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THE ENVIRONMENTAL DIMENSION OF THE COMMUNITY'S DEVELOPMENT POLICY

(Communication from the Commission to the Council)

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A. Protection of the environment in the context of cooperation with developing countries

Although there is a dearth of reliable information on the environment in developing countries, there is no doubt that the situation is extremely serious in most of them. Deforestation, soil impoverishment, diminishing water supplies and desertification have now reached alarming proportions and constitute a serious threat to living conditions in various parts of the world. The scourge of disease, which is linked to adverse environmental conditions, is also a cause of poverty.

The environment is also seriously threatened by pollution of the atmosphere, the sea and inland waters, the use of dangerous substances and the extinction of many animal and plant species.

Through a combination of different factors, the deterioration of the environment is gathering pace.

Over the last few decades general climatic conditions have apparently worsened, notably with regard to the level of rainfall, rains becoming more irregular when they are not consistently less abundant.

At the same time there is the population explosion following the spectacular drop in the incidence of major diseases, greater success in combating shortages and famine, and a certain improvement in general living conditions.

A similar phenomenon can be observed in the case of domesticated animals.

Finally, the ease with which trade and the circulation of people and ideas all over the world now takes place has led to the rapid diffusion of techniques for exploiting the biosphere which, while certainly effective, are often too aggressive for ecological systems ill-prepared to support them.

A number of particularly revealing facts unfortunately do nothing but confirm this alarming situation.

- (a) Forests and the tree cover of cultivated land are receding rapidly and there is a widespread shortage of fuelwood for domestic use and artisanal production. With requirements increasing as the population grows, the consumption of wood - the main source of energy in rural areas when it is not the only one - has exceeded the natural replacement rate and everywhere forests are receding, if they have not totally disappeared, as is the case around urban centres.

- (b) In grazing areas, high stocking rates have led to overgrazing of grasslands and woodland pastures, the final stage being a complete stripping of the land, which can be seen around watering points where there is the maximum concentration of livestock.

The reason for this overstocking, apart from pastoralists' attachment to the traditional form of stock rearing which maximizes the size of the herd, are the negative - and inadequately controlled - effects of projects designed to protect animal health and provide adequate water supplies.

- (c) In field cropping areas, where the highest rural population densities are often found, particularly in Africa, the rapid increase in the number of mouths to be fed has led to the extension of cropping at the expense of fallow land. This extension has often been rendered possible by the use of draught animals and tillage machinery, which has increased farmers' productivity considerably, and also, although to a lesser extent, by the use of chemical fertilizers, which have made it possible to farm land which without them would have been abandoned because of inadequate yields. But the easy use of such machinery also involves the felling of trees and removal of stumps, thus preventing new tree growth in the now shorter fallow periods.

Elsewhere, the desire to satisfy the immediate needs of the high-income industrialized countries or certain sectors of the developing countries' economy is leading to the rapid extension of cultivation with the concomitant destruction of forests; examples are the north of Thailand, where manioc is being grown to feed livestock in Europe, and Brazil, where the Amazon forest is receding before the sugar cane which is being used to help meet fuel requirements in the industrialized south-east of the country.

Moreover, in agricultural areas everywhere, crop residues are being used as a source of energy to replace wood and are no longer playing their role in reconstituting humus and thus maintaining soil fertility and preventing erosion by wind and rain.

- (d) In the principal mining areas, on the outskirts of the major industrial towns and in oil extraction areas, there is considerable water and air pollution. This has serious consequences on the natural environment and on the living conditions of the people themselves.

These few examples illustrate two shortcomings of development aid:

- (i) inadequate training in environmental matters so that all participants in development operations and particularly the decision-makers and the implementors have not been taught to react in a way that would have enabled them to rectify, or at least counteract more effectively, negative effects on the environment;
- (ii) operations are too sectoral in conception and too productivity-oriented with the result that not enough account is taken of certain social and cultural factors. This has held back the necessary changes in traditional methods of production.

