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**BIODIVERSITY ACTION PLAN
FOR
ECONOMIC AND DEVELOPMENT CO-OPERATION**

Biodiversity Action Plan

For

Economic and Development Co-operation

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1. BIODIVERSITY IN DEVELOPMENT

1.1. Context

1. Many people in developing countries depend on biodiversity to support their livelihoods, through the direct use of a wide range of domesticated and semi-domesticated crops, livestock, trees, fish etc, supplemented by many products collected from the wild, including medicines, other foods, building materials etc. Furthermore, biodiversity in developing countries provides many indirect and/or intergenerational benefits from local to global levels. This includes a range of ecosystem services, such as: supporting the formation of fertile soils, filtration of polluted water, stabilisation of hillsides, coastlines etc. At the global level, biodiversity benefits include climate stabilisation, a huge store of genetic information, and a wealth of plant, animal and microbe species.
2. Most of the world's biodiversity is found in developing countries in tropical regions. However, it is being lost at unprecedented rates. Direct causes of biodiversity loss include over-exploitation of natural resources, loss of natural habitats and introduction of alien species. But these causes often stem from underlying causes related to policy, market and governance failures; demographic and climatic conditions; lack of knowledge and limited institutional capacity. As a result many poor groups are getting poorer, and the speed of biodiversity loss increases. By the same token, it is clear that biodiversity losses will only be reversed if the costs and benefits of biodiversity conservation and sustainable use are integrated into the social and economic development aspirations of individuals and nations.
3. This action plan builds on the objectives of the EC Biodiversity Strategy, and considers how they can be achieved in the context of the international development targets. Two development targets are of particular relevance: the development of national strategies for sustainable development, so as to reverse the loss of environmental resources by 2015; and the reduction of poverty by half by 2015.

1.2. Aims of the biodiversity action plan (BAP)

4. With the publication of the EC *Biodiversity Strategy* (1998), a set of objectives was determined for biodiversity in economic and development co-operation. The overall aim of this BAP is to identify actions that address these objectives. Each of the actions listed *in italics* is linked to a particular objective(s) [noted in square brackets]. All objectives are cross-referenced to actions in Annex 1. The structure of the BAP follows the *Biodiversity Strategy*'s themes for action, and provides a rationale for each action in the context of economic and development co-operation activities.
5. The three-fold aims of this *Biodiversity Action Plan* are therefore:
 - To identify priority actions that will address the objectives of the *Biodiversity Strategy*, incorporating actions already noted in the *Biodiversity Strategy*;

- To identify priority actions for integrating biodiversity into the policies, programmes and projects being developed and funded through EC economic and development co-operation;
- To identify actions that help to build the European Commission's capacity to address biodiversity issues as part of economic and development co-operation.

EC Biodiversity Strategy objectives for economic and development co-operation

- (1) *To mainstream biodiversity objectives into Community development and economic co-operation strategies and policy dialogue with developing countries and economies in transition. Biodiversity objectives should be integrated into development projects across different sectors of the economy of the recipient countries, ensuring greater coherence between Community development co-operation policy and other Community policies, such as trade, agriculture and fisheries.*
- (2) *To support sustainable use of natural resources, particularly in relation to forests, grasslands and marine/coastal ecosystems.*
- (3) *To strengthen the capacity of relevant agencies involved in conservation and sustainable use of biodiversity.*
- (4) *To further integrate EIA practices in development co-operation.*
- (5) *To co-ordinate the implementation of this strategy and the action plans emerging from it, with third country strategies, ensuring coherence between Community support to third countries and the objectives of those countries' own biodiversity strategies.*
- (6) *To ensure complementarity and co-ordination of policies and approaches in Community and Member States aid programmes, as well as with other donors and international institutions, particularly the Global Environment Facility (GEF), for coherent implementation of the Convention on Biological Diversity (CBD).*
- (7) *To provide sufficient funds for biodiversity on bilateral aid programmes as well as for international mechanisms (e.g. CBD).*
- (8) *To promote schemes for the integration of biodiversity objectives into agriculture in accession countries¹.*

1.3. Development co-operation targets

6. The biodiversity objectives need to be addressed in the context of other stated policies and objectives for development co-operation, such as the European Community's Development Policy, the *Cotonou Agreement* (2000), Asia and Latin America Regulations (1992), and sectoral policy statements. These, in turn, relate to the **international development targets** that the EC and EU Member States have

¹ This objective will not be dealt with in this part of the BAP. Please refer to section 4.2.8 of the part on Agriculture.

agreed upon. The targets focus on issues of poverty, education, health and environment², and acknowledge that all these need to be addressed simultaneously, within the context of sustainable development.

7. One key development target is the development and implementation of **national strategies for sustainable development** (NSSDs) by 2005, as a tool to ensure that current trends in degradation and loss of natural resources are effectively reversed at both global and national levels by 2015. NSSDs refer to a process rather than to a document or planning initiative. These must take account of existing strategies and action plans, including National Biodiversity Action Plans and National Environmental Action Plans, and focus on integrating economic and social development and environmental protection.
8. A second important development target is poverty reduction: the proportion of people living in extreme poverty in developing countries should be reduced by at least half by 2015. Biodiversity is an asset of many poor communities and should be used for the sustainable reduction of poverty. However the linkages between biodiversity and poverty are complex and difficult to predict; in different circumstances biodiversity losses can be caused by increased or decreased poverty. The links between biodiversity and poverty need to be systematically examined in all contexts to seek viable opportunities for integrating biodiversity conservation and sustainable use in the context of sustainable development.
9. Biodiversity is a core aspect of 'environment', and is therefore included in the EC's policy to integrate environmental thinking into all spheres of economic and development policies, programmes and projects. The policy has been elaborated in the EC Communication Integrating Environment and Sustainable Development into Economic and Development Co-operation Policy (1999), which makes clear how environmental management, including management of biodiversity, underpins sustainable development. This *Biodiversity Action Plan* operationalises these development targets and environmental commitments.

