

TODAY AND TOMORROW OF THE EU FUNDS
NGO Seminar on Structural and Cohesion Funds

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**Perspectives for Environmental Integration
Into EU Structural Funds**

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1. Experiences with environmental integration under the current Structural Funds:
mid-term considerations

Before adopting the EU sustainable development strategy in June 2001 (**Göteborg**) and the White paper on European **Governance** in July 2001 aiming at new, more efficient and more citizen friendly forms of governance at all levels, the structural funds had already inserted the sustainable development principle as postulated by the Treaty into its regulations and its programmes where it was anchored as a "**horizontal objective**" together with provisions for a greater partnership participation explicitly including also environmental NGO.

Today, more than three years after starting the programmes, a first and preliminary balance sheet can be drawn on how this overriding principle of sustainable development was applied at regional and local levels and to what extent initial expectations have been met as concerns environment as a dimension of regional sustainable development .

In financial terms, some 14 % (Cohesion funds 50%) have been committed for projects connected to environmental objectives.

These figures provide little information about the contribution to the horizontal objective "regional sustainable development (RSD) " .

It seems – an impression widely confirmed by the current mid term evaluation process – that there is still a great and widely unexploited potential for further improvements in this respect. The remaining second half of structural funds implementation 2004-2006 as well as the on-going preparations for the new generation of structural funds 2007-2013, should address this issue quite vigorously.

Uncertainties experienced with handling the horizontal objective 'sustainable development' can be explained by a series of factors. Three of them appear to be of a more general nature and also of particular interest for the New Member States:

(i) the still **lacking understanding of sustainable development** expressed by a static view and lasting discussions of a terminological nature (pre-conceptual stage); there is a close relationship between the existence of national/regional/local sustainable development strategies and their perception at the implementation level and the horizontal objective 'sustainable development ' of the structural funds programmes;

(ii) as a consequence the principle remains a fairly inactive one and comprehensive and holistic **operational concepts** are often **missing** (no dynamic of a transformation process) and

(iii) the tasks of a combined qualitative and administrative management do not always match with the **capacity** and resources of existing implementation structures; in a number of cases such management constraints have been addressed by setting-up appropriate additional institutional structures and /or by using external technical assistance; training measures which aim to increase knowledge and experience of "sustainable development " and thus to more effectively take care of the "qualitative" aspects of programmes and their consistency with sustainable development relevant policies, are not yet a common feature.

These factors had an influence on the institutional and governance constellations (e.g. developing new and appropriate forms of governance, types and effectiveness of partnership etc.) as well as on the quality of "controlling" functions of management (efficient steering through selection, monitoring and evaluation, environmental reporting).

2. Tasks ahead

The profile of the **structural funds of tomorrow** has just been outlined in the Third Report On Economic And Social Cohesion adopted by the Commission last week.

The new architecture of its objectives – convergence, regional competitiveness and employment, territorial co-operation - and the foreseen menu of fields of activities present a **great potential of adaptation to regional and local needs** and thus to the formulation of specific concepts for regional/urban sustainable development. This implies also greater responsibilities at these levels. A clearer distinction between political and operational programming should offer opportunities to better validate national and regional sustainable development strategies during programming and annual strategy review meetings and reporting.

Challenges can also be seen in the envisaged **further decentralisation of responsibilities** "to partnerships on the ground", "more transparent partnerships" and in a perceivable strengthening of monitoring mechanisms to assure the quality of outputs delivered.

Concrete actions belonging to the **6th environmental action programme**, in particular those thematic strategies with a clear relevance for regional policy and cohesion are contained inside the menu of listed activities (Area 3 " Environment and risk

prevention"). The choice of activities and their financial volume will largely depend on the selections made by regional and local policy levels.

3. Enlarged partnership and reversed integration

Against this background, the importance of strategic partnership and structured dialogue especially at the national, regional, and local level for an enhanced regional sustainable development process, will even increase. The quality of future structural funds programmes in terms of sustainable development will, to a very large extent, reflect the quality of national/regional sustainable development policies and progress made with them and also show their responsiveness to Göteborg/Jo'burg objectives and commitments.

In particular in regions where the "filling of environmental infrastructure gaps" is no longer a homework to do, pressure to achieving results in the economic and social areas may further increase, with a possible risk to see the objective of integrating environmental concerns into other sectors, to be put at lower ranks than is the case at present.

Future success with keeping and increasing momentum with applied sustainable development will largely depend on the capability of key actors to adopt what could be called an approach of "**reverse integration**" i.e. to show to what extent can environmental objectives be beneficial for achieving economic and social objectives.

Increasingly pre-occupying topics where environment could obviously provide positive contributions relate *inter alia* to ageing population, creation of 'green jobs' through modern technologies (cf. ETAP – Environmental technologies action programme), depopulation of rural areas, social exclusion, behavioural change fostering innovation and entrepreneurship, conflicts between generations, relevance of civil society action and participation etc.

A wide alliance of partners **advocating jointly** the case of regional sustainable development, regrouping a region's innovative and entrepreneurial skills including interested political, social and business decision makers, could help to push the necessary learning processes so that the policy preparations of programming the new structural funds can make appropriate and timely use of such an assistance. In view of their experience and knowledge, environmental NGO would apparently have to play a key role. However, especially at local and regional levels they should not shoulder this "heavy burden" alone but together with appropriate partners in the context of wider alliances or in "peer group" structures.

A longer term commitment – over the whole programme period – would increase relevance and recognition and help to gradually bring about also new forms of governance and self-management which, in turn, could constitute positive assets for a region's competence and competitiveness.