Lastly, and more generally, these same examples show that until very recently, the development policies followed by Third World countries, with or without outside aid, have not taken account of environmental considerations, or at least not sufficiently.

In the implementation of these policies too much emphasis has been given to satisfying short-term needs with no concern for the consequences in the longer - or not so long - term, as if land and water resources were inexhaustible and as if the composition of the air that living beings breathe were immutable. The facts show that this is not at all the case.

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Community policy¹

Nor has Community policy, in the past at any rate, taken sufficient account of the environmental impact of the development projects it has financed.

However, as a point in its favour, there has been a decisive improvement in the situation in recent years, even though the operations carried out by developing countries with Community aid in defence of the environment are still manifestly inadequate compared with the vastness of the problems and the seriousness of the situation.

It should be noted, however, that the figures given below should not be taken strictly at their face value but rather viewed as indicative of trends since, in the absence of a precise definition of an "environmental" project, we have taken projects or studies where the dominant theme is conservation or improvement of the environment.

It should also be pointed out that the latest version (March 1983) of the manual for preparing and appraising project dossiers lays down that each project's effect on the environment should be taken into account.

¹The European Community's undertakings regarding the environment in connection with cooperation with developing countries are set out in Annex II.

Thus, whereas financial commitments by the Community for environmental projects under the first Lomé Convention totalled 37 million ECU for 61 projects, under Lomé II the total, as at 1 March 1984, came to almost 100 million ECU (projects completed, in progress or planned). In addition, while the projects most commonly financed under Lomé I and Lomé II have been village water engineering, the amount of financial aid for measures to combat desertification has considerably increased in the last few years.

From the Community budget:

- (i) within the framework of financial and technical cooperation with developing countries in Asia and Central and Latin America, a total of more than 27 million ECU was provided for 19 projects between 1976 and 1982 inclusive;
- (ii) under the auspices of NGOs, hundreds of small-scale projects received Community aid totalling 9.5 million ECU between 1980 and 1983 inclusive.

Further operations concerned with the environment have been financed from the Community budget since 1980, namely:

- (i) the "Special Programme to combat hunger in the world", which provided more than 16 million ECU for 10 projects plus studies and on-the-spot actions in 1983; a similar sum is envisaged for 1984 (i.e. more than 30% of the Special Programme's funding);

(ii) the budget line "Ecology in developing countries", from which, between 1982 and 1984, 14 projects dealing mainly with studies and training were financed for a total of 380 000 ECU; seminars in Africa and Europe on the implementation of the Washington convention on international trade in endangered species of wild flora and fauna threatened with extinction, the use of pesticides in agriculture, the introduction in India of legislation based on the Washington convention, studies on what impact there has been on particularly fragile sectors in Indonesia, Sri Lanka, Colombia and various African countries.

Expressed as a percentage of total funds allocated to national and regional development programmes, these figures reveal a clear upward trend since the end of the last decade - an indication of the growing interest of both the developing countries and the Commission in environmental matters.

There is thus a rise from 1.5% for Lomé I to 3% for Lomé II (at 1 March 1984), while the figure for projects concerning Asian and Latin American developing countries is 7%, and what for the "defence of the environment" section of the Special Programme to combat hunger in the world is 30%.

In addition to this financial contribution, and drawing on the lessons learnt in cooperation with the developing countries, the Commission has made an effort in recent years to make good some shortcomings through a process of discussion and efforts to increase awareness, mainly at European level in liaison with the Member States. This led to the decision taken by the Development Council, meeting on 5 June 1984, to give priority to three major themes specifically related to the environment. Each would be based on research well-rooted in local reality and large scale campaigns to inform and train economic operators and the local populations concerned:

(i) measures to combat desertification: reafforestation, the rational use of fuelwood, substitute forms of energy, action against erosion, the improvement of the physical and chemical state of arable land;

- (ii) better exploitation of domestic livestock and wild animals through improved production and marketing, without upsetting the water/pasture/livestock balance;
- (iii) management of water resources in the widest sense - better knowledge of underground water reserves and their replenishment, storage and conservation techniques, methods of recuperating ground or underground water and economic use of water, pumping techniques using renewable forms of energy (sun, wind).

