments

40. Donors have achieved considerable progress in harmonisation around environmental impact assessment (EIA) including relevant health and social issues at the project level. This progress needs to be deepened, including on addressing implications of global environmental issues such as climate change, desertification and loss of biodiversity.

41. **Donors and partner countries** jointly commit to:

- Strengthen the application of EIAs and deepen common procedures for projects, including consultations with stakeholders; and develop and apply common approaches for "strategic environmental assessment" at the sector and national levels.
- Continue to develop the specialised technical and policy capacity necessary for environmental analysis and for enforcement of legislation.

42. Similar harmonisation efforts are also needed on other cross-cutting issues, such as gender equality and other thematic issues including those financed by dedicated funds.

MANAGING FOR RESULTS

Managing resources and improving decision-making for results

43. Managing for results means managing and implementing aid in a way that focuses on the desired results and uses information to improve decision-making.

⁵ The following section draws on the draft Principles for Good International Engagement in Fragile States, which emerged from the Senior Level Forum on Development Effectiveness in Fragile States (London, January 2005).

44. **Partner countries** commit to:
- Strengthen the linkages between national development strategies and annual and multi-annual budget processes.
 - Endeavour to establish results-oriented reporting and assessment frameworks that monitor progress against key dimensions of the national and sector development strategies; and that these frameworks should track a manageable number of indicators for which data are cost-effectively available (**Indicator II**).
45. **Donors** commit to:
- Link country programming and resources to results and align them with effective partner country performance assessment frameworks, refraining from requesting the introduction of performance indicators that are not consistent with partners' national development strategies.
 - Work with partner countries to rely, as far as possible, on partner countries' results-oriented reporting and monitoring frameworks.
 - Harmonise their monitoring and reporting requirements, and, until they can rely more extensively on partner countries' statistical, monitoring and evaluation systems, with partner countries to the maximum extent possible on joint formats for periodic reporting.
46. **Partner countries and donors** jointly commit to:
- Work together in a participatory approach to strengthen country capacities and demand for results based management.

MUTUAL ACCOUNTABILITY

Donors and partners are accountable for development results

47. A major priority for partner countries and donors is to enhance mutual accountability and transparency in the use of development resources. This also helps strengthen public support for national policies and development assistance.
48. **Partner countries** commit to:
- Strengthen as appropriate the parliamentary role in national development strategies and/or budgets.
 - Reinforce participatory approaches by systematically involving a broad range of development partners when formulating and assessing progress in implementing national development strategies.
49. **Donors** commit to:
- Provide timely, transparent and comprehensive information on aid flows so as to enable partner authorities to present comprehensive budget reports to their legislatures and citizens.
50. **Partner countries and donors** commit to:
- Jointly assess through existing and increasingly objective country level mechanisms mutual progress in implementing agreed commitments on aid effectiveness, including the Partnership Commitments. (**Indicator 12**).

III. Indicators of Progress

To be measured nationally and monitored internationally

OWNERSHIP		TARGET FOR 2010	
1	<i>Partners have operational development strategies</i> — Number of countries with national development strategies (including PRSs) that have clear strategic priorities linked to a medium-term expenditure framework and reflected in annual budgets.	At least 75% of partner countries have operational development strategies.	
ALIGNMENT		TARGETS FOR 2010	
2	<i>Reliable country systems</i> — Number of partner countries that have procurement and public financial management systems that either (a) adhere to broadly accepted good practices or (b) have a reform programme in place to achieve these.	(a) Public financial management — Half of partner countries move up at least one measure (i.e., 0.5 points) on the PFM/ CPIA (Country Policy and Institutional Assessment) scale of performance. (b) Procurement — One-third of partner countries move up at least one measure (i.e., from D to C, C to B or B to A) on the four-point scale used to assess performance for this indicator.	
3	<i>Aid flows are aligned on national priorities</i> — Percent of aid flows to the government sector that is reported on partners' national budgets.	Halve the gap — halve the proportion of aid flows to government sector not reported on government's budget(s) (with at least 85% reported on budget).	
4	<i>Strengthen capacity by co-ordinated support</i> — Percent of donor capacity-development support provided through co-ordinated programmes consistent with partners' national development strategies.	50% of technical co-operation flows are implemented through co-ordinated programmes consistent with national development strategies.	
5a	<i>Use of country public financial management systems</i> — Percent of donors and of aid flows that use public financial management systems in partner countries, which either (a) adhere to broadly accepted good practices or (b) have a reform programme in place to achieve these.	PERCENT OF DONORS	
		Score* Target	
		5+ All donors use partner countries' PFM systems.	
		3.5 to 4.5 90% of donors use partner countries' PFM systems.	
		PERCENT OF AID FLOWS	
		Score* Target	
5+ A two-thirds reduction in the % of aid to the public sector not using partner countries' PFM systems.			
3.5 to 4.5 A one-third reduction in the % of aid to the public sector not using partner countries' PFM systems.			
5b	<i>Use of country procurement systems</i> — Percent of donors and of aid flows that use partner country procurement systems which either (a) adhere to broadly accepted good practices or (b) have a reform programme in place to achieve these.	PERCENT OF DONORS	
		Score* Target	
		A All donors use partner countries' procurement systems.	
		B 90% of donors use partner countries' procurement systems.	
		PERCENT OF AID FLOWS	
		Score* Target	
A A two-thirds reduction in the % of aid to the public sector not using partner countries' procurement systems.			
B A one-third reduction in the % of aid to the public sector not using partner countries' procurement systems.			
6	<i>Strengthen capacity by avoiding parallel implementation structures</i> — Number of parallel project implementation units (PIUs) per country.	Reduce by two-thirds the stock of parallel project implementation units (PIUs).	
7	<i>Aid is more predictable</i> — Percent of aid disbursements released according to agreed schedules in annual or multi-year frameworks.	Halve the gap — halve the proportion of aid not disbursed within the fiscal year for which it was scheduled.	
8	<i>Aid is untied</i> — Percent of bilateral aid that is untied.	Continued progress over time.	

HARMONISATION		TARGETS FOR 2010
9	<i>Use of common arrangements or procedures</i> — Percent of aid provided as programme-based approaches.	66% of aid flows are provided in the context of programme-based approaches.
10	<i>Encourage shared analysis</i> — Percent of (a) field missions and/or (b) country analytic work, including diagnostic reviews that are joint.	(a) 40% of donor missions to the field are joint.
		(b) 66% of country analytic work is joint.
MANAGING FOR RESULTS		TARGET FOR 2010
11	<i>Results-oriented frameworks</i> — Number of countries with transparent and monitorable performance assessment frameworks to assess progress against (a) the national development strategies and (b) sector programmes.	Reduce the gap by one-third — Reduce the proportion of countries without transparent and monitorable performance assessment frameworks by one-third.
MUTUAL ACCOUNTABILITY		TARGET FOR 2010
12	<i>Mutual accountability</i> — Number of partner countries that undertake mutual assessments of progress in implementing agreed commitments on aid effectiveness including those in this Declaration.	All partner countries have mutual assessment reviews in place.

Important Note: In accordance with paragraph 9 of the Declaration, the partnership of donors and partner countries hosted by the DAC (Working Party on Aid Effectiveness) comprising OECD/DAC members, partner countries and multilateral institutions, met twice, on 30-31 May 2005 and on 7-8 July 2005 to adopt, and review where appropriate, the targets for the twelve Indicators of Progress. At these meetings an agreement was reached on the targets presented under Section III of the present Declaration. This agreement is subject to reservations by one donor on (a) the methodology for assessing the quality of locally-managed procurement systems (relating to targets 2b and 5b) and (b) the acceptable quality of public financial management reform programmes (relating to target 5a.ii). Further discussions are underway to address these issues. The targets, including the reservation, have been notified to the Chairs of the High-level Plenary Meeting of the 59th General Assembly of the United Nations in a letter of 9 September 2005 by Mr. Richard Manning, Chair of the OECD Development Assistance Committee (DAC).

***Note on Indicator 5:** Scores for Indicator 5 are determined by the methodology used to measure quality of procurement and public financial management systems under Indicator 2 above.

Appendix A: Methodological Notes on the Indicators of Progress

The Indicators of Progress provides a framework in which to make operational the responsibilities and accountabilities that are framed in the Paris Declaration on Aid Effectiveness. This framework draws selectively from the Partnership Commitments presented in Section II of this Declaration.

Purpose — The Indicators of Progress provide a framework in which to make operational the responsibilities and accountabilities that are framed in the Paris Declaration on Aid Effectiveness. They measure principally **collective behaviour at the country level**.

Country level vs. global level — The indicators are to be **measured at the country level** in close collaboration between partner countries and donors. Values of country level indicators can then be statistically aggregated at the **regional or global level**. This global aggregation would be done both for the country panel mentioned below, for purposes of statistical comparability, and more broadly for all partner countries for which relevant data are available.

Donor / Partner country performance — The indicators of progress also provide a **benchmark against which individual donor agencies or partner countries can measure their performance** at the country, regional, or global level. In measuring individual donor performance, the indicators should be applied with flexibility in the recognition that donors have different institutional mandates.

Targets — The targets are set at the global level. Progress against these targets is to be measured by aggregating data measured at the country level. In addition to global targets, partner countries and donors in a given country might agree on country-level targets.

Baseline — A baseline will be established for 2005 in a panel of self-selected countries. The partnership of donors and partner countries hosted by the DAC (Working Party on Aid Effectiveness) is asked to establish this panel.

Definitions and criteria — The partnership of donors and partner countries hosted by the DAC (Working Party on Aid Effectiveness) is asked to provide specific guidance on definitions, scope of application, criteria and methodologies to assure that results can be aggregated across countries and across time.

Note on Indicator 9 — Programme based approaches are defined in Volume 2 of Harmonising Donor Practices for Effective Aid Delivery (OECD, 2005) in Box 3.1 as a way of engaging in development cooperation based on the principles of co-ordinated support for a locally owned programme of development, such as a national development strategy, a sector programme, a thematic programme or a programme of a specific organisation. Programme based approaches share the following features: (a) leadership by the host country or organisation; (b) a single comprehensive programme and budget framework; (c) a formalised process for donor co-ordination and harmonisation of donor procedures for reporting, budgeting, financial management and procurement; (d) Efforts to increase the use of local systems for programme design and implementation, financial management, monitoring and evaluation. For the purpose of indicator 9 performance will be measured separately across the aid modalities that contribute to programme-based approaches.

APPENDIX B: List of Participating Countries and Organisations

Participating Countries

Albania	Australia	Austria
Bangladesh	Belgium	Benin
Bolivia	Botswana	[Brazil]*
Burkina Faso	Burundi	Cambodia
Cameroon	Canada	China
Congo D.R.	Czech Republic	Denmark
Dominican Republic	Egypt	Ethiopia
European Commission	Fiji	Finland
France	Gambia, The	Germany
Ghana	Greece	Guatemala
Guinea	Honduras	Iceland
Indonesia	Ireland	Italy
Jamaica	Japan	Jordan
Kenya	Korea	Kuwait
Kyrgyz Republic	Lao PDR	Luxembourg
Madagascar	Malawi	Malaysia
Mali	Mauritania	Mexico
Mongolia	Morocco	Mozambique
Nepal	Netherlands	New Zealand
Nicaragua	Niger	Norway
Pakistan	Papua New Guinea	Philippines
Poland	Portugal	Romania
Russian Federation	Rwanda	Saudi Arabia
Senegal	Serbia and Montenegro	Slovak Republic
Solomon Islands	South Africa	Spain
Sri Lanka	Sweden	Switzerland
Tajikistan	Tanzania	Thailand
Timor-Leste	Tunisia	Turkey
Uganda	United Kingdom	United States of America
Vanuatu	Vietnam	Yemen
Zambia		

* To be confirmed.

More countries than listed here have endorsed the Paris Declaration. For a full and up to date list please consult www.oecd.org/dac/effectiveness/parisdeclaration/members.

Participating Organisations

African Development Bank	Arab Bank for Economic Development in Africa
Asian Development Bank	Commonwealth Secretariat
Consultative Group to Assist the Poorest (CGAP)	Council of Europe Development Bank (CEB)
Economic Commission for Africa (ECA)	Education for All Fast Track Initiative (EFA-FTI)
European Bank for Reconstruction and Development (EBRD)	European Investment Bank (EIB)
Global Fund to Fight Aids, Tuberculosis and Malaria	G24
Inter-American Development Bank	International Fund for Agricultural Development (IFAD)
International Monetary Fund (IMF)	International Organisation of the Francophonie
Islamic Development Bank	Millennium Campaign
New Partnership for Africa's Development (NEPAD)	Nordic Development Fund
Organisation for Economic Co-operation and Development (OECD)	Organisation of Eastern Caribbean States (OECS)
OPEC Fund for International Development	Pacific Islands Forum Secretariat
United Nations Development Group (UNDG)	World Bank

Civil Society Organisations

Africa Humanitarian Action	AFRODAD
Bill and Melinda Gates Foundations	Canadian Council for International Cooperation (CCIC)
Comité Catholique contre la Faim et pour le Développement (CCFD)	Coopération Internationale pour le Développement et la Solidarité (CIDSE)
Comisión Económica (Nicaragua)	ENDA Tiers Monde
EURODAD	International Union for Conservation of Nature and Natural Resources (IUCN)
Japan NGO Center for International Cooperation (JANIC)	Reality of Aid Network
Tanzania Social and Economic Trust (TASOET)	UK Aid Network

Annex 8

The European Consensus on development

EUROPEAN PARLIAMENT COUNCIL COMMISSION

Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: 'The European Consensus'

(2006/C 46/01)

THE EUROPEAN CONSENSUS ON DEVELOPMENT

The development challenge

1. Never before have poverty eradication and sustainable development been more important. The context within which poverty eradication is pursued is an increasingly globalised and interdependent world; this situation has created new opportunities but also new challenges.

Combating global poverty is not only a moral obligation; it will also help to build a more stable, peaceful, prosperous and equitable world, reflecting the interdependency of its richer and poorer countries. In such a world, we would not allow 1,200 children to die of poverty every hour, or stand by while 1 billion people are struggling to survive on less than one dollar a day and HIV/AIDS, TB and malaria claim the lives of more than 6 million people every year. Development policy is at the heart of the EU's (1) relations with all developing countries (2).

2. Development cooperation is a shared competence between the European Community (3) and the Member States. Community policy in the sphere of development cooperation shall be complementary to the policies pursued by the Member States. Developing countries have the prime responsibility for their own development. But developed countries have a responsibility too. The EU, both at its Member States and Community levels, is committed to meeting its responsibilities. Working together, the EU is an important force for positive change. The EU provides over half of the world's aid and has committed to increase this assistance, together with its quality and effectiveness. The EU is also the most important economic and trade partner for developing countries, offering specific trading benefits to developing countries, mainly to the LDCs among them.

3. The Member States and the Community are equally committed to basic principles, fundamental values and the development objectives agreed at the multilateral level. Our efforts at coordination and harmonisation must contribute to increasing aid effectiveness. To this end, and building on the progress made in recent years, the 'European Consensus on Development' provides, for the first time, a common

(1) The EU includes both Member States and the European Community.

(2) Developing countries are all those in the list of Official Development Assistance (ODA) recipients, due to be decided by OECD/DAC in April 2006.

(3) Community development cooperation is based on Articles 177 to 181 of the Treaty of the European Community.

vision that guides the action of the EU, both at its Member States and Community levels, in development co-operation. This common vision is the subject of the first part of the Statement; the second part sets out the European Community Development Policy to guide implementation of this vision at the Community level and further specifies priorities for concrete action at the Community level.

4. The European Consensus on Development is jointly agreed by the Council and the representatives of the governments of the Member States meeting within the Council, the European Commission and the European Parliament.

PART I: THE EU VISION OF DEVELOPMENT

The first Part of the European consensus on development sets out common objectives and principles for development cooperation. It reaffirms EU commitment to poverty eradication, ownership, partnership, delivering more and better aid and promoting policy coherence for development. It will guide Community and Member State development cooperation activities in all developing countries⁽¹⁾, in a spirit of complementarity.

1. Common objectives

5. The primary and overarching objective of EU development cooperation is the eradication of poverty in the context of sustainable development, including pursuit of the Millennium Development Goals (MDGs).

6. The eight MDGs are to: eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce the mortality rate of children; improve maternal health; combat HIV/AIDS, malaria and other diseases; ensure environmental sustainability and develop a global partnership for development.

7. We reaffirm that development is a central goal by itself; and that sustainable development includes good governance, human rights and political, economic, social and environmental aspects.

8. The EU is determined to work to assist the achievement of these goals and the development objectives agreed at the major UN conferences and summits⁽²⁾.

9. We reaffirm our commitment to promoting policy coherence for development, based upon ensuring that the EU shall take account of the objectives of development cooperation in all policies that it implements which are likely to affect developing countries, and that these policies support development objectives.

10. Development aid will continue to support poor people in all developing countries, including both low-income and middle-income countries (MICs). The EU will continue to prioritise support to the least-developed and other low-income countries (LICs) to achieve more balanced global development, while recognising the value of concentrating the aid activities of each Member State in areas and regions where they have comparative advantages and can add most value to the fight against poverty.

(1) Development cooperation activities of Member States are defined as ODA, as agreed by the OECD/DAC.

(2) Action programmes adopted at the UN conferences of the 1990s in the social, economic, environmental, human rights, population, reproductive health and gender equality fields, and reaffirmed 2002-2005 by: Millennium Declaration and Millennium Development Goals (2000), Monterrey (2002), Johannesburg Sustainable Development (2002), Millennium Review Summit (2005).

2. Multi-dimensional aspects of Poverty Eradication

11. Poverty includes all the areas in which people of either gender are deprived and perceived as incapacitated in different societies and local contexts. The core dimensions of poverty include economic, human, political, socio-cultural and protective capabilities. Poverty relates to human capabilities such as consumption and food security, health, education, rights, the ability to be heard, human security especially for the poor, dignity and decent work. Therefore combating poverty will only be successful if equal importance is given to investing in people (first and foremost in health and education and HIV/AIDS, the protection of natural resources (like forests, water, marine resources and soil) to secure rural livelihoods, and investing in wealth creation (with emphasis on issues such as entrepreneurship, job creation, access to credits, property rights and infrastructure). The empowerment of women is the key to all development and gender equality should be a core part of all policy strategies.

12. The MDG agenda and the economic, social and environmental dimensions of poverty eradication in the context of sustainable development include many development activities from democratic governance to political, economic and social reforms, conflict prevention, social justice, promoting human rights and equitable access to public services, education, culture, health, including sexual and reproductive health and rights, as set out in the ICPD Cairo Agenda, the environment and sustainable management of natural resources, pro-poor economic growth, trade and development, migration and development, food security, children's rights, gender equality and promoting social cohesion and decent work.

3. Common values

13. EU partnership and dialogue with third countries will promote common values of: respect for human rights, fundamental freedoms, peace, democracy, good governance, gender equality, the rule of law, solidarity and justice. The EU is strongly committed to effective multilateralism whereby all the world's nations share responsibility for development.

4. Common principles

4.1 Ownership, Partnership

14. The EU is committed to the principle of ownership of development strategies and programmes by partner countries. Developing countries have the primary responsibility for creating an enabling domestic environment for mobilising their own resources, including conducting coherent and effective policies. These principles will allow an adapted assistance, responding to the specific needs of the beneficiary country.

