



To: Member States' representatives in the Structural Actions Working Party

Re: Council discussion of cohesion policy regulations for 2007-2013 under the Austrian presidency

With the beginning of the Austrian presidency, the coalition of European environmental NGOs is writing to you in support of the European Parliament's four key recommendations on the future regulatory proposals for cohesion policy.

Cohesion policy supports economic development in the European Union and solidarity between its member states and regions. Crucially, this policy and the instruments which implement it – Structural Funds and the Cohesion Fund – also has the potential to promote environmentally sustainable patterns of development. If the EU is to meet the huge challenges of climate change, resource depletion, water management and halting biodiversity loss, then future cohesion programmes must strengthen potential synergies between the environment and the economy. However, this can only happen if the appropriate regulatory framework is in place.

In January 2006, the Structural Actions Working Party will discuss the negotiating mandate for the Austrian presidency negotiations with the European Parliament. **We urge the Member States' representatives to accede to the following four recommendations of the European Parliament:**

For the General Regulation:

- Maintain a strong partnership principle
- Introduce a stand-alone article on the protection and improvement of the environment
- Prevent conflicts between infrastructure and environment (EIA) and suspend payments to projects in breach of EU environmental legislation

For the Cohesion Fund:

- Enable investment in regional transport infrastructure from the first pillar of the Cohesion Fund

NGOs are concerned that the Council's current draft regulatory proposals are deficient on the above-mentioned points.

For further information please see the attached briefing or contact:

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Environmental NGOs support the following key recommendations from the European Parliament on the EU cohesion policy regulations for 2007-2013

For the General Regulation:

1. Partnership

(Article 10 of the general regulation)

In point 12 of its resolution on the general regulation, the European Parliament:

“Rejects any weakening of the principle of partnership as envisaged in the original proposal, especially in terms of strategic planning and monitoring of the programmes; calls particularly for the maintenance of the list of appropriate bodies (Article 10(1)(c));”

However, the Council Presidency compromise seriously weakens the partnership principle in comparison to the Commission’s original proposal – and compared with the current general regulation 1260/1999/EC – by inserting words “where appropriate” and “such as” in § 1 and by removing the list of appropriate bodies from § 1c).

Good partnership between national, regional and local authorities and civil society has proved to be a key to success in the cohesion programmes. Partnership leads to better absorption of the funds and improved legitimacy, higher transparency, stronger coordination through better selection of projects and wider dissemination of information. Involvement of environmental partners, in particular, is essential to ensure that projects supported by the funds are environmentally sustainable. At a time when legitimacy of EU policies and efficiency of its expenditure are questioned, partnership in cohesion policy needs to be strengthened, not weakened.

Please support the European Parliament’s resolution by:

- **adopting the Commission’s original wording of the partnership article in § 1**
- **adding *environmental partners* alongside social and economic partners in § 1b)**
(supported by NL and UK)

2. New article on environment in the general regulation

In point 16 of its resolution on the general regulation, the European Parliament:

“Calls on Member States and the Commission to affirm that the protection and improvement of the environment will be promoted during the various stages of implementing the funds;”

General regulation 1260/1999/EC states explicitly that structural funds must protect and improve the environment (articles 1 and 12). However, the Commission’s proposal for the new regulation for 2007-2013 can be interpreted as a weaker commitment to the environment, where the funds are required to ‘strengthen protection and the quality of the environment’ (Article 3 (1)).

In contrast, the Commission has taken the step of proposing a new article on equality between men and women (Article 14). A similar standalone article should be added on the protection and improvement of the environment, in order to underline that this is an underlying requirement of cohesion policy.

Please support the European Parliament’s resolution by:

- **introducing a new article on the protection and improvement of the environment, as already supported by LV, LT, AT, UK.**

3. Preventing conflicts between infrastructure and environment

In point 34 of its resolution on the general regulation, the European Parliament:

“Considers that Member States should specify the arrangements for the Strategic Environmental Assessment of national strategic reference frameworks and operational programmes, and ensure timely Environmental Impact Assessments of the major infrastructure projects; further calls on the Commission to ensure that major infrastructure projects do not conflict with the protection and improvement of the environment (Articles 38 to 40); calls for payments to projects undertaken in breach of EU environmental legislation to be suspended;”

Investment in infrastructure may be necessary for improving conditions for economic growth and employment, but this should not at the expense of the natural environment and the principle of environmental sustainability. Environmental Impact Assessment (EIA) has been adopted by the European Union as a tool to help prevent and/or mitigate such conflicts of interest. The general regulation should, therefore, acknowledge the role of EIA in the preparation of major projects.

Please support the European Parliament’s resolution by:

- **making explicit reference to the Council Directives 97/11/EC and 85/337/EEC on Environmental Impact Assessment to the Article 39 (f) (supported by NL and AT).**
- **introducing a clause to article 91.1 for the suspension of payments to projects where serious concern is raised that expenditure is linked to the damage, destruction, deterioration or loss to environmental assets.**

For the Cohesion Fund:

4. Improving regional infrastructure

In point 1.xiv) of its resolution on the Cohesion Fund (CF) regulation, the European Parliament:

“maintains that, in addition to the trans-European transport networks, projects to improve regional networks and make them safe and operational should likewise be eligible under the Cohesion Fund;”

The Commission’s proposal for the CF regulation states that only priority trans-European transport network (TEN-T) projects should be financed by the transport element of the fund. However, there should be more flexibility in this part of the CF given the huge need to invest in the reconstruction, rehabilitation and maintenance of existing infrastructure – which serves national and regional needs – in the new Member States. Modernisation of existing infrastructure is often more urgent and more cost-effective than building of expensive new infrastructure. It should be remembered that TEN-Ts are also financed by dedicated Community TEN-T budget line.

Please support the European Parliament’s resolution by:

- **adjusting the Article 2(1) of the Cohesion Fund accordingly (supported by CZ, HU, CY, LV, RO)**

For more information please contact:

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