



Economic and Social Council

Distr.: General
29 May 2008

Original: English

Substantive session of 2008

30 June-25 July 2008

Item 2 (c) of the provisional agenda*

High-level segment: annual ministerial review

Letter dated 23 May 2008 from the Chargé d'affaires a.i. of the Permanent Mission of Luxembourg to the United Nations addressed to the President of the Economic and Social Council

I have the honour to transmit herewith the national report of Luxembourg for the 2008 annual ministerial review, to be held during the high-level segment of the 2008 substantive session of the Economic and Social Council (see annex).

I would be grateful if you would circulate the present letter and its annex as a document of the Economic and Social Council, under agenda item 2 (c) of the provisional agenda.

(Signed) Jean **Olinger**
Chargé d'affaires a.i.

* E/2008/100.



**Annex to the letter dated 23 May 2008 from the Chargé
d'affaires a.i. of the Permanent Mission of Luxembourg to the
United Nations addressed to the President of the Economic and
Social Council**

[Original: French]

**National report of Luxembourg
Implementing the internationally agreed goals and commitments
in regard to sustainable development**

May 2008

Summary

Part A of the report describes the implementation of Luxembourg's development cooperation policy.

Luxembourg's development cooperation policy has evolved considerably over the past 15 years. Thanks to the efforts of successive governments, Luxembourg's official development assistance (ODA) reached the threshold of 0.7 per cent of gross domestic product (GDP) in 2000, compared with only 0.33 per cent in 1995. Its ODA reached 0.92 per cent of GDP in 2007 and the Government aims to reach 1 per cent in the coming years. Luxembourg's assistance is allocated solely in grant form and is entirely untied.

Luxembourg attaches great importance not only to the quantity but also to the quality of its assistance. As a result, although the volume of its ODA has increased significantly in recent years, its cooperation programme has maintained a policy of geographical concentration, focusing its assistance on 10 partner countries: Cape Verde, Senegal, Mali, Burkina Faso, Niger and Namibia in Africa, Viet Nam and Laos in Asia and El Salvador and Nicaragua in Latin America. At the same time, a policy of sectoral concentration is being pursued, under which priority is given to interventions in the areas of infrastructure and social services, especially education, health, water and sanitation.

The policies of geographical and sectoral concentration apply equally to bilateral projects and programmes and those implemented with multilateral partners, foremost among which are the funds and programmes of the United Nations system. Systematic efforts are made to ensure synergies between bilateral assistance (accounting for 70 per cent of Luxembourg's ODA) and multilateral assistance (30 per cent of ODA), especially in Luxembourg's 10 partner countries.

In the context of the implementation of the Paris Declaration on Aid Effectiveness, adopted in March 2005, Luxembourg's cooperation programme has endorsed the principles of country ownership, alignment and harmonization, in particular. Progress in this area is being assisted by the process of moving closer to the field. In recent years, Luxembourg has set up regional cooperation bureaux enabling it to be more in tune with its partner countries and thus assist them more effectively.

Part B of the report deals with Luxembourg's implementation of the internationally agreed goals and commitments in regard to sustainable development.

At the 2000 Millennium Summit, the international community adopted the Millennium Declaration and the Millennium Development Goals (MDGs) which are its practical expression. The MDGs provide a road map for reducing poverty by 2015 and Luxembourg subscribes fully to them as part of its commitment to development cooperation. The MDGs are thus central to Luxembourg's development cooperation priorities as articulated in part A of the report.

All Luxembourg's cooperation activities are conceived from the standpoint of sustainable development, as defined in the Brundtland Report, in that they contribute to "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". Since the 2008 ministerial review is focusing on MDG 7, aimed at ensuring environmental sustainability, the report describes how that goal is being taken into account in the implementation of Luxembourg's development cooperation policy. Part B of the report starts with a description of the practical implementation of MDG 7, taking two examples: natural resources management, one of the two sectors of concentration of the indicative cooperation programme between Luxembourg and Burkina Faso for 2008 to 2012, and Luxembourg cooperation interventions in the water and sanitation sector in several partner countries.

The report then goes on to describe the instruments put in place to ensure that sustainable development principles are integrated in Luxembourg public policy.

Lastly, the report concludes with a description of two new challenges facing sustainable development: climate change and food security. For some years now, Luxembourg's cooperation programme has been supporting developing countries' efforts to adapt to climate change. A decision has been taken to step up these efforts in the coming years, as reflected in the policy statement on cooperation and humanitarian action made to the Luxembourg Parliament on 23 April 2008 by Jean-Louis Schiltz, Minister for Cooperation and Humanitarian Action. To help ensure food security in developing countries in the face of the current worldwide surge in food prices, Luxembourg has put in place a range of short-term measures. In the medium and long term, its cooperation programme will remain actively involved in integrated rural development alongside its partner countries.

Part A

Implementation of Luxembourg's development cooperation policy

1. Historical background

The essential motivation of the action taken by successive Luxembourg governments in the areas of development cooperation and humanitarian action is to show solidarity with the world's poorest people. As early as 1974, pursuant to the commitment made by the industrialized countries in 1970 at the General Assembly of the United Nations to devote at least 0.7 per cent of their gross national product (GNP) to official development assistance over the next 10 years, the Government of Luxembourg emphasized the crucial importance of human solidarity and pledged to provide increased and better structured assistance.

