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Directorate-General Development and Relations with African, Caribbean and Pacific States

ENVIRONMENT AND NATURAL RESOURCES THEMATIC PROGRAMME

2011-2013 STRATEGY PAPER & MULTIANNUAL INDICATIVE PROGRAMME

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EXECUTIVE SUMMARY

This Strategy, covering implementation of the EN RTP for the period 2011-2013, builds on the 2007-2010 Strategy (Decision C/2007/2572) and the mid-term review that was carried out in 2009¹. The indicative amount available for the period 2011-2013 is approximately €517 million, a considerable increase on the €404 million initially envisaged. This 28% addition relates to new initiatives for climate change, with multi-annual implications, announced by the Commission in 2009 and in the 2011 draft budget.

Reflecting the recommendations from the mid-term review, the new Strategy is centred around better structured environmental and natural resource management issues. This improved structure will help to achieve more synergy between the different objectives, tie in the Annual Action Programmes with the Strategy, and also allow the development of a more robust monitoring and evaluation system.

The Strategy addresses several problems which have a profound effect on social and economic development, particularly on the lives of poor people, including climate change, rapidly degrading ecosystems, poor global environmental governance and lack of access to and security of energy supply. It contributes to achieving all the MDGs, by promoting environmental sustainability, protecting human health and boosting resilience to climate change, as well as creating conditions for sustainable food and energy security.

The EU policy priorities to be addressed through the revised Strategy are: 1) to help partner countries, in particular the most vulnerable ones, to adapt to the impacts of climate change; support the development of mitigation actions, including on Reducing Emissions from Deforestation and Forest Degradation (REDD+), and key implementing tools²; promote the conclusion of an ambitious and global climate agreement; and provide a framework for supply of sustainable energy in developing countries; 2) to support sustainable management of natural resources with a focus on forest governance through implementation of the Forest Law Enforcement Governance and Trade (FLEGT) Action Plan and the EU's forthcoming Biodiversity Strategy³ as well as to reduce the ecological footprint of the growing population and protect human health by promoting the green economy; and 3) to implement the international environmental and climate dimension of the EU's 2020 vision.

Separate allocations for external promotion of the EU's environment and climate policies are kept as this is different from the development-oriented environment and energy work. In order to achieve more efficient handling of the different, relatively small activities implemented through international organisations, the Commission may decide to set up bilateral cooperation agreements with those organisations that can offer a clear comparative advantage.

¹ The mid term review included an evaluation carried out by a team of external evaluators.

² e.g. low emission development strategies, market readiness mechanisms, Monitoring, Reporting and Verification [MRV].

³ to be developed in 2010.

PART A. Thematic Strategy

1. INTRODUCTION

The overall objective of the Environment and Natural Resources Thematic Programme(ENRTP) as set out in Article 13 of the Development Cooperation Instrument (DCI) Regulation is ‘to integrate environmental protection requirements and climate change action into the Community’s development and other external policies as well as to help promote the Community’s environmental, climate and energy policies abroad in the common interest of the Community and partner countries and regions’.

The ENRTP thus aims at contributing to halting unsustainable use and degradation of the planet’s key ecosystems (particularly affecting people living in developing countries and emerging economies), combating climate change, utilising the strengthened external role of the EU in reaching ambitious environmental and climate agreements, and helping to secure sustainable energy supplies in developing countries. A healthy environment and sound management of natural resources are crucial for lasting poverty reduction and achievement of the Millennium Development Goals (MDGs), while strong international environmental governance is required to reinforce the sustainability of global development. A key aspect of the ENRTP is therefore to contribute to achieving the MDGs by promoting environmental sustainability, including boosting resilience to climate change, fostering greener growth, protecting human health and the environment from hazardous substances, and creating conditions for sustainable food security. The ENRTP will also be fundamental to implementation of the forthcoming actions on Climate Change and Development and the new Biodiversity Strategy post-2010⁴.

The January 2006 Communication on the ‘Thematic Programme for Environment and sustainable management of Natural Resources, including Energy’ proposed a new approach to the environmental dimension of development and other external policies as well as to help promote the EU’s environmental, climate and energy policies abroad⁵. The 2007-2010 ENRTP incorporated other programmes on tropical forests, the environment⁶, international environmental processes⁷ and energy⁸.

The existence of a distinct environmental programme at EU level complementing geographic programmes is important in countering sub-optimal spending on environment which results from a tendency of partner governments to give lower priority to sustainability concerns in their requests for support because the costs of inaction are not sufficiently understood. The ENRTP is intended to provide seed money that will lead to better integration of environment in other EU-funded cooperation programmes. The importance of this programme has been recognised by the Member States, some of which have provided additional resources for it.

The DCI Regulation of December 2006 (Article.13(2)) described five areas of activity for the ENRTP focusing on capacity building, field action in support of EU initiatives and

⁴ In preparation in 2010.

⁵ COM(2006) 20.

⁶ Budget line for tropical forests and the environment in developing countries.

⁷ LIFE-Third Countries Programme and a small international environment policy programme.

⁸ Intelligent Energy – ‘COOPENER’.

international processes, policy development, governance and energy. The Strategy outlined here will shape the ENRTP from 2011 to 2013, drawing lessons from experience and taking on board new environmental challenges.

2. ANALYSIS OF INTERNATIONAL SITUATION, EU POLICY FRAMEWORK, NEEDS AND OTHER DONORS' ACTIVITIES

2.1. Analysis of the thematic area and perspectives

Environmental degradation undermines current and future development achievements⁹. Poor people depending directly on a wide range of natural resources and ecosystem services for their livelihoods are often the most affected by unclean water, indoor air pollution¹⁰, and exposure to toxic chemicals; they are also more vulnerable to environmental hazards (such as floods, droughts, and attacks by crop pests) and environment-related conflict. By increasing pressure on natural resources the current global economic crisis poses an additional challenge to poor countries, with possibly very negative long-term effects. These poverty-environment linkages must be addressed as a core element of efforts to eradicate poverty and to ensure better protection and management of the global commons. Similarly, rapid growth in emerging economies is increasing the need to use resources efficiently and address the increasing health impact of pollution (both local and global).

Climate change has placed the environment at the centre of international debate; it has attracted widespread public attention and, as it challenges development models, it is changing geo-political balances. In every country environmental issues are now discussed as major aspects of development policy and are raised as a concern by all stakeholders. The United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties, which is negotiating the future climate agreement, is at the core of this process. Following the Copenhagen Accord adopted in December 2009, a growing number of developing countries are now signalling their determination to take action, which needs to be supported. There is general agreement that more resources are needed to tackle climate change and a Fast Start Programme (2010-2012) was agreed in Copenhagen, to which the EU and its Member States have agreed to provide on average €2.4 billion annually from 2010 to 2012 (€7.2 billion over three years), including €50 million in additional Commission support each year¹¹. The contribution from the EU budget to the European pledge of € 7,2 billion will be entirely covered by this programme and pertinent budget article 21 04 01. The €517 million currently foreseen in the Financial Programming for the period 2011 to 2013 contain the 2011 tranche of the pledge (included in the Draft Budget 2011, subject only to final adoption of 2011 budget) but not so far the 2012 tranche which has not yet been included in the Programming and is still to be secured in the 2012 budgetary process.

Innovative policies and measures are needed to help partner countries adapt to climate change, build capacity for all climate-related actions, monitor the results and adopt low

⁹ [GEO4, page 36](#).

¹⁰ Cooking and heating with solid fuels on open fires or traditional stoves results in high levels of indoor air pollution. Indoor smoke contains a range of health-damaging pollutants, responsible for 2.7% of the global burden of disease (<http://www.who.int/indoorair/en/>).

