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**THEMATIC STRATEGY FOR THE ENVIRONMENT AND SUSTAINABLE
MANAGEMENT OF NATURAL RESOURCES, INCLUDING ENERGY (ENRTP)**

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LIST OF ACRONYMS

ADB	Asian Development Bank
AFLEG	African Forest Law Enforcement and Governance
ACP-EU	Africa – Caribbean – Pacific - European Union
CITES	Convention on International Trade in Endangered Species
COOPENER	Cooperation on Energy in developing countries
CSP	Country Strategy Paper
DAC	(OECD) Development Assistance Committee
DCI	Development Cooperation Instrument
DFID	Department for International Development (UK)
DGIS	Directorate for International Cooperation (NL and Belgium)
DPS	Development Policy Statement
6th EAP	Sixth Environmental Action Programme
EC	European Community
EDF	European Development Fund
EITI	Extractive Industries Transparency Initiative
ENPI	European Neighbourhood and Partnership Instrument
EUEI	European Union Energy Initiative
EUWI	European Union Water Initiative
EU	European Union
FAO	Food and Agriculture Organisation
FLEGT	Forest Law Enforcement, Governance and Trade
G8	Group of 8 (largest industrialised economies)
GEF	Global Environment Facility
GTZ	German Technical Cooperation
FP6	6 th EC Framework Programme for research (2002-2006)
FP7	7 th EC Framework Programme for research (2007-2013)
HQ	Headquarters
IEA	International Energy Agency
IEE	Intelligent Energy - Europe
IFI	International Financial Institution
IIED	Institute for International Environment and Development
IFCS	Intergovernmental Forum on Chemical Safety
IISD	International Institute for Sustainable Development
IUCN	World Conservation Union
IPA	Pre-Accession Instrument
IPCC	Inter-governmental Panel on Climate Change
JPoI	Johannesburg Plan of Implementation adopted at the WSSD
JREC	Johannesburg Renewable Energy Coalition
MEA	Multilateral Environmental Agreement
MDG	Millennium Development Goal
PRSP	Poverty Reduction Strategy Paper
NGO	Non-Governmental Organisation
REACH	Registration, Evaluation and Authorisation of Chemicals
SAICM	Strategic Approach to International Chemicals Management
SIDA	Swedish International Development Assistance
TOR	Terms of Reference
UNCBD	United Nations Convention on Biological Diversity
UNCCD	United Nations Convention on Combating Desertification
UNCSD	United Nations Commission on Sustainable Development
UNFCC	United Nations Framework Convention on Climate Change
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFF	United Nations Forum on Forests
UNITAR	United Nations Institute for Training and Research
WRI	World Resources Institute
WWF	Worldwide Fund for Nature
WSSD	World Summit for Sustainable Development

0. EXECUTIVE SUMMARY

This Strategy is based on the Communication from the Commission of 25 January 2006 on External Action: Thematic Programme for Environment and Sustainable Management of Natural Resources including Energy¹ (ENRTP), which was welcomed by both the European Parliament and the Council. The basic act for the ENRTP is the Development Cooperation Instrument² (DCI), which was adopted by common position on 12 December 2006. It sets aside an indicative amount of €804 million for the ENRTP for the period 2007-2013.³ The indicative amount for the period 2007-2010 is €469.7 Mln. This includes €85.5 Million for two new initiatives related to climate change and renewable energy, with multi-annual implications, announced by the Commission in its 2008 Annual Policy Strategy, namely an increase of 50 million Euro for the Global Climate Policy Alliance, and an increase of 35,5 million Euro for the Global Energy Efficiency and Renewable Energy Fund (GEEREF). Article 13⁴ of the Instrument states that the objective of this thematic programme is "to integrate environmental protection requirements into the Community's development and other external policies as well as to help promote the Community's environmental and energy policies abroad in the common interest of the Community and partner countries and regions".

This four-year strategy addresses the following challenges, which have a profound effect on the lives of poor people: rapidly degrading key ecosystems, climate change, poor global environmental governance and inadequate access to and security of energy supply. The response strategy is based on the following priorities:

- assisting developing countries to make better progress on integrating environmental sustainability (the neglected 7th MDG) in decision making and thus underpin achievement of all the Millennium Development Goals by building capacity, supporting the involvement of civil society and developing innovative approaches;
- promoting implementation of Community initiatives and agreed commitments (including those under Multilateral Environmental Agreements) on environment and sustainable management of natural resources, including resource efficiency, energy at international and regional level and across national boundaries;
- improving environmental integration and promoting coherence in EU policies affecting third countries through methodological work and enhancing expertise;
- promoting EU environmental policies abroad by strengthening international environmental governance, negotiation and monitoring, assisting the operation of MEAs and other processes, supporting coherent international policy development across the three pillars of sustainable development and
- Promoting EU energy policies abroad, in particular sustainable energy options in partner countries and regions by support for policy development and through innovative funding mechanisms.

An important component of the programme is flexibility in the choice of implementing partners, allowing partnerships with, among others, community-based organisations, research organisations, civil society, the private and financial sectors and international bodies and organisations. As a part of the DCI, the thematic strategy can involve countries from almost all over the world to address

¹ COM(2006)20 final of 25.1.2006

² As outlined in Article 38 of the DCI, an indicative amount of €465 million has been foreseen for all thematic programmes to finance activities that benefit ENPI countries

³ This includes a ring-fenced allocation of €63 million for European Neighbourhood and Partnership Instrument Countries.

⁴ See Annex 1

global challenges. The strategy will be implemented through a combination of different mechanisms in accordance with the Council (Financial) Regulation⁵ and the options provided for in Article 25 of the DCI, in particular calls for proposals, direct agreements, joint management, and tenders for services.

1. INTRODUCTION

EC policy objectives

This Thematic Strategy is a guide to implementation of the Thematic Programme for the environment and sustainable management of natural resources, including energy (ENRTP), which was adopted on 25 January 2006. The legal basis for the Thematic Strategy is the Development Cooperation Instrument, adopted 12 December 2006. The Strategy is based on the recognition that a healthy environment and sound management of natural resources are crucial for lasting poverty reduction, while strong international environmental governance is required to reinforce the sustainability of global development. Its policy objectives are to integrate environmental protection requirements into the Community's development and other external policies and to help promote the Community's environmental and energy policies abroad in the common interest of the Community and partner countries and regions.

These objectives will help to achieve the EC's overall sustainable development objective, as laid down in the EU Sustainable Development Strategy,⁶ and as promoted by the European Consensus on Development,⁷ the 6th Environmental Action Programme,⁸ the European Neighbourhood Policy and the European Union's energy policy strategy, notably the EU external energy policy paper⁹ endorsed by the European Council and in the work of the International Dimension of the European Research Area (ERA) in support of the Lisbon Strategy.

Through the ENRTP, the EU will have dedicated resources to help developing countries and partner organisations address environmental and natural resource management issues and meet their obligations under MEAs and to take international policy leadership in areas such as curbing climate change, tackling land degradation and desertification, biodiversity protection and sound management of chemicals and wastes. Failure to take international action in these areas would have a disproportionate effect on the poor in developing countries, who are particularly reliant on the sustainable management of natural resources, including water and energy, for their livelihoods and whose health suffers disproportionately from pollution.

The added value of Community aid under the ENRTP compared with other financial instruments was explained in Commission Communication COM(2006)20. In particular, the programme will provide:

- the possibility of greater integration of the environment and energy into development policies/strategies and planning through more targeted activities and more effective instruments;
- greater opportunity to address issues that are too often not priorities under the geographical instruments, for example, for reasons of market failure or the constraints of poor country governments which trade off the long-term benefits of sustainability against short term needs;

⁵ (EC, Euratom) N° 1605/2002

⁶ [See European Council Conclusions of June 2006 on COM\(2005\)658](#)

⁷ Joint Statement of 22 November 2005 agreed by the European Parliament, the Council and the Commission

⁸ Decision 1600/2002/EC of the European Parliament and of the Council

⁹ Joint paper European Commission, High Representative for common foreign and security policy, "An external policy to serve Europe's energy interests – facing external energy risks", European Council, 15-16 June 2006

- the possibility of addressing issues that are common to groups of countries that do not belong to a single region (i.e. that are not easily covered by a single geographical instrument); and
- finally, and very importantly, enhanced ability to address the external dimension of EU environment and energy policies, for which purpose no other instruments are available.

The general framework of **principles** is outlined in the DCI regulation and COM(2006)20.

The programme will be implemented in accordance with the 2000 Reform of the Management of External Assistance¹⁰, which provides, inter alia, for extensive devolution of management responsibilities to the delegations where appropriate. In line with the general approach for the strategies adopted under the DCI, the current paper is both a thematic strategy and a multi-annual indicative programme for the first four years of the 2007-2013 Financial perspectives, i.e. from 2007 to 2010.

2. ANALYSIS OF THE INTERNATIONAL SITUATION AND EC POLICY FRAMEWORK, NEEDS, AND OTHER DONOR ACTIVITIES

a) The problem

Two thirds of the planet's key ecosystem services¹¹ are being degraded or used unsustainably and present an obstacle to achieving the MDGs. The adverse effects of these changes have an impact on the whole world, but they increase the vulnerability of the poor in particular, who depend directly on a wide range of natural resources and ecosystem services for their livelihoods and who are particularly vulnerable to environmental hazards. Poor countries will have the greatest difficulty in predicting and adapting to the effects of climate change.

In response to the above challenges, the strategic priorities of the programme are to ensure that natural resources are used sustainably, so that production and consumption patterns do not exceed the earth's capacity to supply resources or absorb the wastes and emissions generated by such growth. This will be a fundamental challenge for the world community, and especially for emerging economies and developing countries, including in the context of energy, where international cooperation is critical given the current pressure on existing resources and threats to the security of global energy supply. Another strategic priority is to treat environmental issues in an international context, as environmental problems do not respect political borders, a problem that is further exacerbated by globalisation. Finally, as many poor people and groups in developing and emerging countries depend directly on a wide range of natural resources and ecosystem services for their livelihoods, it is very important to address poverty and environment linkages. Livelihoods can be enhanced by ensuring continued and equitable access to natural resources and by preventing environmental degradation; health can be improved by enhancing air and water quality as well as less air-polluting energy end-use, safely managing waste water, chemicals and wastes, and combating pollution; while vulnerability can be reduced by mitigating environmental hazards, adapting to climate change¹², securing sustainable energy supply, conserving the biodiversity on which many of the poor depend in times of stress and addressing resource-based conflicts. The adverse effects of climate change will increase the vulnerability of the poor and therefore need to be fully integrated in development cooperation.