2. THEMES FOR ACTION WITHIN THE EUROPEAN COMMUNITY

2.1. European Community co-ordination

10. The Treaty establishing the European Union outlines the importance of the environment in development co-operation: "environmental protection requirements must be integrated into the definition and implementation of the Community policies and activities". EU Member States and the EC have shown a commitment to integrating biodiversity into development co-operation by ratifying the Convention on Biological Diversity (CBD), and several Member States have issued separate policy statements about biodiversity in development co-operation. By signing the CBD, the Member States and the EC have also made a commitment to achieving the Convention's objectives through support to other countries, in line with CBD Articles 5 (Co-operation) and 20 (Financial Resources).
11. The EC has a comparative advantage in providing financial support to practically all developing countries, often at larger volumes than individual Member States. The EC

² Shaping the 21st Century (OECD/DAC, 1998).

also has the advantage of being able to take the lead role in regional projects and to enhance complementarity between EC and Member States. However, these advantages will not occur automatically and require active engagement of the Commission and MS. This applies to all sectors, but especially to the environment/biodiversity where the institutions involved often have a low priority in government financial allocations. One way that co-ordination in this field is currently achieved is through the EC/EU Member States Expert Group (MSEG) for biodiversity (known as the Tropical Biodiversity Advisers Group). This group is an informal technical forum for the exchange of ideas between development co-operation agencies, which meets every six months.

ACTION 1: *Continue to support, and play an active role in the activities of the EC/EU Member States Biodiversity in Development Expert Group (MSEG) to harmonise policies, monitoring of impact, reporting and to improve information sharing (including a web-site). [objective 6]*

12. In addition to support through development co-operation, all EU Member States make contributions to the Global Environment Facility (GEF). The EC is not a member to the GEF, however, and is not involved in deciding GEF policies. Greater impact and efficiency could probably be achieved if the biggest donors for biodiversity (EC & GEF) were to improve their co-ordination, and develop complementary approaches to conservation and development. Collaboration with the World Bank, Regional Development Banks and others should be further developed as well.

2.2. Strengthening capacity within the European Commission

13. Economic and development co-operation instruments for environmental (including biodiversity) themes include: European Development Fund (EDF), Asia, Latin America and Mediterranean (ALA-MED) budget lines as well as two horizontal budget lines (B7-6200 and B7-6201; for spending refer to Annex 2). Between 1996 and 1998, there were 215 projects funded in ACP and ALA regions which met the OECD/DAC criteria for addressing the objectives of the CBD (Annex 3), with a total commitment of € 64 million. Additional funds were committed by the Environment budget line (€ 127 million committed in the period 1993-1999), and by the Tropical Forest budget line (€ 324 million committed in the same period). Despite these relatively large investments, there is limited technical capacity in the Commission to deal with biodiversity or environmental issues in development and economic cooperation.
14. The bulk of EC development co-operation spending is on activities that do not have primarily environmental aims, but often have important direct or indirect impacts on biodiversity. Hence there is good potential but very limited capacity to integrate biodiversity issues into these sectoral programmes (e.g. agriculture, transport, etc.). There is also limited technical capacity in the Delegations, or corresponding country desk offices in Brussels, to carry out necessary strategic environmental assessments to ensure that biodiversity is represented in country dialogue on cooperation strategy (National/Regional Indicative Programmes (NIP/RIP) and Country Strategy Papers (CSP)) or Poverty Reduction Strategy Papers (PRSPs).

ACTION 2: *Incorporate biodiversity issues fully into the revised Environment Manual³. Ensure that biodiversity is included in the work of the Environmental Help Desk, to support the EC with programming, identifying, formulating and monitoring the integration of biodiversity issues into development co-operation. [objectives 1, 3 & 4]*

15. Funding should be secured for the medium term to finance an Environment Help Desk to support development co-operation officers, both in Brussels and Delegations. Its immediate priority should be to assist writing terms of reference for Strategic Environment Assessments (SEAs – for NIPs/CSPs and policies or programmes) and Environment Impact Assessments (EIAs – for projects), and review impact assessment reports⁴.
16. In addition to addressing key deficiencies in implementing SEAs and EIAs, an extensive training programme is required to strengthen capacity for EIA/SEA implementation within the commission. This should be linked with awareness raising and training in risk assessment for implementation of the CBD's Biosafety Protocol; focusing on policy and management issues in relation to genetically modified organisms (GMOs).
17. Finally, a number of EC/EU policies have a strong impact on biodiversity in developing countries. These include trade policy (e.g. quotas and tariffs on goods imported from developing countries), agriculture (e.g. subsidies for European crops) and fisheries (e.g. fisheries agreements), for which the EC has competence to develop Europe-wide policies and actions. These policies may have important impacts on biodiversity in developing countries, which need to be further studied and understood. Focus should be on the potential for these policies to support sustainable development, based on the conservation and management of biodiversity/natural resource base.

³ User Guide: Environmental procedures and methodology governing Lomé IV development cooperation projects (DG DEV, 1993)

⁴ SEA and EIA tools are described in the EC Environment Manual

3. ECONOMIC AND DEVELOPMENT CO-OPERATION

18. A number of 'guiding principles' have emerged and have been developed through both EC/EU Member States and developing country consultations, based on experiences of past and on-going projects and programmes. These lessons will feed into new projects, programmes and policies. They underpin effective and sustainable approaches to conservation and sustainable use of biodiversity, and therefore apply to all activities identified in this section.

