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COUNCIL OF THE EUROPEAN UNION	Brussels, 21 May 2001

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"I" ITEM NOTE

from :	Development Co-operation Working Group
on :	21 May 2001
to :	COREPER
Subject :	Draft Council conclusions on a strategy on the integration of environmental concerns into EC economic and development co-operation to promote sustainable development

1. On 11 April 2001 the Commission forwarded to the Council the Commission staff working paper on "Integrating the environment into EC economic and development co-operation" (doc. 8194/01).

2. At its meeting on 16 May 2001 the Development Co-operation Group reached an agreement on draft Council conclusions on the above subject (see Annex).

3. The Group suggests to the COREPER that this draft be submitted to the Development Council on 31 May 2001 to be adopted in the context of the discussion which the Council will hold on improving the effectiveness of Community development co-operation and implementing the EC development policy.

<div align="right"><u>ANNEX</u></div>

DRAFT COUNCIL CONCLUSIONS

ON

A STRATEGY ON THE INTEGRATION OF ENVIRONMENTAL CONCERNS INTO EC ECONOMIC AND DEVELOPMENT COOPERATION TO PROMOTE SUSTAINABLE DEVELOPMENT

1. INTRODUCTION

This strategy is a response to the invitation by the Cardiff and Vienna European Councils in which the Council was requested to submit strategies on the integration of environment into nine different sectors to promote sustainable development. One of the sectors chosen was development co-operation. In this regard the Council recalls its report to the Helsinki European Council which asked the Council "Development" to submit a comprehensive strategy to be forwarded to the Göteborg European Council in June 2001.

1.2 The Council underlines the importance of the Rio Summit in 1992 where developing and developed countries adopted Agenda 21, as well as the five year follow-up to Rio, that called for all countries to have National Strategies for Sustainable Development (NSSD) in place by 2002. The Council recognises the links and synergies between the EU preparations for the World Summit on Sustainable Development in 2002 and the strategy to integrate environmental considerations into EC development co-operation. It also emphasises the importance of early ratification of and subsequent compliance with the 1997 Kyoto protocol to the UN Framework Convention on Climate Change.

1.3 Development is sustainable when it is economically efficient, politically democratic and pluralistic, socially equitable and environmentally sound. The Council underlines the importance of integrating environmental considerations into the definition and implementation of all Community policies and activities on economic and development co-operation, in accordance with the EC Treaty (in particular Articles 2, 3, 6, 177 and 178).

1.4 The Council, therefore, warmly welcomes the Commission working paper "Integrating the environment into EC economic and development co-operation"(1)[1]. The Council particularly welcomes the Operational Framework and the timetable for the implementation of concrete activities.

2. OBJECTIVES

2.1 The principal aim of EC development policy is to reduce poverty with a view to its eventual eradication.(2)[2] This objective entails support for economically, socially and environmentally sustainable development, promotion of the integration of the developing countries into the world economy and a determination to combat inequity. Concern for the environment should be mainstreamed into all EC development co-operation efforts and in particular into the six priority themes identified in the EC Development Policy Statement.

2.2 EC development co-operation should support partner countries to effectively reverse the current trends in the loss of environmental resources. This would include sound management of natural resources improving the health and livelihood of poor people and reducing their vulnerability.

2.3 In pursuing these objectives, account should be taken of the agreed principles of complementarity, coherence and co-ordination within the Community and with other donors.

3. PRIORITY ACTIONS

3.1 The Community should give priority to the following actions in its support for the effective integration of environmental concerns into the partner countries' own responses to local, national, regional and global priority issues.

Policy Issues

3.2 Enhanced policy dialogue with partner countries on environmental issues and particularly on the complex and context-specific linkages between poverty and the environment should contribute to more effective policies aimed at fostering sustainable development. This dialogue should involve government agencies, civil society (including the private sector and non-governmental organisations (NGOs)) and directly affected stakeholders, in particular women, children and indigenous peoples. The policy dialogue should also include relevant international partners.

