

**EXPLANATORY MEMORANDUM TO**  
**THE FINANCIAL ASSISTANCE FOR ENVIRONMENTAL PURPOSES**  
**ORDER 2007**

**2007 No. 1671**

1. This explanatory memorandum has been prepared by the Department for Environment Food and Rural Affairs and is laid before Parliament by Command of Her Majesty.

**2. Description**

- 2.1 The instrument gives the Secretary of State the power, with the consent of the Treasury, to make payments to, or for the purposes of, the International Sustainable Development Fund (ISDF). This new fund is the result of the merger of the World Summit on Sustainable Development Implementation Fund (WIF) and the Environment for Europe Fund. The aim of this merger is to rationalise current financial support for international sustainable development.

**3. Matters of special interest to the Joint Committee on Statutory Instruments.**

- 3.1 None.

**4. Legislative Background**

- 4.1 This instrument amends section 153 of the Environmental Act 1990 (c. 43) in order to update the list bodies, funds, programmes and organisations to which the Secretary of State can, with the consent of the Treasury, give financial assistance.

**5. Extent**

- 5.1 This instrument extends to England and Wales and Northern Ireland, except for article 3(a) which extends to England and Wales only.

**6. European Convention on Human Rights**

- 6.1 Ian Pearson, Minister of State Department for Environment, Food and Rural Affairs, has made the following statement regarding Human Rights:  
“In my view the provisions of the Financial Assistance for Environment Purposes Order 2007 are compatible with the Convention rights.”

## **7. Policy background: International Sustainable Development Fund**

- 7.1 Defra has an important role in showing strong leadership in the delivery of the UK's commitment for action on sustainable development, both domestically and internationally.
- 7.2 Internationally, two separate funds have provided dedicated support for activities on the ground. They are the World Summit on Sustainable Development Implementation Fund (WIF), and the Environment for Europe Fund (EfE). WIF was set up in 2005 to drive delivery within Defra and across government on WSSD implementation, including supporting actions in other countries to deliver WSSD commitments. The EfE Fund was set up in response to the 2003 "Environment for Europe" Ministerial conference, setting environmental and sustainable development priorities which focused on the countries of Eastern Europe, the Caucasus and Central Asia (EECCA).
- 7.3 The International Sustainable Development Fund (ISDF) is the result of Defra reviewing the way it aligns its policies, finances, internal organisation and working arrangements with partners to ensure better delivery of its commitments. An important consideration is the quickly changing context within which Defra makes a contribution to international sustainable development. The main themes affecting Defra's future approach, and consequently informing the focus of the new ISDF, are:
- Enabling the UK to engage more effectively with middle income countries and respond to the environmental and other challenges that require innovative and urgent responses.
  - Stimulating innovative approaches to change by encouraging multi-stakeholder partnerships between the public and private sectors and civil society as a means of leveraging funds and implementing practical solutions.
  - Continuing to deliver the WSSD commitments on which Defra leads (oceans, fisheries, biodiversity, chemicals, agriculture and sustainable consumption and production).
  - Responding to new priorities resulting from changes in the international context. The UK's financial support for multi-lateral activities, both directly and indirectly, will need to reflect current priorities.
- 7.4 A consultation exercise was carried out between 2 April and 14 May 2007. Stakeholders were invited to respond by commenting on:

- The general proposal to merge the WIF and EfE funds into a single ISDF
- The proposed broad criteria for funding particular activities and projects set out in the consultation documents.

7.5 One hundred and twenty consultation letters were issued and the document was placed in the Defra library; in the libraries of the Houses of Parliament; and on the Defra website at the following address: <http://www.defra.gov.uk/corporate/consult/isdf/index.htm>

7.6 There were eleven responses from NGOs, academia and Government Departments. The majority (nine) supported the proposed merger. The two substantive comments did not propose any changes to the Statutory Instrument. A summary of responses is attached as Annex 1.

## **8. Impact**

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on the private or voluntary sectors.