Seven **guiding⁵ principles** for effective and sustainable development co-operation projects, which take biodiversity issues into account and are in line with the CBD Ecosystem Approach principles.

- (1) Adopt an ecosystem perspective and multi-sectoral approach to development programmes, taking account of impacts on adjacent and down-stream areas.
- (2) Ensure/encourage full stakeholder participation, including partnerships with civil society, government and private sector.
- (3) Ensure that development co-operation projects and programmes are consistent with the wider policy framework, and/or changes are made for supportive policies and laws.
- (4) Ensure that institutional arrangements are effective, transparent, accountable, inclusive and responsive.
- (5) Promote fair and equitable sharing of costs and benefits from biodiversity conservation and sustainable use, at local, national and international levels.
- (6) Provide and use accurate, appropriate, multi-disciplinary information, which is both accessible to and understood by all stakeholders.
- (7) Development co-operation activities must be framed in the context of local / national structures, processes and capacities and seek to strengthen them.

3.1. Developing country biodiversity strategies and action plans

19. Developing countries are establishing National Biodiversity Strategies and Action Plans, which integrate biodiversity at the national planning level. Major constraints in implementing biodiversity strategies are: lack of information and awareness, weak management capacity, limited technical capacity and limited financial resources, weak policy and legal framework for participatory natural resource and protected area management.
20. As a consequence of these weaknesses, many National Biodiversity Action Plans are not related to national development priorities such as campaigns against poverty or improving food security. Most Biodiversity Action Plans focus on protection of biodiversity, and give little emphasis to its sustainable management. National

⁵ These principles were elaborated in the context of development cooperation. Applicability for economic cooperation and Mediterranean region should be further analysed.

Biodiversity Action Plans need to be integral parts of national strategies for sustainable development, or the equivalent national mechanism for integrating economic, social and environmental factors into national development plans.

21. National Biodiversity Action Plans must also take account of the dependence of different groups on different levels of biodiversity. Forest-dwellers, pastoralists, poor people, old people etc. will all have different needs from, and knowledge of, biodiversity. And within these groups, women and men use and manage biodiversity in different ways.
22. The link between national plans and international policy development is often weak. This may result in policies being agreed upon at international level that are difficult to implement in developing countries. This is not only the case for policies agreed in forums that relate directly to biodiversity (e.g. CBD, CITES, RAMSAR), but also in any which have a large impact on biodiversity (e.g. the Convention on Climate Change and the Convention to Combat Desertification). Addressing capacity weaknesses should be done in cooperation with others, including the World Bank, GEF, UN agencies, bodies, programmes and initiatives and in particular FAO, UNEP and the UN Forum on Forests.
23. An important example of the need for capacity building relates to the implementation of the Cartagena Protocol on Biosafety. Following the entry into force of this protocol, developing countries will need to integrate biosafety issues into national development strategies and legal frameworks in order to be able to assess risks emerging from the introduction of Living Modified Organisms to the environment and people's livelihoods. Developed countries will have an obligation to cooperate in the development and strengthening of human resources and institutional capacities in biosafety for the purpose of the effective implementation of the Protocol. Current (and previous) specific research programmes on international scientific and technological cooperation support many projects relevant to such capacity building in developing countries. More support is needed to integrate biodiversity into national development strategies and to draw up and implement participatory National Biodiversity Action Plans.

ACTION 3: *Support for capacity building, in cooperation with other agencies, to integrate biodiversity into national development strategies, to draw up and implement participatory National Biodiversity Action Plans, ensuring consistency also with the NSSD processes and sectoral plans such as national forest programmes, and include effective measures to implement the Biosafety Protocol. Capacity building is also needed to enable developing countries to represent their country's position at international forums. [objectives 1, 3, 5 & 6]*

3.2. Conservation and sustainable use of biodiversity

24. Biodiversity is a central component of natural resource sectors: agricultural, livestock, fisheries and forestry. It is also an important component of other sectors such as health (e.g. indigenous medicines) and tourism (e.g. wilderness areas). As such, it offers a range of options for supporting livelihoods through direct use. For a great number of people in developing countries, biodiversity offers the variety of resources that maintain livelihood resilience to cope with shocks and changes due to disease, unfavourable weather, changes in markets or inputs (e.g. fertilisers).

25. These direct uses are supplemented by indirect uses of biodiversity, such as soil retention, soil fertility, water filtration, etc, and non-use values which include preserving resources for future generations, religious, ceremonial, and other socio-cultural values.
26. Conservation and sustainable use of biodiversity are two of the three overall CBD objectives (see box), which have to be achieved by looking at the full range of biodiversity values, and by taking account of the distinctions between domesticated plants and animals, and those gathered from farm edges, fallows and little-managed wild ecosystems.

Conservation involves the...*“conservation of ecosystems and natural habitats and the maintenance and recovery of viable populations of species...”* (CBD Article 2), and includes the rehabilitation of degraded ecosystems.

Sustainable use is *“the use of components of biological diversity in a way, and at a rate, that does not lead to a long-term decline of biological diversity, thereby maintaining its potential to meet the needs and aspirations of present and future generations”* (CBD Article 2).