¹¹ This funding will include support for adaptation, mitigation including forestry, and capacity building, with a special emphasis on vulnerable and least developed countries.

emission development paths. Similarly, developing countries need support to build the capacity and establish the policies that provide effective incentives to reduce emissions by limiting deforestation and forest degradation (REDD), thus readying them to benefit from the opportunities of future REDD financial mechanisms. The ENRTP can lay the groundwork by supporting pilot actions that can be scaled up through geographic programmes fostering developing countries' adaptation actions in relevant sectors such as agriculture, health, water, forest management, etc. This is particularly necessary for vulnerable countries, such as Small Island Developing States (SIDS) and Least Developing Countries (LDCs).

Another key element consists in giving support to emerging countries in their mitigation efforts through greater energy efficiency and increased use of renewable energy sources. This support is closely linked to the objective of increased energy security and access to sustainable and affordable energy services. Worldwide, more than 2.4 billion people rely today on traditional biomass for cooking and 1.6 billion people do not have access to electricity. This situation entrenches poverty, constrains the delivery of social services, limits opportunities for women and children, and erodes environmental sustainability at local, national and global levels. The impact on environment and climate will only increase as more and more people demand access to energy sources. Access to modern energy services in many developing countries falls far short of needs and the poor, in particular women and children, are the most affected, having to spend a high proportion of their income on inadequate services. Better access to energy must be financially and environmentally sustainable, and consistent with climate change policies.

Another important challenge is to ensure the long-term sustainable management of ecosystems and biodiversity. 2010 is the international year of biodiversity, and renewed global commitments for protecting biodiversity and post-2010 global targets are expected to come out of the Biodiversity Convention meeting in Nagoya, Japan. These will form the basis of the post 2010 EU Biodiversity Strategy which will include an emphasis on developing countries where many of the world's areas of mega-biodiversity are located. A study on The Economics of Ecosystems and Biodiversity (TEEB)¹² shows that the growing costs of biodiversity loss and ecosystem degradation risk thwarting development efforts. TEEB points to the urgent need to ensure that these costs are reflected in economic planning in developing countries. Furthermore, sustainable management of traded natural resources is key to ensuring long-term revenues from these resources, and developing countries often see support for this as essential to agreeing on new international commitments on trade and biodiversity.

Forest loss is not only responsible for around 20% of global CO₂ emissions; it is also a major cause of the current unprecedented loss of biodiversity, since tropical forests constitute the most bio-diverse terrestrial ecosystem. Their conservation will be the subject of special attention in 2011, the UN Year of Forests. A key driver of forest loss is poor governance and failure to look beyond the trees. REDD cannot be achieved without substantial investment in establishing good governance in the forest and related sectors, and this has put the achievements of the EU FLEGT Action Plan in a new light. There is growing appreciation by developing countries that FLEGT Voluntary Partnership Agreements (VPAs) help to secure the forest governance improvements that are crucial to positive outcomes of the REDD+ process. The new regulation laying down the obligations

¹² Involving UNEP, the German Government and the Commission through the ENRTP.

of operators who place timber products on the EU market¹³ will increase the incentive for developing country exporters to reach VPAs with the EU.

Desertification and land degradation are linked to climate change. Assessment of adaptation strategies in developing countries show that investment in sustainable land use is an indispensable pillar of resilience building and needs to be better integrated in adaptation strategies. Land use change and land degradation (not limited to drylands) are significantly responsible for global emissions of greenhouse gases. Desertification itself causes a loss of biodiversity that complicates the risk management strategies of poor people in marginal lands. The main international instrument on this issue, the Desertification Convention, is going through a reform process to make it more operational and responsive to developing countries' needs.

Comparable to the TEEB study, a state of the art analysis "The Economics of Desertification, Land Degradation and Drought (E-DLDD)" is underway¹⁴. Preliminary results underline the economic costs of land degradation and point out the need for a broader initiative on the economics of land degradation.

Greater awareness of environmental problems, growing resource use in emerging economies often based on imported raw materials and accompanied by high pollution levels, and ever-growing population pressure has sharpened the focus on green economic growth and on strategies promoting resource efficiency including sustainable consumption/production patterns, turning waste into resources and reducing pollution at all stages of economic development. The Rio+20 Summit in 2012 will be an opportunity to disseminate examples of innovative policies and practices.

Water is a primary medium through which climate change influences the Earth's ecosystems and people's livelihoods. Already, developing countries are experiencing water-related climate change impacts and extraction for agriculture in particular is affecting water needs for healthy natural ecosystems on which the poor depend. Better water management requires a policy shift and significant investment. Green, ecologically efficient agriculture, water management, and cleaner production technologies offer both financially and ecologically profitable opportunities. While the ENRTP is not suitable for implementing water projects in the field, it can provide catalytic resources for promoting integrated water management and river basin based approaches.

2.2. The EU's evolving external policy and role in international cooperation

The Lisbon Treaty has strengthened the EU's international role, putting further emphasis on the need for the EU to speak with one voice. The EU coordinates intensively in developing external environment and climate policies and in negotiations on them. However, coordination on the provision of resources to back the policy ambitions still needs to be improved. As the climate negotiations show, the world is increasingly looking to the EU and its Member States' collective action to help developing countries participate in and implement environmental agreements. The visibility of the EU's total contribution is becoming politically crucial and increases the need for coordination. The ENRTP has an

¹³ Adopted by the Council in October 2010.

¹⁴ Involving UNCCD, the German Government and IFPRI; to be ready by the end of 2010

important role to play in this as it is the only internationally recognised EU environment cooperation instrument¹⁵.

The EU aims to foster cooperation and coordination within the donor community at various levels, with a view to policy harmonisation and alignment according to the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. International platforms for donor coordination include the Multilateral Environment Agreements (MEAs) where the EU is always united in negotiating but has not always cooperated closely in ensuring a coherent and effective contribution for implementation (of these instruments). These MEAs place obligations on developing countries, but also contain commitments by developed Parties to provide financial and technical support for implementation. Subject to agreement between Member States to apply division of labour principles to bilateral resources for similar purposes, the ENRTP could provide a solid basis for building a more visible European approach with respect to funding MEAs. Where appropriate, it would also allow the EU to develop a coherent strategy to working alongside the GEF and the Montreal Fund in their roles as the funding mechanisms of particular instruments. .

2.3. The EU's evolving environment, climate and development agendas

Having regard to the wishes and priorities of developing countries, the EU Parliament, the Council and other EU stakeholders, the ENRTP will help to drive and shape the EU environment, climate and development policy agendas, reflecting the broader vision and priorities set out in the EU Consensus on Development¹⁶ as well as the need to implement the external dimension of the EU's environment and climate policies. In this context it is worth noting that the European Parliament finds the ENRTP a very useful but under-funded instrument. In particular, the Parliament has drawn attention to the need for more funding for climate change adaptation measures as well as for renewable energy-related actions. It seems likely that the adoption of a new post-2010 Biodiversity Strategy will further increase the pressure for more resources.

EU external environment and climate policies have matured and become much more important in the EU's dialogues with its strategic partners over the period since the ENRTP was originally proposed.

In the field of climate change, new partnerships between developed (including EU Member States) and developing countries have emerged, in parallel to the UNFCCC negotiations, on various substantive issues such as adaptation, Measurement, Reporting and Verification (MRV), REDD+, representing alternative means of seeking convergence. Climate change is an important component of dialogues with all emerging economies and developing countries, and the EU is ever mindful of the goal of limiting the increase in average global temperature to maximum 2°C compared to pre-industrial levels, and therefore of taking action in that direction. Reaching agreements under the UNFCCC entails building alliances and offering tangible support to countries at very different levels of development. The Global Climate Change Alliance is already producing benefits in terms of greater mutual understanding between the EU and the poorest and most vulnerable countries which need support in devising adaptation policies and actions.