¹⁰ http://ec.europa.eu/comm/external_relations/reform/document/communication_en.pdf

¹¹ Ecosystem services include the production of food, fuel and useful energy, fibre and medicines, regulation of water, air and climate, maintenance of soil fertility, cycling of nutrients and the regulation of natural hazards and pests. Estimate from the Millennium Ecosystem Assessment <http://www.maweb.org>

¹² See also: [Stern Report : Review on the Economics of Climate Change](#)

Annex 2 of COM(2006)20 provides a more detailed overview of the implications of the current international situation regarding climate change, biodiversity, forest management, fisheries and marine resources, desertification, water, energy access, bio-technology, the rapid expansion of natural resource use in emerging economies, chemicals, pesticides, hazardous wastes and air pollution.

b) The **EC's policy agenda and role in this thematic area** is part and parcel of the recent European Consensus on Development (also referred to as Development Policy Statement or DPS¹³), which commits the EU to providing more and better aid. It sets the eradication of poverty in the context of sustainable development, including pursuit of the Millennium Development Goals, as the primary and overarching objective of EU development cooperation. Support for the environment and the sustainable management of natural resources, and water and energy, are two of the nine key areas for Community development cooperation.

The 6th Environmental Action Programme¹⁴ identifies four priorities relevant to the international environmental agenda: tackling climate change, protecting nature and biodiversity, contributing to health and the quality of life, and promoting the sustainable use of natural resources and management of wastes. Recent Communications have elaborated on the 6th EAP¹⁵, proposing long-term strategies on climate change,¹⁶ biodiversity,¹⁷ resource management¹⁸ and wastes,¹⁹ while EC chemicals legislation is currently in the final stages of a complete overhaul aimed at protecting human health through the adoption of REACH²⁰. The Action Plan on Climate Change in the Context of Development Cooperation puts forward a concrete set of proposals to better integrate climate change in the EU's development cooperation.²¹

The international community has made important commitments to addressing these issues, e.g. through efforts to combat climate change, pollution and land degradation, to improve energy access, and to halt biodiversity loss, including the target to maintain or restore marine ecosystems. These commitments were consolidated at the World Summit on Sustainable Development (WSSD)²² and at the 2005 UN Summit²³. Further commitments continue to be made at the various Conferences of the Parties to the Multilateral Environmental Agreements and in other relevant international processes.

The EU has taken the lead internationally in pressing for mutual supportiveness between trade, external relations, development and environment policies worldwide and in strengthening global environmental governance, reaching agreement on MEAs as well as establishing less formal international processes.

The European Union's energy policy has three main objectives in the context of attaining sustainable development. These are increasing energy competitiveness in energy markets for the benefit of consumers, ensuring security of energy supplies, and reducing the energy system's environmental impact to acceptable levels. Achieving these objectives requires greater dialogue and cooperation with EU partner countries and regions, and in particular the main energy producers,

¹³ Adopted by the Council, the European Parliament and the Commission on 22 November 2005

¹⁴ OJ L 242 of 10/9/2002

¹⁵ Decision 1600/2002/EC, OJ L242/1 of 10/09/2002

¹⁶ Winning the Battle against Global Climate Change - COM(2005)35 final of 9.2.2005

¹⁷ Halting the loss of Biodiversity by 2010 – and beyond (Sustaining ecosystem services for human well-being) - COM(2006)216 final of 22.5.2006

¹⁸ Thematic Strategy on the sustainable use of natural resources - COM(2005)670 final of 21.12.2005

¹⁹ A Thematic Strategy on the prevention and recycling of waste - COM(2005)666 final of 21.12.2005

²⁰ Common position set out in 2003/0256 (COD) of 12.6.2006

²¹ Climate Change in the Context of Development Cooperation, COM (2003) 85 of 11 March 2003 and the Council Conclusions of 22 November 2004.

²² Johannesburg, September 2002

²³ New York, Summit on Sustainable Development in September 2005

transit and consumer partners, in order to improve transparency and governance in the energy sector. This includes the creation of open, transparent, non-discriminating and stable legal conditions for energy investment and trade. It also requires improving production and export capacities in producer countries and upgrading energy transport infrastructure; as well as encouraging energy efficiency and the diversification of energy sources, in particular through renewable energy and other low carbon sources. The table in Annex 2 gives an overview of the EC's international commitments in the field.

The Community Research Framework Programme is characterised by its ever increasing focus on international scientific and technological co-operation, and its particular emphasis on global environmental issues related to the implementation of MEAs and fulfilment of EU's commitment towards the pursuit of Millennium Development Goals. Since the 4th Research Framework Programme (1994-1998) international scientific cooperation on environmental dimensions, terrestrial and aquatic ecosystems and related policy challenges, the EC has mobilised hundreds of highly competent research teams in Europe and partner countries around the world to address environmental challenges to sustainable development. By way of example, the recent review of international water research cooperation²⁴ illustrated considerable achievements but also challenges for increased impact of this contribution to the EU Water Initiative. This commitment to underpin policy and practice by scientifically validated knowledge inspires equally planned work in the context of the 7th Research Framework Programme (2007-2013). A critical mass of projects is already under implementation, addressing all core issues covered by this strategy and bringing together international consortia, which are expected to constitute an important basis for essential capacity building and sustainable collaboration at local level.

c) **Geographical coverage.** By their nature many environmental problems are global, regional or trans-boundary while in other cases similar problems occur in different parts of the planet. For these reasons past activities have had a global reach and the ENRTP needs to be equally wide in scope. Although environmental problems occur at all levels, the ENRTP will mainly focus on the global, regional and trans-boundary level. Countries at different stages of development need different approaches. Almost all developing countries face the problems of poverty and environmental degradation. However, emerging economies, including China, India, Brazil, Ukraine etc., also face similar environmental challenges to industrialised countries and need particular attention with respect to certain issues, notably ecosystems protection, including biodiversity and water resources, pollution, climate change and energy efficiency. When promoting EU environmental and energy policies in low-income countries in the context of EU development policy, country-specific economic circumstances should be taken into account.

d) **Collaboration with other organisations and agencies**

The Commission plays a leading role within the EU, which is, in turn, the strongest international advocate of sustainable development and decision-making that goes beyond the economic perspective and takes full account of environmental and social aspects. EU initiatives remain fundamental to progress in the UN Commission for Sustainable Development. UNEP concentrates on the environmental pillar of sustainable development and plays the lead role in early warning, assessment and monitoring, in advocacy, international policy-making and negotiation. A Memorandum of Understanding between UNEP and the Commission covers cooperation and coordination on policy work, monitoring and assessment, research, environmental disasters and security issues.

²⁴ Gyawali, D., J.A. Allan *et al.*, 2006. EU-INCO water research from FP4 to FP6 (1994-2006). A critical review. Luxembourg, Office for Official Publications of the European Communities, 86 p.

At present UNEP is not a major source of funding for developing countries. However, the relationship between UNEP and UNDP and their respective roles in promoting environmentally sustainable development are currently being examined in the context of UN reform. The outcome of these deliberations will affect the Commission's relationships with both UNEP and UNDP.

Multilateral Environment Agreements are autonomous institutions with Secretariats which are accountable to the Parties, including the EC and its MS. The EC currently belongs to over 50 MEAs. The most important for the ENRTP are the Climate Convention and Kyoto Protocol; the Biodiversity Convention and the Cartagena Protocol on genetically modified organisms, and the Desertification Convention (the Rio Conventions); the wastes and chemicals agreements (the Basel, Rotterdam and Stockholm Conventions and the Montreal Protocol); the Aarhus Convention on access to information and public participation; and the Barcelona Convention on the protection of the Mediterranean. The provisions of the Convention on International Trade in Endangered Species (CITES) are enacted within the EU through EC law. The Commission is also involved in a number of international processes, such as the UN Forum on Forests, the Strategic Approach to International Chemicals Management and the UN Informal Consultative Process on Oceans and the Law of the Sea.

As the MEAs and other processes have matured, the Secretariats and in certain cases MEA subsidiary bodies have sought to move beyond their basic functions and provide technical support to developing country Parties, especially on issues that are generally ignored by donors. The Commission has provided limited funding for this work while being very conscious of the need not to turn the Secretariats into aid agencies. The EU has started an international debate on how to increase coordination and collaboration amongst MEA Secretariats, UNEP and donor organisations and thus provide more efficient and accessible support.

Since it is not a state, the EC cannot contribute to the Global Environment Facility even though it is a party to the MEAs for which the GEF acts as the financial mechanism. However, the Commission has co-financed GEF projects and over the last few years dialogue within the EU on policy towards the GEF has grown, particularly in the context of MEAs.

Within the development world, the EC plays an active role in the Poverty and Environment Partnership (PEP), and cooperates with several Member States (e.g. DFID, SIDA, DGIS), international organisations (e.g. UNEP and UNDP) as well as NGOs (e.g. WWF) in the area of poverty and the environment. The EC also participates in the OECD/DAC Environet group, which covers a wide range of areas of relevance to the ENRTP, for example mainstreaming environmental issues and integrating the aims of MEAs in development policy. There is also strong collaboration with a number of Member States on different environmental issues such as climate change, biodiversity and desertification. These links are described in Annex 3. Other organisations, such as the World Bank, provide intellectual leadership in many areas (e.g. environmental assessments). Capacity building in the area of chemicals and waste management has been supported through activities by IFCS, UNITAR and the Secretariat of the Basel Convention. The EC also has long-standing cooperation with other organisations, such as WWF, IUCN, IIED, and with a number of smaller organisations in promoting innovative approaches. Building on these relationships, and on the respective strengths of these organisations, further cooperation is envisaged.

The EU established the EU Water Initiative²⁵ and works together, for example, with the African Ministerial Council on Water, UN-Water (which coordinates within the UN system) and international networks such as the Global Water Partnership, the Water and Sanitation Collaborative Council, and the Water and Sanitation Programme. Specific RTD actions to underpin the

²⁵ It includes the following four geographical and three cross-cutting components: Eastern Europe, Caucasus and Central Asia, Mediterranean, Latin America and Africa; Research, Finance and Monitoring.

implementation of the EUWI have been funded under the Environment Thematic Priority and the Specific Measures in Support of International Cooperation of the 6th RTD Framework Programme. Similar activities are envisaged to be supported under the 7th RTD Framework Programme (2007-2013). Similarly, the EU established the EU Energy Initiative, which cooperates with a wide number of organisations, such as the Forum of Energy Ministers of Africa, the UN, the Global Network on Energy for Sustainable Development and the Global Village Energy Partnership. The EU also established the Johannesburg Renewable Energy Coalition (JREC) in which already more than 80 governments are cooperating to substantially increase the global share of renewable energy.