15. The EU and developing countries share responsibility and accountability for their joint efforts in partnership. The EU will support partner countries' poverty reduction, development and reform strategies, which focus on the MDGs, and will align with partner countries' systems and procedures. Progress indicators and regular evaluation of assistance are of key importance to better focus EU assistance.

16. The EU acknowledges the essential oversight role of democratically elected citizens' representatives. Therefore it encourages an increased involvement of national assemblies, parliaments and local authorities.

4.2 *An in-depth political dialogue*

17. Political dialogue is an important way in which to further development objectives. In the framework of the political dialogue conducted by the Member States and by the European Union institutions — Council, Commission and Parliament, within their respective competencies, the respect for good governance, human rights, democratic principles and the rule of law will be regularly assessed with a view to forming a shared understanding and identifying supporting measures. This dialogue has an important preventive dimension and aims to ensure these principles are upheld. It will also address the fight against corruption, the fight against illegal migration and the trafficking of human beings.

4.3 *Participation of civil society*

18. The EU supports the broad participation of all stakeholders in countries' development and encourages all parts of society to take part. Civil society, including economic and social partners such as trade unions, employers' organisations and the private sector, NGOs and other non-state actors of partner countries in particular play a vital role as promoters of democracy, social justice and human rights. The EU will enhance its support for building capacity of non-state actors in order to strengthen their voice in the development process and to advance political, social and economic dialogue. The important role of European civil society will be recognised as well: to that end, the EU will pay particular attention to development education and raising awareness among EU citizens.

4.4 *Gender equality*

19. The promotion of gender equality and women's rights is not only crucial in itself but is a fundamental human right and a question of social justice, as well as being instrumental in achieving all the MDGs and in implementing the Beijing platform for Action, the Cairo Programme of Action and Convention on the Elimination of All Forms of Discrimination Against Women. Therefore the EU will include a strong gender component in all its policies and practices in its relations with developing countries.

4.5 *Addressing state fragility*

20. The EU will improve its response to difficult partnerships and fragile states, where a third of the world's poor live. The EU will strengthen its efforts in conflict prevention work⁽¹⁾ and will support the prevention of state fragility through governance reforms, rule of law, anti-corruption measures and the building of viable state institutions in order to help them fulfil a range of basic functions and meet the needs of their citizens. The EU will work through state systems and strategies, where possible, to increase capacity in fragile states. The EU advocates remaining engaged, even in the most difficult situations, to prevent the emergence of failed states.

21. In transition situations, the EU will promote linkages between emergency aid, rehabilitation and long-term development. In a post-crisis situation development will be guided by integrated transition strategies, aiming at rebuilding institutional capacities, essential infrastructure and social services, increasing food security and providing sustainable solutions for refugees, displaced persons and the general security of citizens. EU action will take place in the framework of multilateral efforts including the UN Peace Building Commission, and will aim to re-establish the principles of ownership and partnership.

(1) Set out in the EU Programme for the Prevention of Violent Conflicts, Gothenburg European Council, June 2001.

22. Some developing countries are particularly vulnerable to natural disasters, climatic change, environmental degradation and external economic shocks. The Member States and the Community will support disaster prevention and preparedness in these countries, with a view to increasing their resilience in the face of these challenges.

5. Delivering more and better aid

5.1 Increasing financial resources

23. Development remains a long-term commitment. The EU has adopted a timetable for Member States to achieve 0,7 % of GNI by 2015, with an intermediate collective target of 0,56 % by 2010 ⁽¹⁾, and calls on partners to follow this lead. These commitments should see annual EU aid double to over EUR 66 billion in 2010. Further debt relief will be considered, as well as innovative sources of finance in order to increase the resources available in a sustainable and predictable way. At least half of this increase in aid will be allocated to Africa, while fully respecting individual Member States' priorities in development assistance. Resources will be allocated in an objective and transparent way, based on the needs and performance of the beneficiary countries, taking into account specific situations.

24. In order to meet the MDGs, priority will continue to be given to least developed and other LICs, as reflected in the high proportion of EU aid flowing to these countries ⁽²⁾. The EU also remains committed to supporting the pro-poor development of middle-income countries (MICs), especially the lower MICs, and our development assistance to all developing countries will be focused on poverty reduction, in its multi-dimensional aspects, in the context of sustainable development. Particular attention will be given to fragile states and donor orphans.

5.2 More effective aid

25. As well as more aid, the EU will provide better aid. Transaction costs of aid will be reduced and its global impact will improve. The EU is dedicated to working with all development partners to improve the quality and impact of its aid as well as to improve donor practices, and to help our partner countries use increased aid flows more effectively. The EU will implement and monitor its commitments on Aid Effectiveness ⁽³⁾ in all developing countries, including setting concrete targets for 2010. National ownership, donor coordination and harmonisation, starting at field level, alignment to recipient country systems and results orientation are core principles in this respect.

26. Development assistance can be provided through different modalities that can be complementary (project aid, sector programme support, sector and general budget support, humanitarian aid and assistance in crisis prevention, support to and via the civil society, approximation of norms, standards and legislation, etc.), according to what will work best in each country. Where circumstances permit, the use of general or sectoral budget support should increase as a means to strengthen ownership, support partner's national accountability and procedures, to finance national poverty reduction strategies (PRS) (including operating costs of health and education budgets) and to promote sound and transparent management of public finances.

27. Partner countries need stable aid for effective planning. The EU is therefore committed to more predictable and less volatile aid mechanisms.

(1) May 2005 Council conclusions set out that: Member States which have not yet reached a level of 0,51 % ODA/GNI, undertake to reach, within their respective budget allocation processes, that level by 2010, while those that are already above that level undertake to sustain their efforts. Member States, which have joined the EU after 2002, and that have not reached a level of 0,17 % ODA/GNI, will strive to increase their ODA to reach, within their respective budget allocation processes, that level by 2010, while those that are already above that level undertake to sustain their efforts. Member States undertake to achieve the 0,7 % ODA/GNI target by 2015 whilst those which have achieved that target commit themselves to remain above that target; Member States which joined the EU after 2002 will strive to increase by 2015 their ODA/GNI to 0,33 %.

(2) In 2003 the EU allocated average 67 % of aid to LICs, excluding Member States joining in 2004 (OECD DAC figures).

(3) Rome Declaration of February 2003 and Paris Declaration of March 2005.

28. Debt reduction also provides predictable financing. The EU is committed to finding solutions to unsustainable debt burdens, in particular the remaining multilateral debts of HIPC's, and where necessary and appropriate, for countries affected by exogenous shocks and for post-conflict countries.

29. The EU will promote further untying of aid going beyond existing OECD recommendations, especially for food aid.

5.3 Coordination and complementarity

30. In the spirit of the Treaty, the Community and the Member States will improve coordination and complementarity. The best way to ensure complementarity is to respond to partner countries' priorities, at the country and regional level. The EU will advance coordination, harmonisation and alignment⁽¹⁾. The EU encourages partner countries to lead their own development process and support a broad donor-wide engagement in national harmonisation agendas. Where appropriate, the EU will establish flexible roadmaps setting out how its Member States can contribute to countries' harmonisation plans and efforts.

31. The EU is committed to promote better donor coordination and complementarity by working towards joint multiannual programming, based on partner countries' poverty reduction or equivalent strategies and country's own budget processes, common implementation mechanisms including shared analysis, joint donor wide missions, and the use of co-financing arrangements.

32. The EU will take a lead role in implementing the Paris Declaration commitments on improving aid delivery and has in this context made four additional commitments: to provide all capacity building assistance through coordinated programmes with an increasing use of multi-donors arrangements; to channel 50 % of government-to-government assistance through country systems, including by increasing the percentage of our assistance provided through budget support or sector-wide approaches; to avoid the establishment of any new project implementation units; to reduce the number of un-coordinated missions by 50 %.

33. The EU will capitalise on new Member States' experience (such as transition management) and help strengthen the role of these countries as new donors.

34. The EU will undertake to carry out this agenda in close cooperation with partner countries, other bilateral development partners and multilateral players such as the United Nations and International Financial Institutions, to prevent duplication of efforts and to maximise the impact and effectiveness of global aid. The EU will also promote the enhancement of the voice of developing countries in international institutions.

6. Policy coherence for development (PCD)

35. The EU is fully committed to taking action to advance Policy Coherence for Development in a number of areas⁽²⁾. It is important that non-development policies assist developing countries' efforts in achieving the MDGs. The EU shall take account of the objectives of development cooperation in all policies that it implements which are likely to affect developing countries. To make this commitment a reality, the EU will strengthen policy coherence for development procedures, instruments and mechanisms at all levels, and secure adequate resources and share best practice to further these aims. This constitutes a substantial additional EU contribution to the achievement of the MDGs.

⁽¹⁾ This includes the Council Conclusions of November 2004 on: 'Advancing Coordination, Harmonisation and Alignment: the contribution of the EU'.

⁽²⁾ May 2005 Council Conclusions confirm the EU is committed to the implementation of the objectives contained in the Commission's Communication on PCD dealing with the areas of Trade, Environment, Climate change, Security, Agriculture, Fisheries, Social dimension of globalisation, employment and decent work, Migration, Research and innovation, Information society, Transport and Energy.

36. The EU strongly supports a rapid, ambitious and pro-poor completion of the Doha Development Round and EU-ACP Economic Partnership Agreements (EPAs). Developing countries should decide and reform trade policy in line with their broader national development plans. We will provide additional assistance to help poor countries build the capacity to trade. Particular attention will be paid to the least advanced and most vulnerable countries. The EU will maintain its work for properly sequenced market opening, especially on products of export interest for developing countries, underpinned by an open, fair, equitable, rules-based multilateral trading system that takes into account the interests and concerns of the weaker nations. The EU will address the issues of special and differentiated treatment and preference erosion with a view to promote trade between developed countries and developing countries, as well as among developing countries. The EU will continue to promote the adoption by all developed countries of quota free and tariff free access for LDCs before the end of the Doha round, or more generally. Within the framework of the reformed Common Agriculture Policy (CAP), the EU will substantially reduce the level of trade distortion related to its support measures to the agricultural sector, and facilitate developing countries' agricultural development. In line with development needs, the EU supports the objectives of asymmetry and flexibility for the implementation of the EPAs. The EU will continue to pay particular attention to the development objectives of the countries with which the Community has or will agree fisheries agreements.

37. Insecurity and violent conflict are amongst the biggest obstacles to achieving the MDGs. Security and development are important and complementary aspects of EU relations with third countries. Within their respective actions, they contribute to creating a secure environment and breaking the vicious cycle of poverty, war, environmental degradation and failing economic, social and political structures. The EU, within the respective competences of the Community and the Member States, will strengthen the control of its arms exports, with the aim of avoiding that EU-manufactured weaponry be used against civilian populations or aggravate existing tensions or conflicts in developing countries, and take concrete steps to limit the uncontrolled proliferation of small arms and light weapons, in line with the European strategy against the illicit traffic of small arms and light weapons and their ammunitions. The EU also strongly supports the responsibility to protect. We cannot stand by, as genocide, war crimes, ethnic cleansing or other gross violations of international humanitarian law and human rights are committed. The EU will support a strengthened role for the regional and sub-regional organisations in the process of enhancing international peace and security, including their capacity to coordinate donor support in the area of conflict prevention.

38. The EU will contribute to strengthening the social dimension of globalisation, promoting employment and decent work for all. We will strive to make migration a positive factor for development, through the promotion of concrete measures aimed at reinforcing their contribution to poverty reduction, including facilitating remittances and limiting the 'brain drain' of qualified people. The EU will lead global efforts to curb unsustainable consumption and production patterns. We will assist developing countries in implementing the Multilateral Environmental Agreements and promote pro-poor environment-related initiatives. The EU reconfirms its determination to combat climate change.

7. Development, a contribution to addressing global challenges

39. EU action for development, centred on the eradication of poverty in the context of sustainable development, makes an important contribution to optimising the benefits and sharing the costs of the globalisation process more equitably for developing countries, which is in the interests of wider peace and stability, and the reduction of the inequalities that underlie many of the principal challenges facing our world. A major challenge the international community must face today is to ensure that globalisation is a positive force for all of mankind.

40. Reducing poverty and promoting sustainable development are objectives in their own right. Achieving the MDGs is also in the interest of collective and individual long-term peace and security. Without peace and security development and poverty eradication are not possible, and without development and poverty eradication no sustainable peace will occur. Development is also the most effective long-term response to forced and illegal migration and trafficking of human beings. Development plays a key role in encouraging sustainable production and consumption patterns that limit the harmful consequences of growth for the environment.

This second part of the European Consensus on Development sets out the renewed European Community Development Policy, which implements the European vision on development set out in the first part for the resources entrusted to the Community, in accordance with the Treaty. It clarifies the Community's role and added value and how the objectives, principles, values, policy coherence for development and commitments defined in this common vision will be made operational at Community level. It identifies priorities which will be reflected in effective and coherent development cooperation programmes at the level of countries and regions. It will guide the planning and implementation of the development assistance component of all Community instruments and cooperation strategies with third countries⁽¹⁾. It shall be taken into account in other Community policies that affect developing countries, to ensure policy coherence for development.

41. Community policy in the sphere of development cooperation shall be complementary to the policies pursued by the Member States⁽²⁾.

42. The Community development policy will have as its primary objective the eradication of poverty in the context of sustainable development, including pursuit of the MDGs, as well as the promotion of democracy, good governance and respect for human rights, as defined in part I. At the Community level, these objectives will be pursued in all developing countries and applied to the development assistance component of all Community cooperation strategies with third countries.

43. The Community will apply all the principles defined in Part I, including principles on aid effectiveness: national ownership, partnership, coordination, harmonisation, alignment to the recipient country systems and results orientation.

44. The Community will also promote policy coherence for development, based upon ensuring that the Community shall take account of development cooperation objectives in the policies that it implements which are likely to affect developing countries.

45. In all activities the Community will apply a strengthened approach to mainstreaming the cross cutting issues as set out in section 3.3 'A strengthened approach to mainstreaming'.

1. The particular role and comparative advantages of the Community

46. Within its competences as conferred by the Treaty, the Commission has a wide role in development. Its global presence, its promotion of policy coherence for development, its specific competence and expertise, its right of initiative at community level, its facilitation of coordination and harmonisation as well as its supranational character are of special significance. The Community can be distinguished by its comparative advantage and added value, which enable complementarity with bilateral policies of Member States and other international donors.

47. On behalf of the Community, the Commission will aim to provide added value through the following roles:

48. First, a global presence. The Commission is present as a development partner in more countries than even the largest of the Member States, and in some cases is the only EU partner substantially present. It has a common trade policy, cooperation programmes covering practically every developing country and region and a political dialogue conducted together with the Member States. It receives backup from an extensive network of delegations. This enables it to respond to a wide variety of situations, including fragile states where Member States have withdrawn.

⁽¹⁾ The development assistance component is defined as all official development aid (ODA) as agreed by the OECD Development Assistance Committee.

⁽²⁾ Community development cooperation is based on Articles 177 to 181 of the Treaty of the European Community.

49. Second, with the support of Member States, ensuring policy coherence for development in Community actions ⁽¹⁾, in particular where Community policies have significant impacts on developing countries, such as trade, agriculture, fisheries and migration policies, and promoting this principle more widely. Drawing on its own experiences, and exclusive competence in trade, the Community has a comparative advantage in providing support to partner countries to integrate trade into national development strategies and to support regional cooperation whenever possible.

50. Third, promoting development best practice. The Commission, together with the Member States, will stimulate the European debate on development and promote development best practice, such as direct budget support and sectoral aid where appropriate, untying of aid, an approach based on results and deconcentration of the implementation of assistance. By enhancing its analytical capacities, it has the potential to serve as an intellectual centre in certain development issues.

51. Fourth, in facilitating coordination and harmonisation. The Commission will play an active role in implementation of the Paris Declaration on aid effectiveness and will be one of the driving forces to promote EU delivery of its commitments made in Paris on ownership, alignment, harmonisation results and mutual accountability. The Commission will continue to promote the 3Cs — coordination, complementarity and coherence as the EU contribution to the wider international agenda for aid effectiveness. The Community will also support enhanced coordination of disaster relief and preparedness, in the context of the existing international systems and mechanisms and the UN's lead role in ensuring international coordination.

52. Fifth, a delivery agent in areas where size and critical mass are of special importance.

53. Sixth, the Community will promote democracy, human rights, good governance and respect for international law, with special attention given to transparency and anti-corruption. The Commission's experience on democracy promotion, human rights and nation-building is positive and will be further developed.

54. Seventh, in putting into effect the principle of participation of civil society, the Commission will be supported by the European Economic and Social Committee which has a role in facilitating the dialogue with local economic and social interest partners.

55. In addition, the Community strives to promote understanding of interdependence and encourage North-South solidarity. To that end, the Commission will pay particular attention to raising awareness and educating EU citizens about development.

2. A differentiated approach depending on contexts and needs

2.1 Differentiation in the implementation of development cooperation

56. Development objectives, principles, and application of aid effectiveness commitments ⁽²⁾, must be applied to all development cooperation components. In all developing countries the Community will use the instruments and approaches that will be most effective in reducing poverty and ensuring sustainable development.

57. Implementation of Community development cooperation is necessarily country or region-specific, 'tailor-made' to each partner country or region, based on the country's own needs, strategies, priorities and assets. Differentiation is a necessity, given the diversity of partners and challenges.

⁽¹⁾ In all 12 areas set out in the May 2005 Council Conclusions and attached Communication on PCD.

⁽²⁾ Made in the context of the Paris Declaration of March 2005.

58. Development objectives are goals in their own right. Development cooperation is one major element of a wider set of external actions, all of which are important and should be coherent, mutually supportive and not subordinate to each other. Country, Regional and Thematic Strategy papers are the Commission programming tools which both define this range of policies and ensure coherence between them.

59. Development assistance can be provided through different modalities that can be complementary (project aid, sector programme support, sector and general budget support, humanitarian aid and assistance in crisis prevention, support to and via the civil society, approximation of norms, standards and legislation, etc.), according to what will work best in each country.

60. Poverty eradication is important in both middle-income and low-income partner countries. LICs and LDCs face enormous challenges on their path towards the MDGs. Support to LICs will be based on PRS, paying due attention to the availability of and access to basic services, economic diversification, food security and improved democratic governance and institutions.

61. Support to middle-income countries also remains important to attaining the MDGs. Many lower MICs are facing the same kind of difficulties as LICs. A large number of the world's poor live in these countries and many are confronted with striking inequalities and weak governance, which threaten the sustainability of their own development process. The Community therefore continues to provide development assistance based on countries' poverty reduction or equivalent strategies. Many MICs have an important role in political, security and trade issues, producing and protecting global public goods and acting as regional anchors. But they are also vulnerable to internal and external shocks, or are recovering, or suffering, from conflicts.

62. The Pre-Accession Policy, insofar as it concerns developing countries, aims to support the membership perspective of candidate and pre-candidate countries, and the European Neighbourhood Policy aims to build a privileged partnership with neighbouring countries, bringing them closer to the Union and offering them a stake in the Community's internal market together with support for dialogue, reform and social and economic development. Whilst these policies have a clear integration focus, they usually include significant development aspects. Poverty reduction and social development objectives will help to build more prosperous, equitable and thus stable societies in what are predominately developing countries. The instruments that may provide technical and financial assistance to support these policies will include, where appropriate, development best practice to promote effective management and implementation. Policies guiding these instruments will be realised within a broader framework, set out in the European Neighbourhood and Pre-Accession Policies, and will form an integral part of wider Community external actions.

