



Consultation on the Community Strategic Guidelines for Cohesion Policy 2007-2013

Response of the Coalition for Sustainable EU Funds www.coalition-on-eufunds.org

The Coalition welcomes this opportunity to comment on the proposed Community Strategic Guidelines for cohesion policy. We were pleased with the improvements in the guidelines since their first publication as a 'non-paper' in May 2005. However, we believe that further changes are essential.

Cohesion Policy is the European Community's single most important instrument for promoting Lisbon and Gothenburg objectives for sustainable development. Moreover, EU Heads of State agreed in March 2005¹ that the Lisbon Strategy for growth and jobs must be seen within the context of sustainable development. While the Guidelines adopted by the Commission accept this position in principle, the same cannot be said in practice if they will approve "only those elements that can contribute to the jobs and growth agenda".

Growth in productivity and in employment figures means improving the EU's economic output. However, improved economic performance is no substitute for sustainable development – and, on its own, cannot ensure the environmental sustainability of the EU development path to 2010 (the renewed Lisbon agenda) or beyond. Promoting Lisbon in the absence of Gothenburg or making only weak commitments to the targets agreed in the EU Sustainable Development Strategy represents a major step backwards for EU policy.

The coalition, therefore, make the following recommendations:

Summary of key recommendations

- Add Natura 2000 and the Water Framework Directive to the list of priority environmental investments in section 4.1.2
- Add the requirement for Member States to show how they intend to finance environmental needs, such as Natura 2000, which must be coordinated at the level of national strategic reference frameworks, in chapter 3 on concentration of resources.
- Ensure that the guidelines follow the same structure as the Community Strategic Guidelines for rural development
- Ensure that Strategic Environmental Assessment is applied in a proper and timely fashion to all draft national strategic reference frameworks and operational programmes and its results – impact of policy proposals, screening of delivery mechanisms and public participation – are fed into the operational programmes.
- With regard to partnership, recommend that training, capacity building and the coverage of direct costs linked to the duties of partners are covered through Technical Assistance in section 3.5.
- Prioritise an integrated approach to investment at all levels across the Convergence, regional competitiveness and territorial cooperation objectives and the territorial dimension.

¹ Presidency conclusions, European Council Brussels 22-23 March 2005, 7619/1/05.

Question 1: to what extent should new elements, if any, be incorporated into cohesion policy to support the growth and jobs agenda and the Lisbon process?

The Coalition calls on the Commission, in drafting the new guidelines and in discussions with Member States, to strengthen the existing environmental investments outlined in the guidelines. In particular, to ensure the management of natural resources and to prevent further biodiversity losses. The guidelines must acknowledge the important role that cohesion policy will play in co-financing the management of the Natura 2000 Network (alongside the rural development fund (EAFRD) and LIFE+) and implementing the Water Framework Directive. This will support the long term sustainability of the growth and jobs agenda through direct and indirect economic and social benefits.

The Commission should:

- Add Natura 2000 and the Water Framework Directive to the list of priority environmental investments in section 4.1.2

Question 2: which elements do you consider to be top priority in pursuit of the growth and jobs agenda and which elements do you consider to be less important or marginal to this agenda?

Cohesion Policy has been given the remit to promote ‘balanced, harmonious and sustainable development’ reflecting the fact that it applies across a broad range of policy sectors (e.g. transport, employment, research, business support) and has a territorial dimension. This places a heavy responsibility with the Commission and with Member States to ensure that the Structural Funds and the Cohesion Fund are used in the best way to meet the economic, environmental and social needs of each region. In this context, the natural environment must always be ranked as one of the foremost priorities for investment. It is neither less important nor marginal to the Lisbon and Gothenburg objectives; the environment is, quite simply, the foundation upon which economic development and social cohesion is built.

The Commission must formulate the guidelines from this perspective, in line with its own stated position on sustainable development, while also taking into account the broad economic policy guidelines and employment guidelines. Moreover, the Commission must defend this position when negotiating with the Council of Ministers.