Furthermore, environment and natural resources management plays an important role in the context of the EU-AU (African Union) Partnership, including through dialogue with AMCEN and support for NEPAD. The same is true for other regions, as described in Annex 3.

Environment is a subject of growing concern within ASEM (Asia-Europe Meeting) that translates into e.g. joint research and featured prominently on the agenda of the recent ASEM 6 Summit in September 2006. A sectoral ministerial-level dialogue has also been established. In addition to the multilateral framework described above, the Commission holds regular environmental dialogue with key emerging economies like China, India and Brazil, who will have a profound effect on the global environment in the coming years and are also underpinned by longstanding collaborative effort. There are structured environmental relationships and dialogue with Russia, certain industrialised countries, and increasingly with the partner countries of the European Neighbourhood Policy where joint Action Plans have been agreed and collaborative research paves the way for better shared understanding and action. There has also been specific cooperation with Brazil, Russia, India, China, Ukraine and South Africa on climate change. All these contacts show that partners have a keen interest in targeted dialogue and cooperation on key environmental issues with the EC and in deepening their understanding of EC environmental law and experience. This is hardly surprising since EC environmental norms contribute to the framework for trade. Moreover, EC legislation, which has to span the wide range of environments and levels of development within the EU can offer useful examples to others as well as learn from experience in other parts of the world.

In the area of energy, important and active bilateral cooperation mechanisms have been established or are being established with key producer, consumer and transit countries, including Russia, Ukraine, Algeria, Azerbaijan, Kazakhstan, USA, China and India, which also cover the aspect of sustainable development. The EC maintains regular cooperation activities with a large number of organisations, including OPEC, UNCSD²⁶, G8²⁷, IEA (including its implementing arrangements). The EC plays a key role in the South-East Europe Energy Community Treaty. The EU is also active in the energy sector as part of the Barcelona process through the Euro-Mediterranean Energy Partnership designed to create a fully interconnected and integrated Euro-Mediterranean energy market. Energy cooperation within the Caspian/Black Sea is developed through the 'Baku' Initiative²⁸. Energy cooperation mechanisms with other important global energy-producing and consuming partners are under preparation, such as with Brazil via an energy dialogue and the African Union via the EU-Africa infrastructure partnership. The World Bank is an important partner with its "Clean Energy Investment Framework". More details are given in Annex 3.

3. OPERATIONS FINANCED IN THE PAST AND LESSONS LEARNED

²⁶ United Nations Committee on Sustainable Development

²⁷ The G8 member nations are Canada , France , Germany , Italy , Japan , Russia , the United Kingdom and the United States

²⁸ [Policy dialogue](#) on energy cooperation between the EU and the littoral states of the Black Sea, Caspian Sea and their neighbours.

The table below gives an overview of the actual financial implementation of the different budget lines that will be replaced by the ENRTP. Details of the contents of the various programmes were given in COM(2006)20.

Financial framework (2000-2006) for relevant budget lines (€million).

Budget line		2000	2001	2002	2003	2004	2005	2006	2000-2006
Environment	21 02 05	11.3	11.3	11.3	11.4	13.5	16.7	16.7	93
Forests	21 02 05	30.7	30.7	30.7	31.0	36.5	45.0	45.3	249
Life third countries	07 01 02	0.02	9.3	6.2	7.0	8.2	6.8	6.2	43.6
International Environment	07 01 01	6.2	6.4	6.4	6.0	5.7	8.6	9.8	49.1
COOPENER	06 04 02 06 01 04 09	-	-	-	2.0	5.0	5.0	5.6	17.6
Total		48.2	57.7	54.6	57.4	68.9	82.1	84.6	456.5

It should be noted that the most important environmental and natural resource activities have been or are currently funded from the bilateral or regional geographical instruments, including, but not limited to, ECOFAC²⁹ in Central Africa, the Asia Pro-ECO programme, biodiversity in China, forests in Indonesia and many others. Many international research collaborations on environmental challenges have been sustained through successive Research Framework programmes. There have also been several follow-up activities under geographical instruments to actions initiated through the ENV-FOR budget line (e.g. CITES-MIKE³⁰).

- *Evaluations and lessons learned*

The Special Report by the Court of Auditors³¹, released in 2006, concerning the environmental aspects of the Commission's development cooperation, concludes that the Commission has not yet sufficiently addressed the environmental aspects of its development cooperation and has still to establish a comprehensive environment strategy for its development cooperation. The Court of Auditors recommends that if the environment is to be seen as one of the three pillars of sustainable development the Commission has to have sufficient in-house environmental expertise and clear environmental integration procedures need to be defined and complied with. The Report suggests that the Commission should also give greater attention to helping local communities find sustainable ways of using natural resources. With a view to improving impact and sustainability, including building institutional capacity, the Report also considers that the Commission should analyse the effectiveness of different aid instruments in the environment sector. As alternatives to the current approach of using relatively short-term projects, consideration should be given to making greater use of the sectoral policy support programmes, trust funds, and co-financing with the Global Environment Facility, and to funding projects and programmes over longer time periods. These longer-term options are considered to be particularly important for environment and natural resource management projects where project sustainability is frequently a challenge. The Commission has responded in detail to the Auditors' report and has undertaken to review and update the 2001 Environmental Integration Strategy and make it more comprehensive.

A recent evaluation of Regulations 2493/2000 and 2494/2000 highlighted the need to amplify efforts/activities for future programmes. It concluded that lessons learned from projects should

²⁹ Ecosystemes Forestiers Africa Centrale

³⁰ CITES – Monitoring Illegal Killing of Elephants

³¹ European Court of Auditor's Special report No 6/2006

contribute to the national policy dialogue and be used as a basis for the programming of EC country and regional aid, that the use of small project funds would be a solution for improving local delivery of environmental activities, and stressed that further efforts were needed to improve take-up. The evaluation noted the need to establish long-term policy dialogue with governments, to ensure that the environment and forests are fully integrated into PRSPs and CSPs.³² The evaluation also highlighted the need for flexibility to finance emerging priorities and EU policy initiatives, such as the EU Action Plan on Climate Change and Development and the EU Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT). These issues are addressed in the current Strategy, which also emphasises the complementarity of the ENRTP with CSPs/RSPs. An independent review (not a formal evaluation) of the EUWI is about to start and is scheduled to be completed early in 2007.

Over the period 2000-2006, broad experience was accumulated on project selection with the environment and tropical forests budget line. Important lessons learned include the fact that calls for proposals are too wide in scope and not specific enough, and lead to a volume of proposals that is not cost efficient, which creates administrative burdens, with a very low success rate for individual project applicants. In addition, the project selection mechanism tends to work against proposals with a more global or multiregional approach, and also against policy-orientated proposals. Finally, it is worth noting that the take-up of innovative approaches in the mainstream geographical instruments tends to be rather low. In order to address these weaknesses, the current strategy envisages a more focussed programming, allowing better targeted calls for proposals, as well as the combination of a number of different approaches for different subject areas. AIDCO also improved its system with every call for proposal in order to get better efficiency and a higher success. This will further be looked at during the upcoming programming period.

The external mid-term evaluation of the ongoing Intelligent Energy – Europe 2003-2006 programme, including COOPENER,³³ concluded that COOPENER, despite its limited financial support, has had the outstanding capacity to get “people around the table”, notably by demanding substantial involvement of local sub-contractors, and thereby promoting the different types of partnerships that are necessary for more efficient energy-related development cooperation. It revealed that beneficiaries perceive COOPENER as one of the very few frameworks that allow projects to assume a regional character and encourage the formation of partnerships between target countries. The study also revealed that there is still an urgent need for a future programme of this nature which addresses two problems: access to and security of energy supply and climate change. Finally, it concludes that moving the successor of COOPENER into the Thematic Programme will deal with the current problems of co-financing and third country sub-contractor status, and is an opportunity to raise the profile of the programme as long as certain aspects, mostly related to specificity, autonomy and visibility within the ENRTP, are retained. Consequently, the ENRTP will also replace and enlarge the scope of the current COOPENER programme, both in thematic content and in geographical coverage.

With respect to promoting the European Union’s environmental policies abroad, the general experience is that, even when environmental objectives are integrated into national strategies for achieving the MDGs, they do not feature prominently enough to ensure that even modest investments are made to insure against expensive environmental degradation. Moreover, the benefits of environmental protection tend to be long-term and it is difficult to reconcile them with the short planning horizons dictated by poverty. The EU has long proved to be effective in negotiating ambitious environmental and sustainable resource management objectives in international processes. However, there has been less coordination to promote implementation in partner countries. The

³² Poverty Reduction Strategy Papers and EC Country Strategy Papers

³³ Mid-term evaluation of the “Intelligent Energy – Europe” programme (2003-2006), December 2005; COM(2006)357 final. This includes references to the EUWI.

expertise of MS and the Commission as well as in the countries themselves has not always been pooled efficiently and there has been no visible critical mass of effective EU support. If developing countries are to engage fully in international efforts to tackle widespread or global problems a more strategic approach is required. Finally, considering the vast resource requirements of developing countries, innovative financing approaches are needed.

In order to address these issues, the new thematic programme (ENRTP), which will basically replace the Budget Lines discussed above, will bring greater focus to the present portfolio of the current Environment and Tropical Forest Budget line by directing predetermined allocations to issues of concern. For the first time attention will be given to issues such as promoting global environmental governance, and work on familiar issues such as biodiversity and forests can tie in with the EU's international commitments and initiatives. The ENRTP will allow coordination of the EU Energy and Water Initiatives, thereby encouraging interaction with geographical programmes. The multi-annual commitment in the DCI and the significant pool of resources available will allow better and more strategic planning whereby the EC's development and external environmental and energy objectives can be addressed together. Moreover, coordination with other thematic programmes, and the 7th Research Framework Programme [will translate interdependence of the subjects in real-life situations into coherent programming and implementation](#) and can further enhance coherence and promote innovative approaches.