63. The proposed new architecture of policy-driven and horizontal instruments⁽¹⁾ for Community assistance may provide the appropriate framework to respond to the different contexts and conditions. In this framework, the thematic programmes are subsidiary, complementary and defined on the basis of their distinctive value added vis-à-vis the geographical programmes.

2.2 Objective and transparent criteria for resource allocation

64. Within global geographic and thematic allocations, the use of standard, objective and transparent resource allocation criteria based on needs and performance will guide the allocation of resources and a review of their subsequent use. The particular difficulties faced by countries in crisis, in conflict or disaster-prone will be borne in mind, alongside the specificity of the different programmes.

65. The needs criteria include population, income per capita and the extent of poverty, income distribution and the level of social development, while the performance criteria include political, economic and social progress, progress in good governance and the effective use of aid, and in particular the way a country uses scarce resources for development, beginning with its own resources.

(1) The Commission proposal to the Council and the Parliament is based on three policy-driven regulations: the European Neighbourhood and Partnership, Development Cooperation and Economic Cooperation, and Pre-accession to the EU and three horizontal instruments: for Humanitarian assistance, Stability and Macro-financial assistance.

66. Development policy must reflect a distribution of resources which takes account of the effect of such resources on poverty reduction. Consequently, particular attention must be paid to the situation of the LDCs and other LICs, as part of an approach which also encompasses the efforts by the government of the partner countries to reduce poverty as well as their performance and absorption capacity. The LDCs and LICs will be given priority in terms of overall resource allocations. The Community should find ways to increase the focus on the poorest countries with a specific focus on Africa. Appropriate attention will be given to MICs, particularly to lower-middle-income countries many of which face similar problems to LICs.

3. Responding to the needs of partner countries

3.1 The principle of concentration while maintaining flexibility

67. The principle of concentration will guide the Community in its country and regional programming. This is crucial to ensure aid effectiveness. The Community will apply this principle in all its country and regional programmes. It means selecting a strictly limited number of areas for action when Community aid is being programmed, instead of spreading efforts too thinly over too many sectors. This selection process will be done at country and regional level in order to honour commitments made in regard of partnership, ownership and alignment.

68. These priorities will be identified through a transparent and in-depth dialogue with partner countries on the basis of a joint analysis and in such a way as to ensure complementarity with other donors, in particular with Member States. Programming should allow for sufficient flexibility to also enable a rapid response to unforeseen needs.

69. The harmonisation agenda means that donors must work together to support partner countries' general and sectoral policies. The Community will support partner countries in being the leading force in the preparation and coordination of multi-annual programming of all donor support to the country. MDG-oriented poverty-reduction strategies or equivalent national strategies will be the starting point for this kind of work.

3.2 Areas for Community Action

70. The particular role and comparative advantages of the Community point to focusing the Community's contribution in certain areas, where it has comparative advantages. Therefore the Commission will further develop its expertise and capacity in these areas. Particular attention will be paid to building the necessary capacity and expertise at the country level, in line with the deconcentration process and ownership of partner countries.

71. Responding to the needs expressed by partner countries, the Community will be active primarily in the following areas, a number of which will be considered its comparative advantage.

Trade and regional integration

72. The Community will assist developing countries on trade and regional integration through fostering equitable and environmentally sustainable growth, smooth and gradual integration into the world economy, and linking trade and poverty reduction or equivalent strategies. The priorities in this area are institutional and capacity building to design and effectively implement sound trade and integration policies, as well as support for the private sector to take advantage of new trading opportunities.

73. The specific operations will depend heavily on the characteristics of the partner countries. The poorest countries, especially LDCs and small, landlocked and insular countries require special emphasis on the supply side and increasing the competitiveness of the private sector.

74. Barriers are often highest between developing countries themselves. Regional integration can lower these barriers. In the case of the ACP, this also helps to prepare Economic Partnership Agreements. For many countries, but especially those for which the EU is the largest trading and investment partner, approximation of the EU single market regulations is beneficial.

The environment and the sustainable management of natural resources

75. The Community will support the efforts undertaken by its partner countries to incorporate environmental considerations into development, and help increase their capacity to implement multilateral environmental agreements. The Community will give 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. To this end it will encourage and support national and regional strategies; it will also take part in and contribute to European or global initiatives and organisations. A stronger support to the implementation of the United Nations Convention on Biological Diversity will help to halt biodiversity loss and promote biosafety and sustainable management of biodiversity. As far as desertification control and sustainable land management are concerned, the Community will focus on the implementation of the United Nations Convention to Combat Desertification through effective mainstreaming of sustainable land management issues in developing countries' strategies. As regards sustainable forest management, the Community will support efforts on combating illegal logging and will give particular attention to implementation of Forest Law Enforcement, Governance and Trade (FLEGT).

76. With regard to climate change, the Community will focus its efforts on the implementation of the EU Action Plan on Climate Change in the context of development cooperation, in close collaboration with the Member States. Adaptation to the negative effects of climate change will be central in the Community's support to LDCs and small island development states. It will also seek to promote the sustainable management of chemicals and waste, particularly by taking into account their links with health issues.

Infrastructure, Communications and transport

77. The Community will promote a sustainable transport sectoral approach. This approach will be based on the principles of partner country ownership and prioritisation through poverty reduction or equivalent strategies, meeting partner countries' needs, ensuring transport safety, affordability, efficiency and minimising negative effects on the environment. It applies a strategy for delivering transport that is economically, financially, environmentally and institutionally sustainable.

78. The Community will respond within the budgets available to the growing demand, particularly from African countries, for the increase of donor funding to infrastructure, including economic infrastructure in support of efforts to eradicate poverty. The Community will provide support at various levels. The point of departure will be the national level with the major bulk of the assistance being channelled through partner countries' strategies, securing an optimal balance between investment and maintenance. At regional and continental level the Community will launch a Partnership for Infrastructure, which will work together with regional economic communities, and other major partners, including the private sector. Partnership with the private sector will be supported.

79. The Community will also support an increased use of information and communication technologies to bridge the digital divide. It will also increase its support to development-related research.

Water and energy

80. The Community 'integrated water resources management' policy framework aims at ensuring a supply of sufficient, good quality drinking water, adequate sanitation and hygiene to every human being, in line with the MDGs and the targets from Johannesburg. Further, it aims at establishing a framework for long term protection of all water resources, preventing further deterioration and promoting sustainable water use.

81. The EU Water Initiative contributes to these policy objectives. Its key elements are to: reinforce political commitment to action; raise the profile of water and sanitation issues in the context of poverty reduction efforts and sustainable development; promote better water governance arrangements; encourage regional and sub-regional cooperation on water management issues; and catalyse additional funding.

82. Large sectors of the population in developing countries have no access to modern energy services and rely on inefficient and costly household energy systems. Community policy therefore is focused on supporting a sound institutional and financial environment, awareness raising, capacity building, and fund-raising in order to improve access to modern, affordable, sustainable, efficient, clean (including renewable) energy services through the EU Energy Initiative, and other international and national initiatives. Efforts will also be made to support technology leapfrogging in areas like energy and transport.

Rural development, territorial planning, agriculture and food security

83. Agriculture and rural development are crucial for poverty reduction and growth. To re-launch investment in these areas, the Community will support country-led, participatory, decentralised and environmentally sustainable territorial development, aimed at involving beneficiaries in the identification of investments and the management of resources in order to support the emergence of local development clusters, while respecting the capacity of eco-systems. For results to be sustainable it is essential to promote a coherent and conducive policy environment on all levels.

84. The Community will continue to work to improve food security at international, regional and national level. It will support strategic approaches in countries affected by chronic vulnerability. Focus will be on prevention, safety nets, improving access to resources, the quality of nutrition and capacity development. Particular attention will be paid to transition situations and to the effectiveness of emergency aid.

85. In relation to agriculture, the Community will focus on access to resources (land, water, finance), the sustainable intensification of production (where appropriate and in particular in LDCs), competitiveness on regional and international markets and risk management (in countries dependent on commodities). To ensure that developing countries benefit from technological development, the Community will support global agricultural research.

Governance, democracy, human rights and support for economic and institutional reforms

86. Progress in the protection of human rights, good governance and democratisation is fundamental for poverty reduction and sustainable development⁽¹⁾. All people should enjoy all human rights in line with international agreements. The Community will on this basis promote the respect for human rights of all people in cooperation with both states and non-state actors in partner countries. The Community will actively seek to promote human rights as an integral part of participatory in-country dialogue on governance. Fostering good governance requires a pragmatic approach based on the specific context of each country. The Community will actively promote a participatory in-country dialogue on governance, in areas such as anti-corruption, public sector reform, access to justice and reform of the judicial system. This is essential to building country-driven reform programmes in a context of accountability and an institutional environment that upholds human rights, democratic principles and the rule of law.

⁽¹⁾ 2003 Communication on Governance and Development set out the EC's definition and approach to governance.

87. With a view to improved legitimacy and accountability of country-driven reforms, the Community will promote a high level of political commitment to these reforms. It will, as part of this, also support decentralisation and local authorities, the strengthening of the role of Parliaments, promote human security of the poor, and the strengthening of national processes to ensure free, fair and transparent elections. The Community will promote democratic governance principles in relation to financial, tax and judicial matters.

88. The Community will continue to be a key player, in co-ordination with the Bretton Woods Institutions, in supporting economic and institutional reforms, including PRS, by engaging in dialogue and providing financial assistance to governments engaged in these programmes. The Community will continue to pay close attention to the impact of reforms, in terms of growth, improved business climate, macroeconomic stability and the effects on poverty reduction. By putting results at the centre of its dialogue, the Community will promote real country ownership of reforms. Particular emphasis will also be placed on improvements in public finance management, as fundamental to combating corruption and promoting efficient public spending.

Conflict prevention and fragile states

89. The Community, within the respective competences of its institutions, will develop a comprehensive prevention approach to state fragility, conflict, natural disasters and other types of crises. In this, the Community will assist partner countries' and regional organizations' efforts to strengthen early warning systems and democratic governance and institutional capacity building. The Community will also, in close cooperation and coordination with existing structures of the Council, improve its own ability to recognize early signs of state fragility through improved joint analysis, and joint monitoring and assessments of difficult, fragile and failing states with other donors. It will actively implement the OECD principles for good international engagement in fragile states in all programming.

90. In difficult partnerships, fragile or failing states the Community's immediate priorities will be to deliver basic services and address needs, through collaboration with civil society and UN organisations. The long-term vision for Community engagement is to increase ownership and continue to build legitimate, effective and resilient state institutions and an active and organised civil society, in partnership with the country concerned.

91. The Community will continue to develop comprehensive plans for countries where there is a significant danger of conflict, which should cover policies that may exacerbate or reduce the risk of conflict.

92. It will maintain its support to conflict prevention and resolution and to peace building by addressing the root-causes of violent conflict, including poverty, degradation, exploitation and unequal distribution and access to land and natural resources, weak governance, human rights abuses and gender inequality. It will also promote dialogue, participation and reconciliation with a view to promoting peace and preventing outbreaks of violence.

Human development

93. The Community human development policy framework for health, education, culture and gender equality aims at improving peoples' lives in line with the MDGs through action at global and country level. It will be driven by the principle of investing in and valuing people, promoting gender equality and equity.

94. The MDGs cannot be attained without progress in achieving the goal of universal sexual and reproductive health and rights as set out in the ICPD Cairo Agenda. To confront the devastating impact of HIV/AIDS, TB and malaria in developing countries, a roadmap for joint EU actions on the European Programme for Action will be developed. The Community will support the full implementation of strategies to promote sexual and reproductive health and rights and will link the fight against HIV/AIDS with support for reproductive and sexual health and rights. The Community will also address the exceptional human resource crisis of health providers, fair financing for health and strengthening health systems in order to promote better health outcomes, making medicines more affordable for the poor.

95. MDG-related performance indicators will be strengthened to better link sector and budget support to MDG progress and to ensure adequate funding for health and education.

96. The Community aims to contribute to Education for All. Priorities in education are quality primary education and vocational training and addressing inequalities. Particular attention will be devoted to promoting girls' education and safety at school. Support will be provided to the development and implementation of nationally anchored sector plans as well as the participation in regional and global thematic initiatives on education.

Social cohesion and employment

97. In the context of poverty eradication, the Community aims to prevent social exclusion and to combat discrimination against all groups. It will promote social dialogue and protection, in particular to address gender inequality, the rights of indigenous peoples and to protect children from human trafficking, armed conflict, the worst forms of child labour and discrimination and the condition of disabled people.

98. Social and fiscal policies to promote equity will be supported. Priority actions will include support for social security and fiscal reforms, corporate social responsibility, pro-poor growth and employment.

99. Employment is a crucial factor to achieve a high level of social cohesion. The Community will promote investments that generate employment and that support human resources development. In this respect the Community will promote decent work for all in line with the International Labour Organisation (ILO) agenda.

3.3 A strengthened approach to mainstreaming

100. Some issues require more than just specific measures and policies; they also require a mainstreaming approach because they touch on general principles applicable to all initiatives and demand a multisectoral response.

101. In all activities, the Community will apply a strengthened approach to mainstreaming the following cross-cutting issues: the promotion of human rights, gender equality, democracy, good governance, children's rights and indigenous peoples, environmental sustainability and combating HIV/AIDS. These cross-cutting issues are at once objectives in themselves and vital factors in strengthening the impact and sustainability of cooperation.

102. The Commission will relaunch this approach, making systematic and strategic use of all resources at its disposal⁽¹⁾. Foremost it will ensure that its services develop capacity to implement this policy. It will intensify the dialogue with its partner countries to promote the mainstreaming of these issues in national policies and PRS. It will also facilitate setting up networks of expertise and technical support.

⁽¹⁾ Strategic environmental assessments and gender-equality impact assessments will be carried out on a systematic basis, including in relation to budget (greening the budget) and sectoral aid.

Democracy, Good Governance, Human rights, the rights of children and indigenous peoples

103. Democracy, Good Governance, Human rights and the rights of children will be promoted in partnership with all countries receiving Community development assistance. These issues should be systematically incorporated into the Community's development instruments through all Country and Regional Strategy Papers. The key principle for safeguarding indigenous peoples rights in development cooperation is to ensure their full participation and the free and prior informed consent of the communities concerned.

Gender equality

104. Equality between men and women and the active involvement of both genders in all aspects of social progress are key prerequisites for poverty reduction. The gender aspect must be addressed in close conjunction with poverty reduction, social and political development and economic growth, and mainstreamed in all aspects of development cooperation. Gender equality will be promoted through support to equal rights, access and control over resources and political and economic voice.

Environmental sustainability

105. The Community will support the efforts by partner countries (governments and civil society) to incorporate environmental considerations into development, including implementation of multilateral environmental agreements⁽¹⁾. It will also help increase their capacity for doing so. Protection of the environment must be included in the definition and implementation of all Community policies, particularly in order to promote sustainable development.

HIV/AIDS

106. In all countries, the fight against HIV/AIDS is defined as an effort cutting across sectors and institutions. There remains a need to mainstream HIV/AIDS into many activities that are not directly concerned with the issue and into the work programmes of specific sector support.

3.4. Support for global initiatives and funds

107. The Commission will continue to contribute to global initiatives that are clearly linked to the MDGs and to global public goods. Global initiatives and funds are powerful instruments for launching new political measures or reinforcing existing ones where their scope is insufficient. They are capable of generating public awareness and support more effectively than traditional aid institutions. This kind of aid should be aligned with national strategies, contribute to the dialogue with countries and aim at the integration of funds into their budget cycles.

108. The added value of global initiatives and funds will have to be assessed on a case-by-case basis after Commission consultation with Member States and, where appropriate, with the European Parliament as regards budget provision. The Commission will draw up criteria for Community participation in global funds and contributions to them. It will give priority to initiatives that will help achieve the MDGs and increase the availability of global public goods.

3.5 Policy coherence for development (PCD)

109. The Commission and Member States will prepare a rolling Work Programme on the implementation of the May 2005 Council conclusions on PCD. This Work Programme will propose priorities for action; define roles and responsibilities of Council, Member States and Commission and set out sequencing and timetables, with the aim of ensuring that non-aid policies can assist developing countries in achieving the MDGs. The Commission will reinforce its existing instruments, notably its impact assessment tool and consultations with developing countries during policy formulation and implementation, and considering new ones where necessary in support of a strengthened PCD.

(1) Climate, biodiversity, desertification, waste and chemicals.

110. Notwithstanding making progress on other PCD commitments, urgent attention will be given to commitments and actions on migration. In this respect, the Commission will aim to include migration and refugee issues in country and regional strategies and partnerships with interested countries and to promote the synergies between migration and development, to make migration a positive force for development. It will support developing countries in their policies of management of migratory flows, as well as in their efforts to combat human trafficking, in order to make sure that the human rights of the migrants are respected.

4. A range of modalities based on needs and performance

111. The Community has a wide range of modalities for implementing development aid which enable it to respond to different needs in different contexts. These are available to all geographical and thematic programmes and reflect a genuine Community added value.

112. Community assistance, whether it is project, sector programme, sector or general budget support, should support partner countries' poverty reduction or equivalent strategies. Decisions on what modalities of Community aid are the most appropriate for each country will be made at the programming stage, which must be increasingly coordinated with the process of formulating sectoral policies and implementing national budgets.

113. Where conditions allow, the preferred modality for support to economic and fiscal reforms and implementation of PRS will be budget support, for specific sectors or for the general public spending programme. It will enable recipient countries to cope with growing operating budgets, promote harmonisation and alignment on national policies, contribute to lower transaction costs and encourage results-based approaches. Such programmes will normally require the support of the International Financial Institutions, with which the Community's support will be co-ordinated. The value added of the complementary Community contribution, and any additional conditionality should be clearly defined. The financial management capacities of the beneficiary countries will be strengthened and closely monitored.

114. The provision of direct budget support will respect the recommendations made in the OECD/DAC Good Practice Guidelines on budget support, in particular in terms of alignment, coordination and conditions. Guidelines for the provision of budget support will apply to all the partner countries and will be reinforced with the setting of clear benchmarks and the monitoring of indicators set up to check the effectiveness of this aid modality.

115. The Community will consistently use an approach based on results and performance indicators. Increasingly, conditionality is evolving towards the concept of a 'contract' based on negotiated mutual commitments formulated in terms of results.

116. The micro-finance approach has been a major innovation in the last few years. It will continue to be developed with an emphasis on capacity building and organisations with relevant expertise.

117. Debt reduction, which is comparable to indirect budget support, with low transaction costs and a tendency to promote coordination and harmonisation between donors, could where necessary and appropriate help countries to reduce their vulnerability to external shocks.

118. The majority of Community aid will continue to be provided in the form of grants, which is particularly suitable for the poorest countries and for those with a limited ability to repay.

119. In order to guarantee a maximum impact for the beneficiary countries, there should be a strengthening of the synergies between the programmes supported by the European Investment Bank (EIB) and other financial institutions and those financed by the Community. The EIB is playing an increasingly important role in the implementation of Community aid, through investments in private and public enterprises in developing countries.

120. In order to enhance the effectiveness of multilateral aid, the Community will also enhance its cooperation with the UN system, International Financing Institutions and other relevant international organisations and agencies where such cooperation provides added value.

121. The Community will make progress in defining a set of guidelines for intervention in countries in crisis or as they emerge from a crisis, by ensuring that it adjusts both its procedures for allocation of resources and its modalities of intervention, with the concern to be able to respond rapidly and flexibly, with a varied range of interventions.