The sentiment underlying Luxembourg's development cooperation has changed very little over the past 30 years, although the range of instruments and partners through which this cooperation is conceived and implemented has broadened considerably.

The firm commitment made at the 1992 Earth Summit in Rio de Janeiro to increase Luxembourg's official development assistance to 0.7 per cent of GDP by 2000 gave unprecedented impetus to a policy that, since then, has gained steadily in resources, expertise and maturity.

The 6 January 1996 Development Cooperation Act provided the necessary legal and statutory framework. Its establishment of a Development Cooperation Fund, financed from the State budget but freed from the constraints of the principle of annual budgeting, put in place a modern management tool that was adapted to Luxembourg's development cooperation and equipped it to act in the new international context that would begin to take shape in 2000.

Luxembourg's cooperation programme took part in a peer review of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD) in 2003 and again in 2007-2008. The main changes that occurred in the intervening period were the result of European and international developments with regard to the quality and volume of official development assistance and included the following:

- The volume of Luxembourg's ODA increased by 60 per cent (at current prices);
- The number of its partner countries remained stable;
- Some programmes entered a phase of consolidation/transition (Namibia, El Salvador, Viet Nam);
- The number of "project countries" was reduced (from 20 in 2003 to 12 at present);
- The network of cooperation bureaux was expanded (to 6);
- Multi-bilateral assistance was better taken into account in indicative cooperation programmes (ICPs) with partner countries;
- Relations with multilateral partners became more structured.

2. Luxembourg's development cooperation strategy

With the successive adoption of the Millennium Declaration and Millennium Development Goals in 2000, the Monterrey Consensus on Financing for Development in 2002 and the Paris Declaration and the final document of the United Nations Summit in 2005, the international community acquired an unprecedented, coherent arsenal of rules, commitments and instruments for combating poverty effectively.

Luxembourg, particularly during its Presidency of the Council of the European Union in the first half of 2005, contributed actively to shaping this new international frame of reference for development cooperation, both at the United Nations and in OECD (Paris Declaration on Aid Effectiveness), as well as within the European

Union (collective EU commitment to increase ODA to 0.56 per cent of GDP by 2010 and 0.7 per cent of GDP by 2015).

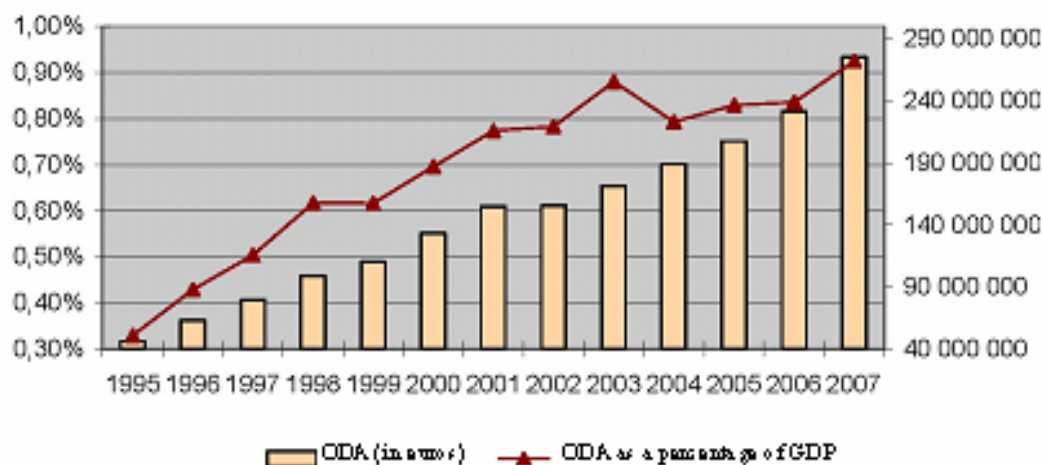
Luxembourg's development cooperation programme currently uses this frame of reference to firmly anchor its own strategic guidelines.

As regards the amount of assistance, the Government's 2004 programme reaffirmed its political will to remain at the forefront of international efforts: *"Luxembourg reached the goal of 0.7 per cent of GDP in 2000, thereby responding to the recommendations made in the framework of the United Nations. It will persevere in its efforts to reach the 1-per-cent threshold in the coming years."*

In ODA terms, since 2000 Luxembourg has belonged to the group of industrialized countries that devote more than 0.7 per cent of their GDP to development cooperation. In 2007, its ODA totalled 275,140,000 euros, or 0.92 per cent of GDP according to current statistics.

In accordance with OECD criteria, 70 per cent of ODA is devoted to bilateral assistance and 30 per cent to multilateral assistance.