4. THE RESPONSE STRATEGY 2007-2010

- a) **The main objectives** of the strategy for the coming four years are to address the challenges identified above through a combination of different instruments designed in accordance with the principles outlined in the ENRTP, to further the environmental dimension of development and other external policies and to help promote the European Union's environmental and energy policies abroad. As reflected in Article 13 of the DCI, the priorities are:
- helping developing countries to make better progress on integrating environmental sustainability (the neglected 7th MDG) into decision-making, thus underpinning achievement of all the Millennium Development Goals by building capacity, supporting the involvement of civil society and developing innovative approaches;
 - promoting implementation of Community initiatives and agreed commitments (including those under Multilateral Environmental Agreements) on the environment and sustainable management of natural resources, including resource efficiency, energy, at international and regional level and across national boundaries;
 - improving environmental integration and coherence in EU policies affecting third countries through methodological work and enhancing expertise;
 - promoting EU environmental policies abroad by strengthening international environmental governance, negotiation and monitoring, assisting the operation of MEAs and other processes, supporting coherent international policy development across the three pillars of sustainable development; and
 - promoting EU energy policies abroad, in particular sustainable energy options in partner countries and regions by way of support for policy development and through a renewable energy and energy efficiency fund.

- b) This response strategy is coherent with EC policy priorities and commitments made in the European Consensus for Development, the Coherence Communication, the external dimension of the Sixth Environmental Action Plan, the European Neighbourhood Policy the international dimension of the European Research Area (ERA) and the European Energy Policy objectives. The strategy is being prepared in parallel with the preparation of the CSPs and RSPs, and consistency will be sought at project implementation level taking into account, whenever possible, results from international research collaboration. Finally, the response strategy is consistent with the legal basis of the DCI in terms of the broad definition of development. The need for a broad definition is explicitly recognised in Article 2.4 of the DCI, and reflects the fact that some of the work to promote the external aspects of the EU's environment and energy policies may not fulfil the criteria necessary to qualify as official development aid even though it benefits developing countries. It is also consistent with other donors' activities, which mostly stem from joint commitments made at the WSSD and the 2005 UN Summit, as well as through MEAs and other international processes. With the aim to obtain the highest possible synergy and to ensure the necessary sharing of contributions between the Budget and the European Development Fund (EDF), the Commission will ensure a proper coordination between both sources of funding over the period 2007-2013.
- c) Contributions to global initiatives are envisaged in particular in relation to MEAs, and to global partnerships, such as those on climate change, resource efficiency and energy, and with the World Bank (Gas Flaring, EITI) and others (e.g. JREC).
- d) The programme's geographical coverage is determined in accordance with Article 1.2 of the DCI, which stipulates that all countries, regions and territories covered by the DCI, the ENPI and the EDF are eligible for DCI thematic programmes. If appropriate for dealing with global issues, use will be made of Article 36 of the DCI, which allows participation by normally ineligible third country partners, particularly candidate and pre-candidate countries.

In accordance with Article 38.4 of the DCI and the Commission's declaration thereon, a fixed allocation within the ENRTP has been reserved for countries covered by the European Neighbourhood and Partnership Instrument. This will be devoted to a limited number of thematic issues (climate change, biodiversity, energy) where the complementary nature and added value of the ENRTP have particular advantages vis-à-vis geographical programmes. Outside the ENPI region no geographical breakdown is envisaged and as a general rule the ENRTP will not include specific geographical priorities since this would be in contradiction with the rationale of thematic programmes. However, in order to avoid resources being concentrated on one particular region, the aim will be to achieve a balanced distribution of the funds outside the ENPI-ringfenced amount across geographical regions³⁴ and global actions.³⁵ In accordance with Article 24 of the DCI, a broad range of partners are eligible for cooperation, but natural persons are excluded.

- e) Activities envisaged include support for capacity building, supporting the development of innovative approaches, public-private partnerships, innovative market-based policy instruments, science-supported policy approaches, twinning, facilitating policy dialogue, coordination and consultation processes through workshops and conferences, leveraging private sector equity support (especially through the Global Energy Efficiency and Renewable Energy Fund - see below), analysis and awareness-raising, assessing the efficiency of present partnerships, providing support (additional to regular contributions) to the Secretariats of MEAs and other relevant MEA subsidiary bodies and supporting the development of tools to assist in the mainstreaming of MEA objectives, support for community-based management of natural resources, promoting effective

³⁴ These regions will be Africa; Latin America and Caribbean; and Asia, Central Asia and Pacific. Funds are also set aside for multiregional or global actions.

³⁵ Coverage of global actions is defined in Articles 1.2 and 36 of DCI, as explained above.

participation of scientists and experts from less affluent countries, disseminating results to decision-makers, supporting monitoring and advocacy groups and networks, supporting international environmental and energy organisations and processes, developing institutional support and technical assistance, and encouraging regional cooperation between Governments, non-governmental organisations and the private sector. Risk management and prevention is covered as a cross-cutting issue, in accordance with COM(2006)20.

- f) The expected results from these efforts are increased integration of environmental and sustainable management of natural resources, in particular energy and water issues in development cooperation, better implementation of MEAs by and in developing countries, an enhanced implementation of the external dimension of the European Union's environmental and energy policies, as well as a strengthening of a variety of institutions and organisations that deal with environmental and energy issues to improve international governance. Impacts will include progress towards achieving the MDGs and the environmental goals that have been agreed in the international community, together with the external energy policy objectives as agreed by the European Council in June 2006. In the implementation of these activities, lessons learned from the three previous instruments will be incorporated to develop a more effective and coherent programme. This will be achieved largely through more focused and effective selection of projects and programmes.
- g) In accordance with Article 40 of the DCI, a mid-term review is planned in the form of an external evaluation of operations during the first three-year period (2007-2009). The involvement of civil society and parliament is an important element of this process, which will provide input for the preparation of the second Thematic Strategy Paper (2011-2013). Monitoring and evaluation will be provided for activities supported. Furthermore, progress reports will be prepared on the implementation of the programme, which will summarise the results of the monitoring activities.

5. THE 2007-2010 MULTI-ANNUAL INDICATIVE PROGRAMME

a) The **priority themes** to be developed are broadly as follows:

- I. Working upstream on MDG7: promoting environmental sustainability
- II. Promoting implementation of EU initiatives and helping developing countries to meet internationally agreed commitments
- III. Improving expertise for integration and coherence
- IV. Enhancing environmental governance and EU leadership
- V. Supporting sustainable energy options in partner countries and regions.

The table under d) [Indicative Thematic Allocation] gives a breakdown of the financial allocations by priority. A more detailed implementation matrix is attached in the annex, with indicative allocations by sub-priority for use as further specified in the annual programming exercise. The matrix also gives a preliminary list of indicators, which, for example, include the number of activities supported, influence on international processes, number of training sessions or people trained, number of PRSPs influenced, number of civil society organisations and other think tanks supported. These indicators will be further refined and harmonised in the to be prepared annual workplans. For selected activities or group of activities supported, provision for project monitoring and evaluation will be included

b) Implementation method

An important aspect of the programme will be the use of targeted approaches (targeted in the sense of addressing a limited number of (pre)selected organisations, on the basis of comparative advantages of these organisations) to pursue some of the specific objectives outlined above. This may include launching specific calls for proposals, and calling for project ideas on the basis of narrowly defined terms of reference. This could apply, inter alia, to support for monitoring and advocacy groups and capacity building, to science-backed policy preparation, and to the development of tools to assist in the mainstreaming of MEA objectives and twinning.

Support for the Secretariats of MEAs and relevant MEA subsidiary bodies, and support for international environmental and energy organisations and processes will also be targeted, and will mostly be provided through direct agreement given that the decision of the global community to create these special entities gives them a de facto monopoly over the tasks they were established to do.

Finally, on a more general level, calls for proposals will be the preferred instrument for cooperation activities with civil society and local community partners. This can be at a general level, such as supporting the development of innovative approaches, analysis and awareness raising, or for specific issues, such as support for community-based management of natural resources in a number of different areas, such as sustainable forestry, fisheries, biodiversity management, etc.

Capacity building and development of tools within the Commission, together with institutional support and technical assistance, will mostly be put out to tender. For directly relevant scientific and monitoring activities, the involvement of highly specialised entities – including within the EC through appropriate administrative solutions – might be envisaged. Synergy and complementarity with EC/EU programs of particular importance and visibility will be encouraged. Whenever appropriate, priority will be given to targeted programmes and/or to sensitive/endangered ecosystems in order to ensure the highest added value and to avoid fund dilution.

For several activities, a mix of assistance types can be envisaged, for example for support for public-private partnerships, innovative market-based policy instruments, facilitation of policy dialogue, coordination and consultation processes, leveraging private sector equity support, promoting effective participation of scientists and experts from less affluent countries, disseminating results to decision-makers, and encouraging regional cooperation between governments, non-governmental organisations and the private sector.

Policy, advocacy and innovative work, along with environmental monitoring and assessment and capacity building to help developing countries in international negotiations, will in part be carried out through international NGOs such as WWF, WRI and IISD based outside the EU (Canada, Switzerland and US) and through the IUCN, a mixed NGO and government body to the extent that these international institutions are eligible for EC funding for these purposes, in accordance with Art. 24 and 31 of the DCI.

Monitoring and evaluation will form part of programme activities (ROM), while project budgets will need to include evaluations and auditing. In addition, the Annual Reports on the European Community's Development Policy and the Implementation of External Assistance will contain information on implementation of the ENRTP, while ad hoc progress reports on the implementation of the programme may also be prepared, e.g. summarising results of the monitoring activities. The implementation matrix gives further details on performance indicators and expected results for the respective activities.

As regards administrative credits for the years 2007 and 2008, specific amounts will be needed for administrative costs connected with the management of ongoing projects under the COOPENER and

LIFE Third Countries Programmes that are being phased out, as well as on support needed for environmental mainstreaming and its helpdesk.

c) Activities

The section below explains in broad terms the activities to be conducted for each theme. More details are given in the attached Implementation Matrix, which also provides performance indicators for individual actions.

I. WORKING UPSTREAM ON MDG7: PROMOTING ENVIRONMENTAL SUSTAINABILITY

The actions below will mostly be established in the form of generic approaches working with partners with experience in this field. Topics include: work to quantify and raise awareness of the linkages between poverty, human health, disaster management and environment, building capacity of civil society groups through links with European and international groups, south – south cooperation, twinning, advocacy training, networking, sharing of experience, developing country access to global or regional level environmental monitoring and assessment, especially through greater availability of high quality, relevant data and indicators for decision-makers. It also includes promoting consideration of the environment in budget support, environmental fiscal reform and innovative market-based policy instruments.