5. Progress in management reforms

122. In 2000, the Commission launched a reform programme which aimed to speed up implementation of Community's external assistance and to improve the quality of aid delivery. It brought about: (i) improved programming within a coherent project cycle with a focus on poverty eradication; (ii) the creation of one single entity — EuropeAid — responsible for the implementation of assistance; (iii) a completed devolution process with 80 delegations now responsible for aid management; (iv) the strengthening of human resources to speed up implementation; (v) improved working methods through harmonised and simplified procedures, better information systems and better trained staff; (vi) improved quality through a process of quality support and monitoring of the different stages of project management; and finally (vii) speedier implementation of assistance.

123. Improvements are still needed and continue to be made. Externally, the coordination and harmonisation agenda with other donors will have a major positive impact on aid delivery. Internally, the Commission will continue to streamline procedures, push for more devolution to delegations, clarify interaction between delegations and headquarters and improve information systems. Within this framework, quality of projects and programmes at entry will receive more attention through a reinforced quality support process. This will also require a clearer focus on a limited number of areas (and a limited number of activities within the targeted areas) per partner country. During implementation better use should be made of monitoring tools and at closure of programmes, evaluations should result in a clearer input into the programming and identification process.

6. Monitoring and evaluation

Lessons from evaluation of 2000 DPS

124. The assessment of the 2000 European Community Development Policy and its impact on Community aid highlighted a number of important lessons. These included the need to reflect recent international development commitments, such as those made at UN conferences, and advances made in development best practice, such as budget support and the Paris Declaration. The DPS also needed to have higher levels of ownership by all parts of the Commission and be widely accepted in the European Parliament. It should be applied consistently in Community development programmes in all developing countries. These lessons have been drawn upon in agreeing the new Statement and will be taken fully into account in future implementation of EC aid in all developing countries.

Monitoring future implementation

125. The Commission should develop a set of measurable objectives and targets for implementing this Policy and assess progress against this on a regular basis, in the Annual Report for implementation of the European Community Development Policy.

126. The Commission will ensure that all its services and delegations managing programming and implementation of Community development assistance use this European Community Development Policy as the key reference for the Community's objectives and principles for implementation of all development cooperation.

**Declaration by the Council and the Representatives of the Governments of the Member States
meeting within the Council**

In the event that any Member State wishes to review the country applicability of this Statement subsequent to the OECD/DAC decision of April 2006, the Council will consider this.

Annex 9

The EU action plan to 2010 and beyond

EU ACTION PLAN TO 2010 AND BEYOND

No.	OBJECTIVE, TARGETS, ACTIONS	COMMUNITY LEVEL ACTION	MEMBER STATES ACTION
A. THE TEN PRIORITY OBJECTIVES			
POLICY AREA 1: BIODIVERSITY AND THE EU			
OBJECTIVE 1: TO SAFEGUARD THE EU'S MOST IMPORTANT HABITATS AND SPECIES.			
HEADLINE TARGET: Biodiversity loss of most important habitats and species halted by 2010, these habitats and species showing substantial recovery by 2013.			
A1.1	TARGET: Nature 2000 network established, safeguarded, designated and under effective conservation management by 2010, 2012 in marine.		
A1.1.1	ACTION: Accelerate efforts to finalise the Natura 2000 network including complete terrestrial network of Special Protection Areas (SPA) (by 2008, 2008 for marine); adopt lists of Sites of Community Importance (SCI) (by 2008, 2008 for marine); designate Special Areas of Conservation (SAC) and establish management priorities and necessary conservation measures for SACs (by 2010, 2012 for marine); establish similar management and conservation measures for SPAs (by 2010, 2012 for marine).	For EU15 - ensure MS which have not proposed sufficient sites complete their lists; adopt remaining lists of SCIs as soon as possible; provide necessary guidance on designation and establishment of management priorities and measures; for EU10 - ensure correct transposition of Birds and Habitats Directives, ensure MS which have not proposed sufficient sites complete their lists; adopt lists of SCIs as soon as possible; provide necessary guidance on designation and establishment of management priorities and measures; publish annual review of progress.	Propose sufficient SCIs, designate SACs, prepare, adopt and implement site management priorities and measures.
A1.1.2	ACTION: Ensure adequate financing provided to Natura 2000 implementation from Community sources (notably Rural Development, Cohesion and Structural Funds, Pre-Accession Instrument, LIFE-II, LIFE-I) and MS sources, accessible to those who manage Natura 2000 sites, with focus on optimising long-term conservation benefits as well as priority awareness raising and networking initiatives (2008 onwards).	Establish Community priorities for co-financing under each instrument, provide guidance on co-financing to MS and potential beneficiaries, evaluate MS co-financing programme proposals, disburse funds, monitor effectiveness (in terms of biodiversity outcomes), audit expenditure.	Commit adequate national co-financing, identify national priorities for co-financing, develop national programmes for allocation to beneficiaries, disburse funds nationally and Community to beneficiaries, monitor cost-effectiveness of actions financed (in terms of biodiversity outcomes), audit expenditure.
A1.1.3	ACTION: Transpose fully (by 2008) Articles 6(2), 6(3) and 6(4) of the Habitats Directive into national legislation and planning policies and ensure subsequent timely implementation, where appropriate (i.e. where development proposals cannot avoid damage to Natura 2000 sites, but proceed for reasons of overriding public interest) ensure special effort for adequate design and implementation of compensatory measures (2008 onwards).	Check and ensure full transposition, address any complaints relating to implementation, establish external technical capacity for evaluating requests for derogations under Article 6(4); provide guidance on compensatory measures, evaluate adequacy of compensatory measures.	Fully transpose and implement Art 6 including avoid where possible deterioration or disturbance of sites by developmental activities, assess potential impacts of proposed plans or projects likely to have a significant impact on sites, involving general public where appropriate; if deterioration or disturbance likely, assess whether overriding public interest justifies proceeding; if proceeding, take necessary compensatory measures to maintain coherence of network.
A1.1.4	ACTION: Strengthen effectiveness of Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA) in informing decision-making (inter alia: take stock of effectiveness, produce guidance, tighten legal requirements as appropriate) so as to prevent, minimise and mitigate damages to Natura 2000 sites (2008 onwards) (cf Articles 44.1.4, 44.1.6 and 44.6.1 to 44.6.4).	Take stock of effectiveness of EIA (2006-07) and of SEA (2008-09) with respect to preventing biodiversity loss, produce guidance on best practice in treatment of biodiversity in SEA and EIA (specific to the directives), consider options to tighten legal requirements (eg. require biodiversity to be addressed at assessment of alternatives, screening, scoping stages) where necessary.	Implement best practice for treatment of biodiversity in SEA and EIA, ensure decision-making takes full account of SEA/EIA findings related to biodiversity including direct, indirect and cumulative impacts.
A1.1.5	ACTION: Ensure full and timely application of the Environmental Liability Directive (ELD) as it applies to protected species and natural habitats (as defined under the directive), including preventive measures and remedial actions, as appropriate (2008 onwards).	Develop guidance, including on compensation required under ELD in respect of damages to Natura 2000 sites.	Apply Directive in line with guidance.
A1.2	TARGET: Sufficiency, coherence, connectivity and resilience of the protected areas network in the EU substantially enhanced by 2010 and further enhanced by 2013 (cf objective 9, target 9.4).		
A1.2.1	ACTION: Carry out (by 2008, following next reports) scientific review of habitat types listed in annexes of nature directives, informed by 'shadow lists' of priority habitats, add to annexes any missing habitat types of Community interest, and ensure all habitat types of Community interest are sufficiently represented in the Natura 2000 network (by 2010).	Coordinate review, propose necessary amendments to annexes, assess sufficiency of MS proposals for any new sites in response to any amendments to annexes, adopt revised lists of SCIs where necessary.	Participate in review, adopt (on Council) amendments to annexes, propose new sites as necessary, designate new sites and establish management priorities and measures as soon as possible after adoption of any new lists of SCIs.
A1.2.2	ACTION: Accelerate efforts to place other designated protected areas (non-Natura 2000) of national, regional and local biodiversity importance under effective conservation management (by 2010, 2012 in marine).	Raise awareness of importance and relevance of these areas in context of Action 1.2.3 below.	Carry out national review of sufficiency of these areas in context of Action 1.2.3 below, address key shortfalls/gaps.
A1.2.3	ACTION: Assess (by 2008) and subsequently strengthen (by 2010) coherence, connectivity and resilience of the protected areas network (Natura 2000 and non-Natura protected areas) by applying, as appropriate, tools which may include flyways, buffer zones, corridors and stepping stones (including as appropriate to neighbouring and other third countries), as well as actions in support of biodiversity in the wider environment (see also actions under objectives 2, 3 and 9).	Coordinate assessment, develop guidelines to strengthen coherence.	Participate in assessment, apply measures to strengthen coherence and connectivity.
A1.3	TARGET: No priority species in worsening conservation status by 2010; majority of priority species in, or moving towards, favourable conservation status by 2013.		
A1.3.1	ACTION: Implement (2008 onwards) at EC or MS level as appropriate, existing species action or management plans for species under threat and review and update as necessary, elaborate (2008 onwards) and implement (2007 onwards) additional species action or management plans for a wider range of species under threat - including birds, mammals, reptiles, amphibians, freshwater fish, invertebrates and plants; ensure monitoring of implementation and effectiveness of plans.	Coordinate preparation of EC-level action plans, coordinate implementation at Community level.	Implement EC plans at national level, develop and implement national level plans.
A1.3.2	ACTION: Carry out (by 2008, following next reports) scientific review of species listed in annexes of nature directives, informed by EU 'shadow lists' for major taxa and other relevant assessments of species status; add to annexes any missing species of Community interest, and ensure where appropriate that all species of Community interest are sufficiently represented in the Natura 2000 network (by 2010).	Coordinate review, coordinate monitoring and assessment of species conservation status, support development of EU 'shadow lists' (including Red Data lists), propose amendments to annexes, assess sufficiency of Natura 2000 network in respect of all new species added to annexes.	Participate in review, suggest amendments to annexes.

No.	OBJECTIVES, TARGETS, ACTIONS	COMMUNITY LEVEL ACTION	MEMBER STATES ACTION
A1.3.3	ACTION: Identify and fill critical gaps in EU ex-situ (zoos, botanic gardens, etc.) conservation programmes for wild species, in line with best practice, with appropriate co-financing from EC and MS (2008 onwards)	Coordinate assessment, provide co-financing for priority projects	Participate in assessment, co-finance and implement priority projects
A1.4	TARGET: All above targets applied for Accessing Countries from date of accession.		
A1.4.1	ACTION: Expand all above actions to Romania and Bulgaria (Accessing Countries) and to any future Accessing Countries in a timely manner, i.e. to provide for full implementation of environmental acquis, and provide lists of Natura 2000 sites (by date of accession)	Ensure transposition of nature directives for application from day of accession, ensure lists proposed by day of accession, adopt lists within 1 year of accession	(ROMANIA & BULGARIA, and any future Accessing Countries) Prepare to meet all above targets from day of accession
A1.5	TARGET: For those EU Outermost Regions not covered by the nature directives, valued biodiversity sites and species not in worsening conservation status by 2010; majority of valued sites and species moving towards favourable conservation status by 2013.		
A1.5.1	ACTION: Apply nature directives-type approach for valued sites and species in those EU Outermost Regions not covered by nature directives (2008 onwards)	None	(FRANCE) Apply nature directives-type approach (voluntarily and at national initiative) for priority sites and species in ODRs

OBJECTIVE 2: TO CONSERVE AND RESTORE BIODIVERSITY AND ECOSYSTEM SERVICES IN THE WIDER EU COUNTRYSIDE.

HEADLINE TARGET: In wider countryside (terrestrial, freshwater, brackish water outside Natura 2000 network), biodiversity loss halted by 2010 and showing substantial recovery by 2013.

AGRICULTURAL & RURAL DEVELOPMENT POLICY

A2.1	TARGET: Member States have optimised use of opportunities under agricultural, rural development and forest policy to benefit biodiversity 2007-2013		
A2.1.1	ACTION: Allocate, at MS initiative, within each national/regional Rural Development (RD) Programme, adequate Community and MS co-financing to measures available under all three axes of the RD Regulation which are directly or indirectly supportive of nature and biodiversity (2006/07 and any subsequent revisions) (of Action 8.1.1.2)	Assess MS RD Programmes and seek amendments where appropriate	Ensure adequate MS funds to make up any shortfall in funds provided by EC co-financing
A2.1.2	ACTION: Apply Rural Development (RD) measures in the next programming period (2007-2013) to optimise long-term benefits for biodiversity - in particular for Natura 2000 areas and for other 'high nature value' farm and forest areas.	Provide guidance on application of RD measures, including an identification of high-nature-value farmland, forests and woodlands	Ensure CAP National Strategy Plans and National and Regional RDPs reflect this need
A2.1.3	ACTION: Define criteria and identify (2006-07) high-nature-value farmland and forest areas (including the Natura 2000 network) threatened with loss of biodiversity (with particular attention to extensive farming and forest/woodland systems at risk of intensification or abandonment, or already abandoned), and design and implement measures to maintain and/or restore conservation status (2007 onwards)	Evaluate extent to which Common Agricultural Policy (CAP) National Strategy Plans and National RDPs reflect this need - encourage adjustments where necessary	Define criteria in order to capture all farm and forest land of high value for biodiversity, identify HNV areas, develop measures to address threats
A2.1.4	ACTION: Ensure effective implementation of cross-compliance (which provides a baseline for most of the measures of Axis 2 of the Rural Development Regulation) in ways that benefit biodiversity (2007-2013)	Evaluate extent to which CAP National Strategy Plans and National RD Programmes reflect this need - encourage adjustments where necessary	Ensure CAP National Strategy Plans and National and Regional RDPs reflect this need
A2.1.5	ACTION: Ensure that MS Rural Development Plans (RDPs) comply with environmental legislation and in particular with the nature directives so as to prevent and minimise any potential damages to biodiversity (2007, 2013)	Assess whether proposed CAP National Strategy Plans may result in breach of environmental legislation, seek adjustments where necessary	Ensure national plans comply
A2.1.6	ACTION: Broaden extension services, farm advisory systems and training actions to farmers, landowners and farm workers to strengthen biodiversity-related implementation in the rural development programming (2007 onwards) including support from the LEADER axis.	Evaluate extent to which CAP National Strategy Plans and National RD Programmes reflect this need - encourage adjustments where necessary	Ensure CAP National Strategy Plans and National and Regional RD Programmes reflect this need
A2.1.7	ACTION: Ensure future 'less favoured area' (LFA) regime (from 2010) under Axis 2 enhances its contribution to biodiversity and to 'high nature value' farm and forest areas.	Assess contribution of LFAs to biodiversity, means to enhance this contribution - and reflect this in 2008 report and proposals	Support LFA regime which is more favourable to biodiversity, implement new regime
A2.1.8	ACTION: Implement the common monitoring and evaluation framework and Strategic Environmental Assessment (SEA) Directive requirements where applicable for rural development programmes, including the definition of indicators in a way that impact of measures on biodiversity is assessed (2008 onwards)	Evaluate the extent to which MS have used the mandatory indicators and the appropriateness and adequacy of their additional programme specific indicators	Use mandatory indicators, and draw up additional programme-specific indicators as needed
A2.1.9	ACTION: Encourage that implementation of the Common Agricultural Policy first pillar benefits biodiversity, notably through mandatory cross-compliance (decoupling (single farm payments) and by encouraging take-up of modulation by the Member States.	Evaluate the extent to which MS have used the first pillar of CAP for supporting biodiversity	Use the instruments of the CAP first pillar (decoupling, cross-compliance) to promote biodiversity actions and increase modulation possibilities and redirection of first pillar resources to biodiversity actions through Rural Development
A2.1.10	ACTION: Consider, if appropriate, a possible review of cross-compliance requirements related to the preservation of biodiversity in the 2007 review of the cross-compliance system.	Evaluate in 2007, in the context of the foreseen review of cross-compliance	Develop appropriate standards and modalities for cross-compliance, decoupling, modulation
A2.1.11	ACTION: Strengthen measures to ensure conservation, and availability for use, of genetic diversity of crop varieties, livestock breeds and races, and of commercial tree species in the EU, and provide in particular their in situ conservation (2008 onwards)	Facilitate (remove obstacles), provide guidance, provide co-financing	Identify and implement measures
A2.1.12	ACTION: Exploit opportunities under the CAP (2007-2013) to implement all above actions in the Outermost Regions.	Evaluate extent to which CAP National Strategy Plans and National RD Programmes (for MS with outermost regions) reflect this need - encourage adjustments where necessary	(FRANCE, SPAIN, PORTUGAL) Take account of biodiversity needs in design of CAP National Strategy Plans and National and Regional RD programmes for outermost regions

FOREST POLICY

A2.1.13	ACTION: Ensure that the forthcoming EU Forest Action Plan (due 2008) addresses forest biodiversity among the priorities, in line with the EU Forest Strategy and the 6th Environment Action Programme.	Propose Action Plan, implement Community-level components	Participate in preparation of Action Plan, implement at MS level
A2.1.14	ACTION: Implement Vienna Ministerial Conference resolution on Forest Biodiversity (2003) through forest policies of MS and EU Forest Action Plan with particular reference to the CBD Expanded Programme of Work on Forest Biological Diversity (2008 onwards)	Implement Resolution as it applies at Community level	Implement resolution at MS level