Evolution of Luxembourg's ODA from 1995 to 2007



As regards the quality of assistance, the Luxembourg cooperation programme's 2006 "Strategy and principles" document emphasizes that:

*"Luxembourg's development cooperation programme is firmly committed to the goal of **poverty eradication**, particularly in the least developed countries. Its actions are conceived in **the spirit of sustainable development**, understood in its social, economic and environmental aspects and centred on men, women and children. These actions are central to the attainment — by 2015 — of the **Millennium Development Goals**. As a result, the main cooperation sectors are in the social sphere: health, education, including vocational training and apprenticeship, and integrated local development. Relevant initiatives in the area of microfinance are encouraged and supported, whether at the design stage or during implementation."*

*From a geographical standpoint, in the interests of effectiveness and impact, Luxembourg's cooperation programme pursues a policy of targeted intervention in a limited number of **selected partner countries**. Six of its 10 development partners, selected primarily on the basis of the composite human development index of the United Nations Development Programme (UNDP), are in Sub-Saharan Africa. Cooperation with these countries is characterized by a keen sense of partnership with national and local authorities.*

*This **spirit of partnership**, combined with a concern to ensure that recipients have ownership of programmes and projects, characterizes the implementation of multi-annual cooperation programmes or **indicative cooperation programmes (ICP)** (...)*

*At the same time, Luxembourg's cooperation programme is actively involved in the discussion and definition of new **harmonization and quality standards for international development assistance**. It has endorsed the conclusions of the Paris Declaration on Aid Effectiveness: ownership, harmonization, alignment, results and mutual accountability, adopted in March 2005.*

*Luxembourg's official development assistance also includes a large **humanitarian assistance** component, understood in the broader context of civilian crisis management, which may be deployed both in the event of natural disasters and in post-conflict situations, from the moment when armed violence ceases until development cooperation activities resume.*

*Luxembourg's development cooperation and humanitarian assistance policy has been characterized for over 15 years by **a sustained, progressive effort, in both qualitative and quantitative terms, for the benefit of the world's poorest people**. It is the expression of an affirmed and confirmed international solidarity and, as such, is an important vehicle for the external activities of the Government of the Grand Duchy of Luxembourg".¹*

3. Bilateral assistance — geographical and sectoral concentration

Despite a marked increase in the volume of ODA in recent years, the number of partner countries has remained stable (10):

- In Africa (6): Cape Verde, Senegal, Mali, Burkina Faso, Niger and Namibia;
- In Asia (2): Viet Nam and Laos;
- In Latin America (2): El Salvador and Nicaragua.

It should be noted that the Occupied Palestinian Territories receive the same treatment as partner countries.

In keeping with the objective of development cooperation policy, which is to eradicate poverty, most bilateral assistance goes to the least developed countries. The UNDP Human Development Index serves as a benchmark for the selection of partner countries.

¹ "Luxembourg cooperation: strategy and principles", Department of Development Cooperation, 2006 (see <http://www.mae.lu/cooperation>).

This criterion applies not only to the choice of partner countries but also to the choice of areas of intervention within those countries. Luxembourg's cooperation programme concentrates its support on the neediest regions, identified in cooperation with the authorities and specified in indicative cooperation programmes.

Bilateral assistance to partner countries accounted for some 37 per cent of total ODA in 2007 and some 53 per cent of the bilateral envelope.

With regard to sectoral concentration, it should be noted that two thirds of Luxembourg's bilateral ODA is invested in infrastructure and social services, namely, education (15 per cent, especially secondary education and vocational training and apprenticeship), health (20 per cent, essentially basic health) and infrastructure and other social services (policy in the areas of population/health and fertility, water and sanitation and support for civil society).

A significant portion of bilateral cooperation is devoted to multisectoral programmes and projects in the context of integrated local development. Such programmes and projects may include agriculture, irrigation, health, education, civil society and microfinance components.

Moreover, emphasis is placed on the three crosscutting themes of environment, gender issues and good governance. Part B of this report will deal in greater detail with the issues of environment and climate change.

4. Multilateral assistance

In 2007, multilateral assistance accounted for 30 per cent of total ODA and was composed as follows:

- European Union: 28 per cent
- Funds and programmes of the United Nations system: 37 per cent
- World Bank group: 18 per cent
- Regional development banks: 9 per cent
- Other multilateral agencies: 8 per cent.

Luxembourg's cooperation programme provides support to several specialized agencies, funds and programmes of the United Nations system, with which framework cooperation agreements have been signed. This support takes the form either of voluntary contributions to budgets or thematic priorities or of contributions to national programmes or (multi-bi) projects in Luxembourg's partner countries.

Since the 2003 peer review of the OECD Development Assistance Committee and in the context of the implementation of the 2005 Paris Declaration on Aid Effectiveness, multilateral cooperation programming has evolved along the following lines:

Alignment with geographical priorities: since the introduction of second-generation indicative cooperation programmes (ICPs) in 2006, a 10- to 20-per-cent portion of the total ICP envelope has been reserved for projects or programmes implemented by multilateral agencies in the countries in question. The organizations chosen to implement this envelope are generally selected from among Luxembourg's preferred partner agencies, based on the degree of complementarity

between their programmes and projects and Luxembourg's bilateral cooperation interventions.