B. Proposals for ensuring that greater account is taken of the environment in the Community's development cooperation policy

1. OBJECTIVES

The main reason for taking account of the environment in any policy to aid developing countries is to secure the lasting economic and social development of those countries.

The term "environment" is generally taken to mean:

- (a) the ecological processes which support life;
- (b) the natural resources which form the basis for development;
- (c) the setting for human life.

Consequently, development must encompass to the greatest possible extent the protection and improvement of this environment.

Far from setting up barriers to development, environment policy must take into account the interests of the developing countries and must in particular examine any repercussions of the measures contemplated on the economic development of such countries and on trade with them, with a view to preventing or reducing as far as possible any adverse consequences.

In view of these principles, taking greater account of the environment in development operations requires (i) a long-term policy and (ii) real management of the environment. The second point necessitates in particular:

- (a) greater awareness on the part of governments, since an environmental policy cannot be imposed on developing countries from the outside;
- (b) genuine participation by all those involved in development, in particular the local population;
- (c) greater coordination between the different agencies funding development in developing countries.

The Community can, for its part, make these guiding principles its own. In order to achieve this in practice, so that account may be taken of the environment in development programmes and projects in which the Community is involved, the Community proposes to improve the instruments at its disposal as set out below.

2. IMPLEMENTATION OF COMMUNITY AID

2.1 Environmental considerations must form an integral part of cooperation at all appropriate levels.

The authorities of the developing countries and the Commission must be in a position to analyse, as soon as possible, the effect on the environment of any envisaged development policy for which Community support is sought.

This analysis must be carried out with regard to both the overall strategy and the actual programmes and projects. The Commission will thus examine, together with any developing country which so desires, the best general guidelines for a development strategy compatible with the lasting conservation and improvement of the environment.

The campaigns on specific themes to which the Commission attaches priority

- (i) measures to combat desertification,
 - (ii) the better exploitation of domestic livestock and wild animals,
 - (iii) management of water resources,
- will naturally be given great emphasis in this analysis.

At a later stage it will be necessary to check whether the operations which it is proposed to carry out with Community aid are in fact compatible with the environmental principles of the Community's development policy.

Sectoral programmes or projects which are expected to have appreciable effects on the environment should automatically be the subject of a study to gauge their impact. The study would put forward alternative solutions, the developing country and the Commission then jointly opting for the solution which best meets the requirements not only of economic development but also of the environment, the latter thus becoming one of the basic criteria in deciding which techniques to employ.

Financing proposals and agreements will have to include explicit references to the environmental aspect of projects, and provide for solutions which are both realistic and effective.

But the economic situation and the pressure of local circumstances could well lead to the objectives being modified and it will thus be necessary to continually assess the impact of projects on the environment throughout the implementation stage and beyond, when Community financing has come to an end.

2.2 Coordination with other aid agencies

Some projects are co-financed by the Community and other aid agencies, whose policies in this field may differ from the Community's policy. In such a case, it may be difficult for the Community to abide by its own principles. The policies of the various aid agencies should therefore be more effectively coordinated, at two levels:

- the general approach;
- on the ground, both during and after operations.

Improved coordination must be brought about first and foremost between the Community institutions, between the Member States, and between them and the Commission.

At the same time it would be desirable if the CIDIE¹ were to play more fully its role as a forum for the exchange of information between different aid donors.

2.3 Training - Information

A special effort should be made to provide training and information for national and external decision-makers, technical departments and the people affected in the developing countries in order to ensure that greater account is taken of the environment in development policies.

This effort may be based either on specific training and information programmes and operations or on making this type of measure an integral part of any project that is likely to have a substantial impact on the environment.