¹⁵ For the period from 2007 to 2010 inclusive, ENRTP commitments will be approximately equal to 40 % of Member States' total pledges to both the GEF and the MLF over the period from mid 2006 to mid 2010.

¹⁶ Conservation and sustainable management of natural resources is a focal area of the European Consensus

The EN RTP also plays an important role in promoting Policy Coherence for Development, for example by contributing to the forthcoming work on Climate Change and Development and the new Biodiversity Strategy post-2010.

Commitments by emerging economies to limit greenhouse gas emissions to below business-as-usual levels are fundamental to the prospects of reaching the climate target. Their emissions commitments need to be monitored, reported and verified. This is a challenging task requiring continued capacity-building support and one where EN RTP assistance should provide methodological guidance and encourage political willingness on the part of those countries. The EU is looking at ways to help partners put in place National Appropriate Mitigation Actions (NAMAs) and support the design of Low Emissions Development Strategies (LEDS). Such support could be of particular importance in middle income countries (e.g. in Latin America, Eastern Europe, Central Asia and West Asia), which rely on these actions to truly embark on a low emissions sustainable development. . The EU is also putting in place an ambitious energy policy in which energy security, renewable energy and energy efficiency play an important role. This expertise can be harnessed to make the energy consumed by developing countries more secure and sustainable. Under the Joint Africa-EU Strategy (JAES)¹⁷, the EU has deepened political dialogue and cooperation with the African Union in the areas of climate change and energy. The Asia-Europe Meeting (ASEM) allows dialogue among the leaders on how to deal with global challenges and the future of Asia-Europe co-operation for sustainable development, focusing – among other issues – on climate change and low-carbon development.¹⁸

The 2010 global biodiversity target is far off track and the EU is well aware of the need for the TEEB report mentioned above to become a wake-up call similar to the Stern Report on Climate Change. The EU has taken the lead in calling for the adoption of new ambitious post-2010 targets but this will only be possible if developing countries are convinced that the EU is equally committed to providing resources to help meet them.

Achieving the EU's objective of halving deforestation by 2020 at the latest and reversing global forest loss by 2030 requires scaled-up support to developing countries to act against deforestation, monitor results and prepare for implementation of the REDD¹⁹ incentive scheme under negotiation in the UNFCCC. The EU also has a particular role to play in relation to forests, given the rising demand for support on FLEGT and for VPAs noted above. The EU has also taken a lead in calling for marine protected areas since the state of knowledge and conservation efforts in the seas lag well behind those on land.

Resource efficiency is one of the key strands of Europe 2020 and has a strong international dimension. Globalisation has given emerging economies in particular an incentive to understand the working of EU environmental law and they often draw on our environmental standards. The chemicals industry is one of the world's largest and emerging economies are responsible for a big and growing share of the manufacture of bulk chemicals used by developing countries. It is thus all the more important to ensure that the MEAs related to chemicals and wastes are effectively implemented and to enable developing countries to understand the EU's REACH legislation on chemicals management and to access the information it is generating on chemical safety.

¹⁷ Taking into account the outcome of the next Africa-EU Summit meeting in Tripoli in November 2010.

¹⁸ Taking into account the outcome of the next 8th ASEM Summit in Brussels on 4 and 5 October 2010.

¹⁹ REDD: Reducing Emissions from Deforestation and Forest Degradation.

The fragmented nature of the current international environmental framework makes it difficult for all aid agencies to work with the different elements and incorporate agreed international environmental priorities into development strategies at country level. Too often there is competition rather than coordination between environmental organisations for the same inadequate pot of resources. Meeting MEA targets on climate, biodiversity and desertification often needs the same scope of measures on the ground, thus calling for a more synergistic view on the implementation of MEAs. The number of actors involved makes it more complicated for the EU to get its external policy understood and effectively implemented, and strengthening international environmental governance is thus another EU priority.

Following a Court of Auditors' Report²⁰ and Council recommendations²¹ on environmental integration in development cooperation, the Commission is committed to updating and strengthening the environment integration strategy. The ENRTP is an important tool both for testing approaches and for pilot actions that can be scaled up under geographical programmes.

2.4. Changing priorities and needs in partner countries

Developing countries often lack the human resources and the capacities to effectively participate in MEAs and fulfil their obligations²² or improve their management of the environment and natural resources. The EU has undertaken in MEAs to support partner countries in this respect, while development cooperation activities must be consistent with the strategies of partner countries. However, national environmental strategies of all kinds are frequently not updated, and ignored in the preparation of development strategies on which the allocation of development assistance is based. The EU therefore has a role in piloting environmental actions and introducing new ideas and approaches.

Over the past few years climate adaptation has become an essential priority for the global community, in particular for the Least Developed Countries (LDCs), Small Island Developing States (SIDS), and other vulnerable countries. Water resources management is also an increasing priority for developing countries to support progress towards MDG7 and the other MDGs. The conservation of biodiversity and ecosystems is not often seen as a priority by developing countries even though the most marginalised in society are often dependent on forest and marine resources and on access to a wide range of plants in drylands. The value of natural capital to economies and society has to be made much clearer in order to move to more targeted and cost-effective solutions²³.

Ratification of the first VPA in 2009 and successful conclusion of negotiations on two others have increased interest in the VPA and shown them to be an effective tool for leveraging change in a sector known for its governance challenges. The VPAs are tailor-made to national requirements: this explains their success, but of course means they remain complex and time-consuming to establish. Dialogue and negotiations are underway with

²⁰ <http://eca.europa.eu/portal/pls/portal/docs/1/173653.PDF>.

²¹ A 2009 review of the implementation of its environment integration strategy was discussed in the Council.

²² Being a party to an MEA falls under two main headings: participation in negotiations (preparation of positions that reflect the country's interests) and implementation of the basic provisions of the agreement and subsequent decisions by Conferences of the Parties.

²³ [The Economics of Ecosystems and Biodiversity](#).

several other countries in Africa, Asia and Latin America and the EU needs to prepare to work on a much larger scale.

Middle income countries need to be helped to achieve long-term environmentally sustainable economic development with an emphasis on good environmental governance and law enforcement, on lowering carbon use and on making their economies more environmentally friendly (greener) by reshaping, refocusing and enforcing policies, investments and spending in a range of sectors, such as clean technologies, renewable energies, water services, management of waste and chemicals, and sustainable agriculture and forest management. Relating to hazardous substances, there is also a need in many countries for inventories, strategies, legislation and capacity building.

In developing countries access to modern energy services is particularly limited in rural areas, where most of the population resides. Unsustainable use of conventional biomass for cooking and heating puts a strain on the environment, and indoor air pollution causes severe health problems²⁴, mainly affecting women and children. Volatility of fossil fuel prices and an enormous potential of renewable energy sources are also arguments in favour of renewable energy technologies and energy efficiency measures.

2.5. Coordination with other agencies

As noted in Section 2.2 coordination between donors is actively pursued at various levels, focusing on complementarity of donor actions, and division of labour between donors, aiming to concentrate EU action on a limited number of sectors. Some Member States contribute to the Global Climate Change Alliance (GCCA) and to the Global Energy Efficiency and Renewable Energy Fund (GEEREF). Several Member States make important contributions to climate change, FLEGT and biodiversity issues, using bilateral and multilateral channels. Donor coordination on FLEGT is facilitated by a dedicated working group and budget financing. Donor coordination for climate-related work in Africa mainly takes place through the Africa-EU Strategic Partnership on climate change. Energy interventions benefit from donor coordination under the EU Energy Initiative (EUEI) and the Africa-EU Energy Partnership. More needs to be done to share information on EU commitments to biodiversity and chemicals and wastes instruments. The Mid Term Review also points to the need for more coordination with international and bilateral donors, including at local level.