- **Capacity building for environmental integration in developing countries**
- **Supporting civil society stakeholders and consultative platforms**
- **Environmental monitoring and assessment**
- **Developing innovative approaches**
- **Drawing on EU experience.**

II. PROMOTING IMPLEMENTATION OF EU INITIATIVES AND INTERNATIONALLY AGREED COMMITMENTS

- **EU Energy and Water Initiatives (EUEI - EUWI).** The thematic programme will complement geographical support and underpin existing EU initiatives, in particular through facilitating policy dialogue, coordination, analysis and consultation processes at global, interregional, subregional and regional levels. There will be a need for multi-annual agreements for the EUWI and EUEI to cater for the planning and implementation of longer-term policy work.
- **Climate change.** Work will focus on implementation of the EU Action Plan on Climate Change in the Context of Development Cooperation³⁶ and the more recent Communications³⁷ on Winning the Battle against Climate Change³⁷. To complement geographical programmes, the focus should be on raising the policy profile of climate change, supporting capacity building, especially for actions related to mitigation and adaptation, increasing knowledge and facilitating take-up of low greenhouse gas development paths, and joint activities with partners designed to build consensus for future negotiations. Activities will also include work with international organisations, regional and national governments, and selected international non-state actors, through a targeted approach and favoured partnerships³⁸ with some organisations. Ongoing work on the future multilateral climate change regime needs to have easier and more flexible access to funding for coordination activities, including: development of ToRs, studies,

³⁶ Action Plan to accompany the EU Strategy on Climate Change in the Context of Development Cooperation 1 (Action Plan 2004-2008), agreed by the Council on 22 November 2004.

³⁷ COM(2005) 35 final

³⁸ "favoured" on the basis of comparative advantages or particular quality of such organisations

funding of conferences, workshops, ad hoc contributions to specific coordination activities, stakeholder participation, and associated logistical organisation.

In the context of Limiting Global Climate Change to 2 degrees Celsius³⁹, 50 million Euro will be made available for the Global Climate Policy Alliance, which aims to enhance the cooperation between the EU and developing countries on climate change, by supporting adaptation and possibly mitigation measures.

As regards the ENP countries, activities may be aimed at reinforcing the objectives for policy reform and convergence in line with the European Neighbourhood Policy and the joint Action Plans, where relevant.

- **Biodiversity.** Support activities will take account of the EU Biodiversity Action Plan for Economic and Development Cooperation⁴⁰ and will be based around the external component of the EU Biodiversity Action Plan to 2010 and Beyond.⁴¹ In particular, measures will address Policy Area 2 of the 2006 Plan – the EU and global biodiversity - and its 3 related objectives for biodiversity and eco-system services: strengthening the effectiveness of international governance; substantially strengthening support through EU external assistance; and substantially reducing any negative impact of international trade. Monitoring of resources state and trends, as well as capacity building, are recognised to be of the utmost importance to pursue these objectives. Emphasis will be placed on comprehensive publicly archived baseline information to increase the relevance and value of ecosystem and indicator work and provide a sound basis for much needed connectivity with economic and social dimensions. . As regards the ENP countries, activities may be aimed at reinforcing the objectives for policy reform and convergence in line with the European Neighbourhood Policy and the joint Action Plans, where relevant.
- **Sustainable land management (including desertification and land tenure policy and reform).** Work will focus on implementation of the EU 2004 land guidelines and (including in non-ACP countries) on the principles and approach contained in the EC-ACP joint paper on Drought and Desertification of May 2003. Activities will include work with international organisations, regional and national governments, and selected international non-state actors and favoured partnerships. Direct contributions to relevant Multi-Donor Trust Funds may be envisaged. The ongoing work within the UNCCD Intergovernmental Intercessional Working Group (IIWG), which should result in a new 10-year strategic plan by 2007, could provide an innovative framework for implementation of the Convention. The EC may envisage support measures for the new approach if it proves possible to build a strong consensus on it with developing countries including relevant initiatives to improve land state assessments and supporting both UNCCD operations and its scientific ground.
- **Forests.** Activities should emphasise sustainable forest management to alleviate rural poverty. The relevant policy statements are the Communication on Forests and Development (1999), and the EU Action Plan for Forest Law Enforcement Governance and Trade⁴², which was identified as a priority initiative by the WSSD. Activities should aim to influence national, regional and international policy development and to promote exchange of experience between decision-makers. Work will be guided by evaluations of past programmes and by the need to create synergies across countries and regions. Activities which could be supported include innovative actions which address the challenges of sustainable forest management in developing countries, helping poor communities in particular to conserve and make sustainable use of forest resources, including forest biodiversity, address local and indigenous people's rights over forest land and

³⁹ COM(2007) 2 final

⁴⁰ COM(2001)162, Volume V

⁴¹ SEC(2006)621

⁴² FLEGT Action Plan Communication COM(2003)251

access to forest resources, encourage private sector investment in sustainable forest management, contribute to the design of financial mechanisms for forest conservation and management and innovative financial strategies, and promote fiscal policies.

- **Illegal logging and forest governance.** Poor governance has a disproportionate impact on the poor and thus improving governance is a priority theme. In many countries the misuse of forests forms part of a vicious cycle of corruption and profiteering, which destabilises governments, and provokes and sustains conflict. The EU FLEGT Action Plan sets out a new and innovative approach to combating this problem, which seeks to step up reforms in governance in developing countries with the leverage and incentives offered by the EU market. Activities which support the implementation of the EU FLEGT Action Plan will be a priority. Over the next few years the EU will negotiate Voluntary Partnership Agreements (VPAs) with timber producing developing countries in an effort to improve forest governance and eliminate illegal logging. Implementation of these VPAs will be a priority, although these, once concluded, should in the first instance be supported directly through the Country Strategy Papers [CSPs] and National Indicative Papers [NIPs]. The ENTRP will also support essential activities which underpin the development of VPAs, such as regional FLEGs processes, dialogue with developing countries, lesson learning between countries and regions, policy analysis as well as NGO and private sector initiatives which build the capacity of non-state actors to implement and monitor the VPAs. In addition to actions in support of VPAs, the ENTRP will also promote forest governance reforms in countries where trade with Europe is not a driving factor, but the political commitment to governance reform is strong and there is keen interest to implement commitments made in regional FLEGs and to address forest governance challenges following conflict.
- **Fisheries and coastal/marine resources.** Priority support should be given to regional, global or multilateral initiatives⁴³, including assistance to improve fisheries and coastal resources management systems (monitoring, control and surveillance capacities (MCS) to combat illegal fishing, fisheries research capacities, and the use of market mechanisms such as certification schemes that adhere to relevant international standards. It will also include promoting an ecosystem approach to fisheries, to tackle the issue of excess fishing effort and the elimination of destructive fishing practices also through sound use of scientific information and setting aside environmentally critical fish habitats to support coastal zone management, in accordance with the EU policy on fisheries and poverty reduction.⁴⁴
- **Compliance with environmental standards (for products and production processes).** Activities will include to help producers in developing countries/regions to comply with these requirements. This includes among other things trade aspects and eco-labelling.
- **Sound chemicals and wastes management.** Activities will mostly focus on the implementation of international action plans, including the Strategic Plan for the Basel Convention on Hazardous Wastes, the technical assistance activities agreed upon under the Rotterdam and Stockholm Conventions on chemicals and the Strategic Approach to International Chemicals Management (SAICM). Collaboration with the African Union Commission to promote the implementation of both the Basel and Africa's own Bamako Convention could also be explored.
- **Sustainable production and consumption.** Activities will aim at raising awareness in emerging economies of their growing ecological footprint⁴⁵ and the opportunities available, such as resource efficiency to avoid Europe's mistakes. This will complement policy and consensus-building work to be undertaken with UNEP under theme 4.

⁴³ Johannesburg Plan of Implementation adopted at the 2002 World Summit on Sustainable Development

⁴⁴ COM(2000) 724 final: Fisheries and Poverty Reduction

⁴⁵ N.B. Ecological Footprint is recognised as a very good communication tool, not as a monitoring tool for policy making.

III. IMPROVING EXPERTISE FOR INTEGRATION AND COHERENCE

Activities under this theme will include specific measures to improve donor coordination, shared data bases on environmental funding and environmental trends, both at HQ and at field level, capacity building within the EU, through maintaining an environment helpdesk which should take account of increasing responsibilities of EC Delegations (deconcentration), and actions that address poverty and environment linkages, including through broad strategic environmental assessments. This can be done through direct agreements with other organisations and by way of technical assistance through service contracts. Topics include the environment in EU budget support, environmental fiscal reform and innovative market-based policy instruments. Priorities under this themes will include:

- **Integrating poverty and the environment under new forms of aid delivery**
- **Strengthening capacity and expertise for the EU and promoting coherence**
- **Fostering integration and deconcentration**

IV. STRENGTHENING ENVIRONMENTAL GOVERNANCE AND EU LEADERSHIP

Activities under this theme will not include field projects but will need to be closely coordinated with actions under theme II to ensure that implementation experience feeds into the EU's international policy-making and that policy priorities are also priorities for implementation. Support will generally be provided through direct grants or joint management since the aim is to target specific institutions with an internationally defined role. Partnership agreements may be established with UNEP and Secretariats of the 3 Rio Conventions in order to provide a framework for long-term flexible relationships. However, limited calls for proposals will be appropriate where there are several sources of expertise, for example in the case of support for civil society and think tanks.

Support will be provided for:

- international environmental governance both by working with UNEP on implementing the Cartagena Package, promoting a UN Environment Organisation based on UNEP, and by encouraging synergies between related MEAs, with special focus on the chemicals/waste and biodiversity clusters;
- the Secretariats of MEAs to fund developing country participation in meetings and aspects of their agreed work programmes that fall outside core operations and therefore rely on donor funding. In some cases it may be more appropriate to work through UN or other development agencies to achieve goals agreed by Conferences of the Parties, for example to overcome widespread MEA compliance problems;
- other international environmental organisations and processes, and international and regional civil society advocacy groups and environmental think tanks that share the EU's desire to find multilateral solutions to environmental problems;
- capacity building for international environmental negotiations in developing countries and better access to information and training on progress in different processes;
- enhanced global and regional environmental monitoring and assessment, and to help developing countries participate in the work and use the results in policy-making.

V. SUPPORT FOR SUSTAINABLE ENERGY OPTIONS IN PARTNER COUNTRIES AND REGIONS

The key objectives include improving access to sustainable and affordable energy services for poverty alleviation and enhancing the security of global energy supplies and protection of the global environment. Community support may inter alia include contributions to global partnerships for instance in the areas of energy efficiency, biofuels and "methane to market". Close coordination with other donors and investors will be essential for the successful implementation of this priority.