¹Committee of International Development Institutions for the Environment.

2.4 Financial and staff resources

To put this approach into practice, the Commission will have to be able to use all the financial instruments already available to it or those which will be made available. Such as the next Lomé Convention, and particularly those which give it the widest possible room for manoeuvre as regards protection of the environment in developing countries.

If the Commission is to assume its support and consultation role on environmental matters in the framework of the Community's aid programme, it must have the staff this requires.

3. PRINCIPLES OF THE COMMISSION'S FUTURE ACTION

The Commission will be guided by the following principles in negotiating and carrying out cooperation agreements with developing countries:

1. economic and social development and environmental protection are not only compatible but mutually reinforcing;
2. the need for environmentally sensitive and responsible development has become more important and urgent in the light of increasing population and concomitant pressures on the earth's resources and life-supporting ecological system in some areas;
3. the principal aim of development policy will therefore be to manage the living and non-living resources of the planet so that they may yield the greatest benefit to the present generation while maintaining their potential to meet the needs and aspirations of future generations;
4. procedures will exist for the assessment of the likely significant effects on the environment of policies, programmes and projects to be financed by the Community, in order to ensure that development proposals meet the requirements of environmental protection;
5. developing countries will be encouraged and assisted to prepare and implement conservation strategies for their living and non-living resources, in which positive measures to restore or to conserve the environment should receive special attention;

6. Developing countries will be encouraged and assisted to improve their own capacity to manage the environment and use their own resources in a sustainable manner, notably by training persons for the necessary skills and by developing and diffusing appropriate methods and practices;

The Commission recommends that each Member State

- (i) be guided by these same principles in its bilateral cooperation activities, ensuring that they are put in practice in an effective manner;
- (ii) ensure that its policy concerning the environmental aspects of cooperation with developing countries is coordinated with that of the Community and those of the other Member States.

It considers that there should be consultation between the Commission and the Member States on the positions to be adopted in international forums. It draws the attention of the EIB to the terms of the Resolution annexed hereto and to the advantages of its operations being well coordinated with those of the Commission.

A draft resolution setting out the above guidelines will be found in Annex I.

Resolution of the Council of the European Communities and
of the Governments of the Member States, meeting within the
Council on Development and Environment

THE COUNCIL OF THE EUROPEAN COMMUNITIES AND THE REPRESENTATIVES OF THE
GOVERNMENTS OF THE MEMBER STATES, MEETING WITHIN THE COUNCIL,

Having regard to the Treaty establishing the European Economic Community,

Whereas the Resolution of the Council of the European Communities and
of the Representatives of the Governments of the Member States, meeting
within the Council, of 7 February 1983, on the continuation and
implementation of a European Community policy and action programme on
the Environment (1982-86)¹, declares that it is important for Community
actions to be carried out particularly in the following areas (inter
alia): integration of the environmental dimension into other policies,
environmental impact assessment procedure, cooperation with developing
countries on environmental matters;

Whereas the action programme states that the Community should promote
conditions for lasting economic development which respects the
interdependence of development, environment, population and resources;

Whereas the action programme also states that the Community will have
regard to environmental problems in drawing up its development policies
and in implementing the Lomé Convention and other cooperation agreements;

Whereas the Commission and the European Investment Bank are signatories
to the Declaration of Environmental Policies and Procedures relating to
Economic Development, signed in New York on 1 February 1980;

¹OJ No C 46, 17.2.1983.