Alignment with sectoral priorities: the sectoral priorities established in ICPs are defined in conjunction with the authorities of partner countries. In the interests of coherence and concentration of efforts, multilateral programmes funded within the ICP framework now abide by these sectoral choices.²

Multi-year programming and predictability: since Luxembourg's cooperation programme is active in a limited number of sectors, it has long maintained close ties with a small number of multilateral organizations active in these sectors. In order to strengthen its links with these agencies and organizations, make its support more coherent and introduce multi-year — and hence predictable — planning of available financial resources, Luxembourg's cooperation programme signed framework agreements in 2004 with UNDP, the United Nations Population Fund (UNFPA) and the United Nations Children's Fund (UNICEF) and in 2006 with the World Health Organization (WHO). In 2007, in the light of the sectors identified with partner countries within the ICP framework, a decision was taken to expand this group of preferred multilateral partners to include the International Labour Office (ILO) and the United Nations Capital Development Fund (UNCDF). Framework agreements with these organizations are currently in preparation and provide, *inter alia*, for annual consultations during which progress reports on the period just completed are analysed and the programme of work and budgetary allocations for the coming period are discussed.

5. Implementation modalities

ODA comes entirely from State budget credits — either from specific, annualized budget lines or from the Development Cooperation Fund, which receives an annual allocation from the State budget but is not subject to the principle of annual budgeting with regard to commitments and disbursements. The Fund thus offers several advantages that directly benefit Luxembourg's cooperation partners (bilateral or multilateral):

- *Predictability and long-term action:* the development cooperation programme can plan over several years by establishing a total envelope (as in the case of ICPs with partner countries);
- *Speed and flexibility:* Development cooperation services can react quickly and flexibly in case of need, for instance, when the implementation of a project or programme is delayed or speeded up.

Luxembourg's ODA is allocated solely in grant form.

Luxembourg's approach, taken in agreement with its partners, is to establish in its second-generation ICP priority sectors and financial envelopes covering a five-year period. This approach ensures a high degree of predictability of financial flows in the medium term while permitting full alignment with national sectoral priorities and preserving the necessary flexibility throughout the duration of the ICP.

² In Mali, for instance, where basic health and gender issues have been identified as priority ICP sectors, WHO and UNFPA are among the preferred multilateral agencies with which cooperation is established.

In keeping with the spirit and the letter of the Paris Declaration on Aid Effectiveness, Luxembourg's cooperation programme takes the view that the appropriateness of opting for direct budgetary assistance must be weighed on a case-by-case basis, in the light of such criteria as transparency of management mechanisms and actual capacity in social sectors to absorb such assistance. Contributions to sectoral and/or regional funds in some partner countries are currently being considered in the context of the implementation of second-generation ICPs. Luxembourg's cooperation programme is also paying increased attention to capacity-building in governmental and administrative bodies.

Luxembourg's ODA is completely untied. From time to time, its cooperation programme responds to a specific request for emergency food aid from a partner country by making a contribution in kind.

6. Aid effectiveness

Ownership

All Luxembourg's partner countries have put in place national development and poverty reduction strategies, most often in the form of Poverty Reduction Strategy Papers (PSRP) prepared and updated at the instigation of the World Bank and the International Monetary Fund (IMF). Luxembourg's action in its partner countries is based around and supports the implementation of these strategies. Where such mechanisms exist, representatives of Luxembourg's cooperation programme participate in working and coordination groups between donors and national authorities.

With regard to ownership in general and aid effectiveness in particular, some partners are more advanced than others. Viet Nam is a case in point, having adopted a national version of the Paris Declaration — the Hanoi Core Statement.

Alignment

In the 2005 Paris Declaration on Aid Effectiveness, donors undertook to “use country systems and procedures to the maximum extent possible”.

ICPs, drawn up jointly with national authorities, are integral to the implementation of national poverty reduction strategies. During the phase of identifying projects and programmes for inclusion in the ICP, national authorities and Luxembourg cooperation officials gauge their complementarity and added value in relation to this frame of reference.

For the partnership between Luxembourg's cooperation programme and its local partner, these strategies, including any that may exist at sectoral level, are the principal frame of reference with the Millennium Development Goals (MDGs).

Harmonization

In recent years, coordination among donors and between donors and national authorities has become a key factor for enhancing aid effectiveness. The importance of donor coordination, especially in the field, was decisive for convincing Luxembourg's cooperation programme to expand its network of regional bureaux and step up its field presence.

Luxembourg's cooperation programme currently has six regional bureaux: Praia (Cape Verde), Dakar (covering Senegal and Mali), Ouagadougou (covering Burkina Faso and Niger), Hanoi (covering Viet Nam and Laos), Managua (covering Nicaragua and El Salvador) and Pristina (Kosovo).

This strengthened field presence allows it to become more closely involved than previously in existing donor coordination mechanisms and to facilitate synergies by means of direct contacts.

For instance, in 2006 donors active in Cape Verde³ designated Luxembourg's cooperation programme a lead donor in the education sector and, more specifically, for all aspects related to technical education and vocational training. As anticipated, coordination among donors and with the national authorities has intensified since then, inter alia through:

- Regular meetings of the donors represented in Cape Verde and briefings for missions by non-resident donors and agencies;
- Targeted contacts with Cape Verde's technical Ministries;
- Participation on behalf of donors in national and international conferences and seminars.

Following this initial positive experience, Luxembourg's cooperation programme is ready to play a similar role in other sectors or countries, if circumstances permit.

Luxembourg's cooperation programme also supports increased donor coordination and cooperation in the area of monitoring and evaluation. For instance, it co-financed and participated actively in the joint evaluation of the international community's humanitarian efforts in the context of the 2004 tsunami in the Indian Ocean, from which it concluded, inter alia, that it would have been difficult for individual donors to conduct an exercise of that magnitude on their own.

