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Mr. Christopher Patten
External Relations Commissioner
The European Commission
Brussels, Belgium

Dear Commissioner Patten

Please find enclosed FERN's latest report "*Forests at the edge: a review of EC aid spending*" which investigates how EC aid is being allocated to 16 highly forested countries and two regions (Africa and Latin America). We are concerned about the results of our research and would welcome your response to the findings as well as the recommendations made.

Several official EC documents and positions, such as the Council Conclusions on Environmental Integration and the new EC Development Policy, require that environmental considerations should be integrated or mainstreamed into EC aid programmes. Furthermore, the EC Development Policy clearly states that its main aim is poverty reduction.

FERN's report shows that EC aid programming might fail to help people in developing countries who depend on forests for their survival. The findings also undermine the claim that the EC Development Policy integrates the environment into all focal areas.

Looking at just one environmental issue of great relevance to poor people - forests - we found that in 13 out of the 16 countries researched, all of which have a large number of people depending on forest resources for their subsistence, forests are not mentioned; none of the Country Strategy Papers offers a thorough analysis of the relationship between forests and poverty.

Out of the 1,7 billion Euros available less than 70 million is allocated directly to forests. Most EC funds will be spent on new roads and large macro-economic projects, with unclear benefits for the poorest people. For example, over 50% of EC funds in Africa are allocated to roads without a proper analysis of how these roads could contribute to poverty alleviation. These findings clearly undermine the claim that the EC Development Policy, revised in 2000, integrates the environment into all focal areas.

FERN's research also shows that both the quality and content of most country strategy papers is of great concern. The lack of understanding of the importance of forests and other natural resources for the development of a country and its people could easily lead to aggravation of poverty rather than poverty alleviation.

Stimulating trade, macro-economic programmes and roads is only acceptable if it fits within a well thought-out analysis of how these projects contribute to poverty alleviation. If such analysis is lacking, as is the case in most Country Strategy Papers reviewed, EC aid could lead all too easily to destruction of the natural resources on which the poor depend most, but which ultimately affect us all.

Last, despite repeated requirements in numerous EU policy statements and internal notes¹, there has been no participation and only minimal consultation of civil society groups in the development of the Country Strategy Papers. This is maybe the most worrying aspect of FERN's report, because with better participation, many of the problems detailed in the report could have been avoided.

Based on the outcome of this research we would like to discuss the following issues:

- What actions does DG Relex take to ensure that proper consultation of civil society actors takes place in the development of new Country Strategy Papers and in the review of the existing Country Strategy Papers? This has been requested in numerous EC Documents and internal notes¹. We would value your opinion on the creation of a focal point as recommended in our report.
- What actions does DG Relex take to ensure environmental concerns are fully integrated into Country Strategy Papers and Regional Strategy Papers as required by the EC Development Policy and the Council Conclusions on Environmental Integration? We would value your opinion on requiring an environmental profile as a basis of a Country Strategy Paper, as recommended in our report.
- What actions does DG Relex take to ensure the EC aid programme does contribute to poverty alleviation? We would value your opinion on our recommendation to demand a full analysis of the chosen focal areas and how they can contribute to poverty alleviation.
- What actions does DG Relex take to ensure that indigenous peoples' issues are mainstreamed into the ALA co-operation programme?

We are looking forward to receiving an answer to these questions and would welcome a dialogue to discuss these matters in more detail.

Yours sincerely

Saskia Ozinga
Director, FERN

¹ Commission staff working paper (SEC(2000)1049): *Framework for Country Strategy Papers*, June 2000; *Support to decentralized co-operation-Operational guide to decentralized co-operation* (DEV/1424/2000-EN), Note from Philip Lowe, DG Development, January 2000; Programming guidelines notes No 6: *The new actors in the partnership-update*, DG Development, March 2001.