3.3 Special emphasis should be given to strengthening the capacities of partner countries' institutions in order to participate in multilateral fora dealing with the environment and to implement multilateral agreements (MEAs), such as the United Nations conventions on Climate Change (FCCC), on Biodiversity (CBD) and to Combat Desertification (CCD) in the context of pursuing sustainable development.

3.4 The Council emphasises the need for consistency and agrees that both the Commission and the Council have a responsibility to avoid potentially adverse economic, social and environmental impacts on developing countries of certain other Community policies, e.g. agriculture, fisheries, energy, transport, internal market or trade.

3.5 In the context of global sustainable development, the Council stresses the importance of the Community and Member States meeting their obligations and international commitments, taking into account the objectives approved in the context of the United Nations and other international organisations concerned, including the principle of common but differentiated responsibilities.

Programming

3.6 Environmental considerations should be systematically incorporated into the preparation of all strategic plans and programmes of EC development co-operation, in particular Country Strategy Papers as well as indicative programmes, structural adjustment programmes and sector-wide reform and support programmes. In-depth policy analyses and strategic environmental assessments should be used to this end.

3.7 EC development co-operation strategies and programmes should be based on and support partner countries' priorities and plans such as poverty reduction strategies, national development strategies and environmental action plans, when available.

3.8 To enable effective processes for sustainable development it is crucial that national strategies integrate long-term issues of sustainability. The EU has an important role to play in supporting such integration. In this respect the OECD/DAC guidelines "Strategies for Sustainable Development: Practical Guidance for Development Co-operation" provide useful recommendations.

3.9 Partner countries' integration efforts should be increasingly supported by strengthening the environmental awareness and management capacities of governments and civil society including the private sector, NGOs and local communities.

3.10 The Council endorses the Operational Framework outlined in the Commission's working document on the integration of the environment into EC economic and development policies and encourages its implementation. The Council urges the Commission fully to include these activities in its Programme of Action on EC development co-operation.

3.11 The environmental procedures of EC development co-operation should be more effectively streamlined and institutionalised and should include mechanisms for effective feed-back of results and experience. The draft revised EC environmental manual will be an important instrument to this effect and should be finalised and applied by 2003. It should be compatible with other EC co-operation guidelines.

3.12   The environmental management system of EC economic and development co-operation should be developed following the principles of internationally acknowledged standards, such as EMAS(3)[3] and ISO 14000(4)[4]. Exchange of information and experience on the application of environmental management systems in development co-operation should be further developed between the Commission and the Member States.

3.13   In addition, procedures for effective stakeholder participation should be developed and environmental information made more easily accessible to the public. Public access to environmental screening results and the summaries of Strategic Environmental Assessments and Environmental Impact Assessments is particularly important.

Mainstreaming environmental considerations into the six priority themes for EC development co-operation

3.14   To achieve mainstreaming, Strategic Environment Assessment (SEA) should be used systematically particularly during the preparation of structural and sectoral programmes and for major new infrastructures. Equally Environmental Impact Assessment (EIA) should be used systematically at the project level. Partner countries' capacity to undertake such assessments and to act on their results should be supported.

3.15   Trade can be an engine for sustainable growth and development and is thus a key to poverty reduction. The impact of trade liberalisation should be assessed in advance through the use of specific assessment tools particularly Sustainability Impact Assessments (SIA) so as to enable the design of policy measures to promote the integration of the environment. Special consideration could be given in this regard to the early liberalisation of import measures for environmentally friendly products and techniques.

3.16   The potential of regional co-operation to address environmental issues should be pursued, e.g. on the management of regional and transboundary natural resources such as the atmosphere, river basins, the marine environment and biodiversity.

3.17   The EC's support for structural reforms provides opportunities for, and should be enhanced through, the improvement of environmental management. In the context of the promotion of equitable access to social services, sustainable water management and the provision of clean water benefits human health, poverty reduction and the environment.

3.18   The Council underlines the need for consistency between transport strategies and plans for sustainable development. All activities in the transport sector should take full account of environmental aspects and include measures to minimise impact at local and global level.