In 2007, Luxembourg participated in the joint evaluation of the Paris Declaration. A joint multisectoral evaluation in the Niger is in preparation with the European Commission, Belgium and France.

7. Cooperation with non-governmental organizations

The funding instruments put in place for cooperation with Luxembourg non-governmental development organizations take account of the latter's diversity in terms of size, own financial contributions and structures.

Thanks to co-financing, Luxembourg's cooperation programme can support individual projects by providing a financial contribution determined by their location. For a project in one of the 10 partner countries, the co-financing rate is 75 per cent, while in other countries the rate is 66 per cent. Most non-governmental organizations opt for this approach, which does not pose any particular strategic requirements.

Non-governmental organizations that have acquired a degree of expertise while maintaining an ongoing relationship with the Ministry of Foreign Affairs may opt for the framework agreement approach. A multi-year agreement establishes

³ One of the eight pilot countries of the "One UN" reform effort.

cooperation between the Ministry and the non-governmental organization on the basis of a geographically and/or sectorally targeted intervention strategy, a programme of activities and a funding plan that are clearly defined. The Ministry's participation rate may be as much as 80 per cent of the total financial envelope for a period of between two and five years.

There are currently 84 non-governmental development organizations accredited by the Ministry of Foreign Affairs of the Grand Duchy of Luxembourg. This number reflects the interest in and commitment to development cooperation shown by Luxembourg public opinion. Most of these organizations have adopted a *modus operandi* of working closely with civil society structures in the developing countries in which they operate.

Non-governmental organizations are key actors in the efforts made in Luxembourg to educate and raise awareness about development.

In 2007, of the credits granted to non-governmental organization projects and programmes in developing countries, 72 per cent were allocated to 15 framework agreements and 28 per cent to co-financing. Also in 2007, total contributions to national non-governmental development organizations totalled 29.4 million euros, equivalent to around 13 per cent of ODA. Of this amount, 1.3 million euros were spent on raising public awareness in Luxembourg about development cooperation. The Government invested some 320,000 euros in its awareness-raising activities in 2007.

Part B

Implementing the internationally agreed goals and commitments in regard to sustainable development

1. Introduction

At the 2000 Millennium Summit, the international community adopted the Millennium Declaration and the Millennium Development Goals (MDGs) which are its practical expression. The MDGs provide a road map for reducing poverty by 2015 and Luxembourg naturally subscribes to them fully as part of its commitment to development. The MDGs are thus central to Luxembourg's development cooperation priorities as articulated in part A of the report.

All Luxembourg's cooperation activities are conceived from the standpoint of sustainable development, as defined in the Brundtland Report, in that they contribute to "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

This definition introduces three components — environmental, social and economic — that must interact in order to improve living conditions throughout the world, above all in the developing countries, while respecting the limits imposed by ecosystems' absorptive capacity. These three components are also at the heart of Luxembourg's development cooperation activities, as demonstrated in part A of this report.

While the 2007 progress report on the implementation of the MDGs was generally muted, the issue of environmental sustainability has grabbed headlines in

recent months, as the inevitability of climate change arouses global awareness of the environment's vulnerability and the need for action. Taking on board the concept of sustainable development should thus permit a model of economic and social development in developing countries that respects the environment. The imperatives of sustainable development must also be integrated in all developed countries' policies.

Since the 2008 ministerial review is focusing on MDG 7, this part of the report describes how that goal is being taken into account in the implementation of Luxembourg's development cooperation policy. Starting with a description of the practical implementation of MDG 7, aimed at ensuring environmental sustainability, it goes on to describe the integration of sustainable development principles in Luxembourg policy, then concludes with a description of the new challenges facing sustainable development that will need to be tackled.

2. Implementation of MDG 7 by Luxembourg's cooperation programme

(a) Integration of the environmental dimension in Luxembourg's development cooperation policy: example of cooperation with Burkina Faso

Pursuant to the 6 January 1996 Development Cooperation Act, article 4 of which provides for cooperation in regard to the environment in order to promote "the sustainable economic and social development of developing countries, particularly the most disadvantaged countries" (article 1 of the same Act), Luxembourg's cooperation programme takes environmental concerns into account across the whole range of programmes and projects that it implements.

Environmental subjects can thus be an element of the political dialogue conducted at ministerial level between Luxembourg and its partner countries, just as they form part of exchanges between Luxembourg's regional bureaux in partner countries and the administrations of those countries. Luxembourg's development cooperation executing agency, Lux-Development S.A., takes the environmental dimension into account in putting Luxembourg's development cooperation policy into practice and attaches binding environmental criteria to its specifications and tenders.

Realizing that environmental issues cannot be resolved at national level alone, Luxembourg has made multilateral actors, notably United Nations funds and programmes, its partners of choice for putting this cross-cutting priority into practice. One example of this is Luxembourg's constant and growing support in recent years for the Global Environment Facility managed by UNDP.

In addition to making MDG 7 a cross-cutting priority, Luxembourg can also undertake more targeted interventions. In the context of its general strategic guidelines and pursuant to the Paris Declaration on Aid Effectiveness and the European Union Code of Conduct on Complementarity and Division of Labour in Development Policy, Luxembourg's cooperation programme provides environmental assistance if this corresponds to the needs of the partner country, as expressed in its national development strategy, and if other donors are not already involved in this sector.