- **Developing institutional support and technical assistance and enhancing participation in global partnerships (e.g. gas flaring, EITI)**, strengthening the capacity for policy development, regulation and energy planning, including through support for twinning initiatives to share EU experience and to establish links with key countries, and designing well targeted public procurement.
- **Creating a favourable legislative and policy framework to attract new business and investors** in renewable energy and in efficient energy production and use, and to pave the way for technology leapfrogging in these fields
- Enhancing the **role of energy as a means of income generation for the poor**, and protecting/increasing income generation for other energy end users by setting up a critical mass of human capital with up-to-date knowledge and expertise in the private sector, in particular in the energy services and targeted end-use sectors.
- Promoting **innovative financing approaches**, including public and/or private sustainable energy partnerships and mechanisms, to encourage technology transfer and deployment. This will be carried out through the Global Energy Efficiency and Renewable Energy Fund (GEEREF)⁴⁶. The new public-private partnership will offer new risk sharing and co-funding options for various investors and actively engage in the creation and funding of regional sub-funds and in scaling up similar existing initiatives. GEEREF requires a Community contribution of €80 million over 4 years, starting with €20 million in 2007 (this includes 5 Mln € for preparatory actions, see footnote 48), in order to reach the critical mass needed to attract private finance.
- **Encouraging regional cooperation** between governments, non-governmental organisations and the private sector in the above areas, and preparing the way for regional interconnection infrastructure that can produce economies of scale, especially in small countries, for example, as proposed in the new EU Strategy for Africa.⁴⁷ Close coordination with other donors and lending programmes will be essential for the success of this priority.

INDICATIVE THEMATIC ALLOCATIONS

d) The **table below gives the indicative yearly amounts** on the basis of the overall allocation expected to be made available. Because of the complexity of the programme and the possibility of unforeseen management constraints, there should be some flexibility between priorities, meaning that due consideration may be given to issues of high political priority. The allocation for administrative expenses (DCI ex "BA" Line (210404 01) includes specific provisions of administrative costs for the phasing-out of COOPENER: 2007: €500 000 and 2008: €400 000; and of the Life Third Countries Programme: €250 000 in each year from 2007 to 2009.

⁴⁶ COM(2006)583 and press release IP/06/1329 of 6 October 2006 "Commission proposes €100 million global risk capital fund for developing countries to boost energy efficiency and renewables"

⁴⁷ COM(2005)489

ENRTP INDICATIVE FUNDING ALLOCATIONS (revised 07/202/2007)							
	2007	2008	2009	2010	Total 2007 - 2010	Total 2011 - 2013	Total 2007 - 2013
1 Working upstream on MDG7: promoting environmental sustainability	2,7	2,8	4,5	4,2	14,2	24,8	39
Capacity building for environmental integration in developing countries, Supporting civil society stakeholders, Environmental monitoring and assessment, Innovative approaches							
2 Promoting implementation of EU initiatives and internationally agreed commitments	41,5	59,8	83,9	88,6	273,8	240	513,8
Core costs for EUWI, EUEI, capacity building and monitoring for the implementation of internationally agreed commitments, support for climate change, including Global Climate Change Policy Alliance, biodiversity, sustainable land management, forests, FLEGT, fisheries and coastal/marine resources, sound chemicals and waste management, sustainable production and consumption							
Actions to support Global Climate Policy Alliance, to enhance the cooperation between the EU and developing countries on climate change.		(10)	(20)	(20)	(50)		(50)
3 Improving expertise for integration and coherence	1,7	1,9	2,4	2,2	8,2	9,1	17,3
Practical approaches for poverty and environment linkages under new forms of aid delivery. Support for Integration and deconcentration							
4 Strengthening environmental governance and EU leadership	5,5	7,4	11,1	14,5	38,5	86,4	124,9
Strengthening international environmental governance and advocacy, supporting MEAs and other international processes, building consensus to ease negotiations and enhancing global and regional environmental monitoring and assessment							
5 Support for sustainable energy options in partner countries and regions, and GEEREF	22,9	29,1	31,3	32,1	115,4	43,5	158,9
Integration of sustainable energy; institutional support, creating favourable legislative/policy framework, energy for the poor, innovative financing, regional cooperation					40,4	43,5	83,9
Global Energy Efficiency and Renewable Energy Fund (GEEREF)	(15)	(20)	(20)	(20)	75		75
Total programmed funds (excluding BA)	74,3	101	133,2	141,6	450,1	403,8	853,9
Expenditure on administrative management (ex-"BA" line) (21 01 04 01)	4,7	4,9	4,9	5,1	19,6	16	35,6
Total programme including BA line	79,0	105,9	138,1	146,7	469,7	419,8	889,5

The amount of programming represents a total amount of 889,5 million Euro for 2007-2013, which includes a total amount of 63 million Euro earmarked for ENPI countries, in accordance with article 38§4 of the DCI Regulation. From this, 30.7 Mln will be used in the period 2007-2010 as follows: 12.3 Mln € for Climate change and Biodiversity, 13.2 for energy (other than GEEREF), and the remainder will be used for GEEREF and a contribution to administrative expenditures. The total amount of 889,5 million Euros represents an increase of 85,5 million Euro from the indicative envelope laid down in Annex IV to the DCI regulation (i.e. 804 million Euro). It is related in particular to two new initiatives related to climate change and renewable energy, with multi-annual implications, announced by the Commission in its January 2007 Climate Change and Energy Package and in its 2008 Annual Policy Strategy:

- an increase of 50 million Euro for the Global Climate Policy Alliance, which aims to enhance the cooperation between the EU and developing countries on climate change, with a view to broaden participation in the post 2012 international climate change regime.

- an increase of 35,5 million Euro for the Global Energy Efficiency and Renewable Energy Fund (GEEREF), an innovative public-private financing mechanism designed to mobilise significant private funding in favour of energy efficiency and renewable energy projects in developing countries and in economies in transition.

It should also be noted that, although not part of the ENRTP, preparatory actions voted by the budgetary Authority in 2007⁴⁸ pursue objectives similar to the actions described above, and will be used by the Commission as a complement to actions programmed under the ENRTP.

e) The programme does not include reserves for unforeseen actions.

⁴⁸ Preparatory actions for the Global Energy Efficiency and Renewable Energy Fund (article 21 04 05, 5 M€ in 2007), and for Water Management in developing countries (article 21 04 06, 3 M€ in 2007)

ANNEX I: COMMON POSITION ON ARTICLE 13 OF THE DEVELOPMENT COOPERATION INSTRUMENT

Environment and sustainable management of natural resources, including energy

1. The objective of the thematic programme on the environment and sustainable management of natural resources, including water, and energy, is to integrate environmental protection requirements into the Community's development and other external policies and to help promote the Community's environmental and energy policies abroad in the common interest of the Community and partner countries and regions.
2. To achieve the objective referred to in paragraph 1, and to be consistent with Article 11, the programme will include the following areas of activity:
 - (a) working upstream in assisting developing countries to achieve the MDG on environmental sustainability through capacity building for environmental integration in developing countries, supporting civil society stakeholders, local authorities and consultative platforms, environmental monitoring and assessment, developing innovative approaches and twinning to share experience and reinforce cooperation in these areas with key countries;
 - (b) promoting implementation of Community initiatives and agreed commitments at international and regional level and/or of a transboundary character through support for sustainable development, including activities to address current and future climate change issues, biodiversity, desertification, forests, land degradation, fisheries and marine resources, compliance with environmental standards (for products and production processes), sound chemicals and wastes management, fight against pollution, sustainable production and consumption and environment-related migration. This also includes efforts to promote good forest governance and combat illegal logging, particularly through FLEGT, and innovative activities for the conservation and sustainable management of forests, with the active participation of local communities and forest-dependent people.

With regard to water, the thematic programme will aim to establish a framework for long-term protection of water resources and promote sustainable water use through support for policy coordination;

- (c) better integration of environmental objectives through support for methodological work, enhancing environmental expertise available for policy work, integration and innovative actions of the Community and promoting coherence;
- (d) strengthening environmental governance and supporting international policy development by working for coherence between the environmental and the other pillars of international governance for sustainable development and by assisting regional and international environmental monitoring and assessment, providing additional support to the Secretariats of multilateral environmental agreements, promoting effective compliance and enforcement measures for multilateral environmental agreements including through capacity building, supporting international organisations and processes, supporting civil society and policy think tanks, and improving the efficiency of international negotiations;
- (e) supporting sustainable energy options in partner countries and regions, through integration of sustainable energy in development plans and strategies, developing institutional support and technical assistance, creating a favourable legislative and policy framework to attract new business and investors in renewable energy, enhancing the role of energy as a means of income generation for the poor, promoting innovative financing approaches, and encouraging regional cooperation between governments, non-governmental organisations, researchers and the private sector in the above areas. The Community's strategic actions will give particular encouragement to the use of renewable energy sources, increase energy efficiency, develop appropriate energy regulatory frameworks in the countries and regions concerned and replace particularly damaging energy sources by others which are less so.

ANNEX 2: IMPORTANT COMMITMENTS BY THE EU AND THE INTERNATIONAL COMMUNITY

(State of play 2006)

The European Consensus on Development

- Primary and overarching objective of EU development cooperation is the eradication of poverty in the context of sustainable development, including pursuit of the MDGs.
- Help developing countries to achieve the objectives agreed at the UN conferences.
- Improving policy coherence for development in order to accelerate progress towards attaining the MDGs, COM(2005)134 final.

Climate (Kyoto Protocol)

- Developed countries are committed to reducing their collective greenhouse gas emissions by about 5% below 1990 levels in the period 2008 – 2012. The EU 15 target is -8%. These countries must also help developing countries to adapt, while the latter are committed to stabilising GHG emissions (UNFCCC)

Biodiversity and Natural Resources (JPOI)

- Achieve, by 2010, a significant reduction in the current rate of loss of biological diversity.
- Maintain or restore depleted fish stocks to levels that can produce the maximum sustainable yield by 2015. CB/ Access and Benefit sharing for DCs.
- Promote understandings on Access and Benefit Sharing in relation to genetic resources and related capacity building for developing countries
- Support the establishment of networks of marine protected areas (MPAs) by 2012

Forests (EU commitment at WSSD)

- FLEGT is a political commitment to improve forest governance and eliminate illegal logging.

Desertification (JPOI)

- Integrate measures to prevent and combat desertification in poverty and sustainable development strategies.

Chemicals (JPOI)

- Aim, by 2020, to use and produce chemicals in ways that do not lead to significant adverse effects on human health and the environment. Provide capacity building to help developing countries to prevent imports of toxic chemicals, to dispose safely of obsolete stocks and to implement FAO code of conduct on pesticides.