No.	OBJECTIVES, TARGETS, ACTIONS	COMMUNITY LEVEL ACTION	MEMBER STATES ACTION
A2.1.1	ACTION: Assess potential impact on biodiversity of plans, programmes and projects for afforestation (or, should the case arise, deforestation), adjust accordingly in order to ensure no overall long-term negative impact on biodiversity (2006 onwards)	None	State assessments, adjust afforestation/deforestation plans accordingly
ENVIRONMENTAL POLICY			
A2.2	TARGET: Risks to soil biodiversity in EU substantially reduced by 2013.		
A2.2.1	ACTION: Identify geographical risk areas for factors affecting soil biodiversity (soil sealing, loss of organic matter, soil erosion, etc.) (2006 onwards)	Provide guidance on identification of risk areas	Identify risk areas
A2.2.2	ACTION: Minimise soil sealing, sustain soil organic matter and prevent soil erosion through timely implementation of key measures identified in the forthcoming Thematic Strategy for Soil Protection (2010 onwards)	Propose suitable measures, provide guidance on implementation, monitor implementation, enforce any measures required by Community law.	Implement timely measures
A2.3	TARGET: Substantial progress made towards 'good ecological status' of freshwaters by 2010 and further substantial progress made by 2013.		
A2.3.1	ACTION: Ensure implementation of operational monitoring programmes (by 2006) and publication of River Basin Management Plans and establishment of River Basin District Programmes of Measures (by 2008) and that these Plans and Programmes of Measures are fully operational (by 2012), in line with provisions of the Water Framework Directive.	Provide guidance, monitor implementation, address complaints, enforce where appropriate.	Develop, adopt and implement monitoring programmes, plans and programmes of measures
A2.4	TARGET: Principal pollutant pressures on terrestrial and freshwater biodiversity substantially reduced by 2010, and again by 2013.		
A2.4.1	ACTION: Significantly reduce point source pollutant pressures on terrestrial and freshwater ecosystems through strengthening implementation of relevant Directives, notably on Integrated Pollution Prevention and Control, Large Combustion Plants, Waste Incineration, Urban Waste Water Treatment (of action 3.2.1) (2006 onwards)	Provide guidance, monitor implementation, address complaints, enforce where appropriate.	Implement directives at Member State level
A2.4.2	ACTION: Significantly reduce airborne eutrophication and acidifying pollution of terrestrial and freshwater ecosystems in line with Thematic Strategy on Air Quality (2006 onwards) revise National Emissions Ceiling Directive (by 2007) (of action 3.2.2)	Provide guidance, monitor implementation, address complaints, enforce where appropriate.	Implement Thematic Strategy and NEC Directive at Member State level
A2.4.3	ACTION: Significantly reduce pollution of terrestrial and freshwater ecosystems from agricultural sources (notably pesticides, nitrate) through measures in line with Thematic Strategy on the Sustainable Use of Pesticides, pesticides and biocides legislation, Nitrates Directive (2006 onwards) (of action 3.2.2)	Provide guidance, monitor implementation, address complaints, enforce where appropriate.	Implement Thematic Strategy provisions and legislation at Member State level
A2.4.4	ACTION: Significantly reduce current exposures, and limit future exposure, of terrestrial and freshwater ecosystems to toxic chemicals through measures in line with EU chemicals legislation including REACH (2006 onwards) (of action 3.2.4)	Provide guidance, monitor implementation, address complaints, enforce where appropriate.	Implement REACH at Member State level.
A2.5	TARGET: Flood risk management plans in place and designed in such a way as to prevent and minimise biodiversity loss and optimise biodiversity gains, by 2015.		
A2.5.1	ACTION: As part of the preliminary flood risk assessment for each river basin, assess the risks and benefits of flooding for biodiversity (within 3 years of adoption of Directive)	Provide guidance	Carry out assessments
A2.5.2	ACTION: Ensure Flood risk management plans for each river basin optimise benefits for biodiversity through, in particular, allowing necessary freshwater input to wetland and floodplain habitats, and creating where possible and appropriate additional wetland and floodplain habitats which enhance capacity for flood water retention (by 2013)	Provide guidance	Ensure full consideration of biodiversity needs in preparation and implementation of plans
OBJECTIVE 3: TO CONSERVE AND RESTORE BIODIVERSITY AND ECOSYSTEM SERVICES IN THE WIDER EU MARINE ENVIRONMENT.			
HEADLINE TARGET: In wider marine environment (outside Natura 2000 network), biodiversity loss halted by 2010 and showing substantial recovery by 2013.			
ENVIRONMENTAL POLICY			
A3.1	TARGET 3.1: Substantial progress achieved by 2010 and again by 2013 towards 'good environmental status' of the marine environment.		
A3.1.1	ACTION: Make initial assessments, determine 'good environmental status', and establish environmental targets for each Marine Region in line with the timetable specified in the proposed Marine Strategy Directive (2006 onwards)	Council to adopt Marine Framework Directive by 2007. Commission to provide guidance, facilitate and where necessary enforce implementation.	State assessments, determine 'good environmental status', establish environmental targets.
A3.1.2	ACTION: Develop programmes of measures designed to achieve good environmental status in each Marine Region (by 2010, at latest, earlier, where possible)	As above	Develop programmes of measures.
A3.1.3	ACTION: Ensure key biodiversity and ecosystem provisions of the Thematic Strategy for the Marine Environment are assured in the forthcoming Green Paper on a Future Maritime Policy for the Union and any consequent policy	Commission to adopt Green Paper on a future Maritime Policy for the Union (2006), launch consultation process (2006-2007), follow up as appropriate (possible White Paper, etc.)	Participate in consultation process
A3.1.4	ACTION: Ensure timely implementation of the Water Framework Directive as it applies to coastal areas (2006 onwards)	Provide guidance, monitor implementation, address complaints, enforce where appropriate.	Develop, adopt and implement monitoring programmes, plans and programmes of measures - as applicable for coastal areas
A3.1.5	ACTION: Ensure timely implementation and review of the EU Integrated Coastal Zone Management Recommendation (2006 onwards)	Coordinate implementation, review	Implement, participate in review
A3.2	TARGET: Principal pollutant pressures on marine biodiversity substantially reduced by 2010, and again by 2013.		
A3.2.1	ACTION: Significantly reduce point source pollutant pressures on marine ecosystems through strengthening implementation of relevant Directives, notably on Integrated Pollution Prevention and Control, Large Combustion Plants, Waste Incineration, Urban Waste Water Treatment (2006 onwards) (of action 2.2.1)	Provide guidance, monitor implementation, address complaints, enforce where appropriate.	Implement directives at Member State level

No.	OBJECTIVES, TARGETS, ACTIONS	COMMUNITY LEVEL ACTION	MEMBER STATES ACTION
A3.2.2	ACTION: Significantly reduce airborne eutrophication and acidifying pollution of marine ecosystems in line with Thematic Strategy on Air Quality (2006 onwards) revise National Emissions Ceiling Directive (by 2017) (of action 2.2.2)	Provide guidance, monitor implementation, address complaints, enforce where appropriate.	Implement Thematic Strategy and NEC Directive at Member State level
A3.2.3	ACTION: Significantly reduce pollution of marine ecosystems from agricultural sources (pesticides, nitrates) through measures in line with Thematic Strategy on the Sustainable Use of Pesticides, pesticides and biocides legislation, Nitrates Directive (2006 onwards) (of action 2.3.3)	Provide guidance, monitor implementation, address complaints, enforce where appropriate.	Implement Thematic Strategy provisions and legislation at Member State level
A3.2.4	ACTION: Significantly reduce current exposure, and limit future exposure, of marine ecosystems to toxic chemicals through measures in line with EU chemicals legislation (2006 onwards) (of action 2.3.4)	Provide guidance, monitor implementation, address complaints, enforce where appropriate.	Implement REACH at Member State level.
FISHERIES POLICY			
A3.3 TARGET: Ecosystem approach to the protection of the seas in place and implying fisheries management measures no later than 2016.			
A3.3.1	ACTION: Introduce the fisheries management measures required in the Regional Marine Strategies adopted by Member States in line with the requirements of the Marine Strategy Directive (by 2017)	Ensure respect of deadlines for Programmes of Measures to be adopted by Member States and propose pertinent fishery measures	Council: adopt measures pertaining to the CFP. Member States level: Complete the process foreseen in Marine Strategy and draw out Programmes of Measures by region
A3.4 TARGET: Substantially enhanced funding provided to environmentally-friendly fisheries management from 2007 onwards.			
A3.4.1	ACTION: Apply new European Fisheries Fund and Member State funds for actions beneficial to marine biodiversity (2007 onwards) (of Action B1.1.3)	Negotiate Operational Plans with Member States	Council: adopt proposal for the European Fisheries Fund. Member States level: Draw out National Strategic Programmes and Operational Programmes containing enhanced expenditure in environmental action
A3.5 TARGET: Stock levels maintained or restored to levels that can produce maximum sustainable yield, where possible no later than 2015.			
A3.5.1	ACTION: Prepare plan of action to attain maximum sustainable yield, prepare and implement stock recovery plans as soon as needed for any stocks outside safe biological limits, and management plans to maintain other stocks at safe biological levels. (2006 onwards)	Propose plan of action to attain maximum sustainable yield. Seek scientific advice, consult stakeholders and elaborate proposals for recovery and management plans.	Council: Discuss and adopt plan of action, and recovery and management plans. Member States level: Enforce CFP measures
A3.5.2	ACTION: Develop, adopt and implement restoration programmes for anadromous species (eg trout, salmon, sturgeons) (2006 onwards)	Propose programmes.	Council: adopt programmes. Member States level: Enforce CFP measures and take initiatives outside the CFP: restoration of habitats, removal of migratory barriers, stock enhancement
A3.5.3	ACTION: Adjust fishing capacity to improve balance between fishing capacity and available fish stocks. (2006 onwards)	Work out efficient parameters for the assessment of fishing capacity	Enforce CFP measures and use fisheries funds to finance capacity adjustment
A3.5.4	ACTION: Adopt and implement provisions under CFP for the wider establishment of no-take zones.	Seek scientific advice, consult stakeholders and elaborate proposals.	Council: adopt proposal. Member States level: enforce CFP measures
A3.5.5	ACTION: Take concerted EU action to combat illegal, unreported and unregulated fishing. (2006 onwards)	to be completed	to be completed
A3.6 TARGET: Impact of fisheries on non-target species and habitats progressively and substantially reduced from 2006 onwards.			
A3.6.1	ACTION: Implement technical measures to help ensure favourable conservation status of marine species and habitats which are not commercially exploited, aimed at the reduction of unwanted by-catch and of damage to the benthos. (2006 onwards)	Propose new technical measures as provided for under the CFP, supervise implementation at Community level	Council: adopt new technical measures as provided for under the CFP. Member States level: enforce CFP measures
A3.6.2	ACTION: Adopt Community Plans of Action for the conservation of sharks and seabirds and implement progressively thereafter.	Propose plans of action	Enforce CFP measures
A3.6.3	ACTION: Identify, define, adopt and enforce fisheries measures required for Natura 2000 sites in the marine environment, (by date of designation)	Define and propose measures, as appropriate, at Community level, supervise, guide and enforce implementation at Member State level	Identify and define fishery measures, as appropriate, needed within the management plans of Natura 2000 sites
A3.6.4	ACTION: Ensure adequate treatment of biodiversity concerns in all cases where environmental impact assessment or strategic environmental assessment is required in relation to fisheries or aquaculture, and ensure consultation process and subsequent implementation take due account of EIA and SEA findings in order to prevent negative impacts on biodiversity or, where prevention is not possible, minimise, mitigate and/or compensate for these negative impacts (2006 onwards)	Address any complaints relating to incorrect application of EIA, enforce correct application where necessary.	Apply EIA where required, take due account of findings in authorization procedure, ensure necessary mitigation and compensation measures.
A3.7 TARGET: Substantially improved information and reporting on environmental integration of the Common Fisheries Policy from 2006 onwards.			
A3.7.1	ACTION: Make periodic assessments (2006 onwards) of the progress of the Common Fisheries Policy in incorporating environmental protection requirements (with particular reference to biodiversity).	Seek basic scientific information and report to Council and Parliament	Collect the data necessary to give scientific support to the indicators used in the reports

OBJECTIVE 4: TO REINFORCE COMPATIBILITY OF REGIONAL AND TERRITORIAL DEVELOPMENT WITH BIODIVERSITY IN THE EU.

HEADLINE TARGET: Regional and territorial development benefiting biodiversity, and negative impacts on biodiversity prevented and minimised or, where unavoidable, adequately compensated for, from 2006 onwards.

REGIONAL POLICY (ERDF AND ESF)			
A4.1 TARGET: Cohesion and structural funds contributing to sustainable development and making (directly or indirectly) a positive contribution to biodiversity, and negative impacts on biodiversity prevented or minimised or, where unavoidable, adequately compensated for, from 2006 onwards.			
A4.1.1	ACTION: Allocate, at MS initiative, cohesion and structural funds for projects directly or indirectly benefiting biodiversity in appropriate operational programmes (2006 onwards) (of Action B1.1.4)	Encourage MS to provide for such projects, provide technical support for programming (consistent with Financing Natura 2000 proposal), evaluate national programmes submitted	Propose and implement projects
A4.1.2	ACTION: ESF contributing to biodiversity objectives through awareness-raising, capacity building, employment of the young, long-term jobs and elderly, etc. (2007 onwards) (of Action B1.1.5)	Encourage MS to provide for such projects, provide technical support for programming, evaluate national programmes submitted	Propose and implement projects

A4.1.3	ACTION: Ensure National Strategic Reference Frameworks (NSRFs) and Operational Programmes 2007-2013 fully respect environmental aspects (2008 onwards)	Check conformity of NSRFs and Operational Programmes with environmental aspects	Ensure conformity of NSRFs and Operational Programmes with environmental aspects
A4.1.4	ACTION: Ensure strategic environmental assessment (SEA) of Operational Programmes (2008 onwards) gives adequate treatment to biodiversity concerns and that the final programmes take full account of the SEA findings in order to prevent, minimise and mitigate impacts on biodiversity and provide where possible benefits to biodiversity. (of Action A1.1.4)	Check SEA Directive is applied	Apply SEA Directive
A4.1.5	ACTION: Ensure environmental impact assessment (EIA) of projects co-financed by Cohesion Fund and European Regional Development Fund (ERDF), where such EIA is required, gives adequate treatment to biodiversity concerns and that final projects take full account of EIA findings in order to prevent, minimise and mitigate impacts on biodiversity and provide where possible benefits to biodiversity (2008 onwards). (of Action A1.1.4)	Assess all proposals over Euro 50m (25m for environmental projects) for potential biodiversity impacts. Address any complaints relating to projects. Check EIA Directive is correctly applied.	Ensure project applications submitted to Commission are complete
A4.1.6	ACTION: Ensure full participation of civil society in development of NSRF and national Operational Programmes and in SEA/SEA and ensure biodiversity interests fully represented (2008 onwards)	Address complaints relating to inadequate participation	Ensure such participation
A4.2 TARGET: Negative impacts of territorial plans (within each MS) on biodiversity prevented or minimised, and positive benefits optimised, from 2008 onwards.			
A4.2.1	ACTION: Ensure that all those territorial plans subject to strategic environmental assessment (SEA) (where deemed applicable by Member States under the SEA Directive) do not cause significant negative impacts on biodiversity (direct, indirect, cumulative) (2008 onwards)	Assess effectiveness of SEA in addressing biodiversity impacts (2008 SEA reports, commission special study to take stock)	Apply SEA ensuring adequate treatment of biodiversity concerns at all stages of assessment
A4.2.2	ACTION: Implement policies and measures in line with Thematic Strategy for Urban Environment to prevent urban sprawl (2008 onwards)	N/A	Full responsibility for action
A4.3 TARGET: Ecological coherence and functioning strengthened through spatial planning from 2008 onwards.			
A4.3.1	ACTION: Develop and implement spatial and programme/plans that support the coherence of the Natura 2000 network (in line with the requirements of the nature directives to ensure such coherence) and maintain and/or restore the ecological quality of wider landscape (2008 onwards) (of Action B2.3.1)	Promote best practice at MS, regional and local levels	Develop and implement such plans
A4.4 TARGET: Significant increase in proportion of tourism which is ecologically sustainable by 2010 and again by 2013.			
A4.4.1	CSD Guidelines on Sustainable Tourism promoted, adopted and implemented as appropriate by key stakeholders (2008 onwards)	Promote best practice	Implement best practice
A4.5 TARGET: All above outcomes achieved also in Outermost Regions.			
A4.5.1	ACTION: All above actions applied, as appropriate, in Outermost Regions (French Guyana, Guadeloupe, Reunion, Martinique, Canaries, Azores, Madeira) (2008 onwards)	As for all above actions under targets 4.1-4.5, as appropriate	(FRANCE, SPAIN, PORTUGAL ONLY): All above actions (where applicable) applied in outermost regions
ENVIRONMENTAL POLICY			
A4.6 TARGET: All Strategic Environmental Assessments and Environmental Impact Assessments have taken full account of biodiversity concerns (2008 onwards).			
A4.6.1	ACTION: Ensure effective treatment of biodiversity in all Strategic Environmental Assessment (SEA) of programmes and plans, where such SEA is required, including by promotion of best practice through the development of guidelines, recognition of good performance - and ensure that full account is taken of the findings of the assessment (in terms of impacts on biodiversity) in the final programmes or plans (2008 onwards) (of Action A1.1.4)	See action 1.1.3 above	See action 1.1.3 above
A4.6.2	ACTION: Ensure effective treatment of biodiversity in all Environmental Impact Assessment (EIA) of projects, where such EIA is required, including by promotion of best practice through the development of guidelines, recognition of good performance - and ensure that full account is taken of the findings of the assessment (in terms of impacts on biodiversity) in the authorisation procedure (2008 onwards) (of Action A1.1.4)	See action 1.1.3 above	See action 1.1.3 above
A4.6.3	ACTION: Ensure all new Trans-European Networks provide for environmental assessment and take full account of biodiversity impacts in the design and authorisation process in the framework of the existing EU legislation (2008 onwards) (of Action A1.1.4)	Check projects (avoiding modes opened ENV/TFEN)	Ensure project applications submitted to Commission are complete
A4.6.4	ACTION: Take stock of effectiveness of EIA and SEA in preventing and minimising negative impacts and improving positive impacts of developments on biodiversity and consider necessary measures to improve EIA and SEA performance in this respect (by 2008) (of Action A1.1.4)	See 1.1.3 above	See 1.1.3 above
OBJECTIVE 6: TO SUBSTANTIALLY REDUCE THE IMPACT ON EU BIODIVERSITY OF INVASIVE ALIEN SPECIES (IAS) & ALIEN GENOTYPES.			
HEADLINE TARGET: Negative impacts on EU biodiversity of IAS and alien genotypes prevented or minimised from 2010 onwards.			
A5.1 TARGET: Impact of IAS on biodiversity in the EU substantially reduced by 2010 and again by 2013.			
A5.1.1	ACTION: Assess, at EU level, gaps in the current legal, policy and economic framework to prevent, control and eradicate IAS and mitigate their impacts on biodiversity and develop a community strategy to address IAS including, where necessary and appropriate, measures to fill gaps (by 2007)	State assessment, propose measures to fill gaps	Participate in assessment, adopt any necessary measures to fill gaps in Council
A5.1.2	ACTION: Encourage Member States to develop national strategies on invasive alien species (by 2007) and to implement them fully (by 2010)	Encourage MS	Develop national strategy

No.	OBJECTIVES, TARGETS, ACTIONS	COMMUNITY LEVEL ACTION	MEMBER STATES ACTION
AI.1.3	ACTION: Encourage ratification and implementation by Member States of the International Convention for the Control and Management of Ship's Ballast Water and Sediments under the International Maritime Organisation (2006 onwards)	Encourage ratification	Ratify and implement
AI.1.4	ACTION: Establish early warning system for the prompt exchange of information between neighbouring countries on the emergence of IAS and cooperation on control measures across national boundaries (by 2008)	Propose early warning system, coordinate implementation at Community level	Adopt system in Council, implement system at national level
AI.2	TARGET: Impact of alien genotypes on biodiversity in the EU significantly reduced by 2010 and again by 2013.		
AI.2.1	ACTION: Fully apply the Cartagena Protocol on Biosafety to ensure an adequate level of protection of biodiversity (and human health) in the field of the safe handling, use and transfer of genetically modified organisms (2006 onwards)	Apply as appropriate at Community level	Apply as appropriate at MS level
AI.2.2	ACTION: Ensure protection of biodiversity as part of measures to protect human health and environment in relation to the deliberate release into the environment of Genetically Modified Organisms (GMOs) (2006 onwards)	Ensure in GMO authorisation procedure	Ensure at national level in line with requirements of the authorisation

POLICY AREA 2: THE EU AND GLOBAL BIODIVERSITY

OBJECTIVE 6: TO SUBSTANTIALLY STRENGTHEN EFFECTIVENESS OF INTERNATIONAL GOVERNANCE FOR BIODIVERSITY AND ECOSYSTEM SERVICES.