Burkina Faso is definitely the best example of this: under the ICP concluded for the years 2008 to 2012, Luxembourg's cooperation programme targets natural

resources management as one of the indicative cooperation programme's two sectors of concentration.

Such targeting is based on the recognition that there are many current constraints on the sustainable management of natural resources in Burkina Faso and that, despite the not inconsiderable results achieved on the ground, there are still shortcomings, notably as regards the medium- and long-term vision and the institutional, statutory and operational framework.

Confronting the challenges of sustainable development in Burkina Faso therefore involves the formulation of a coherent environmental policy based on: (i) a clear medium- and long-term vision of the occupancy and use of rural areas (agriculture, forestry, fauna, etc.); (ii) optimum, sustainable use of natural resources; (iii) participatory management; and (iv) land and food security.

Burkina Faso's Ministry of the Environment thus faces three major challenges in the coming years:

- Instituting sustainable systems for managing the environment and safeguarding biodiversity;
- Improving the living environment of urban and rural populations;
- Fulfilling and upholding international commitments and promoting sustainable development.

In addition to providing more specific assistance to a programme in support of participatory natural resources management in the Hauts Bassins region and the development and use of carrier species such as *Jatropha curcas* (which offers significant energy potential without threatening food security, being a plant that does not form part of the food cycle and that grows in arid zones), Luxembourg's cooperation programme provides support for the development and implementation of the national programme for sustainable forestry resources management.

The aims of the proposed support for the development and implementation of the national programme for sustainable forestry resources management are to:

- Encourage local populations and authorities to adopt sustainable forestry resources management;
- Promote sustainable and participatory forest management in the areas concerned;
- Develop income-generating activities and sustainable jobs with local populations;
- Help build the different actors' capacities for sustainable, decentralized forestry resources management;
- Help develop synergies among the different agencies involved in sustainable forestry resources management.

The programme will be implemented through the following four priority lines of action:

- Improving knowledge of national forestry resources;
- Building participants' capacities;

- Increasing and diversifying forestry production;
- Strengthening the legal and institutional framework for sustainable forestry resources management.

Combating poverty while protecting the environment in Burkina Faso

Mariame Drabo, 44, is married and has five children. Up until 2003, she cut wood illegally in the Dinderesso forest reserve. Her husband, being unemployed, was no longer able to meet the family's needs and the illegal resale of the cut wood was their only means of survival. Setting out very early in the morning, Mariame covered up to 40 kilometres a day with her bundle of wood on her head.

The Luxembourg cooperation programme's project for the participatory development of the Dinderesso and Kou forest reserves (PAFDK) was launched in 2002. As Mariame tells it:

"In May 2003, the project team surveyed all the women who had been cutting wood illegally. With the support of the project adviser, we organized into 12 associations with a total membership of 450 women. Each association had chosen to set up alternative income-generating activities.

I now sell firewood legally in Bobo-Dioulasso. With the project's support, I was able to access microcredit to expand my business. I have also taken a lot of training courses: literacy training in the national language Dioula and training in the management of associations, the building of improved homes and the management of small business and agro-forestry. My women friends have taken other income-generation training courses, such as dyeing, weaving, sewing, soap and shea butter manufacturing, cashew nut processing, catering, etc.

I have learnt to plant and maintain a tree and I am involved in the project's reforestation activities. We women used to cut wood illegally, but now we have regained our dignity and become fully-fledged project partners."

The Yanta ("moving ahead") Union was set up in August 2006 as Luxembourg's cooperation partner for the new natural resources management project, 2006-2011. Mrs. Drabo was elected president of the Union, which brings together 30 women's associations with a total membership of over 2,000.

Yanta's aim is to combat poverty by improving its members' living conditions and protecting the environment.

* * *

Burkina Faso's Ministry of the Environment, which is in charge of natural resources management, drew up a framework programme for sustainable forestry resources management for the years 2004 to 2014. The country's national policies emphasize the importance of poverty reduction through the principle of "sustainable natural resources management, reconciling the demands of economic growth with the imperatives of preserving ecosystem balance for present and future generations".

From 2006 to 2011, Luxembourg is funding the natural resources management project in the Bobo-Dioulasso basin for a total of 5,956,729 euros. Natural resources management is one of the two sectors of concentration of the indicative cooperation programme (ICP) between Luxembourg and Burkina Faso for 2008 to 2012. The

total ICP envelope is 62,900,000 euros. From the brochure *“La coopération ça marche!”* (cooperation works) produced by the Ministry of Foreign Affairs of the Grand Duchy of Luxembourg, Department of Development Cooperation (April 2008).

Another practical illustration of Luxembourg's efforts to fulfil its commitments under MDG 7 is the concentration of its cooperation activities on the water and sanitation sector.

(b) *Luxembourg's cooperation activities in the area of water and sanitation*

Supporting development activities in the area of water and sanitation has been one of the priorities of Luxembourg's cooperation programme for many years — a choice based on exchanges with the authorities of partner countries and on the needs identified in their national poverty reduction strategies. For all Luxembourg's partner countries, access to water and sanitation is a vitally important issue, either generally because of stress on water supplies nationwide (Cape Verde, Sahelian countries of West Africa) or because difficulties with regard to water supply and access to sanitation vary according to region or standard of living.