27. Biodiversity can support human development within productive landscapes where a spectrum of actions are integrated from protection (conservation), through sustainable use of natural ecosystems, to conversion of natural habitats into agricultural landscapes. The ecosystem approach to land use is a recurrent feature of management plans in developing countries: the “ridge-to-reef” approach for small island developing states; integrated coastal zone management programmes; multiple-use land planning etc. It emphasises the inter-linkages between different activities and sectors, and allows conservation and sustainable use objectives to be achieved through a broad range of actions in a single landscape. It also acknowledges that a wide range of habitats, with different levels of human intervention, is needed to support a rich biodiversity and human development.
 28. While accepting the crosscutting nature of biodiversity, proposed actions have been listed under the following headings: Intensive production systems; Production systems involving non-domesticated species; Protected Areas; Environmental Impact Assessment. Rural communities use a combination of two or more of these systems, but the separation allows different sets of issues to be considered by different sectors/Ministries through which development co-operation actions are planned and implemented (*e.g.* Ministry of Agriculture, Ministry of Fisheries, etc). The actions focus on priority problems in developing countries, and will need to be elaborated into specific projects and programmes with developing country partners.
- 3.2.1. *Production systems involving domesticated species: agriculture, livestock, aquaculture, plantation forestry*
29. Although four crops account for 63% of plant-derived calorie intake world-wide, some 7,000 plant species are recorded as foods; while only 14 mammal and bird species account for the bulk of the world’s livestock, over 200 species supply protein for rural and urban consumers; six species of fish account for 25% of global fish catch, but hundreds of fish species are consumed. Tens of thousands different tree species exist, and just a handful are being planted at a large scale. Reliance on a very narrow range of species for so many livelihoods means that stronger investments need to be made in maintaining the genetic and species biodiversity.

- *Plant and animal domestication has focused on a few species, which have been transported all over the world. However, introduction of a limited number of species/varieties, which have often replaced a broader range of local varieties and breeds in many high production areas, runs the risks of increasing vulnerability to food losses through the evolution of new disease and pest varieties, and to income losses through price declines on international markets.*
- *The genetic base of the few species, on which intensive production systems rely, is becoming eroded, as local varieties of crops (as much as 90% losses of cabbage field maize, tomato varieties) and livestock (37% breeds threatened with extinction) are lost. In the case of aquaculture (which supplies 40% of world fish harvests), the gene pool has in most cases been drawn from a limited number of individuals/populations. As noted above, these losses limit breeding options to meet future needs to improve yields, to resist pests and diseases, to grow in new areas etc. This problem has begun to be addressed by storing millions of accessions of crops to national/international gene banks, but few livestock or aquaculture species are represented in gene-banks.*

ACTION 4: *The EC will support developing countries in developing clear policies needed to maintain stocks of a broad a range of domesticated plant and animal species, based on a careful assessment of the most useful/important species/populations. Wild relatives of domestic stocks should be included in these assessments. [objective 2]*

- *Access to this genetic material for local communities is very limited. Furthermore, the maintenance of genetic material on-farm, or indeed of genetic material of wild relatives of domesticated species, allows for continued evolution and adaptation to changing circumstances. It also ensures that materials stay viable under the conditions in which they are stored.*

ACTION 5: *Ex situ gene-banks need to be supplemented with projects to ensure that users in rural areas have access to these global genetic resources, and to further develop on-farm, community-based gene-banks, as well as in situ programmes for wild populations. This must be co-ordinated with similar international initiatives. [objective 2]*

- *Subsidies for agriculture development, livestock rearing and other intensive production systems have often resulted in unsustainable development programmes and large, avoidable losses of biodiversity. Subsidising uneconomical agricultural practices through transport and fertiliser subsidies, or livestock ranching on soils that cannot support pastures, are prime examples.*
- *Where rural communities rely on a few species, instabilities in markets, agro-chemical supplies, disease and pest attacks, and climatic conditions make them vulnerable to crop failure and livestock/fish stock losses. Furthermore, reliance on agro-chemicals is costly, commonly leads to high levels of pollution, and encourages the evolution of resistant pests and pathogens.*

3.2.2. *Production systems involving non-domesticated species: natural forests, fisheries, wildlife*

30. Rural and urban communities rely on a combination of both domesticated crops, livestock, fish and trees, and collected wild products. The latter include foods, medicines, fuelwood, fodder and building materials from plants, and animal protein from bush meat, fish, insects etc. Many farming systems (*e.g.* shifting cultivation) make use of a range of agro-ecological zones that provide a patchwork of farmed, fallow and original habitats, all of which provide goods and services to support livelihoods. The importance of forests, wetlands, and savannahs are recognised in this respect⁶.

31. Even in the most intensively farmed areas, people still combine the use of cultivated/reared products with off-farm products, and some groups (*e.g.* women, children and the poor) rely to a large extent on products from fallow thickets and little-managed natural habitats. These products are important for all groups in periods when crops, livestock or fish harvests fail, or are not yet available. Sustainable development therefore relies on the availability of sufficient areas of non-cultivated land to supply these products, and to ensure that the ecosystem services (water recycling; soil formation, etc), which underpin productive activities, are not lost or degraded.

- The multi-functional nature of landscapes, particularly forests, wetlands and savannahs, is often overlooked when making economic assessments of development proposals. As a result many of the intangible and long terms benefits of biodiversity, including the maintenance of ecosystem services, are undervalued.
- Key habitats that support populations of important species are being destroyed: breeding grounds, migratory routes, seasonal resting areas etc. In the case of aquatic species, this is especially acute with the loss of coral reefs, mangroves and freshwater wetlands. Loss of forests has had negative results on soil fertility, water flow rates, local climate conditions, and supplies of many non-timber forest products that support livelihoods.
- Sustainable use is often constrained by a lack of information about the resource base, and its capacity to recover from different types, intensities and frequencies of harvesting. This is a particular problem for “invisible” fisheries resources, where patterns of migration and reproduction are complicating factors about which little is known.

ACTION 6: *EC support for rural development programmes will focus on a diverse array of habitats and species, to provide both domestically produced and wild-collected products. This will include support for specific capacity building to be incorporated into regional and national policy and programming, and ensure that poverty assessments and economic analyses take full account of all these products. [objective 2]*

⁶ EC Communication – Forests and development: the EC Approach (COM (1999) 554), and DG DEV communication on Fisheries COM (2000)724 “Fisheries and poverty reduction”.