Whereas the European Parliament has adopted a Resolution concerning compliance by the Community with the aims of the World Conservation Strategy by giving effect to them within all its policies;

Whereas the Joint Committee of the ACP-EEC Consultative Assembly, in the final Declaration adopted at Brazzaville on 24 February 1984, requested that the future ACP-EEC Convention should require the assessment of the effects on the environment of projects to be financed by the Community and that funding should be made available for projects intended to protect the environment and to manage natural resources and for a network of biogenetic reserves;

Whereas the accelerating deterioration of the environment and the depletion of natural resources in large areas of the developing world require that the provisions of the Lomé Convention relating to environment be given high priority and that action to conserve the environment and its resources in ACP countries be intensified;

Whereas the attainment of the objectives of Community policy in respect of the environmental aspects of cooperation with developing countries would be substantially aided by the adoption of these objectives by the Member States in respect of their bilateral cooperation policies and by appropriate coordination of the policies of the Community and of the Member States concerning the environmental aspects of cooperation with developing countries;

Having regard to the Resolution of the Council of the European Communities and of the Representatives of the Governments of the Member States, meeting within the Council, on the relationship between the environment and development;

Reaffirm the principles and objectives of Community environment policy and in particular the need to integrate the environmental dimension with other policies;

Declare their support for the principles embodied in the Declaration of Environmental Policies and Procedures relating to Economic Development and in the World Conservation Strategy;

With regard to the Development Cooperation Policy of the European Community,

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Takes note of the Communication of the Commission on Development and Environment;

Approves the principles of the Commission's future action which are stated in the Communication;

With regard to the Development Cooperation Policies of the Member States,

THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES MEETING WITHIN THE COUNCIL,

Undertake to be guided by this Resolution in their bilateral cooperation activities and to take the necessary measures to ensure that the principles stated by the Commission in its Communication are put into practice in an effective manner;

Undertake to coordinate their policies concerning Development and Environment with those of the Community and of other Member States, to ensure compatibility between policies and to promote coordinated action;

Undertake to consult with the Commission and with other Member States concerning positions to be adopted in international forums;

Draw the attention of the European Investment Bank to the terms of this Resolution and the principles set out by the Commission in its Communication in order that it may be guided by them in its operations, and to the benefits of continuing and extending the coordination of its operations in this field with those of the Commission.

THE EUROPEAN COMMUNITY'S UNDERTAKINGS REGARDING THE ENVIRONMENT
IN CONNECTION WITH COOPERATION WITH DEVELOPING COUNTRIES

Community undertakings on development and environment in the framework of cooperation with developing countries are of two kinds:

- (i) external undertakings entered into either with other states or group of states or in international forums;
- (ii) internal undertakings, which form the basis of the Community's policy on development and the environment.

Among the external undertakings are:

The second ACP-EEC Convention, signed in Lomé on 31 October 1979, which includes a number of specific references to the protection of the environment, in particular with regard to:

- (a) industrial cooperation, with a view to minimizing the negative impact of energy production on the environment as well as promoting environmentally positive projects and helping to implement alternative energy strategies;
- (b) agricultural cooperation, which should be aimed at "improving the productivity of rural activities, in particular through ... rational use of crops and livestock resources while protecting the environment";
- (c) financial and technical cooperation, which provides for projects and programmes concerned with the protection of the environment (Article 93(2)(c));

(d) conservation of energy and fishery resources.

The Convention also stipulates that project appraisal should pay "particular attention" to the effects of projects on the environment.

In the cooperation agreements concluded in 1978 between the Community and the Maghreb countries, the Mashreq and Israel, the parties agreed "to promote ... cooperation in the (field of) ... the protection of the environment" (Art. 4).¹

Apart from these undertakings, the Community is also contracting party to a number of international conventions:

- (i) the Barcelona Convention (1976) on the protection of the Mediterranean against pollution;
- (ii) the Bonn Convention (1979) on the conservation of migratory species of wild animals;
- (iii) the Washington Convention (1976) on international trade in endangered species of wild flora and fauna.

In addition, on 24 March 1983, the Community signed the Convention for the protection and development of the marine environment of the wider Caribbean region.

The Commission (and also the EIB) is one of the eleven signatories to the New York declaration on environmental policies and procedures relating to economic development (1 February 1980), which provides for the integration of appropriate ecological measures into the organization and execution of economic development activities.

