



Progress on the EU Strategy for Integrating the Environment into Development Cooperation

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Process

- April 2009: Staff Working Document on Integrating Environment in Development prepared by European Commission
- June 2009: European Council Conclusions on Integrating Environment in Development
- September 2010: Meeting with Member States and civil society to start preparation of EU wide strategy
- October/November 2010: Drafting group meetings in Netherlands to prepare orientation paper
- December/January 2011: Internal review in European Commission

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Draft Orientation Paper

- **Green Growth/green development is identified as the overarching *result area for action* to integrate environment and climate change in development cooperation.**
- **This is supported by five pillars:**
 - Supporting Governance at the national level
 - Strengthening dialogue and ensuring effective division of labour
 - Expansion of the environmental knowledge base
 - Improvement and effective use of key tools
 - Improving systems for monitoring, evaluation and reporting

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Green economy/green growth

- Greening economic growth = creating opportunities for new green jobs, industries and cleaner technologies, while stimulating resource efficiency, innovation and reducing dependence on natural resources.
- Renewable energy, sustainable transportation, housing, environmentally friendly agriculture, forest ecosystems and good land and water management are key areas
- Green economy incorporates improved management of ecosystems and natural resources
- Governments have a key role to provide incentives
- Private sector, innovative financing and market based instruments also play a crucial role in supporting a green economy

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Green economy/growth (cntd)

- Key actions:
 - support low carbon development and a green economy through instruments such as environmental fiscal reform and market mechanisms. (e.g. taxes, greening of investments of enterprises and households, greening of infrastructure investments, loans and guarantees, leverage private financing).
 - Using Market Based instruments to ensure a sustained high carbon price including carbon from deforestation
 - support the capacity of developing countries to green their economic strategy, for example renewable energy, use of carbon markets, sustainable land use, sustainable production, nature conservation, ecosystem services)
 - support more efficient resource use in formal and informal dialogue

Strengthening National Environmental and Climate change Governance

- Environment and climate change issues remain undervalued, underpriced, unmonitored and at the margins of decision-making
- Transparent and accountable management involves both public/private sector
- Parliament and civil society play vital role in policy choice (domestic accountability).
- Budget support poses challenge for environmental (including climate change) mainstreaming and should include environment/green economy aspects
- Key actions:
 - Support further development of legal framework with emphasis on natural resources benefits (taxes, rents) and public procurement in environmental sensitive priority areas (i.e. renewable energy, transportation, infrastructure, water, climate change adaptation and mitigation)
 - Support strengthening environment and climate change in the national policy process and the annual and multiannual budget process
 - Ensure aid effectiveness with respect to governance analysis, instruments, dialogue (budget support/sector dialogue) and support to environment and related institutions.

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Strengthening dialogue and ensuring effective division of labour

- EU coordination and division of labour key aspect of aid-effectiveness
- Avoid overloading partner countries' agenda with programming, missions etc
- Need for coherent EU approach ensuring environment addressed in each country
- Key actions:
 - Promote the inclusion of environment and climate change on the agenda of high-level political meetings.
 - Inclusive dialogue (civil society, private sector) to strengthen green growth policies and environmental governance on the basis of information sharing.
 - Common positions on key issues for dialogue with respect to green growth and environmental governance
 - Division of labour through delegated cooperation, pooled resources, strengthened joint programming, and promoting regular exchange between EU & MS missions.

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Expansion and dissemination of the environmental knowledge base

- Good decision making requires solid understanding environment/climate change
- Learning cycle for all stakeholders involved
- Need better incorporation of non-market values of ecosystem services, innovative and environmentally friendly technologies and investment decisions and improved utilization of traditional knowledge and input from practitioners
- Access to information important for informed decision making
- Focus on building institutional capacity in areas of analysis, interpretation and application
- Key actions:
 - Support applied research (scientific, technological and socio-economic) and statistical capacity in developing countries; strengthen gender disaggregated data collection and analysis within public administration, media, academia, civil society and the private sector for better decision making.
 - Promote exchange of good practices, ideas and experience both between developing countries and between developing and developed countries
 - support staff and stakeholders through joint training, guidelines, etc.

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Better coordination on use key tools

- Numerous assessment and screening tools exist, also methodologies for environment and climate change integration and capacity development
- Need to align tools to country systems and build a ‘strengthening approach’
- Tools not always sufficiently used (e.g. recommendations from EIAs/SEAs/CEPs not always followed up)
- Key actions:
 - Support capacity development on the use of tools for joint sector and country analytic work on climate change and environment
 - Promote a learning cycle on environment and climate change through i.e. capacity building in partner countries, peer reviews, joint missions, joint research, etc.
 - Better use of Strategic Environmental Assessment (including for climate change) and climate lens (OECD-DAC)
 - Ensure better coordination of tools and minimize duplication, and also build joint tools and make them ‘a strengthened approach’ for developing country governments, civil society and private sector
 - Joint approach to Country Environmental Profiles/Assessments

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Improving systems for monitoring, evaluation and reporting

- Improved reporting is key to external environmental policy planning
- Monitoring and evaluation should be carried out in such a way that it creates a learning cycle for environmental actions and climate adaptation and mitigation including community based approaches as many decisions are taken by local authorities, and households (for example agriculture, private sector).
- Using the OECD systems and especially the Rio markers^[1] will contribute to more uniformity
- ^[1] There is also a need for quantification of the Rio Markers
- Key actions:
 - Support M&E systems for LDC's with a strong focus on 'Need to know/nice to know' for environmental and climate change.
 - Strengthen procedures for disseminating lessons learned and best practices from completed evaluation projects from both environmental and non-environmental actions
 - For this strategy
 - Monitoring of the priority actions and indicators by identification of process and result indicators
 - Monitoring progress on priority actions every 3 years through a joint implementation framework

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Next steps

- **Get internal Commission agreement to include strategy in workplan 2011 for finalisation towards end 2011 (by March)**
- **Further work with EU Member States (April)**
- **Public Consultation May/June**
- **Finalisation of strategy August**
- **Final adoption Communication towards year end**

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