3.2.3. Protected areas

32. There are 560 million ha of protected areas in ACP and ALA countries (approx. 7.7% of the land area), supplemented with 130 million ha of marine protected areas worldwide. These areas were established for a number of conservation objectives, including a) protection of watersheds and other environmental services; b) maintenance of areas of scenic beauty for recreation, tourism and sport hunting; c) maintenance of breeding areas for migratory/mobile species, that may be harvested elsewhere; d) conservation of biodiversity, including maintaining areas holding wild relatives of domestic plants and animals.
33. Habitats that are particularly rich in biodiversity include tropical forests, wetlands, coastal zones (including coral reefs) and mountains. Arid and semi-arid rangelands are less rich in terms of number of species, but also hold unique biodiversity and support poor livelihoods. A representative sample of protected areas in all these habitats will maintain global genetic resources, and merits international funding as a contribution towards this global benefit.
34. Management of protected areas in many developing countries has often failed, and a review of the main issues that face protected area management in ACP countries⁷ has recently been published. In this document, it is clearly shown that many conservation objectives cannot be achieved through management of protected areas alone; complementary actions outside protected areas are equally important. There is little political support or funding in many developing countries because of narrowly defined and poorly communicated protected areas objectives. Conflict of interests arise frequently with local communities, ranging from crop damage by animals refuting in protected areas, to restricted access to resources, evictions and arrests. These have constrained local development and undermined public support for protected areas in many regions.

ACTION 7: *The EC will support developing countries to make full use of all six IUCN categories for conservation and sustainable use⁸. This should focus upon the participatory review of the conflicts and opportunities, local livelihood improvements and income generation from the use of protected areas. It includes EC funding complementary to conservation-focused GEF investments. [objective 2]*

3.3. Environmental Impact Assessment and Strategic Environmental Assessment

35. In addition to addressing biodiversity issues that arise within renewable natural resources sectors, which are directly involved in managing biodiversity at various levels, large investments are made in other sectors (e.g. trade, transport, water, health and education). Incorporation of biodiversity issues into these sectors is essential if the objectives of the EC Biodiversity Strategy are to be met. This must take account

⁷ Parks for Biodiversity (1999), EC/IUCN

⁸ The six categories are: 1 Protected area managed mainly for science or wilderness protection; 2 Protected area managed mainly for ecosystem protection and recreation; 3 Protected area managed mainly for conservation of specific natural features; 4 Protected area managed mainly for conservation through management intervention; 5 Protected area managed mainly for landscape/seascape conservation and recreation and 6 Protected area managed mainly for the sustainable use of natural ecosystems.

of the fact that different sectors may have considerable effects on biodiversity, and/or rely on biodiversity to varying degrees.

36. The revised Environment Manual outlines how to integrate biodiversity and environmental issues into economic and development co-operation. The manual will indicate the actions needed at different phases of the policy, programme and project cycles, with supplementary sector guidelines for: agriculture, transport, forestry, health, fisheries, education etc.

ACTION 8: *EC support will be provided to incorporate an ecosystem approach into Economic and Development Cooperation, with particular emphasis on rural development programmes and projects, taking into account long-term and intangible ecosystem services. This includes capacity building for integrated land use planning, co-management of natural resources, and resolving conflicts between competing stakeholders. [objective 2]*

37. Strategic Environmental Assessment (for policies and sector programmes) and Environmental Impact Assessment (for projects and programmes) are the instruments with which to incorporate biodiversity conservation and sustainable use into development co-operation. The capacity in developing countries to apply these instruments is weak.

ACTION 9: *Capacity building of national and local institutions to carry out Strategic Environmental Assessments of policies and programmes and carry out or evaluate Environmental Impact Assessments of projects. Ensure that biodiversity is incorporated into EIAs and SEAs and stimulate SEA's being undertaken for policies and sector programmes which might have an impact on biodiversity. [objective 4]*

3.4. Equitable sharing of costs and benefits from biodiversity use

38. The CBD objective of equitable sharing of benefits arising from the use of biodiversity links clearly with the international development target on poverty. If human development is to follow routes which improve biodiversity management, the costs of maintaining biodiversity, and the benefits from its use, must be shared equitably at all levels. This goes beyond the focus of the CBD, because it incorporates costs as well as benefits, and includes ecosystem and species levels of biodiversity, in addition to the genetic resources highlighted in the CBD.

ACTION 10: *The EC will support research efforts in developing countries, which clarify the costs and benefits of different patterns of biodiversity management for different groups of stakeholders, in particular the rural poor, and taking into account the importance of biodiversity to rural economies. [objective 3]*

39. From the perspective of genetic resources, international discussions and negotiations (WTO/TRIPs) have taken place on intellectual property rights, technology ownership, and control over patented goods. These have faced the problem of defining what is biodiversity, and what is indigenous/local knowledge. More support is needed to safeguard the rights of local and indigenous communities and to bring benefits to them.

ACTION 11: *The EC will support national capacity building in developing countries to define intellectual property rights in relation to biodiversity, and*

develop supportive laws for equitable benefit sharing. These must translate into practical agreements and contracts between suppliers and users. [objective 3]

40. Specialised marketing for products that are produced and supplied in ways that meet standards for biodiversity conservation, as well as social and economic standards are emerging. Although these markets are not large at the present time, opportunities should be taken to support market access to these specialist markets with biodiversity-sensitive consumers who are willing to pay a premium.
41. The bulk of biodiversity products, however, is traded at local markets. So sharing of costs and benefits for biodiversity management depends on local/national stakeholders. Local communities are often the custodians of natural ecosystems, and need clear ownership and access rights to natural resources if they are to invest in long-term, sustainable management approaches. They also need support to ensure that stronger, outside interests do not profit from unsustainable use of biodiversity at the expense of local livelihoods.