In this connection the Community belongs to the Committee of International Development Institutions for the Environment (CIDIE), which was set up as a result of this declaration as a forum for the exchange of experiences and information on environmental matters.

¹ OJ L 259, 4.11.1976.

Finally, it should be noted that the Commission is a member of the Development Assistance Committee (DAC) working party set up by the OECD Member States with the aim of investigating ways of improving the extent to which environmental aspects are taken account of in bilateral aid.

The internal undertakings or positions taken on this issue by the Council, Parliament or the Commission define Community policy on the environment and development.

The European Community's third action programme on the environment (1982-1986),¹ the general guidelines of which were endorsed by the Council in its Resolution of 7 February 1983,¹ defines Community action within international organizations and agencies in this field.

In addition, it states that the Community should regard environmental protection as an integral part of its development cooperation policy.

The priority aims established by the programme are:

- conservation of tropical forests,
- measures to combat desertification,
- water management,
- introduction of agricultural and energy-use systems which are compatible with the environment,
- development of "national conservation strategies" in developing countries in order to help realize the objectives of the World Conservation Strategy.

In its Regulation (EEC) No 1993/83 of 11 July 1983, the Council adopted a special programm to combat hunger in the world "in order to increase the level of self-reliance in food of the developing countries and to protect the natural resources of those countries".

¹ OJ C 46, 17.2.1983.

To this end, the Community envisages action in the following fields:

- more efficient use of fuelwood
- reforestation
- measures to combat desertification
- protection of wild flora and fauna
- management of domestic livestock
- development of village water engineering
- training and research projects in connection with the above points.

In Council Regulation (EEC) No 442/81 of 17 February 1981¹ the Community implemented measures for financial and technical aid to non-associated developing countries (NADC). This aid is primarily intended for the poorest developing countries and is "mainly directed towards improving the living conditions of the most needy sections of the population of the countries concerned".

The negotiating directives for the new ACP-EEC Convention, adopted by the Council on 19 September 1983, give the following instructions to the Commission:

"As part of the balanced development of the economies of the ACP States ... long-term operations will be undertaken to safeguard and utilize natural resources" (campaigns with specific themes).

In its Resolution of 20 May 1980 on the World Conservation Strategy (WCS),² Parliament asked for the Community's aid policy under the Lomé Convention to be reviewed and adapted in the light of the World Conservation Strategy, and in its Resolution of 16 September 1983 on the environmental aspects of the future association convention with the ACP, Parliament took the view that the new Convention must give priority consideration to ecological matters. It urged that the following points should be included in the text of the new Convention:

¹OJ L 48, 21.2.1981.

²OJ C 147, 16.6.1980.

- "supporting the capacity of the developing countries to "manage their natural environment and natural resources" as part of an autonomous environmental policy";
- "systematic inclusion of ecological aspects in financing";
- devising, implementing and supporting projects intended to protect the environment;
- introducing measures to promote awareness among those involved in development operations of the needs of the environment (training, information, etc.).

Parliament also made a request for the inclusion in the budget of a new heading for the protection of the environment in developing countries.

Parliament's work was followed up, in the framework of the Lomé Convention, via the ACP-EEC Consultative Assembly.

At its meeting in Brazzaville on 24 February 1984, the Joint Committee of the Assembly adopted a final declaration requesting that the future Convention pay special attention to environmental problems and that "measures to combat desertification and deforestation" should have "priority among the environmental problems".

In its Memorandum on the Community's development policy of 30 September 1982,¹ the Commission includes among its aims the systematic exploitation of all natural resources potential and the restoration and preservation of the ecological balance.

Mr Pisani's communication of 14 November 1983 to the Council meeting on Development outlined the campaigns with specific themes proposed by the Commission and laid down as principal objectives measures to combat desertification, the preservation and exploitation of domestic livestock and wild animals and the development of village water engineering.

¹COM(82)640 final.