TARGET: International governance for biodiversity substantially more effective in delivering positive biodiversity outcomes by 2010.			
AI.1	TARGET: International governance for biodiversity substantially more effective in delivering positive biodiversity outcomes by 2010.		
AI.1.1	ACTION: Press for effective worldwide implementation of the Convention on Biological Diversity, decisions of the Conference of the Parties including thematic and cross-cutting programmes of work, and other related international and regional biodiversity agreements (eg. Bonn, Bern, AEW, Ramsar, UN Fish Stocks Agreement) and promote greater synergies between these (2006 onwards)	Work at EU, global and regional levels for enhanced effectiveness in CBD implementation by streamlining operations of CBD, coordinating action between related multilateral environmental agreements, working towards integrated outcome-based reporting, establishing global partnership with key stakeholders	As for Community level
AI.1.2	ACTION: Enhance integration of biodiversity into global processes with important impacts on biodiversity such as sustainable development and the Millennium Development Goals, trade and climate change (2006 onwards)	Work for effective integration of biodiversity concerns within Commission for Sustainable Development, in Doha Round of trade negotiations, and under the UNFCCC/Kyoto Protocol regime	As for Community level
AI.1.3	ACTION: Promote improved ocean governance for conservation and recovery of marine biodiversity, ecosystem services and integration of key sectors, including in relation to areas beyond national jurisdiction, make progress towards mechanisms for establishment of Marine Protected Areas in the high seas, including by supporting the adoption of an Implementing Agreement to the UN Convention of the Law of the Sea, with the scientific support from the CBD, notably in developing criteria for identifying the areas to be protected. (2006 onwards)	Coordinate EU action	Support coordinated EU action

OBJECTIVE 7: TO SUBSTANTIALLY STRENGTHEN SUPPORT FOR BIODIVERSITY AND ECOSYSTEM SERVICES IN EU EXTERNAL ASSISTANCE.

TARGET: Financial resources flowing annually to projects directly benefiting biodiversity has substantially increased in real terms (for period 2006-2010 compared with period 2000-2005; and again for period 2011-2013).			
AI.1	TARGET: Financial resources flowing annually to projects directly benefiting biodiversity has substantially increased in real terms (for period 2006-2010 compared with period 2000-2005; and again for period 2011-2013).		
AI.1.1	ACTION: Ensure adequate community funds earmarked for biodiversity in development cooperation (in line with European Consensus on Development Cooperation) in EC Thematic Programme for Environment and Natural Resources and ensure the use of these funds is targeted at biodiversity priorities (2007-2013) decide (by 2006) on an adequately funded EC Thematic Programme for Environment and Natural Resources (ENRTP) in the European Neighbourhood and Partnership Instrument (ENPI) and the Development Cooperation and Economic Cooperation Instrument (DCECI) and ensure that biodiversity priorities receive an appropriate share of the total ENRTP and DCECI resources (2007-2013)	Include an adequate multiannual indicative resource framework and robust programming priorities for biodiversity in the ENRTP Article of both the DCECI and ENPI which should be adopted as early as possible in 2006. Further elaborate the biodiversity priorities in the Thematic Strategy Paper for the ENRTP and ensure its adoption well before the end of 2006. Seek coverage for biodiversity actions in financing strategy papers and indicative programmes under ENPI instrument.	na
AI.1.2	ACTION: Allocate adequate resources in Country and Regional Strategy Programmes whenever biodiversity identified as a key issue in country/regional environmental profiles (2006 onwards)	Check and ensure that resources are available to implement the recommendations in the RCEP through biodiversity projects or mainstreaming biodiversity concerns in to other relevant projects.	na
AI.1.3	ACTION: Enhance MS funds earmarked for biodiversity (in line with European Consensus on Development Cooperation) in MG bilateral development cooperation programmes in support of implementation of the CBD, Millennium Development Goals and other programmes relevant for biodiversity in developing countries (2006 onwards)	na	Check and ensure that resources are available to implement the recommendations in the RCEP through biodiversity projects or mainstreaming biodiversity concerns in to other relevant projects.
AI.1.4	ACTION: Enhance the overall contribution of EU MS for biodiversity through a substantial 4th replenishment of the GEF based on the agreed policy priorities (2006/07)	Use EU high level meetings to press for a substantial replenishment based on fair burden-sharing	Continue to press in GEF replenishment negotiations and through bilateral contacts for a substantial replenishment based on the agreed policy priorities.
AI.1.5	ACTION: Enhance funds for biodiversity related actions under the national and regional components of the Instrument for Pre-Accession (IPA) and the European Neighbourhood and Partnership Instrument (ENPI)	Seek coverage for biodiversity actions in financing strategy papers and indicative programmes under the European Neighbourhood and Partnership Instrument (ENPI) and Instrument for Pre-Accession (IPA)	na
AI.1.6	ACTION: Enhance economic and development assistance funds available for biodiversity-related actions in the MG Overseas Countries and Territories (2006 onwards)	Check and ensure that biodiversity is addressed through specific programmes and projects or through integration in other sectors covered by economic development assistance	Check and ensure that biodiversity is addressed through specific programmes and projects or through integration in other sectors covered by economic development assistance

No.	OBJECTIVES, TARGETS, ACTIONS	COMMUNITY LEVEL ACTION	MEMBER STATES ACTION
A7.2	TARGET: EU 'mainstream' external development assistance delivering enhanced biodiversity and related livelihoods benefits, and negative impacts on biodiversity prevented or minimised, from 2006 onwards.		
A7.2.1	ACTION: Prepare country and regional environmental profiles with specific attention to the maintenance of biodiversity and ecosystem services (in particular in relation to livelihood concerns), and take these needs fully into account in preparation of Country Strategy Papers (CSPs) and Regional Strategy Papers (RSPs) and in equivalent MS country and regional aid programming (2006 onwards)	Check and ensure that appropriate action in response to the recommendations in the Regional and Country Environmental Profiles is undertaken as specific biodiversity projects or mainstreamed in to other relevant projects.	n/a
A7.2.2	ACTION: Systematically carry out ex-ante strategic environmental assessment (SEA) of relevant strategies and programmes and environmental impact assessment (EIA) of relevant projects funded by EU in partner countries and ensure actions are identified and implemented to prevent and mitigate negative impacts on biodiversity in a timely manner (2006 onwards)	Check and ensure that SEAs and EIAs are systematically carried out on relevant development strategies, programmes and projects	Check and ensure that SEAs and EIAs are systematically carried out on relevant development strategies, programmes and projects
A7.2.3	ACTION: Substantially strengthen capacities in recipient countries and in Commission and MS cooperation programming for these purposes, including integrating implementation of the CBD into national development strategies including Poverty Reduction Strategies (2006 onwards)		
A7.2.4	ACTION: Ensure that projects financed by EU under the Development Cooperation and Economic Cooperation Instrument (DCECI), European Development Fund (EDF), pre-accession, neighbourhood and partnership instruments delivering enhanced biodiversity benefits, and negative impacts on biodiversity prevented or minimised (2006 onwards)	Commission to ensure that safeguards are included in procedures to ensure that these considerations are taken into account before funding can be released.	n/a
A7.2.5	ACTION: Ensure that projects financed by EU economic and development assistance do not cause significant negative impacts on biodiversity in the MS Overseas Countries and Territories (2006 onwards)	Check and ensure that SEAs and/or EIAs are systematically carried out on development strategies, programmes and projects	Check and ensure that SEAs and/or EIAs are systematically carried out on development strategies, programmes and projects

OBJECTIVE 8: TO SUBSTANTIALLY REDUCE THE IMPACT OF INTERNATIONAL TRADE ON GLOBAL BIODIVERSITY AND ECOSYSTEM SERVICES.

8.1 TARGET 8.1: Impact on biodiversity of EU trade significantly reduced by 2010 and again by 2013.			
A8.1.1	ACTION: Identify major impacts of trade on third countries' and EU biodiversity and adopt measures to significantly reduce (in case of negative impacts) and/or enhance (in case of positive impacts) these impacts (by 2010). This will in particular be done in the context of the Commission's trade-related Sustainability Impact Assessment (SIA) Programme, that covers a number of sectoral studies (e.g. agriculture, forests and forest products, fisheries, tourism), in the context of multilateral (WTO, ongoing negotiations on the Doha Development Agenda) and/or regional/bilateral free trade agreements (e.g. EPAs with ACP countries).	Identify impacts and follow-up measures - in particular in the context of the Commission's trade-related Sustainability Impact Assessment (SIA) Programme, covering a number of sectoral studies (e.g. agriculture, forests and forest products, fisheries, tourism), in connection to multilateral (WTO, ongoing negotiations on the Doha Development Agenda) and/or regional/bilateral free trade agreements (e.g. the planned Economic Partnership Agreements between the EU and ACP countries and the EU-Mediterranean Free Trade Area).	Under the Commission's SIA Programme, individual Member States may play a role in identifying and implementing follow-up measures.
A8.1.2	ACTION: Foster links between the WTO agreements and biodiversity-related international agreements, and ensure biodiversity taken into account as a Non-Trade Concern, in order to identify and put in place key measures to reduce the ecological impact of globalisation in line with the precautionary principle and with the commitment made in the context of the WTO's Doha Development Agenda to promote the objective of sustainable development (paragraph 8 of the Doha Declaration) and to enhance the mutual supportiveness of trade and environment (paragraph 31) (2006 onwards)	This will be done in line with the commitment made in the context of the WTO's Doha Development Agenda to promote the objective of sustainable development (paragraphs 8 and 31 of the Doha Declaration) and to enhance the mutual supportiveness of trade and environment (notably paragraphs 28 and 31).	As for Community level
A8.1.3	ACTION: Promote full implementation of the CBD Bonn Guidelines on Access to Genetic Resources and Fair and Equitable Sharing of Benefits (ABS) arising out of their utilisation, and other agreements relating to ABS such as the FAO International Treaty on Plant Genetic Resources for Food and Agriculture - and continue to contribute to negotiation of an international regime on ABS according to the mandate adopted at the 7 th Conference of the Parties of the CBD (2006 onwards)	Further implement actions set out in the Commission Communication on implementation of the Bonn Guidelines in the EC. Support effective EU coordination and defending of EU positions in ongoing negotiations on an international ABS regime.	Ensure effective implementation of the Bonn guidelines at national level, in particular by enhancing awareness of stakeholders. Effectively participate in and contribute to EU preparations for international ABS negotiations. Effectively contribute to ongoing negotiations of the Standard Material Transfer Agreement under the International Treaty on Plant Genetic Resources for Food and Agriculture.
A8.1.4	ACTION: Maximise the proportion of EU consumption of wood products deriving from sustainable sources (by 2010)	Ensure implementation of CITES provisions for listed timber species and support capacity building in range states. Review of other timber species with criteria for listing. Analyse options for further legislation to control imports of illegally harvested timber into the EU (as foreseen in FLEGT action plan). Facilitate exchange of best practice in private and public sector procurement policies favouring wood products from sustainable sources.	Ensure implementation of CITES provisions for listed timber species and support capacity building in range states. Review of other timber species with criteria for listing. Participate in Community-level analysis of options for further legislation to control imports of illegally harvested timber into the EU (as foreseen in FLEGT action plan). Encourage private and public sector procurement policies favouring wood products from sustainable sources.
A8.1.5	ACTION: In the context of action 8.1.1, identify EU non-wood imports driving deforestation in third countries (particularly in the context of trade-related SIAs, notably on agricultural products) and adopt and implement measures to prevent, minimise and/or mitigate this deforestation (by 2010)	Identify impacts and follow-up measures, in particular in the context of the Commission's trade-related Sustainability Impact Assessment (SIA) Programme, that covers a number of relevant sectoral studies (e.g. agriculture, forests and forest products, fisheries, tourism), both in connection to multilateral (WTO, ongoing negotiations on the Doha Development Agenda) and to regional/bilateral free trade agreements (e.g. the planned Economic Partnership Agreements between the EU and ACP countries and the EU-Mediterranean Free Trade Area).	Under the Commission's SIA Programme, individual Member States may play a role in identifying and implementing follow-up measures.
A8.1.6	ACTION: Put in place bilateral agreements between EU and major timber exporting countries with aim to support forest law enforcement governance and trade (FLEGT) (2006 onwards)	Identify and secure key bilateral agreements	Support voluntary FLEGT Partnerships through development cooperation and technical assistance as well as through implementation of the FLEGT Regulation.

No.	OBJECTIVES, TARGETS, ACTIONS	COMMUNITY LEVEL ACTION	MEMBER STATES ACTION
AB.1.7	ACTION: Ensure Fisheries Partnership Agreements compatible with maintenance and recovery of stocks at levels that can produce maximum sustainable yield, and with minimising impact on non-target species and habitats (2008 onwards)	Negotiate agreements, support assessments and recommendations for sustainable fisheries through Joint Scientific Committees, implementation by Parties through Joint Committees	Ensure fishing fleets fish in line with agreements
AB.1.8	ACTION: Support capacity building and implementation of CITES provisions to ensure that trade in CITES species is effectively regulated and controlled and not detrimental to the conservation of the species in range states (2008 onwards)	Support CITES programmes to implement CUP decisions on capacity building, national legislation, enforcement and species specific measures in range states. Continue to ensure coordinated response to unsustainable trade in CITES species through the EU Scientific Review Group, including consultation with range states and ensure constructive follow-up to possible import suspensions with range states. Review MS enforcement of EC CITES Regulations, including gaps and best practice in addressing illegal trade, following completion of on-going study in this field. Assess the effectiveness of EC CITES Regulation in ensuring that trade in endangered species is sustainable.	Ensure that EC CITES Regulations are adequately implemented and enforced including the imposition of adequate sanctions for infringements of the Regulations. Support of CITES programmes and programmes in range states to ensure effective implementation of CITES to trade in species on sustainable levels.
AB.1.9	ACTION: Apply principle of prior informed consent when commercially using traditional knowledge relating to biodiversity and encourage the equitable sharing of benefits arising from the use of such knowledge (2008 onwards)	na	implementation of relevant aspects of the Bonn Guidelines in MS when granting access to traditional knowledge relating to biodiversity.

POLICY AREA 3: BIODIVERSITY AND CLIMATE CHANGE

OBJECTIVE 9: TO SUPPORT BIODIVERSITY ADAPTATION TO CLIMATE CHANGE.			
HEADLINE TARGET: Potential for damaging impacts, related to climate change, on EU biodiversity substantially reduced by 2013.			
AS.1 TARGET: 8% reduction in greenhouse gas emissions achieved by 2010.			
AB.1.1	ACTION: Commitments made under the Kyoto Protocol respected (2008 onwards)	Implement measures identified in European Climate Change Programme (ECCP) including European Emission Trading Scheme (ETS); review ECOMP and ETS	Comply with Kyoto burden-sharing target as laid down in Kyoto Protocol ratifying decision (2002/35/EC)
AB.2	TARGET: Global annual mean surface temperature increase limited to not more than 2°C above pre-industrial levels.		
AB.2.1	ACTION: Further ambitious measures to limit temperature increase agreed in line with the long-term Intergovernmental Panel on Climate Change (IPCC) assessments, and action against climate change post-2012 extended to all the polluting countries (with common but differentiated responsibilities) and sectors involved	Explore strategies for achieving necessary emission reductions and reduction pathways for the group of developed countries in the order of 15-30% by 2020, compared to the baseline envisaged in the Kyoto Protocol, and beyond, without prejudging new approaches for differentiation between Parties, follow-up on Marrakesh UNFCCC COP 11 and negotiate international response addressing climate change. Actions at Community and Member State level to be differentiated in due course.	See text on Community level actions.
AB.3	TARGET: Climate change adaptation or mitigation measure from 2008 onwards delivering biodiversity benefits, and any negative impacts on biodiversity prevented or minimised, from 2008 onwards.		
AB.3.1	ACTION: All climate change adaptation and mitigation measures assessed to prevent negative impacts or, where prevention not possible, to minimise, mitigate and/or compensate for negative impacts and, wherever possible, provide positive benefits to biodiversity (2008 onwards)	Impact assessment of new policies at Community level where appropriate	Impact assessment of new policies at MS level where appropriate, application of strategic environmental assessment and environmental impact assessment where required to plans, programmes and projects.
AB.3.2	ACTION: Ensure that implementation of EU Biomass Action Plan takes due account in assessments, where relevant, of impacts on biodiversity, in particular on high-nature-value farmland and forests, in order to achieve ecological sustainability of biomass production (2008 onwards)	Provide guidance on sustainability impact assessments	Carry out sustainability impact assessments, ensure decision-making takes account of findings in relation to biodiversity impacts in order to prevent and minimise negative impacts
AB.4	TARGET: Resilience of EU biodiversity to climate change substantially strengthened by 2010.		
AB.4.1	ACTION: Develop a comprehensive programme of priority actions to support biodiversity adaptation to climate change in the EU (by 2008)	Coordinate development of programme	Participate in development of programme
AB.4.2	ACTION: Assess (by 2008), on the basis of available scientific evidence, and substantially strengthen (by 2010) coherence, connectivity and resilience of the protected areas network (Nature 2000 and non-Nature protected areas) in order to maintain favourable conservation status of species and habitats in the face of climate change by applying, as appropriate, tools which may include flyways, buffer zones, corridors and stepping stones (including as appropriate to neighbouring and third countries), as well as actions in support of biodiversity in the wider environment (if action 1.2.3).	Coordinate assessment, develop guidelines to strengthen coherence	Participate in assessment, apply measures to strengthen coherence and connectivity
AB.4.3	ACTION: Make a preliminary assessment of habitats and species in the EU most at risk from climate change (by 2007), detailed assessment and appropriate adaptation measures prepared (by 2008) commence implementation (by 2010)	Launch debate, raise awareness of need for Community level approach to adaptation	Contribute to assessment through regional and site specific climate impact assessment

POLICY AREA 4: THE KNOWLEDGE BASE

OBJECTIVE 10: TO SUBSTANTIALLY STRENGTHEN THE KNOWLEDGE BASE FOR CONSERVATION AND SUSTAINABLE USE OF BIODIVERSITY, IN THE EU AND GLOBALLY.			
A10.1 TARGET: Research findings on biodiversity and ecosystem services has substantially advanced our ability to ensure conservation and sustainable use by 2010 and again by 2013.			
A10.1.1	ACTION: Subject to funding being found from existing financial resources, establish an EU mechanism for independent, authoritative research-based advice to inform implementation and further policy development.	Develop concept in consultation with key stakeholders, confirm funding availability, put mechanism in place	Engage in mechanism