Water (MDG 7, JPOI and EU commitments at WSSD)

- Develop integrated water resources management and water efficiency plans by 2005.
- Halve, by 2015, the proportion of people without access to safe drinking water and basic sanitation.
- The EU Water Initiative is a political commitment by Member States and the Commission to contribute to the achievement of the MDG and WSSD targets for water and sanitation and provides a framework for dialogue with partner countries and stakeholders on sector policies and priorities, including international research collaborations.

Energy (JPOI and EU commitments at WSSD)

- Improve access to reliable and affordable energy services for sustainable development, sufficient to facilitate the achievement of the Millennium Development Goals and meet the growing need for energy services in the longer term to achieve sustainable development.
- The EU Energy Initiative is a long-term political commitment by Member States and the Commission to increase the focus on the role of energy in poverty alleviation and sustainable development, as well as facilitating the achievement of the MDGs.
- The Johannesburg Renewable Energy Coalition. A coalition of 88 governments is cooperating to substantially increase the global share of renewable energy through the market on the basis of ambitious time-bound targets and regular reviews of progress and using the results of collaborative research.

Sustainable Development (JPoI)

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

Governance (JPoI and the UN Millennium Summit Review)

- Adopt new measures to consolidate institutional arrangements for sustainable development at international, regional and national levels.

- Agreement to explore the possibility of a more coherent institutional framework to allow more efficient environmental governance within the UN system.

Research: the EU Framework Programmes for Research (FP6 and FP7)

The new framework programme for 2007 - 2013 will support relevant research, and provide background for "knowledge-based approaches". Research co-operation with 3rd countries would be an important contribution to capacity building and awareness-raising. Projects will address progress in areas of primordial importance for this strategy, as e.g., environmental monitoring and technologies, renewable energies and their resource mapping, sustainable transport, etc. Results from past international research collaborations are already available based on the mobilisation of hundreds of competent teams from Europe and partner countries and regional in other parts of the world.

EU Strategy for Africa

- Proposes to build an environmentally sustainable future by managing environmental diversity (forestry, fisheries and water), combating desertification, supporting the sound management of chemicals and countering the effects of climate change, including by supporting the environment observatory initiative "AMESD⁴⁹". The strategy also proposes to establish an EU-Africa Partnership for Infrastructure to support programmes that facilitate interconnectivity at continental level and promote regional integration covering energy, water, transport and electronic communications. In the energy domain, it will help develop cross-border and regional energy infrastructure, including enhanced exploitation of renewable and other sustainable local energy sources and services.

EU Strategy for the Pacific

Proposes that one of the **central "blue-green" themes** for this enhanced cooperation should be to deal with the sustainable management of natural resources and to support Pacific ACP countries in their efforts to deal with the consequences of climate change, rising sea levels, diminishing fish stocks, coral bleaching, unsustainable logging, land degradation and increasing pollution and waste.

EU Strategy for the Caribbean

Proposes to support actions to address environmental challenges and to build capacity in such areas as climate change, mitigation and adaptation, and sustainable natural resource management. The EU will share its experience in global environmental issues with Caribbean Partners, and also help to increase the region's capacity in Natural Disaster Management at all levels, with the emphasis on risk reduction, preparedness, early warning, prevention and mitigation. Specifically, rehabilitation, recovery and reconstruction require support through new and faster disbursing arrangements involving pre-committed funding.

EU Strategy for the area covered by the European Neighbourhood Policy

Identifies sustainable development as an overarching objective. The environment is one of the key priorities addressed in Action Plans with ENP partner countries to promote good environmental governance in partner countries, prevent environmental degradation and pollution, protect human health and achieve more rational use of natural resources. The Strategy also aims to enhance regional cooperation between the partner countries and promote the ratification and implementation of international agreements.

⁴⁹

EU Strategy for Central Asia

-Identifies the environment as a key component of regional cooperation including through participation in relevant ENPI East regional initiatives; it targets improved and sustainable management of natural resources, particularly water and cross-border water bodies, forests, mountainous areas and other natural areas, climate change adaptation, and reducing the potential impact of natural disasters. Increased awareness and participation of civil society in decision-making on these issues is a built-in element of the Strategy.

EU Strategy for Asia

-Aims to build partnerships and alliances with Asian countries to address global, regional and local environmental challenges, working together in international forums to maximise our joint efforts in relation to climate change and the deterioration of the global commons, and supporting efforts to promote sustainable resource management and to address urban and industrial environmental problems. It also emphasises the need to integrate environmental considerations into all areas of bilateral and inter-regional cooperation, including scientific and technological cooperation efforts.

EU Strategy for Latin-America

- Considering that long-term prosperity is largely dependent on the good management of natural resources and the ability to ensure sustainable economic development, the Strategy promotes effective sectoral dialogue on the environmental aspects of sustainable development connected to other sustainability dimensions and encourages in-depth discussions in international bodies, particularly on climate change. Moreover, in the context of geographical cooperation for Latin America and Asia, the new Development Cooperation Instrument provides for the promotion of sustainable development in all its dimensions, with particular emphasis on the protection of forests and biodiversity and will seek complementarity to research cooperation.

ANNEX 3: COOPERATION WITH OTHER DONORS AND ORGANISATIONS

The section below gives an (non-exhaustive) overview of relevant activities of other donors and organisations with which the Commission cooperates, or can cooperate to achieve the objectives of the programme.

The World Bank is a key player in the international environmental arena, providing intellectual guidance and as a major financier of environmental activities through its Environment Strategy, which emphasises three objectives: improving the quality of life, improving the quality of growth and protecting the quality of the regional and global commons.

UNDP, in partnership with UNEP, is particularly active in strengthening developing countries' capacity to address environment and natural resources challenges at global, national and community levels, seeking out and sharing best practices, providing innovative policy advice and linking partners through pilot projects that help poor people build sustainable livelihoods. Possible areas of cooperation include capacity building, and integration of poverty and environment into PRSPs. UNEP itself has an advocacy role for the environment throughout the UN system and coordinates work on environmental monitoring, improving scientific knowledge, promoting the development of international environmental law and championing cleaner production and consumption. The UN family has also been instrumental in the successful implementation of the Montreal Protocol, which was designed to protect the stratospheric ozone layer. Other international organisations and MDBs with which the EC could usefully cooperate in the areas of the ENRTP include ADB, UNFF, OECD, IFCS, and FAO.

The IPCC (International Panel on Climate Change) and the Millennium Ecosystem Assessment both have vital roles in providing a common international understanding and global scientific consensus on climate change, impacts, adaptation and mitigation strategies and on the implications of biodiversity degradation and loss. Strengthening the existing co-operation with both and facilitating their work and the effective dissemination of their reports to policy makers will be increasingly important for many MEAs and for a broad range of related regional, national and international decisions.

To help achieve the MDGs as well as preventing forests from shrinking and carbon dioxide levels from rising, DFID is working with governments in the developing world to reduce illegal logging and improve poorer communities' access to water, sanitation and good quality, affordable housing. Important areas of cooperation with DFID include FLEGT, and poverty and the environment.

Germany - GTZ aims to help improve living conditions in developing countries through better management of infrastructure - energy, water, waste and transport. Responsible use of natural resources, environmental protection, pollution abatement and targeted environmental management are key conditions for sustainable development. GTZ is also managing the PDF, a facility for upstream policy dialogue under the framework of the EUEI.

Sweden - Sida gives support to projects promoting the environmentally sustainable and productive use of natural resources. Sweden is one of the most forceful drivers behind elevating the environment on the international agenda, and is an active and dedicated participant in international environmental work and in the global environmental debate.

IUCN, the World Conservation Union, endeavours to influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable. IUCN membership is made up of States, Government Agencies and NGOs. EU and IUCN work actively together in the area of biodiversity, with respect to the objective of halting biodiversity loss by 2010.

IIED, the International Institute for Environment and Development, and IISD, the International Institute for Sustainable Development are both Non-Governmental organisations that work in the area of international policy research IISD through innovation, partnerships, research and communications and which have particular strength in bringing north-south partners together to create platforms for discussing sustainable development.

WRI's strength is to focus on key issues at the intersection of economic development, governance, and natural resources and the environment, necessary to reverse ecosystem degradation, protect the global climate system, and guarantee public involvement in decision-making and access to information and justice. WRI works at multiple scales and with multiple partners, from the community to intergovernmental bodies. Cooperation with WRI could therefore include implementing change through policy reform, the harnessing of markets and enterprise for economic growth and environmental protection, building capacity and strengthening civil society, improving environmental and natural resource data, monitoring and assessment, and turning our information and policy analysis into measurable change.

In the area of energy the EC maintains regular cooperation activities, among others, with OPEC, mainly on oil market and price developments, energy policies and technologies; with the International Energy Agency (IEA) within its Governing Board meetings representing the EU's interests, mainly in the sectors of oil markets, emergency preparedness, R&D and relations with countries which are not members of the IEA; with the UN Commission on sustainable development, by contributing to energy for sustainable development in order to achieve the Millennium Development Goal of poverty eradication and to ensure policy coherence; with the G8, contributing, for example, to the G8 Action Plan on climate change, clean energy and sustainable development; with the European Bank for Reconstruction and Development on EBRD projects in the energy sector; with the European Investment Bank, cooperating on projects in particular in the sectors of gas, energy efficiency and renewable energy; with the World Bank, by way of a regular exchange of information and in order to mobilise the World Bank to finance energy projects which are in line with EU priorities, e.g. the Global Gas Flaring Reduction Partnership. In the context of the European Neighbourhood Policy, the EC plays a key role both in the Energy Community Treaty, which promotes the integration and the extension of the internal energy market to SE Europe, and in the Baku Initiative, which provides the follow-up to the Ministerial conference on energy cooperation between the EU, the Caspian Littoral States and their neighbouring countries, with the overall objective of facilitating gradual integration between the respective markets and the EU market, including all related aspects. The EU is also active in the energy sector as part of the Barcelona process through a Euro-Mediterranean Energy Partnership designed to create a fully interconnected and integrated Euro-Mediterranean energy market.

Important and active bilateral cooperation mechanisms in the energy context have been established with Russia, USA, China and India, among others, which also cover the aspect of sustainable development. Energy cooperation mechanisms with other important global energy-producing and consuming partners are under preparation, such as with Brazil via an energy dialogue and the African Union via the EU-Africa infrastructure partnership.