Important multilateral partners include the World Bank and the other Multilateral Development Banks, which are active in the area of climate change and forest issues, in particular through the Climate Investment Funds (CIF) and the Forest Carbon Partnership Facility (FCPF). Within the UN system, the UN Environment Programme (UNEP) is the most important partner for a wide range of environmental issues that are less fully tackled elsewhere and here again more effort is needed on sharing information on EU-wide support to UNEP. UNDP is also an important implementing partner in the field of climate change projects, in particular with regard to capacity building. The FAO is working together with the EU on FLEGT and forest matters. NGOs are particularly concerned with ensuring that developing country needs, with respect to climate change adaptation and forest governance issues (FLEGT), are adequately addressed, while many Non-governmental organisations (NGOs) have also formed global or regional networks to coordinate work on issues such as biodiversity or desertification.

²⁴ 1.4 million deaths annually (WHO).

3. OPERATIONS FINANCED IN THE PAST AND LESSONS LEARNED

3.1. Financial and project performance

The five activity areas of the DCI Regulation were reflected in the 2007-2010 Strategy:

1. Working upstream in assisting developing countries to achieve the MDG on environmental sustainability through capacity building for environmental integration;
2. Promoting implementation of EU initiatives and internationally agreed commitments;
3. Improving integration of environmental objectives and promoting coherence;
4. Strengthening environmental governance and supporting international policy development; and
5. Supporting sustainable energy options in partner countries and regions.

As shown in the table in annex 1, commitments over the period 2007-2010 have been broadly in line with the strategy multi-annual indicative programme. €90 million of additional funding has been provided for two initiatives, one of which was new to the ENRT, namely public/private partnerships for technology transfer in the area of climate change (Clean Coal Technologies including Carbon Capture and Storage (CCS), and Low Emission Development Strategies (LEDS)). The total budget allocated to the programme from 2007 to 2010 was € 537.8 million. This amount was increased with voluntary contributions of Member States (Czech Republic and Sweden).

Funds were not initially distributed between regions, although a fixed amount was allocated to the ENPI region. However, it is possible to verify ex-post the funds already allocated, as follows:

Actions on global scale	Sub Saharan Africa	Caribbean and Pacific	Asia (including central Asia)	Latin America	ENPI countries	Total
139,8	154,8	69,6	78,4	70,5	29,3	542,4
25,8%	28,5%	12,8%	14,5%	13,0%	5,4%	100,0%

3.2. Performance of the thematic programme 2007-2010

While most of the actions under the 2007-2010 Strategy are still ongoing, a number of them have already successfully contributed to its objectives. The FLEGT processes have progressed steadily with a number of VPAs concluded. Targeted projects in about 20 countries identified for GCCA financing since 2008 have brought climate change into the mainstream of discussions between EU delegations and those countries' governments. Furthermore, capacity building focused on monitoring, reporting and verification of greenhouse gas emissions; low-emission development strategies; REDD+; carbon market mechanisms; and technology cooperation in a wide range of developing countries in Africa, Latin America and Asia. The contribution to the UNEP/UNDP Poverty and Environment Initiative has started to yield concrete results in the integration of an environmental dimension in country development strategies. Rwanda and Malawi are successful examples. Thanks to support given to the Strategic Approach to International Chemicals Management, a number of countries have placed sound chemicals management higher up

their political agendas²⁵. Support for the UN International Panel on Sustainable Resource Management has produced some important policy recommendations on the green economy. Contribution to the UN Framework Convention on Climate Change enabled, for example, work on adaptation, technology cooperation and participation by least developed countries in the international climate negotiations. The Global Energy Efficiency and Renewable Energy Fund (GEEREF) which is a fund of funds provides financing to investment funds which in turn provide equity to the private sector for the promotion of investments in clean energy and has contributed to establishment of funds in three regions. Two different calls for proposals in 2007/8 and 2009/10 generated over 2000 concept notes, from which about 25% were invited to submit detailed proposals, while 136 were selected for eventual funding. For more details see Annex 2.

3.3. Lessons learned

The mid-term review of the 2007-2010 strategy, carried out in 2009, highlighted some of the strengths and weaknesses in the programming and implementation of the ENRTP and allowed some conclusions to be drawn (see annex 6). The evaluation found the ENRTP to be highly relevant and to have contributed directly to MDG7 on ensuring environmental sustainability and to MDG8 on global partnerships as well as indirectly to other MDGs such as poverty reduction and improved health.

The evaluation confirmed the ENRTP's flexibility in dealing with new issues and in initiating innovative approaches (for example GEEREF). It was also a unique vehicle for approaches that do not fit within the boundaries of the EU's geographic programmes and for global actions. However, there was scope to improve coherence among thematic programmes, particularly in addressing multi-disciplinary themes (for example the security/migration/climate nexus and climate/biodiversity/energy/food security). There was also a need to harmonise better the different objectives of the strategy and to limit the number of priorities and sub-priorities. Reflecting the recommendations from the Mid-Term Review, the new Strategy is centred around better structured environmental and natural resource management issues. However, this is not straightforward because the EU is active in most international environmental issues, and funding (not necessarily a lot) is needed to support policymaking and negotiations in an international context. Better monitoring of the programme is another area for improvement according to the MTR. More coherence between the different Annual Action Programmes and the Strategy needs to be promoted. The improved structure of the strategy built around fewer priorities will facilitate coherence. It will also allow the development of a more robust monitoring and evaluation system. Finally, more regular information exchange with the relevant international cooperation activities of the research framework programme was recommended

The two main methods of implementing the strategy are calls for proposals and targeted actions. Both are useful, but also display shortcomings. The call for proposals is a bottom-up procedure with the eligible partners being mainly NGOs, but also local governments and private sector organisations. The primary aim is to stimulate new and innovative ideas and to provide direct access to EU funds for local beneficiaries. The 2007/8 call was criticised for the low success rate (selected actions as percentage of the total number submitted) and

²⁵ For example a small study in Uganda has led to the realisation that the continued misuse of agricultural chemicals would produce nearly \$ 2 billion of environmental and health damage over 15 years

for being too wide and general in scope²⁶. In future calls should be geared towards promoting pilot activities (i.e. with the capacity to contribute to policy development and to influence policy debate at international or regional level based on experience from the ground), as well as on monitoring, and capitalising on lessons learned.

Targeted actions can pioneer new themes directly or through highly competent partners, including international organisations and NGOs that can claim exclusive expertise. They can be instrumental in implementing specific EU environmental policies/priorities and contributing to the development of multilateral environmental strategies considered important by the EU. Targeted actions can also contribute to joint initiatives through joint management in line with the Paris Declaration on aid effectiveness.

Geographic programmes and thematic programmes have different potentials and should be complementary. Article 11 of the DCI Regulation states that thematic programmes are subsidiary to geographic programmes, meaning that country and regional level environmental activities should in the first place be supported by geographic programmes. The thematic programmes are flexible and innovative instruments designed to support and test emerging policies in the field and as such inform the more classical forms of cooperation through geographic programmes. ENRTP funding at country/regional level should therefore primarily aim at pilot operations, involve different implementation partners (civil society, businesses, etc.), build the capacity of stakeholders, improve the environmental policy process and ensure that at a later stage these pilot activities will be properly assessed with a view to replicate them on a broader scale by the partner countries if proven to be successful.