A10.1.2	ACTION: Identify ways and means to strengthen independent scientific advice to global policy-making, inter alia by actively contributing to CBD consideration of the 2007 evaluation of the Millennium Ecosystem Assessment, and the ongoing consultations on the need for improved International Mechanisms on Scientific Expertise on Biodiversity	Engage in CBD consideration of 2007 MA evaluation, and ongoing MOU&B consultations	As for Community
A10.1.3	ACTION: Enhance research on status, trends and distribution of all habitats and species of community interest and of additional habitats and species of policy relevance (2008 onwards)	Accommodate in FP7 workprogrammes - notably under the Specific Programmes for Cooperation and for Capacities (including research infrastructures)	Accommodate in national research programmes and take forward initiatives under the European Strategy for Research Infrastructures (ESFRI)
A10.1.4	ACTION: Enhance research on most significant pressures on biodiversity, develop and test prevention and mitigation options (2008 onwards)	Accommodate in FP7 workprogrammes - notably under the Specific Programmes for Cooperation and for Capacities	Accommodate in national research programmes
A10.1.5	ACTION: Develop and apply tools to measure, anticipate and improve effectiveness of most important policy instruments for conservation and sustainable use of biodiversity (2008 onwards)	Accommodate in FP7 workprogrammes - notably under the Specific Programmes for Cooperation and for Capacities	Accommodate in national research programmes
A10.1.6	ACTION: Allocate adequate financial resources to European and national biodiversity research and to dissemination of its results, including under the Seventh Framework Programme (2008 onwards)	Accommodate in FP7 workprogrammes - notably under the Specific Programmes for Cooperation and for Capacities (including research infrastructures)	Accommodate in national research programmes and take forward initiatives under the European Strategy for Research Infrastructures (ESFRI)
A10.1.7	ACTION: Establish effective and inclusive European Research Area for biodiversity and strengthen capacities (including infrastructures) in key disciplines, interdisciplinary and participatory science (2008 onwards)	Accommodate in FP7 workprogrammes - notably under the Specific Programmes for Cooperation and for Capacities (including research infrastructures)	Accommodate in national research programmes and take forward initiatives under the European Strategy for Research Infrastructures (ESFRI)
A10.1.8	ACTION: Put institutional arrangements in place to ensure policy-relevant research done (eg. in support of implementation of the nature directives, integration of biodiversity into sectoral policies) and research outcomes are reflected where appropriate in policy development (2008 onwards)	Strengthen Community-level institutions/mechanisms at the science-policy interface (see Action A10.1.1); accommodate in FP7 workprogrammes - notably under the Specific Programmes for Cooperation and for Capacities; strengthen ability to assimilate research results at policy level	Accommodate in national research programmes; strengthen national institutions/mechanisms at the science-policy interface for biodiversity; strengthen ability to assimilate research results at policy level
A10.1.8	ACTION: Establish and promote (2008 onwards) common data standards and quality assurance procedures to enable interoperability of key European and national biodiversity databases and inventories (by 2008)	Accommodate in FP7 workprogrammes - notably under the Specific Programmes for Cooperation and for Capacities (including research infrastructures)	Accommodate in national research programmes and take forward initiatives under the European Strategy for Research Infrastructures (ESFRI)

B. THE FOUR SUPPORTING MEASURES

SUPPORTING MEASURE 1: ENSURING ADEQUATE FINANCING FOR BIODIVERSITY

BT.1	TARGET: Adequate funding provided for Natura 2000, biodiversity outside Natura 2000 in EU, biodiversity in external assistance and biodiversity research, inventory and monitoring 2007-2013.		
BT.1.1	ACTION: Ensure adequate financing provided (2007-2013) to Natura 2000 implementation through community (CAP Rural Development, Structural Funds, LIFE+) and MS co-financing, accessible to those who manage Natura 2000 sites, with focus on optimising long-term conservation status and benefits as well as priority awareness raising and networking initiatives. (of Action A1.1.2)	See Action A1.1.2	See Action A1.1.2
BT.1.2	ACTION: Allocate, at MS initiative, within each national/regional Rural Development (RD) Programme, adequate Community and MS co-financing to measures available under all three axes of the RD Regulation which are directly or indirectly supportive of nature and biodiversity (2006/07 and any subsequent revisions)	See Action A3.1.1	See Action A3.1.1
BT.1.3	ACTION: Apply new European Fisheries Fund and Member State funds for actions beneficial to marine biodiversity (2007-2013) (of Action A3.4.1)	See Action A3.4.1	See Action A3.4.1
BT.1.4	ACTION: Allocate, at MS initiative, cohesion and structural funds for projects directly or indirectly providing biodiversity benefits in all MS operational programmes (2008 onwards) (of Action A4.1.1)	See Action A4.1.1	See Action A4.1.1
BT.1.5	ACTION: ESP contributing to biodiversity objectives through awareness-raising, capacity building, employment of the young, long-term jobs and elderly, etc. (2007 onwards) (of Action A4.1.2)	See Action A4.1.2	See Action A4.1.2
BT.1.6	ACTION: Ensure adequate financing of other biodiversity measures outside Natura 2000 in the EU through other Community co-financing (eg. LIFE+) and Member States' financing (2007-2013)	Ensure adequate co-financing within limits of funds available	Ensure adequate Member States financing to make up shortfall in funds available at Community level
BT.1.7	ACTION: Increase in real terms international development assistance funds flowing annually to projects directly benefiting biodiversity (3rd period 2006-2010 compared with period 2000-2005, and again for period 2011-2013) (of Actions A7.1.1 to A7.1.8)	See Actions A7.1.1 to A7.1.8	See Actions A7.1.1 to A7.1.8
BT.1.8	ACTION: Allocate adequate financial resources to European and national biodiversity research and to dissemination of its results, including under the Seventh Framework Programme (2008 onwards). (of Action A10.1.2)	See Action A10.1.5	See Action A10.1.5
BT.1.9	ACTION: Allocate adequate funds for supporting measure including promoting joint-up planning, development of partnerships, monitoring, awareness raising and institutional capacity building for biodiversity (2007-2013)	Allocate funds through available instruments including LIFE+	Allocate funds through available instruments at Member State, regional and local levels

SUPPORTING MEASURE 2: STRENGTHENING EU DECISION-MAKING FOR BIODIVERSITY

BT.2	TARGET: EU vision on biodiversity and ecosystem services agreed and providing policy framework by 2010.		
BT.2.1	ACTION: Launch, hold and conclude EU debate on this vision and policy framework (2007/08)	Elaboration process, coordinate details, agree vision	Participate, agree vision

No.	OBJECTIVES, TARGETS, ACTIONS	COMMUNITY LEVEL ACTION	MEMBER STATES ACTION
B2.2	ACTION: Strengthen understanding and communication of the value of natural capital and of ecosystem services, and the taking into account of these values in the policy framework, expand incentives for people to safeguard biodiversity (2008 onwards)	Studies, meetings, research to feed into EU debate (Action 2.1.1) - development of proposals as appropriate	Participate in Community level action. Equivalent actions at national level.
B2.2	TARGET: New policies benefit biodiversity and ecosystem services, and their negative impact on biodiversity and ecosystem services prevented or minimised, from 2008 onwards.		
B2.2.1	ACTION: Integrate concerns for biodiversity and ecosystem services, given their economic importance in terms of jobs and growth for some sectors such as tourism, into <i>Lisbon National Reform Programmes</i> and the development of policies and budgets under these NRPs (2008 onwards)	Address biodiversity and ecosystem services in future guidelines, evaluate adequacy of integration of biodiversity and ecosystem services concerns in NRPs, address these issues in annual reports and any future recommendations to MS.	Integrate in NRPs, address in annual NRP reporting
B2.2.2	ACTION: Screen all new legislative and policy proposals at EU and MS levels for potential significant impacts on biodiversity in general and on ecosystem goods and services in particular, and ensure effective treatment of biodiversity concerns in policy impact assessments, in particular to ensure the maintenance of ecosystem goods and services (2008 onwards)	Implement policy impact assessment effectively as part of Better Regulation, including taking biodiversity impacts better into account.	Implement policy impact assessment in accordance with national requirements
B2.3	TARGET: Biodiversity needs have been better integrated, as necessary, into post-2013 Financial Perspectives and any mid-term review of FP 2007-2013.		
B2.3.1	ACTION: Strengthen alignment of the biodiversity policy cycle with the broader EU policy and budgeting cycle to enable more effective integration (2008 onwards)	Carry out mid-term and final reviews in timely manner in order to feed in to broader policy review (eg CAP) and into next Financial Perspectives post 2013.	Participate in policy review
B2.4	TARGET: Complementarity of EC and MS biodiversity strategies and action plans substantially enhanced by 2010.		
B2.4.1	ACTION: Re-align MS biodiversity strategies and action plans with the EU Action Plan (by 2007) and strengthen mechanisms for ongoing alignment of EC and MS biodiversity strategies and action plans (2007 onwards)	Encourage MS to re-align, propose and establish new mechanisms	Re-align
B2.4.2	ACTION: Strengthen the institutional arrangements in support of coherence and complementarity in the implementation of EC and MS biodiversity strategies and action plans and in particular of the Action Plan (2008 onwards)	Propose and establish effective mechanism	Agree to and participate in new mechanism
B2.4.3	ACTION: Strengthen mechanisms for delivery from MS level to local level (2008 onwards)	None	Full responsibility for the action
B2.5	TARGET: Effective integration of Natura 2000, rural development, river basin management and other territorial plans and programmes in support of biodiversity achieved by 2010.		
B2.5.1	ACTION: Strengthen proactive integration of available planning instruments including Natura 2000, river basin management planning, programmes of measures for soils, rural development plans - towards application of a systems approach in the terrestrial and freshwater environment (2008 onwards) (of Action A4.3.7)	Provide guidance	Develop approaches and methods to integrate planning at Member State, regional and local levels.
B2.5.2	ACTION: Integrate biodiversity concerns into the evaluation, monitoring and reporting mechanisms of Community-funded programmes which have an impact on the conservation and recovery of biodiversity (2008 onwards)	Provide guidance, integrate into community level evaluation and reporting	Integrate into MS level evaluation, monitoring and reporting
B 2.6	TARGET: Substantial improvement in compliance with environmental regulations by 2010 and again by 2013		
B2.6.1	ACTION: Reinforce efforts to ensure compliance, control and enforcement at national, regional and local levels (2008 onwards)	Monitor compliance at Community level, enforce where necessary	Monitor compliance at Member State level, control and enforce where necessary
SUPPORTING MEASURE 3: BUILDING PARTNERSHIPS FOR BIODIVERSITY.			
B3.1	TARGET: Key stakeholder groups actively engaged in conservation of biodiversity from 2008 in each MS.		
B3.1.1	ACTION: Enhance communication, cooperation and concerted action between Commission, Member States, landowners, scientists and conservation communities in support of Natura 2000 (including implementation of El Tovar Declaration) (2008 onwards)	Provide guidance, facilitate, co-finance	Provide guidance, facilitate, finance
B3.1.2	ACTION: Develop farming and biodiversity, forestry and biodiversity partnerships, building on existing consultative processes under the Common Agricultural Policy and forest policy (2008 onwards)	Facilitate such partnerships at Community level	Facilitate such partnerships at MS, regional and local levels as appropriate
B3.1.3	ACTION: Establish and adequately fund <i>Regional Advisory Councils</i> for fisheries, as provided for under the Common Fisheries Policy, and support their operations (2008 onwards)	Support RACs at Community level as provided for in Common Fisheries Policy	Support RACs at MS level as provided for in Common Fisheries Policy
B3.1.4	ACTION: Establish a <i>Biodiversity and Climate Change Adaptation Task Force</i> at EU level (2007) to advise on measures to support biodiversity adaptation to climate change and the prevention of damaging impacts of climate change adaptation and mitigation measures on biodiversity (2007 onwards)	Establish task force	Participate in task force
B3.1.5	ACTION: Develop biodiversity and planning partnership (2007 onwards)	Encourage such partnerships at MS levels, facilitate exchange of best practice	Facilitate partnerships at MS, regional and local levels as appropriate
B3.1.6	ACTION: Develop business and biodiversity partnership (2008 onwards)	Facilitate such partnerships at Community level	Facilitate such partnerships within MS
B3.1.7	ACTION: Develop partnership between financing sector and biodiversity (2008 onwards)	Facilitate such partnerships at Community level, including involving EBRD and EIB	Facilitate such partnerships within MS
B3.1.8	ACTION: Apply the CBD Aichi-Kyoto Guidelines for projects affecting terrestrial lands of indigenous and local communities both within the EU MS and in Third countries (2008 onwards)	Apply in respect of projects financed by Community public aid	Apply in respect of projects financed by MS public aid
SUPPORTING MEASURE 4: BUILDING PUBLIC EDUCATION, AWARENESS AND PARTICIPATION FOR BIODIVERSITY.			
B4.1	TARGET: 10 million Europeans actively engaged in biodiversity conservation by 2010, 15 million by 2013.		
B4.1.1	ACTION: Develop (2009/11) and implement (2007 onwards) a communications campaign in support of full implementation of this Action Plan.	Coordinate development and implementation of campaign in partnership with MS	Develop and implement campaign in partnership with Commission

No.	OBJECTIVE, TARGETS, ACTIONS	COMMUNITY LEVEL ACTION	MEMBER STATES ACTION
84.1.2	ACTION: Strengthen and implement LICH Countdown 2010 initiative [2006 onwards]	Support the initiative, implement joint actions under the initiative	Support the initiative, implement joint actions under the initiative
84.1.3	ACTION: Ensure public participation, related access to justice requirements of the Aarhus Convention applied to projects, plans and programmes relating to or having an impact on biodiversity conservation [2006 onwards]	Ensure provisions of community law inspired and applied, address complaints	Apply provisions of Community law

C. MONITORING, EVALUATION AND REVIEW

ANNUAL REPORTING

ANNUAL REPORTING		
C1.1	TARGET: Annual, Mid-term and Final Reports submitted in timely fashion to Council and Parliament	
C1.1	ACTION: Submit annual report on progress in implementation to Council and Parliament (starting end 2007)	Prepare and submit reports
		Contribute information on MS-level implementation to reports

INDICATORS

INDICATORS		
C1.2	TARGET: Indicators in place and informing policy decisions by 2010	
C1.2.1	ACTION: Adopt and apply (by 2007), at EC and MS levels, a small set of biodiversity headline indicators (see Annex 2) which inform the public and decision-makers on the state and trends of biodiversity, pressures on biodiversity and the effectiveness of key policy measures, adopt and apply at EC level a biodiversity index as a Sustainable Development Indicator and as a Structural Indicator (by 2007)	Development, quality assessment, make proposal, implement indicators.
		Engage with Commission in indicator development, adopt in Council, support data flow.

MONITORING

MONITORING		
C1.3	TARGET: Monitoring providing adequate data flow for implementation of indicator set, for reporting on favourable conservation status, and for broader assessment of effectiveness of this Action Plan by 2010.	
C1.3.1	ACTION: Establish reference values for favourable conservation status for habitats and birds Directive habitats and species to achieve a consensus of definitions across Member States [2009/07] monitor habitats and species status in relation to these values [2007 onwards]	Coordinate development of reference values
		Participate in development of reference values, carry out related monitoring as required under nature Directives
C1.3.2	ACTION: Use, and as necessary develop, monitoring tools, approaches and frameworks building on those existing, including those of civil society in order to establish and coordinate adequate harmonised data flows for the biodiversity indicators to reveal key trends [2007 onwards]	Coordinate implementation of the action with EEA
		Participate in development of tools, approaches and frameworks
C1.3.3	ACTION: Develop shared information systems for biodiversity monitoring and reporting in the EU, based on agreed biodiversity indicators, which makes data available to all interested users, streamlines reporting and supports policy evaluation and development at national, regional and global levels [2006 onwards]	Coordinate development of shared information system, including exploitation of generic information and communication technologies
		Participate in development of shared information system

EVALUATION AND REVIEW

EVALUATION AND REVIEW		
C1.4	TARGET: Action Plan adjusted as necessary in 2010, new plan adopted in 2013	
C1.4.1	ACTION: Submit to Council and Parliament in 2009 a concise mid-term evaluation of progress towards the 2010 targets (to end 2008) and make any essential adjustments in actions to meet targets.	Commission to coordinate evaluation, prepare and submit evaluation report, Council to respond to evaluation report
		Make evaluation at national level and contribute to EU-level evaluation
C1.4.2	ACTION: Submit to Council and Parliament, in 2011, a full evaluation of extent to which EU has met its 2010 targets .	Commission to coordinate evaluation, prepare and submit evaluation report, Council to respond to evaluation report.
		Make evaluation at national level and contribute to EU-level evaluation
C1.4.3	ACTION: Submit to Council and Parliament, in 2014, a full evaluation of extent to which EU has met all post-2010 targets of this Action Plan, and proposing a new Action Plan for the period of the new Financial Perspectives post-2013 .	Commission to coordinate evaluation and preparation of new action plan, prepare and submit evaluation report and action plan, Council to respond to evaluation report and new action plan.
		Make evaluation at national level and contribute to EU-level evaluation and preparation of new action plan.

Key

POLICY AREA
OBJECTIVE/SUPPORTING MEASURE
HEADLINE TARGET
AT 1
AT 1.1
ACTION with related dates and/or deadlines, eg. (by 2010)

NB: The dates and/or deadlines attached to actions and targets in this Action Plan do not in any way override any deadlines for measures required under existing Community policy or legislation. Similarly, the indication in this Action Plan that an action is to be taken "2006 onwards" does not necessarily imply that this action should not already have been implemented or already be in process of implementation, in accordance with existing Community policy or legislation.

Country Environmental Profiles and Regional Environmental Profiles¹

The Programming phase is crucial for environmental integration because key decisions concerning the overall cooperation process are made that can be difficult to adjust in later phases. The main environmental integration tool during Programming is the **Country Environmental Profile (CEP)**.

Country Environmental Profile (CEP) – key points

What is it?

A report that includes the analysis of the country's environmental situation, current policies, institutional capacities and environmental cooperation experience with clear recommendations for the integration of the environment during Country Strategy Paper (CSP) preparation.

What needs to be done by EC staff?

Undertake or contract consultants to undertake the study involving either the preparation of a new CEP or the revision/update of an existing CEP. If consultants are commissioned, the DEL/DEV/ RELEX prepare ToR.

Under what conditions?

A CEP is required for all beneficiary countries.

When is it needed?

Before the end of the preparation of a CSP.

How long does it take?

The duration and cost of preparing a CEP varies considerably as a function of data availability, the size of the country and the complexity of the environmental issues. Using consultants from inception to final report takes typically +/- 4 months.

Where is it used?

The CEP is used in the preparation of the CSP/NIP (National Indicative Programme), for policy dialogue and reference. A summary of the CEP must be annexed to the CSP.

The main contents of a CEP are the following:

Summary

Brief presentation of the main environmental problems, the main conclusions and recommendations.

State of the environment

An assessment of the state and trends of the environment in relation to development, including an identification of the main environmental problems to resolve or avoid. This section addresses the relationship between the environment and the social and economic situation, and more particularly between poverty and environment.

Environmental policies and institutions

A presentation of the main features of the institutional, policy and regulatory framework leading to the identification of weaknesses and constraints on the capacity to address main

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

environmental concerns, including a review of the legislation and procedures regarding Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA).
A review of the international obligations undertaken by the country in the area of environmental protection.

Environment in the main policies and sectors

An identification of links between the main government policies (overall development policy, Poverty Reduction Strategy Paper (PRSP), sector policies) and environmental sustainability issues, providing indications on the extent of existing environmental mainstreaming and SEA, with a special attention paid to the 'focal sectors' of EC intervention.

Analysis of aid

A description of past and ongoing aid from the EC and other donors in the field of the environment, incorporating lessons learnt from major evaluations.
Assessment of opportunities to collaborate with other donors in pursuing common goals and seeking complementarities.

Conclusions and recommendations

Recommendations on how environmental issues can be most effectively addressed by EC cooperation, their relative priority and the implementation challenges. These must particularly address environmental aspects to take into account under potential focal sectors, including additional studies (such as SEA), capacity building/institutional strengthening, and potential indicators to be used in the NIP. These environmental integration measures may go along with recommendations concerning specific actions targeting the environment as a 'focal sector', i.e. having environmental improvements as the main objective.

The CEP is based on a compilation of available environmental information, the validity and consistency of which should be determined. However the analysis of the information, the conclusions drawn and the recommendations made must have an EC-specific focus.