Both the Commission and Member States must firm up their commitment to sustainable development before the adoption of the guidelines, by acknowledging that this requires more than growth and jobs. Moreover, the environment, and biodiversity in particular, must not be seen as a “necessary trade-off” for more growth and employment in Europe.

The Commission must ensure that the guidelines address:

- how Cohesion Policy can meet EU sustainable development objectives and contribute to the sixth environmental action programme, in chapter 2 on cohesion.
- the requirement for Member States to show how they intend to finance environmental needs², such as Natura 2000, which must be coordinated at the level

² Commission’s Communication COM(2004) 487, on the Financial Perspectives 2007-2013, states that Member States will be required to show how they have taken the financing needs of the environment into account, but this requirement has not been reflected in the strategic guidelines.

- of national strategic reference frameworks, in chapter 3 on the concentration of resources; the European Parliament asks for this in point 24 of its resolution on the general regulation for the structural funds and the cohesion fund
- the need for complementarity when financing the environment from the structural funds/cohesion fund, the rural development fund (EAFRD) and/or LIFE+, in chapter 3 on the concentration of resources.
 - the appropriate balance of spending between the thematic priorities in chapter 3 on the concentration of resources.

Question 3: how can Cohesion Policy help to achieve more balanced development, including building sustainable communities in urban and rural areas?

Cohesion Policy will only contribute to building sustainable urban and rural communities, in other words meet the diverse needs of the European regions and territories, if the guidelines set the right framework and the right mechanisms for implementing the funds. The tools are out there, the question remains whether the Commission and Member States are prepared to use them.

The Coalition recommends that the guidelines for Cohesion Policy follow the same logical structure as the rural development guidelines ('Jobs, Growth and Sustainability'), including new chapters outlining requirements for Member States to demonstrate:

- how they will translate priorities, such as financing Natura 2000, into national strategic reference frameworks and operational programmes
- the synergies and demarcations between community instruments to avoid overlaps, contradictions in spending and gaps in supporting the Natura 2000 network, and
- the reporting system they intend to use, including performance indicators.

Within this structure the guidelines must also include the following mechanisms:

- ensuring that Strategic Environmental Assessment is properly and timely applied to all draft national strategic reference frameworks and operational programmes and its results – impact of policy proposals, screening of delivery mechanisms and public participation – are fed into the operational programmes.
- ensuring the application of the precautionary principle, the principle of preventive action, and the polluter pays principle to all operational programmes and projects

The partnership principle is another important factor determining how well cohesion policy can contribute to sustainable development and building communities. Therefore, we welcome the guidelines' interpretation of stakeholders to include representatives of civil society such as non-governmental organisations in the programming, implementation, monitoring and evaluation of the operational programmes. We also recommend that:

- training, capacity building and the coverage of direct costs linked to the duties of partners should be covered through Technical Assistance, in section 3.5.

Question 4: to what extent can the territorial dimension play an important role in cohesion policy and its support for the growth and jobs agenda?

According to the draft guidelines the territorial dimension is one of the features that sets Cohesion Policy apart from sectoral policies; that is, the ability to meet the geographical

challenges and opportunities of EU regions. Mountains, islands and otherwise remote or sparsely populated areas do offer economic challenges, not least how to support, conserve, and exploit sustainably their often rich natural resources and high biodiversity. Opportunities for investment must be mediated by the framework and mechanisms outlined above, addressing environmental priorities, the environmental needs and any risk to the environmental situation from development. The territorial variety of EU regions is an asset which can and must play an important part in cohesion policy and the growth and jobs agenda – but only if environment, social/cultural and economic dimensions are considered together.

The Commission should:

- Prioritise an integrated approach to investment at all levels across the Convergence, regional competitiveness and territorial cooperation objectives and the territorial dimension.

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