One of the criticisms of the thematic strategies, including the ENRTP, concerns monitoring and the use of appropriate indicators which should be sufficiently clear and measurable, and readily available. It should be noted that because many activities take place in a context of complex environmental change at the same time as many other interventions, environmental indicators are often difficult to measure and attribute. It is generally not possible to attribute change in trends to a particular programme such as the ENRTP²⁷. However, efforts will be made to improve at project level the feedback from the field experiences financed under the thematic programme as well as to capture and group recommendations from the Result Oriented Monitoring (ROM) and from all the individual audit and evaluation reports which are required under individual actions. As for indicators, work connected with the recent replenishment of the Global Environment Facility provides some interesting examples of indicators linked to targets at the portfolio level under results-based management.²⁸

Dissemination of the action's progress reports must be improved, and achievements better communicated to stakeholders. The available guidelines must be reinforced tool to generate awareness in delegations and headquarters, thus requiring training to improve visibility and involvement. This is particularly relevant for pilot actions if they are to be scaled up. The FLEGT subtheme constitutes an exception to this. Coordination meetings bringing together

²⁶ For example, for the 2007-2008 call the success rate was 4% and there were 14 lots for the subthemes.

²⁷ A positive example of where a suitable indicator was identified in the 2007-2010 programme is the number of people trained and number of legislative initiatives implemented at national level for the CITES support programme. However, it is often not possible to identify such indicators.

²⁸ See Annex 2 in <http://www.thegef.org/gef/sites/thegef.org/files/documents/GEF-A.4-7%20Summary%20of%20Negotiations%20of%20the%20Fifth%20Replenishment%20of%20the%20GEF%20.pdf>.

Commission representatives and project stakeholders are held yearly in Brussels to exchange experiences and lessons, combined with FLEGT training sessions, to encourage interest in the projects and deepen understanding. The present strategy will examine how to extend this FLEGT experience to other subthemes. Improvement of the access to and the content of the ENRTP website and of its content will be improved.

A number of programmes under the geographic instruments complement the ENRTP, for example a €20 million 9th EDF Multilateral Environmental Agreements (MEA) support programme, which aims to strengthen capacity at regional level (African Union, Cariforum and Pacific Forum). This programme has a component to help developing countries attract investment under the Clean Development Mechanism and a component to support SAICM. There is also regional-level Intra-ACP support for FLEGT under the 9th EDF and GCCA under the 10th EDF. Intra-ACP support is also proposed for biodiversity and desertification. The ACP-EU Energy and Water Facilities have been replenished with €200 million each, contributing e.g. to investments in renewable energy and infrastructure for water supply and sanitation through calls for proposals. The Indicative Programme for Brazil contains a strong environment component focusing on conserving some of the most threatened biodiverse forests, while support for China includes a large environmental governance component to improve civil society's capacity to influence policy.

In the light of experience in the first phase, and recent developments in the environment and climate change arenas, Part B of the Strategy groups the areas of activity set out in Article 13 of the DCI Regulation into three priority categories:

1. Climate change and sustainable energy;
2. Environment for development;
3. Strengthening environment and climate governance.

PART B. Multiannual Indicative Programme

1. RESPONSE STRATEGY: GENERAL ASPECTS

Based on the assessment in Part A, a number of changes are envisaged in comparison to the 2007-2010 Strategy. In response to the recommendations from the EN RTP Mid Term Review and new developments in the area of environment and climate change, the areas of activity set out in Article 13 of the DCI Regulation have been grouped in three priority categories, with actions to be implemented through calls for proposals, direct agreements for targeted actions and tenders for services. Priority will be given to targeted actions that respond to EU policy priorities or contribute to key policy development jointly with international organisations. Attention will be paid to linkages between all three priorities.

The first priority is climate change and sustainable energy. Apart from assisting developing countries with adaptation efforts, climate action includes work on the mitigation agenda and in particular reducing emissions through avoided deforestation. While the climate element of the 2007-2010 Strategy was based on the EU Action Plan on Climate Change in the Context of Development Cooperation²⁹, the current activities will concentrate on implementation of the fast-start support agreed under the Copenhagen Accord (2010-2012). In line with the financing commitments of the EU, €150 million in additional funding is being channelled for fast-start purposes through the EN RTP to support climate action. These funds will be split more or less equally between mitigation and adaptation. They will focus in particular on actions to support adaptation, to reduce emissions from deforestation and degradation (REDD), to foster mitigation and low-emission development strategies (LEDs). This work will take full account of the need for sustainable resource use and conservation of biodiversity. The strategy will also promote energy security and increased access to sustainable and affordable energy services, which will *inter alia* contribute to poverty alleviation.

All themes related to promoting sustainable management and conservation of natural resources as well as promoting green growth have been put together more coherently under priority 2: Environment for Development. Sustainable use and conservation of biodiversity including forest and marine conservation will include eco-systems and sustainable land management in drylands as key elements. Forest governance through FLEGT and VPAs will continue to be a focal theme since this is an area where the Commission has special responsibility and comparative advantage. It will also support biodiversity protection through documentation of biodiversity in the public domain³⁰ and Marine Protected Areas (MPAs)³¹. As part of a focus on wider resource issues, the programme will champion a

²⁹ 2004-2008 Action Plan to accompany the EU Strategy on Climate Change in the Context of Development Cooperation, agreed by the Council on 22 November 2004.

³⁰ The Commission supported the development of the enormously successful FishBase web archive in the 90s (www.fishbase.org – 30-40 million hits/month). This is now a mainstay on fish biodiversity in the world not only in ACP countries, but companies seeking sustainable provisioning. – Moreover the Heiligendamm Declaration of the G8 + 5 called for a Global Species Information System to underpin policy and action in support of biodiversity related policy objectives and with potential to engage the public.

³¹ The World Database on Marine Protected Areas supported by UNEP still has very patchy coverage of MPAs in most developing countries. That slows knowledge accumulation and learning. <http://www.wdpa-marine.org/#/countries/about>

green economy and addressing hazardous chemicals and wastes. Particular attention will be given to helping countries meet their international commitments in this field.

The third priority area is international environment and climate governance, which is to a large extent the external element of the EU's environment and climate policies. Activities under this theme will promote the external dimension of the EU's environment and climate policies and support mainstreaming and methodological work. They will need to be closely coordinated with actions under priorities 1 and 2 to ensure that policy priorities are also priorities for implementation and that implementation experience feeds into the EU's international policymaking. 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 two non-UNEP Rio Conventions in order to provide a framework for long-term flexible relationships. Funding through international organisations will be focused on areas of clear comparative advantage. However, calls for proposals may be of use where there are several sources of expertise, e.g. in providing support to civil society with clear reference to complementarity. Effective mainstreaming of environmental and climate considerations in national priority-setting requires activities to promote capacity building, transparency, etc.

Overall Objective

The overall objective of the EN RTP as set out in Article 13 of the DCI Regulation is 'to integrate environmental protection requirements and climate change action into the Community's development and other external policies as well as to help promote the Community's environmental, climate and energy policies abroad in the common interest of the Community and partner countries and regions'.

Priorities

In order to address the challenges, to streamline the programme, the new response strategy groups the areas of activity set out in Article 13 of the DCI Regulation in three priority categories:

- 1. Climate change and sustainable energy;**
- 2. Environment for development;**
- 3. Strengthening environment and climate governance.**

Consistency with the DCI Regulation, EU policy priorities and aid effectiveness agenda

More attention will be paid to demonstrating how activities contribute to achievement of the MDGs, in particular with respect to fostering climate action and resilience to climate change, strengthening the protection of biodiversity and ecosystems as a key aspect of securing livelihoods, and promoting greener economies. Activities will complement environmental support under geographic programmes.

Geographical breakdown

The DCI Regulation lays down in its Article 1(2) the basis for the geographic coverage of the thematic programmes. In its Article 38(4) it specifies that an indicative 8% of the funds of all thematic programmes should go to activities benefiting countries eligible under the ENPI. Efforts were made to comply with this under the EN RTP 2007-2010 and will be continued for the EN RTP 2011-2013.

Some of the EU initiatives are geographically limited by their nature (for example FLEGT is limited to countries negotiating a VPA, GCCA is focused on LDCs, SIDS and African countries, the Carbon Capture and Storage (CCS) programme is aimed at countries with sizeable industrial processes with heavy CO₂ emissions). These actions are expected to have a catalytic effect in the countries and regions concerned and lead to follow-up funding from geographic resources.