## **9 Contact**

9.1 Iuliiana Best, Department for Environment, Food and Rural Affairs, Tel: 020 7238 1539 or email address: [Iuliiana.Best@defra.gsi.gov.uk](mailto:Iuliiana.Best@defra.gsi.gov.uk) who can answer any queries regarding the instrument.

**Department for Environment, Food and Rural Affairs**

**Summary of responses to the consultation on the merger of the WSSD Implementation (WIF) and Environment for Europe (EfE) funds into the International Sustainable Development Fund (ISDF)**

**1. Introduction**

1.1 The consultation started on 02 April 2007 and finished on 14 May 2007. Stakeholders were invited to respond by commenting on:

- a) *the general proposal to merge the WIF and EfE funds into a single ISDF ; and*
- b) *the proposed broad criteria for funding particular activities and projects.*

A six-week, rather than the normal 12-week, consultation period was allowed in this case, as the substance of the proposal was technical, and it was desirable to establish certainty about the ISDF early in the financial year.

**2. Responses**

2.1 One hundred and twenty stakeholders were invited to comment on the proposals, and the consultation document was placed in the Defra library; in the libraries of the Houses of Parliament; and on the Defra website at the following address:

<http://www.defra.gov.uk/corporate/consult/isdf/index.htm>

2.2 Eleven responses were received including two that made no comment of any kind. A list of the names of the organisations who responded is included at the end of this paper.

**3. Summary**

3.1 None of the respondents to the consultation document objected specifically to the substantive proposal to make a statutory Order setting up the ISDF. Defra will therefore proceed to make the Order as soon as possible.

3.2 Some respondents, as detailed below, were concerned about the future funding for the ISDF, or had detailed comments on its operation. The proposed Order has no effect on funding, which will continue to be considered, as for the WSSD and EfE funds, on the basis of the overall level of resource available to Defra, as well as its

strategic objectives and priorities. As explained in the consultation document, the future operation of the ISDF will be aligned to those objectives and priorities, whilst retaining sufficient flexibility to respond to innovative ways of achieving them, such as via multi-stakeholder partnerships.

3.2 The following organisations explicitly supported the proposed merger of the two funds, and the broad criteria for funding, or had no comments:

- The Foreign and Commonwealth Office
- The National School of Government
- Joint Nature Conservation Committee
- The Society for the Environment
- The British Embassy in Zagreb, Croatia

3.3 Some respondents had comments on specific matters relating to the future operation of the ISDF:

- The Department for International Development (DFID) said they would welcome a more strategic approach and a stronger focus on reform and policy dialogue.
- Practical Action thought that there could still be some confusion and overlap between the UK's commitments on 'international development' and 'international environment' where DFID lead on the first and Defra on the second.
- Dunira wanted Eastern European, Caucasus and Central Asian (EECCA) countries to continue to receive strong support and not be neglected in favour of larger countries. They also suggested that tourism should be given more recognition as a viable and effective tool for sustainable development.
- The International Institute for Environment and Development thought that it might be useful to have some consideration of the sustainable development priorities of the host government and people.

3.4 Two organisations had specific reservations:

- Westden International were concerned that the proposed merger could widen the divide between policy makers and project implementers on the ground and weaken the value of multi-stakeholder partnerships, such as PECE.
- Imperial College were concerned about future levels of funding, and the possible loss of focus on activities, particularly in relation to the natural environment, in the EECCA region.

4. The detailed responses will be available in the Defra library on request. No changes were proposed to the Statutory Instrument.

## 5. **Organisations who responded to this consultation:**

- Department for International Development (DfID)
- Dunira Strategy
- Foreign and Commonwealth Office (FCO)

- Imperial College, London
- International Institute for Environment and Development
- Joint Nature Conservation Committee (JNCC)
- National School of Government (NSG)
- Practical Action Consulting
- The Society for the Environment
- British Embassy Zagreb, Croatia
- Westden International