WWF

POSITION PAPER

JUNE 2012

WWF response: Financial instruments in EU External Action

WWF believes there are four key issues to be addressed:

1) Promoting environmental sustainability and climate objectives through EU external actions

2) Meeting international commitments for the Millennium Development Goals and Multilateral Environmental Agreements

3) Meeting international climate finance commitments and ensuring additionality of climate finance

4) Ensuring and supporting civil society participation in development policy dialogue and programmes

We welcome the draft instruments published 7 December 2011[1] and in particular the targeted support for climate, environment and biodiversity in the Development Cooperation Instrument and the integration of environmental sustainability as a general principle.

[1] The draft EU External Action instruments package was released on December 7th: http://ec.europa.eu/europeaid/how/finance/mff/financial_framework_news_en.htm

WWF welcomes the following proposals:

- The Commission's continuing commitment to the achievement of the Millennium Development Goals and the eradication of poverty. The instruments should aim to achieve sustainable development, thus reflecting the importance of a healthy environment and equitable access to natural resources for long term poverty reduction.

- The draft Development Cooperation Instrument maintains the general principle of mainstreaming environmental sustainability as a cross-cutting issue. A strategy to deliver this should be developed before programming begins.

- Plans to ensure environmental screening of projects and programmes using environmental impact assessments and strategic environmental assessments, with the involvement of stakeholders and publication of results. Also plans to require tenderers, applicants and candidates to respect applicable environmental legislation including multilateral environmental agreements. These measures are foreseen within the draft Horizontal regulation.

- At least 50 per cent of the global public goods and challenges thematic programme will be allocated to climate change and environmental objectives. This would be at least double the previous funding available and therefore an appropriate reflection of the size of the challenges to be tackled.

- Proposals to respond to the priorities identified by partner countries in their own development strategies using joint donor response strategies. We would however like to see assurances that opportunities will be made to consult with civil society organisations and networks in these response strategies.

- Proposals to track expenditure on biodiversity and climate change.

However, WWF would like to see strengthened proposals regarding the following:

- Investment in biodiversity and healthy ecosystems will underpin many other sectoral development issues including improving climate resilience, food security and sustainable agriculture. Therefore specific attention will need to be given to regional and national biodiversity objectives in programming with partner countries.

- As proposed, the amounts within the global public goods and challenges programme may be reallocated between headings by a Commission decision only. While it is valuable to retain some flexibility, we suggest that where the amount to be reallocated exceeds 10 per cent of the total initial amount for the programme, the full scrutiny and approval of the European Parliament is required.

- While we welcome the Commission's intention to deliver critical climate finance throughout external action instruments, including the Development Cooperation Instrument, we continue to call on the Commission to demonstrate the additionality of climate finance, against an agreed baseline, in the forthcoming Multi-annual Financial Framework. The Commission and Member states should ensure that the delivery of climate finance is not undermining commitments to other human development objectives and the MDGs.

- The participation of civil society actors in political dialogue, programming, implementation and review at country, regional and European levels. should be valued and strengthened throughout the Development Cooperation Instrument and Horizontal regulation. Currently references to civil society engagement are weak.

- The outcomes of the EU Structured Dialogue process in 2010 and 2011 should be fully reflected, including the acknowledgement of the roles of civil society from a local to global level and appropriate funding modalities, including programme funding, put in place to facilitate and enhance the participation of civil society organisations and networks.

WWF • Environment and Development : financial instruments in EU External Action

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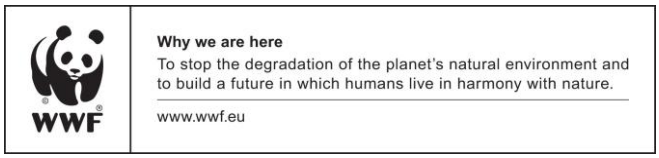

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