The reasons for this commitment are manifold. The fact that water is quite simply essential to our survival should be reason enough, but there are other elements too: without access to water and sanitation, developments in the health area cannot be lasting; water is essential for agriculture, which is by far the main means of subsistence in developing countries, particularly in Africa; and, lastly, water permits the preservation of ecosystems and the problem of access to water is a potential source of instability and insecurity and therefore a potential threat to some of the advances achieved in development, not to mention its geopolitical repercussions.

Luxembourg's cooperation programme does not have a uniform response to this problem. Instead, it looks at the local context and opts for one or other course of action on the basis of observed needs on the ground. The example of a water project in the Niger, described below, sheds light on the different elements involved and their socio-economic and health implications.

Access to drinking water promotes socio-economic development in rural areas of the Niger

Until recently, the village of Chikafane was one of many in the Dosso department of the Niger where drinking water is neither available nor accessible year-round. This village of 350 people, situated in Mokko commune in the far north of the department, has just got its first modern water point: a large-diameter, concrete well.

“Water has always been a huge problem in this village and all it had was a traditional well over 60 metres deep” village chief Attani Goumey explains, adding that *“before this new concrete well was installed, we were able to meet only a tiny fraction of our water needs. As early as February, we had to travel to neighbouring villages or even to Batako, over six kilometres away, to fetch water for our families' needs. Men, women, everyone was mobilized to fetch water.”*

Fetching water took up a large part of the villagers' time, preventing them from spending it on other socio-economic, income-generating or sociocultural activities. The water problem was also the main constraint on the development of livestock rearing, despite the village being situated in a pastoral area.

According to 37-year-old Amadou Hamani, a peasant farmer in Chikafane, *"the acute shortage of water caused some families to consider migrating south, despite their attachment to the soil."*

"With nothing but our traditional well, which was already nearly 50 years old and a nesting place for bats and birds, we were using muddy, unhealthy water, with serious consequences for the community's health."

The building of a concrete well has breathed new life into the village of Chikafane, supplying the population with adequate, safe water all year round.

* * *

The well was built as part of the land development project in Dosso department, drinking water supply being one of the priorities of the Niger's second poverty reduction strategy and hence an important component of Niger-Luxembourg cooperation activities in that department.

In addition to providing access to drinking water, the project helps ensure rural people's access to economic and social opportunities by improving natural resources management and building the capacity of public and private institutions and also rural organizations. For 2005-2009, Luxembourg's contribution to this project totals 8,459,556 euros.

From the brochure "La coopération ça marche!" produced by the Ministry of Foreign Affairs of the Grand Duchy of Luxembourg, Department of Development Cooperation (April 2008).

Water and sanitation activities are being supported in all Luxembourg's partner countries, most frequently as a component of a broader programme of integrated rural or urban development.

In this connection, particular mention should be made of the programme to improve the urban environment in Bamako, Mali. This programme, which includes a water and sanitation component, seeks to improve the broader urban environment and generally involves cleaning up unhealthy urban spaces and enhancing people's well-being by reducing the risk of disease.

2. *Integration of sustainable development principles in Luxembourg policy*

Policy formulation from a sustainable development standpoint is not feasible if each actor works in isolation, cut off from all outside influences.

In recognition of this fact and pursuant to the commitments made at the 1992 Earth Summit and the 2002 World Summit on Sustainable Development, Luxembourg put in place by act of 25 June 2004 a legislative framework for sustainable development that established an institutional structure and designated a number of instruments in order to ensure that sustainable development principles were better integrated in Luxembourg public policy.

The instruments defined by the act are a national sustainable development plan and a national progress report on sustainable development.

The national plan, drawn up every four years, specifies priority areas of action, practical objectives and the action to be taken with a view to sustainable development. The national progress report on sustainable development, drawn up every two years, describes Luxembourg's situation with regard to sustainable development and helps to draw lessons from past experience, whether positive or negative. Sustainable development indicators contained in the report are used to measure the progress made in sustainable development.

In addition to the Government, which is responsible for implementing the national plan, and the Parliament, which takes note of the national plan and the national report, two other organs created by the 2004 act are concerned with sustainable development.

The first of these is the Higher Council for Sustainable Development, responsible for considering, discussing and advising on sustainable development. It is composed of representatives of the Government, communes, trade unions, professional associations, employers, non-governmental organizations, the scientific community and the national ethics committee.

The second organ is the Interdepartmental Commission on Sustainable Development, composed of representatives of each ministerial department. It prepares the preliminary draft national plan and the national report and ensures that sustainable development principles are integrated in the different sectoral policies.

Lastly, civil society is actively involved in this process and is consulted regularly.

It should also be mentioned that an inter-ministerial committee on education for sustainable development has just been set up in Luxembourg to ensure that sustainable development issues are integrated more effectively in school curricula and courses.

Representatives of the Minister for Cooperation and Humanitarian Action participate actively in all these consultation mechanisms to ensure that Luxembourg public policy does not hinder the attainment of the MDGs.

Confronting the new challenges to sustainable development

(a) Climate change

Rapid environmental degradation and the steady loss of natural resources, as well as the growing challenges posed by climate change, require that public actors take a position on the issue.