•. 3.19   The Council calls on the Commission to promote the mainstreaming of environment into sectoral programmes on integrated rural development. These provide important opportunities to reverse the loss of the productive base for rural and urban livelihoods caused by inter alia deforestation, unsustainable water use, desertification and soil fertility loss. Special efforts should be taken to develop policies that take the role (including in decision-making) and the needs of women into account.

3.20   The Council stresses the importance of good governance and the rule of law, including the effective implementation of environmental legislation. The Council calls on the Commission to support the provision of access to information to stakeholders and opportunities for them to participate in decisions relevant to the environment. In this context, providing access to information and support to the media can be instrumental in raising awareness. Equally support to environmental NGOs can promote awareness and debate of sustainability issues. Further, support for capacity building and technical assistance in the area of environmental management needs to be an integral element of EC programmes.

Indicators and monitoring

.1   The Council will monitor the progress of the integration of environmental concerns into EC development co-operation. The sustainable development indicators developed by the OECD Development Assistance Committee should be used as preliminary indicators to monitor the impact of EC co-operation programmes and policies. The Council calls on the Commission to use internationally agreed environmental indicators, such as those developed by the OECD/DAC for country reviews and reporting, and to continue to support international efforts further to develop sustainable development indicators.

3.22   Furthermore, the Council urges the Commission to use and develop further the performance criteria presented in its working document, *inter alia*, on the use of the Environmental Impact Assessments (EIA) Help Desk, training programmes, adequate environmental integration into the country programmes, terms of reference, the screening and follow-up of SEA and EIA, as well as feed-back of the results of project evaluation.

3.23   A uniform system of accounting for environmental expenditure is called for. The Council supports the improvement of the Commission's provision of information on environmental performance including a marker system of accounting for contributions towards international environmental agreements.

3.24   The Community should promote the strengthening of research and technology at the international, regional and national level in order to improve environmental monitoring and statistics.

Co-ordination

3.25   The Council calls on the Commission and the Member States to increase information
       exchange both in the field and in capitals with regard to environmental activities including
       evaluation and analyses. Furthermore, closer co-operation between the Commission and
       Member States in partner countries should be pursued so that the Commission and Member
       States share expertise on integrating the environment into development co-operation.

3.26   The Council invites the Commission to explore further the possibilities for increased
       co-operation with Member States, international actors and the UN, in particular with the
       United Nations Environment Programme (UNEP) on environment and sustainable
       development, in order to strengthen the multilateral institutional framework and foster
       greater consistency in the implementation of international agreements on the environment.

4.   FOLLOW-UP

4.1   The Council calls on the Commission to include in its annual report on Community
       development policy the steps that have been taken to integrate the environment into
       development co-operation based on the specific objectives, targets and indicators and on its
       operational framework. It will review this strategy on the integration of the environment into
       EC development co-operation on a regular basis, starting in 2004.

4.2   Given the importance of integrating the environment into the Union's external relations, this
       should form part of the annual orientation debates in order to give due consideration to
       environmental concerns.

4.3   The capacity of the Commission services required for effective environmental integration,
       both in Brussels and in the delegations, should be ensured through the allocation of
       appropriate human resources as well as, training, knowledge-sharing and the proper use of
       feedback. This may require consideration of the most appropriate structures in the
       Commission services to ensure that all cross-cutting issues can be effectively integrated into
       Community programmes.

4.4   The Council looks forward to the Commission's planned in-depth environmental evaluation
       of the EC's aid portfolio covering the period 1996 - 2000, making full use of available
       indicators.

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[1] 1) doc. 8194/01.
[1] 2) EC Development Policy Statement of 10 November 2000
[1] 3) Eco-management and audit system
[1] 4) International Standardisation Organisation, Standard on Environmental Management

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[1] #_FN1) doc. 8194/01.
[2] #_FN2) EC Development Policy Statement of 10 November 2000
[3] #_FN3) Eco-management and audit system
[4] #_FN4) International Standardisation Organisation, Standard on Environmental Management