Regional Environmental Profiles (REP) are used to inform regional cooperation strategies (Regional Strategy Paper—RSP). The REP focuses on environmental issues common to a group of neighbouring countries (including transboundary issues) such as sharing the management of ecosystems, which can be more effectively addressed at the regional level.

Impact indicators to assess the effectiveness of mainstreaming (Petersen & Huntley, 2005)

The Cape Town workshop considered some of the kinds of indicators that could be developed in future mainstreaming initiatives and categorized these according to the various targets of mainstreaming biodiversity, as outlined in this section. The nature of the target will influence the way in which indicators for the impact of mainstreaming are defined.

The top three indicators suggested as possible priorities for the Global Environment Facility (GEF) were:

- (1) Spatial—the percentage of a priority area/key biodiversity area (defined at any level from ecosystem to species) under biodiversity-compatible management is significantly increased. (This requires understanding and agreement on priority areas, as well as standards to define what is considered biodiversity-compatible management.)
- (2) Institutional—the level of resource allocation to biodiversity conservation by key government departments other than the environmental departments is increased and departments are leading biodiversity programmes.
- (3) Market—the volume of biodiversity friendly products is increased.

These, plus additional potential indicators in relation to specific targets, are detailed in the following section. These need to be carefully considered in the context of specific mainstreaming interventions, and refined in order to be effective in guiding the relevant actors. Consideration should also be given to the possibility of linking these indicators to existing monitoring and evaluation programmes of public and private sector actors and donor agencies (for example, to processes such as the World Bank's Poverty Reduction Strategy Papers (PRSP) or the United Nations' Millennium Development Goals (MDGs)). This would enable those programmes to improve the extent to which they explicitly evaluate the mainstreaming of biodiversity considerations. Additional comments from workshop participants included the need to maintain a focus on biophysical indicators as well as stress reduction indicators. These would, however, need to be identified in relation to specific contexts.

1. Potential indicators for spatial targets include:

- The percentage of a priority area/key biodiversity area (defined at any level from ecosystem to species) under biodiversity-compatible management is significantly increased. (This requires understanding and agreement on priority areas, as well as standards for defining biodiversity-compatible management in a particular context.)

This may include:

- The area of land under protected area management within production landscapes (emphasis on encouraging industry to cede parts of their landholding to protected area management, which does not necessarily require a change of ownership).
- The area of land under biodiversity-compatible management (biodiversity friendly/compatible land uses) which is also meeting technically informed biodiversity standards.
- There is a decrease in habitat fragmentation.
- Siting of major infrastructure is guided by biodiversity priorities.
- Species diversity is maintained or enhanced (for example, for species requiring large ranges, increase in numbers can measure impact of improved connectivity in the landscape).

2. Potential indicators for government targets include:

- Planning authorities have integrated biodiversity priorities into a greater number of their plans.
- Communication and partnership mechanisms focused on biodiversity concerns are institutionalized (including intergovernmental and public-private expertise).
- A greater number of policy statements reflecting biodiversity priorities are in place.
- Number (or percentage) of government staff with an environmental qualification is significantly increased.
- Biodiversity issues have a significant presence in election campaigns.
- A wide range of non-environmental government departments/sector agencies is participating in and/or coordinating biodiversity programmes or projects, to which sufficient resources have been committed (indicated by percentage of budgets, number of staff, policies, publications, and so forth).
- There is a national consensus on valuing ecosystem services (indicated, for example, by a surcharge on water services).
- No perverse incentives are in place (can apply at national and international levels).
- A government is a signatory to or has ratified relevant international conventions, and demonstrated progress on implementing them, for example, through producing a national biodiversity strategy and action plan (NBSAP).
- NBSAPs incorporate strategies to mainstream biodiversity in production landscapes and sectors.

- Legislation that contributes positively to biodiversity conservation is in place and is enforced.
- There is a significant increase in the percentage of bilateral/multilateral funding allocated to biodiversity conservation.
- Speeches by ministers (non-environment, and especially finance ministers) make reference to biodiversity issues.
- Biodiversity issues are integrated into the national education curriculum.

3. Potential indicators for private sector targets include:

- An increased number of sector players have adopted best practices and standards relating to biodiversity.
- Key sectoral players are acting as champions on biodiversity issues.
- There is an increase in the number of partnerships for collaboration on conserving biodiversity.
- Corporate planning departments have internalized biodiversity priorities into their plans.
- Biodiversity departments have been established in key large companies.
- There is a presence of priority biodiversity issues in policy statements.
- Budgets include biodiversity conservation allocations.
- There is an increase in the percentage of budgets allocated to biodiversity conservation through non-traditional internal alliances and realignment.
- Government policy frameworks is influenced by the actions of companies in conserving biodiversity.

- Processes are in place to develop and internalize biodiversity standards in key sectors and industries.
- Incentives are provided for maintaining biodiversity friendly land uses and production systems, and more people are employed in such uses and systems (for example, farmers planting indigenous crop varieties).

4. Potential indicators for individual targets include:

- There is a marked change in relevant consumer behaviour, with a significant increase in willingness to pay for biodiversity-sensitive or lowest-impact products.
- Greater shelf space in shops is allocated to merchandise produced through biodiversity friendly activities.
- There is an increase in visitor numbers to sites of biodiversity value, with appropriate safeguards in place.
- There is increased awareness by consumers of the links between biodiversity and their purchasing (mind shift as an intermediary activity).
- Greater numbers of volunteers and other actors are participating in biodiversity conservation activities.
- There is an increase in viewership of nature programmes, and the number of advertisements with a biodiversity conservation message on television channels.
- Sustainable use is made of indigenous species.
- There is an increase in membership numbers and active participation in biodiversity/'green' organizations.

5. Potential indicators for multilateral donor organization targets include:

- Representatives of biodiversity issues are participating in international forums (such as the World Trade Organization—WTO).
- There is a significant increase in the percentage of budgets of donor organizations allocated toward biodiversity conservation.
- More training programmes for staff on biodiversity issues are in place.
- More widespread use of conditionalities relating to impacts on biodiversity are placed on projects.
- More biodiversity safeguards are in place.
- There is an increased number of pages in annual reports focused on biodiversity activities.
- Speeches by leadership figures mention biodiversity issues more frequently.
- A greater number of staff are participating in carbon-offset programmes for their travel.
- Best practices are institutionalized for organizational activities (for example, recycling, decision making on environmentally responsible products, carbon-offset, and videoconferencing when appropriate).
- Initiatives are in place and funding sourced to replicate routine private-sector best practices relating to biodiversity.
- There is an increased number of projects in portfolios that are supporting new biodiversity-based products or services.

6. Potential indicators for poverty alleviation agenda targets include:

- Programmes are using biodiversity sustainably to eradicate poverty (for example, ensuring food security, employment generation, invasive alien species removal).
- Crisis funds are available to mitigate the effects of natural disasters/stresses (such as droughts, floods, tsunamis) on ecosystems.
- Biodiversity conservationists are engaging with poverty alleviation agendas, to minimize negative impacts on biodiversity and increase the contribution of biodiversity resources to alleviating poverty.

7. Potential indicators for markets-for-ecosystems-services targets include:

- New biodiversity-based commodities are emerging.
- Biodiversity considerations are taken into account in setting up supply chains.
- There is an increase in the number and diversity of products certified as biodiversity friendly.

These are broad suggestions for the kind of indicators that could be built into project design in mainstreaming initiatives in order to ensure that the process, products, and outcomes of such initiatives are being thoroughly recorded, monitored, assessed, and analysed. The exact nature of specific indicators, as well as mechanisms for monitoring and follow-up actions, will need to be developed in the context of particular projects.

Framework for Common Action Around Shared Goals

Framework for Common Action Around Shared Goals

Adopted by OECD Development and Environment
Ministers on 4 April 2006

4 April 2006

**MEETING OF THE OECD
DEVELOPMENT ASSISTANCE
COMMITTEE AND
THE ENVIRONMENT
POLICY COMMITTEE
AT MINISTERIAL LEVEL**

OECD Headquarters, Paris



Cover photo: © Getty Images/Mark S. Atkinson

Framework for Common Action Around Shared Goals

**Adopted by OECD Development and
Environment Ministers**

4 April 2006



ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

FRAMEWORK FOR COMMON ACTION AROUND SHARED GOALS

Background

At the 2005 World Summit, the UN General Assembly:

- reaffirmed its commitment to "... eradicate poverty and promote sustained economic growth, sustainable development and global prosperity for all ...";
- underlined "... the need for urgent action on all sides, including more ambitious national development strategies..."; and
- reaffirmed its "... commitment to the global partnership for development set out in the Millennium Declaration, the Monterrey Consensus and the Johannesburg Plan of Implementation".

OECD Members are fully committed to these efforts, as noted most recently by OECD Ministers on the occasion of their Ministerial Council Meeting on 3-4 May 2005.

It is widely recognised that eradication of poverty and the achievement of the Goals agreed at the 2000 UN Millennium Summit (often referred to as the Millennium Development Goals) and at the World Summit on Sustainable Development are closely linked to sound management of the environment at the local, national and global levels. Environmental resources play a key role in supporting economic growth and development. In particular, the poorest countries and the poorest people, especially women and children, rely heavily on environmental resources for their livelihoods. Threats to the environment at the local, national or global levels consequently have serious implications for both poverty reduction and sustainable development.

However, the integration of environmental factors into national development and poverty reduction strategies remains weak. Reasons for this include:

- Insufficient understanding of the environment-development linkage. This lack of understanding is partly due to insufficient capacity to identify and quantify environmental costs and benefits, as a way of "making the case" for integrating environmental factors into public policy and investment decisions.
- Insufficient capacity, political will, and financial resources to develop and enforce domestic environmental legislation, combined with weak capacity to mobilise and manage the financial resources needed to support investments that simultaneously address both environmental and development objectives.

- Weak institutional structures, which often mean that the authorities responsible for environmental management are not fully integrated into development decision-making and planning mechanisms.

Official Development Assistance (ODA) has an important role to play in supporting efforts by developing countries to implement national development policies and poverty reduction strategies. OECD/DAC donors play a key role in the disbursement and management of ODA.

The 2005 *Paris Declaration on Aid Effectiveness* envisages a wide range of measures aimed at improving the management and effectiveness of ODA. Examples include:

- developing countries will exercise effective leadership over their development policies, strategies, and to co-ordinate development actions;
- donor countries will base their overall support on receiving countries' national development strategies, institutions and procedures;
- donor countries will work to ensure that their actions are more harmonised, transparent and collectively effective;
- all countries will manage resources and improve decision-making for results; and
- donor and developing countries pledge that they will be mutually accountable for development results.

The *Paris Declaration on Aid Effectiveness* explicitly notes that considerable progress has been achieved in harmonising environmental impact assessment processes at the project level. It highlights that this progress needs to be deepened, including on addressing implications of global environmental issues, such as climate change, desertification and loss of biodiversity. It also encourages countries to continue developing the specialised technical and policy capacity necessary for environmental analysis and for enforcement of environmental legislation.

Environmental agencies in OECD countries have considerable expertise in the design, implementation, and monitoring of cost-effective environmental policies – both in developed countries and in an international context. They also have considerable experience with policies and instruments which can simultaneously support social and economic development and environmental management goals. Experience gained in OECD countries in these areas can be fruitfully applied to some developing country contexts. This is also in line with the *OECD Environmental Strategy for the First Decade of the 21st Century*, which notes that the success of implementing the *Strategy* will depend on "strengthened co-operation with non-member countries, including developing countries and countries with economies in transition". The *Strategy* also points to the need to "strengthen co-operation between the Environment Policy Committee (EPOC) and the Development Assistance Committee (DAC) on priority issues of mutual concern".

Goals and Structure

This *Framework for Common Action Around Shared Goals* therefore seeks to improve the co-ordination and coherence of efforts by Development Co-operation and Environmental agencies in OECD countries, in support of poverty reduction and the MDGs. In doing so, it will provide direct support to the implementation of the environmental aspects of the *Paris Declaration on Aid Effectiveness*.

Emphasis will therefore be placed on:

- Identifying, adapting, scaling up and expanding implementation of “good practices” at the interface of environment and development.
- Supporting capacity building efforts for environment-development integration in both developing and transition countries.

The *Framework* will also encourage a two-way sharing of experience among development-environment policy-makers and practitioners at various levels.

Key Elements of the *Framework*

“Good practice” policies and instruments

This element will focus on identifying “good practices” at the interface of environment and development, and on adapting them for efficient implementation in specific developing country contexts. The overall objective will be to increase awareness and promote the implementation of policy approaches, tools and instruments which have proven to be effective in supporting enhanced integration of poverty reduction, environmental protection and economic growth in various domains.

Specific themes to be addressed under this element will include:

- Policies and instruments for better integrating local and national environmental factors into national development policies and plans. The focus here will be on environment-development linkages, in the context of the Poverty Reduction Strategies and similar development plans developed by developing country partners (which together provide the basis for development co-operation support). This will include examining approaches and instruments to identify the linkages between development, conflict prevention, and natural resources management policies (especially in the context of “pro poor” economic growth), and to foster appropriate policy responses. Specific attention will be paid to the role played by decentralised authorities and local communities in natural resource management. Particular focus will be on emerging instruments, such as “Strategic Environmental Assessment” and “Environmental Fiscal Reform”.
- Policies and instruments for better integrating global environmental objectives into national and local development policies and plans. The focus here will be on approaches and instruments to support the integration of issues relating to climate change, biodiversity, desertification and chemical management, in the context of national or sectoral development strategies. This will include issues related to prevention of, and adaptation to, risks associated with natural hazards -- notably climate variability and climate change. Work in these areas will directly support the objective of the *Paris Declaration* to address the implications of global environmental issues, such as climate change, desertification and loss of biodiversity.
- Maximising the development-environment potential of international financing instruments. The focus here will be on facilitating wider application of existing international financing mechanisms and instruments in developing countries, including those arising from international environmental agreements. Relevant mechanisms could include the Clean Development Mechanism, and Export Credits and

Guarantees. Public-private partnership mechanisms to support investment in developing countries will also be included in the scope of this work.

- Approaches and instruments for monitoring progress towards better environment-development integration. The focus here will be on refining and adapting existing indicators and instruments, in order to improve their applicability to specific development contexts. It will also include strengthening mechanisms for tracking aid flows towards the environment, as well as strengthening the development dimensions of OECD countries' Sustainable Development Strategies, with a view to drawing "good practice" lessons from experiences.

Improved capacity-building for environment-development integration

This element will focus on harmonising approaches in support of developing countries' capacities to implement the "good practice" approaches and instruments outlined above (including the overarching approach of "Strategic Environmental Assessment"). This effort will directly support the objective of the *Paris Declaration* to: "*strengthen the application of EIAs and deepen common procedures for projects, including consultations with stakeholders [and] continue to develop the specialised technical and policy capacity necessary for environmental analysis and for enforcement of legislation*".

Activities to be conducted within this element will take full account of, and build upon, relevant work conducted by the UNEP (e.g., in the context of the Bali Strategic Plan for Technology Support and Capacity Building), UNDP, the GEF, and others.

Specific issues to be addressed under this element will include:

- Capacity for environmental impact assessment of development programmes and projects. This activity will include the formulation of common approaches for "diagnostic reviews" of capacities to conduct environmental assessments of development projects. Broader issues will also relate to building the capacity of national environmental regulatory authorities to contribute to the formulation of national development policies and strategies. Existing *DAC Guidelines on Capacity Development in Environment* will provide an important reference point in this regard.
- Capacity for the elaboration of environmental policy and the enforcement of environmental legislation. This will focus on environmental monitoring and compliance efforts in developing countries. Previously-developed OECD tools, notably those developed by the Task Force for the Implementation of the Environment Action Programme (EAP) for the Countries of Central and Eastern Europe will also be applied to this work (e.g., *Guiding Principles for Reform of Environmental Enforcement Agencies*, *Inspection Toolkit*, and *Good Practices for Funding Environmental Compliance Assurance*).
- Capacity for appraising and managing environmentally-related expenditures. This activity will focus on those environmentally-related expenditures of most direct importance to the development process (water supply and sanitation, pollution control waste collection and disposal). The main focus will be on improving capacity to apply sound economic and financial principles to the financing of public environmental expenditures. Results from earlier work on the management of public environmental finance in the context of the

countries of Eastern Europe, Caucasus and Central Asia will provide an important reference point in this regard.

- Capacity to identify and quantify environmental costs, and to monitor progress towards improved development and environment integration. This will include approaches and instruments aimed at identifying and quantifying the costs and benefits of environmental policy. It will also assist in the monitoring of progress towards established development goals related to the environment (e.g., water supply and sanitation, provision of basic energy services).

Implementation

All of the themes and activities mentioned in this *Framework* will be relevant to each of the above implementing agents to varying degrees, and in differing contexts. These themes and activities should therefore collectively be interpreted as a "menu of options", each element of which is likely to be more relevant for a particular context than for others. Nor should the themes and activities listed in this *Framework* be interpreted as providing an exhaustive list of all the relevant initiatives that could be taken. The explicit intention is therefore that the detailed activities underlying this *Framework* will be modified and updated, based upon the results of implementation experiences and feedback from participating partners.

Implementation of this *Framework* is also expected to occur gradually, and at various levels in various *fora*. It is anticipated that specific initiatives in support of the *Framework* will be taken by:

- OECD governments as a whole, seeking to improve environment-development integration in their own capitals, as well as to improve the development-environment integration efforts of appropriate international organisations;
- Development Co-operation agencies, working in partnership with developing countries in the context of the latter's national priorities (*i.e.*, in direct support of the goals of the *Paris Declaration*), and with the direct support of Environmental agencies;
- the OECD Secretariat, which is expected to provide analytical support to the above needs.

International Development Co-operation agencies (UN Agencies, Multilateral Development Banks), many of which are actively involved in the work of the DAC and the EPOC will also be invited to participate as full partners in many of the initiatives that will be undertaken in the process of implementing this *Framework*.

Similarly, because the private sector and civil society are so important to the overall direction of development-environment integration efforts, it is envisaged that links between public policies and private actors will need to be systematically strengthened during the implementation phase of this *Framework*. This will involve efforts to improve the quality and effectiveness of environmental regulation, as well as efforts to improve the general enabling environment in which investment and markets can support the development process.

At the level of donors and recipients, all activities carried out under the *Framework* will draw from available analytical and policy work conducted at the country-level, and in accordance with national priorities. At the level of the OECD, activities will build on existing work, wherever possible.

For the short-term, the following specific milestones are envisaged:

- Take stock of ongoing or planned country-level activities related to the themes outlined in the Framework, and agree on appropriate priorities for future common action at the country level. This stock-taking and priority-setting exercise will be initiated jointly by Environment Network (ENVIRONET), the Environment Policy Committee/Working Party on Global and Structural Policies (EPOC/WPGSP) and the OECD Secretariat, and will involve direct and ongoing consultation with developing country partners (whether or not they are Parties to the *Paris Declaration*). A working Bureau of ENVIRONET and WPGSP delegates will be established to move this process forward.
- Identification of relevant themes at country-level and corresponding needs for analytical, methodological and other support should then be established. An appropriate plan for measuring progress should also be defined at that time. This work should be completed by mid-2007.
- The OECD should also consider including in its planning for 2007-2008 some activities that are explicitly intended to contribute to the successful implementation of this *Framework*.
- A report to OECD Development and Environment Ministers on progress achieved should also be prepared no later than 2009.



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