In ENPI countries, activities may support awareness-raising and capacity-building to improve maintenance and resilience of ecosystems including through policies and measures which address biodiversity in an integrated manner or aim at remedying past pollution, thereby preventing environmental degradation. Activities may also support the implementation of climate change policy, particularly in the field of mitigation and capacity building. Activities may be aimed at reinforcing the objectives for policy reform and convergence in line with the European Neighbourhood and Partnership Instrument, the ENP Action Plans and bilateral agreements, where relevant.

Monitoring and evaluation

In accordance with the recommendations of the mid term review, monitoring of all priorities and initiatives will be streamlined, with a view to improving standardised monitoring/evaluation especially for pilot activities to ensure that lessons learned can be effectively disseminated and scaled up. A comprehensive evaluation will take place at the end of the programme, including contacts with a representative selection of partners, external monitors and evaluators, beneficiaries and stakeholders, from the EU, international organisations and local governments, and appropriate non-state actors.

Types of interventions, implementation modalities and partners involved

The principles set out in Article 11 of the DCI Regulation will help to define the type of activities that may be covered. Actions will continue to be implemented through calls for proposals, direct agreements for targeted actions and tenders for services. Priority will be given to targeted actions that respond to EU policy priorities or contribute to policy development jointly with international organisations. Ongoing work in the context of current and future environmental agreements needs to have easier and more flexible access to funding for coordination activities including: development of ToRs, studies, funding of conferences, workshops, ad hoc contributions for specific coordination activities, stakeholder participation, and associated logistical organisation.

Given the observations resulting from the mid term review, calls for proposals will be made more specific with a narrower focus in order to contribute more directly to EU policymaking as well as increase the relevance of the actions selected. Actions selected will have to be more directly linked to promoting, testing and evaluating new approaches. Even though the focus and objectives of the calls for proposals will be narrow and linked to the specific objectives of this strategy, the sizable amount of one global call for proposals will make sure that more beneficiaries can be supported.. Special attention will be paid to making scientifically validated knowledge available in the public domain (e.g. through public web-archives) in ways that empower a wide range of stakeholders to engage in natural resources management compatible with green economy activities. These are essential to avoid already widespread 'shifting baseline' problems engendered by the absence of proper baseline information about what is to be protected or restored in terms of natural resources on land and in the sea.

For some themes, operating grants may offer an opportunity to strengthen the capacity of civil society organisations to play a key role in policy development in developing countries, on subjects directly related to EU policies and initiatives.

To enhance efficiency, effectiveness and impact of the ENRTP, it may not be possible to support actions for each sub-priority under the three priorities each year and the average amount of the targeted actions over the period 2011-2013 will aim to be around €5M (excluding those for priority three). This does not exclude the possibility to finance initiatives for smaller amounts. In addition, cooperation agreements with strategic implementing partners of the ENRTP and co-financing existing EU facilities blending loans and grants will be considered. As a large number of separate targeted actions were implemented with UNEP between 2007 and 2010 a more strategic approach will be piloted with UNEP in those areas where it has a comparative advantage. Implementation of activities may also be entrusted to EU Member States or their public and para-statal agencies. Equally EU Member States (or other organisations as laid down in Article 18(1)(aa) of the Financial Regulations) could provide additional resources to support activities falling within the priorities of the present Strategy Paper. Interventions may also take the form of sectoral support programmes complementary with geographic programmes.

Risks associated with the strategy that could jeopardise its success

Inherent in thematic programmes is the risk that lack of ownership by partner countries may lead to a less than optimal impact. However, the very heavy response to calls for proposals and strong demand for targeted projects allows resources to be concentrated where policy priorities are shared.

There is a significant risk that results from projects and programmes may not be effectively used and disseminated, leading to isolated projects and duplication. The risk of duplication of efforts will be reduced by making available resources for disseminating results from actions more widely and efficiently. This will also reduce the risk of losing relevant information. The existing website³² will be updated and restructured to make it easily accessible. It will include evaluations, project reports and all relevant documents.

Another risk is that international environmental or climate negotiations could break down, leading to an impasse in certain priority areas (Climate Change, Biodiversity, FLEGT). The risk is minimised by the efforts made to come up with a strong and unified EU position in these negotiations..

2. DESCRIPTION OF THE PROGRAMME

2.1. Priority 1. Climate change and Sustainable energy

The overall objective is to assist developing countries in preparing for climate-resilient low-emissions development and to contribute to more fruitful policy dialogue and negotiations; as well as to promote increased access to sustainable and affordable energy services.

³² http://ec.europa.eu/europeaid/how/finance/dci/environment_en.htm.

Activities will include *inter alia* work with international organisations, regional and national governments, and selected international non-state actors, through targeted approaches or strategic partnerships with some organisations.

2.1.1. Climate Change Adaptation (including the Global Climate Change Alliance)

Specific objective: Support the climate dialogue and the definition and implementation of adaptation related activities at local, regional and national level, in particular ensuring the integration of climate change in development activities in beneficiary countries, with a specific focus on the most vulnerable ones, in particular Least Developed Countries, Small Island Developing States and Africa as stated in the Copenhagen Accord.

The work under the **Global Climate Change Alliance** that has received additional funding through amendments to the 2007-2010 budgets will be reinforced and consolidated. The activities will support the following GCCA priority areas in eligible countries: preparing to adapt to the consequences of climate change; capacity building to assist countries to participate in and benefit from the global carbon market through the Clean Development Mechanism and future sector mechanisms; improving preparedness for climate-related natural disasters; and integrating climate change into development cooperation and poverty reduction strategies.

To complement country allocations, policy support could be given to promote implementation of regional initiatives such as with the African Union, Latin America and other regions where appropriate. This will include a focus on raising the policy profile of climate change, supporting capacity building (including for negotiations), and joint activities with partners designed to build consensus for future negotiations. Support will also cover climate dialogue to achieve a common vision between developing and developed countries. Between 2011 and 2013 the GCCA will in particular contribute to the urgent adaptation action responding directly to the EU's fast-start commitments under the Copenhagen Accord, including supporting technology and knowledge sharing for adaptation..

2.1.2. Climate Change mitigation, in particular REDD, LEDS and technology transfer

Specific objective: Support the development of mitigation actions and key implementing tools particularly relevant to developing countries, with the aim of globally reducing Greenhouse gas (GHG) emissions and limiting global warming to 2°C above pre-industrial levels. Make progress in the development and implementation of a global and comprehensive post-2012 agreement. Specific mitigation methodologies relevant to developing countries are further developed, tested and rolled out.

Reducing emissions from deforestation and forest degradation (REDD):

At the Bali Conference in December 2007, it was agreed that a future climate deal must contain incentives to reverse the trend of deforestation and a REDD scheme was proposed to support developing countries in this endeavour; since then, negotiations have focused on the development of an appropriate mechanism in support of this objective. REDD is crucial for the participation of many developing countries in the climate negotiations. The Copenhagen Accord stressed the need for fast-start action to establish and strengthen developing country capacity for REDD.

Activities should focus on establishing enabling legal frameworks, policies and strategies and building capacities of government, civil society and private sector to deliver REDD results. In this context, the link with and lessons of FLEGT on promoting good governance and transparency are important. Innovative actions that help prepare countries for REDD, that support the development of national strategies and policies particularly targeting the rural poor, that develop and implement equitable benefit sharing mechanisms, that clarify and secure tenure and access rights of local communities and indigenous people to forests and forest carbon, are to be promoted. Support will also be given to field-based innovative action that integrates forest carbon management into broader forest management practices, whether community forests or forest concessions managed by private operators. Recognising the crucial role of resilient ecosystems for mitigation and adaptation to climate change in developing countries, activities will also entail the development and use of ecosystem-based approaches. Further activities will address adaptation and mitigation issues linked to the agricultural sector, in particular covering land use change.