ANNEX 4: MATRIX FOR PROGRAMME IMPLEMENTATION UNDER THE THEMATIC STRATEGY

			Indicative total 2007-2010
Priority	Activities	Performance Indicators proposed⁵⁰	Euro million
Priority 1: Working upstream on MDG7 to promote environmental sustainability			14.2
Capacity building for environmental integration in developing countries, supporting civil society stakeholders, environmental monitoring and assessment, and innovative approaches	This could include working through partnerships with key organisations on poverty-environment linkages, as well as targeted calls for proposals for actions with civil society, including twinning. Similarly, working with specialised organisations to improve availability, quality and quantity of data and indicators, and also, to a limited extent, restricted calls for proposals targeting specific areas such as the environment in budget support, environmental fiscal reform, and innovative market-based policy instruments.	Increase in number and quality of country and regional programmes for 2010 – 13 that address MDG 7 issues. NB requires baseline analysis of 2007 – 2010 programmes.	14.2
Priority 2: Promoting implementation of EU initiatives and internationally agreed commitments			273.8
EU Water Initiative ⁵¹ + EU Energy Initiative core costs	Provide the basic capacity building and analytical work, coordination, management, monitoring and assessment for the two initiatives and support stakeholder involvement. Work will include analytical studies, cooperation with international organisations, seminars, workshops, information activities, publications, web information and other outreach activities, both in Europe and in partner countries/regions.	Analytical studies completed and disseminated. Seminars completed with relevant participation and output. Policy dialogue meetings in Europe and partner countries/regions completed, resulting in growing involvement of partners and stakeholders. Publication, web information and other information activities distributed and completed.	9.2
Forest Law Enforcement, Governance and Trade	Support for implementation of voluntary partnership agreements (VPAs); fund activities which underpin the development of VPAs, such as regional FLEG processes, dialogue with developing countries, lesson learning between countries and regions, policy analysis; support for NGO and private sector initiatives which build the capacity of non-state actors to implement and monitor the VPAs. Support for forest governance reforms where VPA inappropriate instrument, but where political commitment to governance reforms is strong; such as commitments made at regional FLEGs, as well as actions to address forest governance challenges	Increased press coverage of VPAs. Percentage of European trade federations (and the quantum of their trade with developing countries) committed to FLEGT/ CSR on illegal logging. Number of national processes supporting wide stakeholder engagement. Proportion of planned partnerships that are signed and total finance leveraged	34.8

⁵⁰ N.B. these are, for some cases, only outline indicators. A more refined set of indicators will be derived as part of programming for each Annual Action Plan

⁵¹ Its four components are: Eastern Europe, Caucasus and Central Asia; Mediterranean; Latin America and Africa

	following conflict.	to support them. Number of dialogues held. Processes established to support forest governance reform under FLEG in countries without strong EU trade. Number of activities supported to improve forest governance post-conflict. Increase in number and quality of country and regional programmes for 2010 – 13 that address forest issues	
Implementation of the EU Action Plan on Climate Change in Development	Actions to raise the policy profile of climate change, develop capacity, and support the implementation of climate change partnerships. Pilot actions to support adaptation, mitigation and low GHG development paths and the effective development and deployment of environmentally sound technologies. Actions will be implemented through partnerships with key organisations, plus, where appropriate, direct contributions to multi-donor trust funds to implement actions provided for under the Action Plan. Restricted calls for proposals targeting specific areas of the Action Plan will also be used, including involve civil society involvement.	Effective implementation of the Action Plan's strategic priorities and specific actions, and implementation of the actions with developing countries and emerging economies specified in the Communication on Winning the Battle against Global Climate Change. Increase in number and quality of country and regional programmes for 2010 – 13 that address climate change issues.	23.3
Support for Global Climate Policy Alliance,	Actions to enhance the cooperation between the EU and developing countries on climate change	Effective implementation of the Global Climate Policy Alliance	50
Biodiversity and bio-safety, EU Biodiversity Action Plan for Economic and Development Cooperation and the external component of the EU Biodiversity Action Plan to 2010 and Beyond	Actions will be implemented through targeted calls for proposals, direct agreements, direct contributions to multi-donor trust funds as well as tenders for services. Actions may include capacity building, monitoring and trends assessment, awareness raising, strategic support for mainstreaming biodiversity and implementation of regional/sub-regional national biodiversity action plans, information analysis and monitoring, and the set-up of a small grants programme in support of community, civil society and indigenous people's initiatives in developing countries. Study on the feasibility of implementing the Court of Auditor's call for much longer-term EU funding for biodiversity projects.	Increase in number and quality of country and regional programmes for 2010 – 13 that address biodiversity issues.	30.6
Priority actions identified under the UNCCD	The Programme will focus, inter alia, on actions relating to: - Governance of natural resources, particularly land; land tenure policy/reform and land conflicts; mainstreaming of drylands issues with emphasis on integration of sustainable land management into national development planning frameworks. - Promotion of innovative and alternative sustainable land practices and livelihoods. - Promotion of sustainable management of pastoral lands in developing countries - If agreement is reached on the UNCCD reform process, support could be given to its implementation. - Initiatives to improve land degradation assessment	In selected countries: Trends in percentage of productive agricultural land. Ratio of nutrient loss/nutrient application (soil nutrient balance); percentage loss of organic matter. Farmers using soil conservation/land management practices, priorities for Sustainable Land Management (SLM)	17.7

	<p>in support to UNCCD operations and their scientific grounds.</p> <p>The emphasis for these actions will be laid on local-level initiatives, including capacity building of the various stakeholders.</p> <p>Actions will be implemented through calls for proposals, targeted approaches, direct contributions to trust funds and tenders for services.</p>	<p>in national development planning, etc., percentage of national budget for SLM. Number of PRSPs/post-2010 CSPs for relevant countries incorporating support for people in drylands as a specific issue.</p>	
Forests	<p>The programme will support activities that influence national, regional or international policy development affecting forests and promote lesson learning between decision-makers.</p> <p>The specific thematic priorities will be established annually and will stress synergies across countries and regions. Activities may include: actions on sustainable forest management conserving forest biodiversity and combating deforestation; on local and indigenous people's rights; that encourage private sector investment in SFM; that develop innovative finance strategies and fiscal policies, capacity building, monitoring of resources and trends.</p>	<p>Forest policy dialogues influenced and new policies adopted.</p> <p>Strategies and national planning processes incorporating forest management and conservation objectives and new fiscal policies.</p> <p>Numbers of workshops and seminars sharing results across regions.</p> <p>Research results utilised for policy dialogues and practical implementation.</p>	71.8
Compliance with environmental standards (for products and production processes)	<p>Assistance to help producers in developing countries/regions to comply with environmental requirements will be mobilised through targeted approaches.</p>	<p>Number of environmental standards made more operational, and number of countries where this applies.</p>	2.6
Fisheries and Marine/coastal Resources	<p>Activities could include sector analyses and strategy developments for fisheries governance and sustainable management of fisheries at regional scale including initiations of ecosystem approach, capacity building and awareness raising and promoting international collaboration through contributions to global and regional organisations.</p>	<p>Number of capacity building and awareness raising activities, number of ecosystems approaches to fisheries management initiated.</p>	6.4
Chemicals, waste, sustainable consumption	<p>Activities will focus on the implementation of international action plans aimed at making the link between sound chemicals and waste management and poverty eradication and helping developing countries and emerging economies to implement sustainable production and consumption (SCP) patterns.</p> <p>Activities will be undertaken both through calls for proposals and through direct agreements with the respective Secretariats and recognised international processes.</p>	<p>Number of SCP events held. Progress recorded on sound chemicals management by the next International Conference on Chemicals Management</p> <p>Increase in number and quality of CSPs and RSPs for 2010 – 13 that address chemicals, wastes and sustainable production and consumption issues</p>	15.1
Climate change and Biodiversity in ENPI regions	<p>Activities will be in support of the joint Action Plans, where relevant. Support to promote convergence of climate policies with those of the EU, including transposition and implementation of climate-related <i>acquis</i> and commitments. Particular attention will also be devoted to actions related to climate change mitigation and adaptation, which have links with water quality and supply in the region. Support for regional activities and pilot field projects to implement agreed CBD programmes for the main ecosystems, particularly marine.</p>	<p>Degree of implementation of climate change commitments.</p> <p>Degree of implementation of CBD programmes for the main ecosystems.</p>	12.3 from ENPI ring-fenced funding
Priority 3: Improving expertise for integration and coherence			8.2

Practical approaches to poverty and the environment under new forms of aid delivery (budget support). Integration/deconcentration, and coordination with other policies, including research	Actions will include the provision of an environment helpdesk, studies, etc., and support for improving donor and EU policy coordination.	Environment helpdesk in place, number of studies carried out, number of new approaches applied in practice.	
Priority 4: Strengthening environmental governance and EU leadership			38.5
	Support will generally be provided through direct grants or joint management. Partnership agreements may be established with international organisations and Secretariats of the 3 Rio Conventions. Limited calls for proposals will be appropriate where there are several sources of expertise, for example in the case of support for civil society and think tanks. Support for consensus building with key negotiating partners and greater involvement of developing countries will be through direct agreements or service contracts	Establishment of strategic partnerships with defined objectives with key international organisations. Proportion of decisions in multilateral processes that are in line with EU objectives	
Priority 5: Support for sustainable energy options in partner countries and regions, and GEEREF			115.4
	Actions may include (i) calls for tender and direct agreements with international organisations, and (ii) calls for proposals which address, on the one hand, support for <i>energy policies, legislation and market conditions for alleviating poverty in developing countries</i> , and, on the other hand, <i>sustainable energy policy and regulatory convergence in neighbour and partner countries</i> , designed to strengthen their administrative capacity for developing strategies and policies on sustainable energy.	Increased number of GGFR partners; reduced flaring and increased local use of gas. Representation in EITI committees; transparent disclosure of payments and revenues; participation in international partnerships and organisations; number of studies, networks, measures. Increase in the purchase and use of sustainable energy; number and results of training and capacity building activities, number of people trained; number of relevant energy planning and regulation initiatives; number of energy plans developed; number of studies; number and kind of new investments.	27.2 (DCI). 13.2 (ENPI)
(GEEREF)	Pooling of public and private funds through an innovative public-private partnership; offering new risk sharing and co-funding options for various investors; actively engaging in the creation and funding of regional sub-funds; creating affordable risk capital; supporting renewable energy and energy efficiency projects and SMEs.	Amount of private capital mobilised, number of renewable energy investments financed; energy delivered; people served.	75.0
Current ENRTP allocation for 2007-2010, excluding expenditure on administrative management			450.1