ACTION 12: *Support development of policy frameworks in partner countries for participatory approaches to natural resource management, and capacity building of co-operatives, user groups and other Community Based Organisations/Non-governmental Organisations (CBO/NGO) which supply biodiversity products, to be able to negotiate with government and private enterprise for fair prices and systems for equitable sharing of benefits. This will include retraining of government staff to facilitate co-management approaches, policy reforms with respect to specific incentives, or removal of perverse incentives (e.g. subsidies) that restrict the profitability of trading in a wide range of biodiversity-based products. [objectives 3 & 6]*

ACTION 13: *Support policy reviews and improvements to the legal framework which give more secure ownership of, and access to, land and natural resources for local people. [objective 2]*

42. Based on clear ownership and access rights, a policy for co-management and decentralised decision-making is required which will enable rural communities to negotiate fair prices, and to play an active role in establishing sustainable harvesting levels with government and the private sector. To be able to do this effectively depends on strong and transparent governance including, for example, redistribution of environmental taxes to local communities.
43. If full use is to be made of the opportunities to trade in a wide range of products, then new markets need to be developed, and new products marketed. Initiatives to introduce standardisation and quality control on indigenous medicines traded in local markets will allow biodiversity management to be an integral part of peoples' economic well being, and thereby encourage sustainable use approaches. Economic developments also carry the risk that habitats will become less diverse as they become managed for the few, most-profitable items.

ACTION 14: *The EC will promote and support approaches to add value to biodiversity by supporting national and international initiatives to:*

- i) improve market access to ‘minor’ products, and support standardisation and quality control processes;
- ii) provide incentives that will make ‘minor’ products competitive compared with other products that are subsidised;
- iii) establish mechanisms for trading in global benefits provided by tropical countries, such as carbon trading initiatives, and develop mechanisms to ensure that the benefits of this trade accrue to the local stewards of biodiverse habitats;
- iv) support the development and harmonisation of international standards for the regulation of trade, to reduce international barriers to trade in sustainable produced products from tropical countries. [objectives 1, 2 & 5];
- v) promote certification systems of sustainable forest management, agriculture, fisheries etc. and related labelling schemes that guarantee management methods promoting the conservation and sustainable use of biodiversity.

3.5. Research, exchange of information and technology transfer

- 44. Given the dynamic nature of biodiversity, the myriad tangible and intangible ways that it underpins development, and the complex links it has with food security and poverty reduction, there are consistent requests for more information from developing countries and development co-operation agencies. Development co-operation agencies, field project managers and local communities, need to make their problems more clearly known so that problem-oriented research can be conducted, as an integral part of field programmes and projects.
- 45. International research institutions (*e.g.* CGIAR institutes) hold large reservoirs of genetic material. These gene-banks are replenished with viable seeds/genetic material from farming areas, and on-farm management is essential to maintain these gene-banks. The gene-banks should include a wider range of crops, livestock, fish and tree stock, taking account of wild relatives of domesticated species. It is essential to make sure that rural communities benefit from the international gene-banks.
- 46. Much biological information, with corresponding specimens, has been gathered by institutions in industrialised countries, and efforts need to be made to share this information effectively. Additional research capacity is needed in developing countries to expand this information. More information is also needed on how best to address the underlying causes of biodiversity loss. This requires new approaches to data gathering, which are multi-disciplinary: linking social, biological and economic sciences, and integrating local/indigenous knowledge⁹ with scientific information.

ACTION 15: *The EC will support capacity building of university and research institutions in developing countries for biodiversity-related research and sharing of information and collections. Including capacity to gather and analyse multi-disciplinary information as part of a systematic examination of the links between poverty alleviation, sustainable development and biodiversity conservation and sustainable use. [objective 3]*

⁹ Linkages between cultural diversity and biological diversity are evident and should be taken into account.

47. A more comprehensive approach to data gathering is needed, involving all stakeholders, and reporting results in a form that can be understood by all stakeholders. This in turn supports transparent project and programme management.

ACTION 16: *Develop new methods for participatory data gathering and sharing, and recognise the need to integrate indigenous/local knowledge with scientific knowledge. Ensure that the results of surveys and studies are made available in an understandable way for all stakeholders. [objective 3]*

48. The CBD calls for Parties to set up reporting systems and to allow an exchange of information on biodiversity issues through the Clearing House Mechanism (CHM). Little progress has been made in setting up effective CHMs in many developing countries, so development co-operation investments need to focus on basic capacity building, and ensure that appropriate tools are developed (e.g. many CHM national focal points do not have reliable access to the Internet). Furthermore, the CHM needs to include all stakeholders involved in biodiversity management, not just research and government institutions located in capital cities.

3.6. Education and awareness raising

49. There is a general lack of awareness and understanding about what biodiversity is, and about the requirements of the CBD and other international environmental conventions. This needs to be addressed with awareness raising materials, targeted at particular audiences, to broaden understanding of the role of biodiversity in supporting development, and the requirements of international environment conventions. Awareness raising can change destructive practices if, for example, the contribution of biodiversity to health and welfare or to ecosystem security is appreciated.
50. Formal education increases the quantity and quality of human resources available for biodiversity decision-making and management. It is therefore an important tool for capacity building, and development of new syllabi, which combine local knowledge with scientific information, should be given priority to build young peoples' awareness and understanding. This needs to be supplemented with secondary and tertiary education programmes that give students fuller exposure to the importance of linking biodiversity with social and economic understanding of development processes. Zoological and botanical gardens have an important role to play in education.