Low-emission development and technology cooperation:

Early action and capacity-building will focus on the design and implementation of strategies aimed at low carbon development, i.e. low-emission development strategies (LEDS) and nationally appropriate mitigation actions (NAMAs); activities and capacity to measure, report and verify (MRV) greenhouse gas emissions and mitigation actions; and readiness for existing and new carbon market mechanisms. On the basis of LEDS and NAMAs, investment and financing plans for low carbon technologies will be supported. Technology cooperation includes in particular support for pilot projects and participation in the demonstration of emerging technologies for example carbon capture and storage (CCS) and renewable energy sources. Technology capacity-building should facilitate the development of enabling environments, the design of mechanisms for knowledge sharing and improvement of know-how. It should also help to adapt technologies to local circumstances and to establish national and regional road maps and action plans on the basis of LEDS and technology needs assessments.

2.1.3. Sustainable energy

Specific objective: Boosting capacity and technology transfer in developing countries with a view to creating an enabling environment for investments in sustainable energy solutions, as well as a suitable policy dialogue improving cooperation with the EU. Capacity in developing countries for dealing with renewable energy policies will be improved.

Achieving all of the MDGs will need much greater energy inputs and access to energy services. Failure to include energy considerations in national development strategies will severely limit the ability to achieve the MDGs³³. Access to sustainable, reliable and affordable energy services by deploying renewable energy solutions is necessary for economic growth and can play an important role in reducing current and future CO2 emissions. Activities under this heading will focus on policies, appropriate framework conditions, capacity development and technology transfer for the promotion of sustainable energy solutions, with a special focus on renewable energy. Tapping the renewable energy sources of developing countries can mitigate the impact of fluctuating oil prices on state budgets and provide jobs.

³³ See Key recommendations of 'Energy Services for the Millennium Development Goals' UN Millennium Project, 2005.

For the EU-EI, policy dialogue, coordination, analysis and consultation processes at global, inter-regional, sub-regional and regional levels will be supported. This will mean developing institutional support and technical assistance, as well as strengthening capacity in policy development, regulation and energy planning, including through links with key countries to be identified in the Annual Action Programmes, and for well-targeted public procurement. It also means creating a favourable legislative and policy framework to attract new business and investors in renewable energy and in efficient energy production and use, as well as to pave the way for technology leapfrogging in these fields. Another important aspect consists in encouraging regional cooperation between governments, non-governmental organisations and the private sector in the above areas, and preparing the way for regional interconnection of infrastructure that can produce economies of scale, especially in small countries, *inter alia* as proposed in the Joint Africa-EU Strategy³⁴ and in the Communication on EU and Latin America Global Partnership³⁵. Close coordination with other donors and investors will be essential.

2.2. Priority 2. Environment for Development

The overall objective is to assist developing countries in preventing environmental degradation, biodiversity loss and unsustainable use of natural resources while improving the resource efficiency of economic growth and reducing pollution.

2.2.1. Biodiversity, forest conservation and desertification

Specific objective: Ensure that developing countries are in a better position to assume their responsibilities as signatories of different Multilateral Environmental Agreements (MEAs), initiatives and strategic plans, especially their commitments under the post-2010 Global Biodiversity Strategy which will include targets relevant to drylands and forests as well as marine resources.

Activities will take account of both the Global Biodiversity Strategy to be agreed at the Conference of the Parties in Nagoya and the EU post-2010 Biodiversity Strategy. In this context, measures will aim at stepping up efforts to avert the loss of global biodiversity given its essential contribution to human wellbeing, economic prosperity and poverty eradication. Activities will in particular, but not exclusively, include work on ecosystem assessments and the assessment of natural capital accounts, invasive alien species, access and benefit sharing, forest conservation and sustainable management, and the management, establishment and valuation of representative networks of marine protected areas (MPAs), including their species and ecosystem composition, as a contribution to the conservation and sustainable use of marine biodiversity. It should be kept in mind that many activities to adapt to climate change and to reduce deforestation contribute to the objective of biodiversity conservation.

With respect to sustainable land management and combating desertification, priority will be given to actions which have a direct impact on sustainability and resilience to climate change of dry land farming systems, and on the incomes of affected populations. Support will focus on actions which contribute to policy development in the framework of international, regional and national strategies and action plans, such as those developed under the UNCCD, promote regional partnerships aiming at scaling up sustainable land and

³⁴ COM(2005)489.

³⁵ COM(2009) 495/3

water management³⁶, communication and dissemination of policies and best practices to tackle desertification, land degradation and drought in addressing food insecurity, climate change and the degradation of natural resources (water, biodiversity, soil), and improve knowledge and data collection and sharing in the public domain as prevention tools.

2.2.2. Forest Governance and FLEGT

Specific objective: FLEGT Action Plan successfully implemented.

The FLEGT Action Plan sets out to strengthen forest governance in developing countries with the leverage and incentives offered by the EU market. Central to this Action Plan are Voluntary Partnership Agreements (VPAs) between the EU and timber-producing developing countries which aim to improve governance and guarantee that the wood imported into the EU is from legal sources. The specific purpose of this component will be to contribute to the development and implementation of VPAs and create more demand for legal wood, paving the way for longer-term support to be committed through country-specific assistance of the geographic programmes or Member State bilateral aid programmes.

The EN RTP will support activities which underpin the development and implementation of VPAs and forest governance reforms, such as policy and legal analysis, support to enable civil society and the private sector to develop, implement and monitor the VPAs, support to design, test and pilot innovative approaches to strengthening governance (including through more easily accessible biodiversity and use information in the public domain) in particular on improved transparency and accountability, impact monitoring, and social safeguards. Support will also be provided for activities which serve to create greater demand for verified legal timber, such as innovative approaches to increase awareness, demand, capacity in finance and banking sectors, with EU importers and private sector organisations, and concerned civil society.

2.2.3. Green economy

Specific objective: Developing countries and emerging economies are assisted to formulate more resource efficient policies and see the EU as a useful source of effective standards and expertise including on the use of chemicals throughout their lifecycle. To this end, this sub-priority will support green economy policy dissemination towards the target of ensuring that by 2020 chemicals are used throughout their life cycle in ways that minimise significant adverse effects on human health and the environment.

‘Greening’ the economy is increasingly considered as a way to pursue economic growth and sustainable development, while improving resource efficiency, and preventing environmental degradation and biodiversity loss. It aims at maximising the chances of exploiting cleaner sources of resource-efficient growth, by developing new green industries, jobs and technologies, as well as managing the structural changes that the transition to a greener economy will entail. Emphasis will be on helping developing countries to achieve long-term environmentally sustainable economic development with a focus on supporting policy reform to make their economies more environmentally friendly. If dialogue on reform encourages developing countries to see EU environmental standards and approaches to

³⁶ Such as the AU’s Great Green Wall of the Sahel and the Sahara Initiative, CAADP, TerrAfrica, and in Asia CACILM.

resource efficiency as useful models, this will assist them in expanding opportunities for trade. Greening can also be addressed through new approaches such as environmental fiscal reform and the promotion of innovative market-based policy instruments supported by stronger publicly accessible information services.

A greener economy also means safer handling of hazardous substances. In this respect, activities will mostly focus on implementation of international action plans and could include support for the Strategic Plan for the Basel Convention on Hazardous Wastes including its regional activities, field-level technical assistance activities decided under the Rotterdam and Stockholm Conventions on chemicals, the Strategic Approach to International Chemicals Management (SAICM) and the Global Mercury Partnership. Depending on progress, support should also be given to the UNEP Chemicals Financing Initiative and the financial mechanism for contaminated sites now under discussion. A particular problem is the legacy of obsolete chemicals and pesticides in particular in the former Soviet Union but also in other regions of the world. There is a need in partner countries for inventories, strategies, legislation, feasibility studies and capacity building. Support could also be considered for partner countries' efforts to align to EU chemicals policies.