The situation is even more pressing for developing countries, which are liable to suffer disproportionately from phenomena triggered by climate change when they are the ones least responsible for it. Unless swift, far-reaching action is taken, the situation could rapidly become intolerable for developing countries, especially insofar as food security and the increasing frequency of ever more extreme meteorological phenomena are concerned.

For some years now, Luxembourg's cooperation programme has been supporting developing countries' efforts to adapt to climate change. A decision has

been taken to step up these efforts in the coming years, as reflected in the policy statement on cooperation and humanitarian action made to the Luxembourg Parliament on 23 April 2008 by Jean-Louis Schiltz, Minister for Cooperation and Humanitarian Action.

Climate change and development

The Hyogo Framework for Action 2005-2015 was adopted in January 2005 and its signatories, including Luxembourg, undertook to help ensure that people were better protected against future disasters and to analyse and reduce risk factors, particularly in developing countries. It is in this spirit that since 2006 Luxembourg's cooperation programme has invested a minimum of 5 per cent of the humanitarian budget in disaster prevention.

(...)

Furthermore, at the beginning of this year, Luxembourg's cooperation programme decided to integrate issues of adaptation to climate change systematically in its development programmes. This does not mean that Luxembourg's programme is going to invent a new sector to add to its traditional sectors of water, health, education and integrated rural development, but rather that, in future, each new project will first be scrutinized to determine its potential impact on climate and its climate compatibility.

Of course, this will not happen overnight. On the other hand, we can rely on the fact that environmental questions have for years now been part of what are referred to as cross-cutting cooperation issues.

In other words, we have always analysed and integrated the environmental component in our different projects, so there is no need to start from scratch. We are going to systematize and expand this approach, placing particular emphasis on the climate and natural disasters components.

(...) I deeply regret that it does not appear possible to transform the United Nations Environment Programme into a genuine United Nations agency. No matter how important global or other alliances and mechanisms may be for climate, as long as there is no breakthrough at the United Nations — see also post-Kyoto and Bali — it will be very difficult to coordinate efforts adequately.

(...) There must be a closer interaction between environment policy and development policy.

We need climate justice. That too is part of international solidarity and demands efforts.

Along with others, I shall devote myself to the search for international solutions and to putting in place partnerships that will benefit developing countries, in anticipation of the 2009 Copenhagen conference.

From the "Policy statement on cooperation and humanitarian action" made by Jean-Louis Schiltz, Minister for Cooperation and Humanitarian Action, to the Chamber of Deputies of the Grand Duchy of Luxembourg on 23 April 2008.

Adapting to climate change is only one aspect of what needs to be done — direct action also needs to be taken to combat this phenomenon. Accordingly, in 1997 at Kyoto, Luxembourg pledged to reduce its greenhouse gas emissions by

28 per cent from 1990 levels between 2008 and 2012. Both the Chamber of Deputies and successive governments have upheld this ambitious project, recognizing both the need to tackle climate change and the important contribution that Luxembourg will have to make, given that its per capita greenhouse gas emissions are among the highest in the world.

A plan of action has been drawn up containing all kinds of measures to help Luxembourg meet these targets. It comprises a whole range of national measures, but also provides for recourse to the so-called “flexibility” mechanisms established in the Kyoto Protocol. An inter-ministerial committee issues opinions on initiatives evaluated for funding under these mechanisms. A representative of the Minister for Cooperation and Humanitarian Action also sits on the committee and, *inter alia*, issues opinions on projects implemented in the framework of the Clean Development Mechanism.

(b) Food security

Global population growth, the effects of climate change and other factors such as the growing interest in biofuels, as well as speculation, are all exacerbating the food security situation, thereby threatening the survival of the developing countries’ most disadvantaged population groups.

Luxembourg, which has been involved in integrated rural development for many years now, has taken a number of steps to help ensure food security in the developing countries in the short term, but also in the longer term.

The first step was to increase by at least 50 per cent programmes designed to strengthen food security in Luxembourg’s five partner countries in West Africa (Burkina Faso, Cape Verde, Mali, Niger and Senegal), which are among the countries where the situation could deteriorate the most.

The next step was the announcement, in Minister Schiltz’s policy statement on cooperation and humanitarian action made to the Chamber of Deputies on 23 April 2008, of four key measures for overcoming the problem of food security, which are detailed below.

Four measures for overcoming food insecurity

1. Successfully conclude the Doha Round, in the interest of development. The principle whereby each continent has the right to organize its agricultural system as it sees fit must be decisive for the outcome of the negotiations.
2. Review, rebalance, reorganize and reduce all decisions on biofuels.
3. Invest tangibly, multifunctionally and sustainably in agriculture in developing countries, according a key role to biodiversity.
4. Make the connection between the challenges of climate change and those of development.

Achievements of Luxembourg’s cooperation programme, for instance, integrated local development in the Ségou and Yorosso regions of Mali or the Dosso region of the Niger, where agriculture always plays a fundamental role, are already contributing to the goal of guaranteeing food security.

Lastly, Luxembourg's cooperation strategy in the area of humanitarian assistance, based on the three pillars of prevention, emergency assistance and transition to development, offers the necessary flexibility for integrating action to combat or, as the case may be, prevent the effects of climate change and food insecurity.