4. IMPLEMENTATION

4.1. Financial resources

51. Biodiversity management requires a long-term engagement beyond the scope of this *Action Plan*. The implementation of the *Action Plan* requires efforts and investments at local, national and international levels. The priorities have been listed above, and these should guide funding. However, there are many additional issues which have been identified, and these also need attention: rural development and food security programmes need to take account of wild and domestic biodiversity that is supporting livelihoods before projects begin; ecosystem management principles need to be integrated into all aspects of development co-operation work; macro-economic

policy proposals should be subject to strategic environmental assessments. These issues need further elaboration and dialogue with our partners.

52. The focus of EDF and ALA commitments is not on environmental issues. Approximately 5% of EDF-8 will be committed explicitly for the environment, and 10% of ALA funds are required to have an environmental focus. The goals of this *Action Plan* will only be achieved if environmental/biodiversity issues continue to be integrated into all levels of economic and development co-operation spending, with strategic support from the small proportion of the budget that is focused on biodiversity issues. For example, funding for transport currently exceeds 40% of total development co-operation commitments. These activities can have large impacts on biodiversity, and support is therefore needed to ensure that biodiversity issues are included in Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA) procedures within partner countries, along with capacity building to implement them.
53. Continued funding is also necessary through the Environment and Tropical Forest budget lines, and others that pilot new procedures or give guidance on how best to integrate environmental/biodiversity issues into economic and development co-operation. These budget lines are also crucial for further developing thematic policies and enable the integration of biodiversity into sectoral policies. Budget line funding should also be made available for programmes and studies, which analyse the inter-linkages between sustainable development and environment/ biodiversity, at global, regional and local level.
54. Increased co-ordination and collaboration with other donors is essential. This should include co-funding activities on wetlands, community involvement with sustainable forest management, conservation and sustainable use of dry-lands, integrated conservation and development projects and extending the information base. Opportunities for collaboration with the GEF on possible co-funding relating to a “*Biodiversity Capacity Building trust fund*” will be explored as well. All this will focus on the reversal of negative environmental trends in developing countries, especially through the implementation of obligations under multi-lateral environmental agreements and addressing regional environmental problems.

4.2. Monitoring

55. Regular monitoring and reviews are needed to ensure effectiveness and to be able to capture new opportunities. The effectiveness of the implementation of this *Action Plan* should be monitored, in addition to standard project/programme cycle monitoring, which should integrate environmental issues in each step under standard impact assessments. The *Action Plan* requires a set of cost-effective indicators that can be used to look at NIPs/CSPs, policies and programmes, and projects.

ACTION 17: *Support research to develop a set of practical indicators that can be used to monitor where biodiversity issues have been addressed in NIPs/CSPs, policies, programmes and projects. At a local level, this should include monitoring by local people. [objective 1 & 4]*

56. It is not possible to monitor all countries, programmes and projects at once, so a selection will be made of case study countries, sectors and projects. Selection criteria for monitoring will include: to what extent have biodiversity issues been taken into

account in a number of NIPs/CSPs for countries with high biodiversity (or unique eco-regions); how effective has the implementation of national biodiversity action plans been; crucial sector programmes (e.g. transport) in a range of middle and low income countries; impact of national policies on *in situ* and *ex situ* conservation of biodiversity; and the biodiversity impact of a number of food security initiatives .

ACTION 18: *Independent reviews to assess the extent to which environmental/biodiversity issues have been taken into account in policy, programme and project design and evaluation in selected studies: continue the 5-yearly reviews of policy, programme and project documents. [objective 1 & 4]*

Annex I – Biodiversity Strategy objectives and BAP action points

Biodiversity Strategy Objectives	BAP actions
(1) <i>To mainstream biodiversity objectives into Community development and economic co-operation strategies and policy dialogue with developing countries and economies in transition. Biodiversity objectives should be integrated into development projects across different sectors of the economy of the recipient countries, ensuring greater coherence between Community development co-operation policy and other Community policies, such as trade, agriculture and fisheries .</i>	2, 3, 14, 17, 18
(2) <i>To support sustainable use of natural resources, particularly in relation to forests, grasslands and marine/coastal ecosystems.</i>	4, 5, 6, 7, 8, 13, 14
(3) <i>To strengthen the capacity of relevant agencies involved in conservation and sustainable use of biodiversity.</i>	2, 3, 10, 11, 12, 15, 16
(4) <i>To further integrate EIA practices in development co-operation.</i>	2, 9, 17, 18
(5) <i>To co-ordinate the implementation of this strategy and the action plans emerging from it, with third countries strategies, ensuring coherence between Community support to third countries and the objectives of those countries own biodiversity strategies.</i>	3, 14
(6) <i>To ensure complementarity and co-ordination of policies and approaches in Community and Member States aid programmes, as well as with other donors and international institutions, particularly the GEF, for coherent implementation of the CBD.</i>	1, 3, 12
(7) <i>To provide sufficient funds for biodiversity on bilateral aid programmes as well as for international mechanisms (e.g. CBD).</i>	Section 4

Annex II – Funds disbursed ALA/ACP on environment

European Commission spending on biodiversity comes from many sources, ranging from the European Development Fund (EDF) to various EC budget lines dedicated to a range of different themes such as tropical forests, environment in developing countries and the global environment.

Funds disbursed (1990 to 1995) to ACP (EDF) and ALA countries for primarily environmental projects (or environmental components of other projects) were as illustrated below. Total EDF-7 budget is 11 billion €; so 2% of the total was designated to environment specific actions. ALA-budget has a target to spend 10% for environment.