2.3. Priority 3. Strengthening environment and climate governance

The overall objective is better international environment and climate governance shaped by the external dimensions of the EU's environment and climate change policies and the provision of methodological and governance tools appropriate to developing countries, and to improve mainstreaming of environment as well as promote governance and transparency of natural resources management.

2.3.1. External Environment Policy

Specific objective: EU leadership and effective implementation of our external environment policy is enhanced.

This sub-priority is managed by DG ENV through a cross sub-delegation granted by DG AIDCO.

Support may be provided to:

- strengthen international environmental governance by
 - Ø encouraging synergies both between UNEP and the MEA it hosts and between related MEAs with a special focus on the chemicals/waste and biodiversity cluster;
 - Ø promoting the preparation of the UN Rio + 20 Conference and its follow-up at the policy and institutional level;
 - Ø supporting where appropriate negotiating processes for new instruments;
- encourage implementation of and compliance with MEAs by:
 - Ø funding developing country participation in meetings of MEAs;
 - Ø supporting 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 UNEP or development agencies to achieve goals agreed by Conferences of the Parties;
 - Ø strengthening capacity of developing countries for implementation of measures agreed within MEAs;

- Ø supporting international debate on the linkage between MEA financial mechanisms and compliance regimes;
- support other international environmental organisations and processes as well as international and regional civil society advocacy groups and environmental think tanks who share the EU's desire to find multilateral solutions to environmental problems;
- strengthening capacity of developing countries for international environmental negotiations and improve their access to information on progress in different processes;
- enhance global and regional environmental monitoring and assessment and countries' capacity to participate in the work and to use the results in policymaking;

2.3.2. External Climate Policy

Specific objective: EU leadership and effective implementation of our external climate policy is enhanced.

This sub-priority is managed by DG CLIMA through a cross sub-delegation granted by DG AIDCO.

Support will be provided to help:

- developing countries' delegates to participate in international negotiation meetings by contributing to the Trust Fund for Participation in the UNFCCC process;
- the general work of the UNFCCC Secretariat and other organisations in the context of the international climate change negotiations;
- strengthen capacity of developing countries for international climate negotiations;
- strengthen outreach activities and technical assistance in developing countries, in particular with regard to emission trading and MRV;
- the work of international organisations supporting climate policy;
- post-Copenhagen climate partnerships (e.g. Paris-Oslo partnership on REDD+, German-South African partnership on MRV, Spanish-Costa Rican partnership on adaptation);
- bilateral climate policy and cooperation dialogues.
- support to climate policy formulation and implementation in developing countries and related capacity building, for example on emissions trading; or monitoring, reporting, and verification (MRV).

2.3.3. Support for mainstreaming and promoting governance and transparency for natural resource management, including water

Specific objective: Methodologies and actions to improve mainstreaming and to promote governance and transparency for natural resources relevant to developing countries are further developed, tested and rolled out

Activities to combat climate change and promote the sustainable management of natural resources and the green economy need to be based on sound methodologies and good governance. Environmental policy dialogue should be underpinned by solid evidence of the

linkages between poverty and environment³⁷, on the basis of sound environmental monitoring and assessment. There is a need to ensure that budget support operations take environmental considerations into account, and to develop relatively new approaches such as environmental fiscal reform and innovative market-based policy instruments.

Capacity development and strengthening of relevant institutions and civil society in partner countries can be pursued through south – south cooperation, twinning, advocacy training, networking, sharing of experience, and promoting developing country access to global or regional-level information, especially through greater availability of high-quality and relevant data, and indicators for decision-makers.

Specific support may be given to improve the transparency and governance of natural resources management, including for example through the Extractive Industries Transparency Initiative³⁸ and International Financial Institutions' initiatives such as the Global Gas Flaring Reduction Partnership³⁹, and assistance to regional, global or multilateral initiatives for improving fisheries management systems (e.g. monitoring, control and surveillance capacities to combat illegal fishing). Disaster prevention, mitigation and preparedness contribute to conservation of the environment, and sustainable management/restoration of ecosystems can successfully reduce disaster risk.⁴⁰

Activities under this heading will also support the integration of environment into other sectoral policies, by promoting joint projects with other external thematic instruments and programmes where relevant (on nexuses of environment and security, food security, human rights, migration, health, etc.). Specific attention will be paid to capacity building and the development of tools as necessary in the context of assisting environmental integration in geographic cooperation after 2013 (the end of the current programming cycle). Guidance for these activities is expected from the upcoming new EU environmental integration strategy due to be finalised by the end of 2011. Strengthening water management for climate change adaptation, linking more closely to other sectors (e.g. health, agriculture and energy) and policies, exploring the economics of (non-)investment, increasing the coherence of research and policy, and considering the human rights character of water are a few examples of mainstreaming water management and governance. Facilitation of policy dialogue is especially important, in particular to promote stronger trans-boundary water management. The EU Water Initiative, launched in 2002, provides a key framework for strategic partnerships and policy dialogue on water and sanitation, to improve governance and to address management of water resources at regional/trans-boundary, national and local levels⁴¹. Additionally, as of 2010, the different components of the EU Water Initiative will intensify work along thematic priority lines in order to consolidate and reinforce the coherence and impact of their activities.

³⁷ This applies in particular with respect to the links between ecosystems services and health.

³⁸ The EITI provides a foundation for better environmental governance by promoting capacity development, transparency and domestic accountability in the extractive sector.

³⁹ Poverty reduction is an integral part of the World Bank-led Global Gas Flaring Reduction Partnership, which is also developing concepts for how local communities close to the flaring sites can use natural gas and liquefied petroleum gas (LPG) that may otherwise be wasted and damaging the environment,

⁴⁰ http://ec.europa.eu/development/icenter/repository/COM_2006_20_EN.pdf.

⁴¹ The EUWI regional components operate within Africa (Africa-EU Partnership on Water Affairs and Sanitation) the Mediterranean, Eastern Europe, Caucasus and Central Asia (EECCA) and Latin America.

2.4. Indicative financial allocation

A breakdown of the indicative financial allocation by priority area for the whole period is given in the table below. As in the 2007-2010 Strategy, no contingencies are provided for.

Indicative financial allocations		2011 - 2013				
					Total	
P1: Climate Change and Sustainable Energy						
Climate Change	Adaptation (incl. GCCA) (1)	Priority 1			75.0	
REDD					40.0	
Mitigation & Technology (1&2)					75.0	
Sustainable Energy					47.5	
Subtotal					237.5	
P2: Environment for Development						
Biological diversity (3)		Priority 2			73.0	
Forest governance/FLEGT					55.0	
Green economy					26.5	
Subtotal					154.5	
P3: Strengthening environment and climate governance						
External Environment Policy		Priority 3			47.0	
External Climate Policy					39.0	
Support Mainstreaming (4)					39.0	
Subtotal					125.0	
TOTAL			199.0	149.0	169.0	517.0

(1) GCCA and climate change Mitigation include additional amounts of €25 Mln each in 2011 in accordance with the Copenhagen Fast Start Package. An additional €25 Mln for each has also been pledged for 2012 under the Package. This is not included in this table as it is not yet secured in the budget.

(2) In accordance with the 2009 APS, an amount of €15 Mln is envisaged for 2012 and 2013 for Carbon Capture and Storage

(3) including marine biological diversity, forest conservation, and desertification

(4) includes former priorities 1&3 + EUWI of the 2007-2010 ENRTP Strategy

2.5. Performance monitoring.

The attached Logical Framework includes indicators which will allow performance monitoring.