Funding to Environmental Themes and % of total funding for environment. (1990 to 1995)

	<i>EDF VII</i>		<i>B7-3001 (ALA)</i>	
Theme	Euro (mill.)	%	Euro (mill.)	%
Urban environment	64,4	31		
Institutional strengthening	32,8	16	25,8	17
Land resources	31,6	15	90,8	30
Biodiversity	29,9	14	8,3	3
Marine resources	13,1	6		
Tropical forests	8,3	4	94,0	31
Climate change	3,1	2		
Technology transfer	1,9	1	23,3	8
Pollution control	1,6	1		
Total	229		262	

Source: Integrating Environment and Sustainable Development into Economic and Development Co-operation Policy Elements of a comprehensive strategy. Communication from the Commission to the Council and the European Parliament

For the period 1996-1998, the total amount committed to environment programmes and projects by DG Development was € 274.3 million (5.3% of total funds committed by DG Development), and the amount disbursed was € 101 million (Tractebel/ERM/Kampsax 2000).

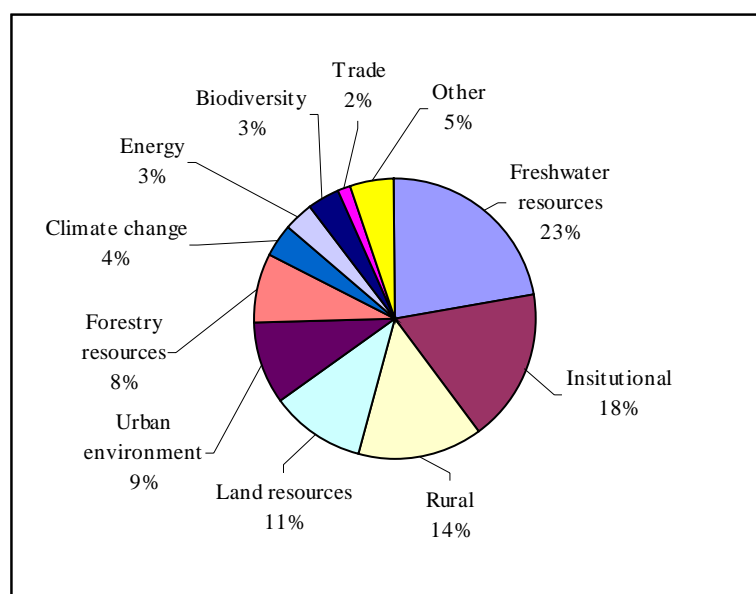
Using DAC categories for classifying environment projects, € 181 million were committed between 1996 and 1998 to projects that address the UN Conventions on Biodiversity (CBD), Climate Change (FCCC) and Desertification (CCD) (see Table). This means that on average 1.2% of the total funds committed annually by DG Development were spent on implementing the CBD. In addition, € 19 million went on integrating the environment into development co-operation policy.

EC commitments and disbursements¹⁰ (in million €) which support UN Conventions

Convention	1996	1997	1998	1996-1998	
	committed	committed	committed	Committed	disbursed
CBD	20.55	18.39	25.80	64.74	23.7
FCCC	23.54	15.38	19.27	58.19	12.0
CCD	28.43	10.22	19.51	58.16	24.3
Total	72.52	43.99	64.58	181.09	60.0

(Source: Tractebel/EFM/Kampsax)

The DAC categories of activities supporting the implementation of the CBD are broad, and include water resources protection, sustainable agriculture, combating deforestation, sustainable fishing and sustainable use of sensitive environments for tourism. Classification of European Commission projects for the purpose of updating the Evaluation Report (ERM 1997) adopts a much narrower definition of biodiversity: the protection of natural resources, scarce natural resources and wildlife species. Using this classification, around 3% of all environment spending was committed to biodiversity.¹¹



(Adapted from Tractebel/ERM/Kampsax 2000)

¹⁰ Approximations.

¹¹ The figure of 3% and the percentages shown in Figure 1 are approximate rather than actual commitments: they are based on an analysis in which many projects were given more than one theme, which has led to double-counting of some commitments.

Spending of the environment and tropical forest budget lines (93-99): € 97 million and € 234 million respectively. Preliminary estimation of spending on biodiversity related projects through DG Research (96-98): € 4 million.

Annex III - DAC Criteria for Projects/Programmes Fulfilling Objectives of CBD

Any project or programme that promotes the conservation of biodiversity, sustainable use of biodiversity, and/or fair and equitable sharing of the benefits of the utilisation of genetic resources. This includes specific action to integrate biodiversity concerns with a range of development objectives of the recipient country, or to assist the developing country to meet its obligations under the Convention.

Examples of type of projects and programmes:

- Preparation of national bio-diversity plans, strategies and programmes, bio-diversity inventories and assessments, development of necessary legislation and regulations for the protection of threatened species, development of incentive measures, development of impact assessment, policy and legislation on access to and sharing benefits of, genetic resources.
- Establishment of protected areas and sustainable management of ecosystems, including in marine and coastal, inland waters, forest mountain and dryland, arid and semi-arid areas.
- Natural reserves and actions in the surrounding areas, other measures to protect endangered or vulnerable species and their habitats, ex-situ conservation (*e.g.* seed banks, zoological gardens).
- Capacity building in taxonomy and bio-diversity assessment, education, training and awareness programmes on bio-diversity.
- Research on bio-diversity.
- Integration of biological diversity and sectoral policy, planning and programmes.
- Water resources protection and rehabilitation, integrated watershed, catchment and river basin protection and management.
- Sustainable agricultural and farming practices, integrated pest management strategies and appropriate use of agro-chemicals, soil conservation, genetic resources conservation
- Combating deforestation and land degradation.
- Sustainable marine, coastal and inland fishing.
- Sustainable use of sensitive environmental areas for tourism.