

Cohesion policy regulations and the Community Strategic Guidelines (CSG) and the environment

Regulations

Five Regulations were adopted by the Council and EP in July 2006 – the General Provisions Regulation (GPR) on the Structural Funds (SFs) and Cohesion Fund (CF); the European Regional Development Fund (ERDF); the Cohesion Fund (CF); the European Social Fund (ESF); and the European Grouping of Cross-border Co-operation (EGTC). They were all published in the *Official Journal of the European Union L 210* of 31.07.06.

There is also an Implementing Regulation adopted by the Commission on 08.12.06 (containing annexes relevant for the environment, e.g. model application form for Major Projects), and published in the *Official Journal of the European Union L 371* of 27.12.06.

The new Cohesion Policy proposals represent a new approach with improvements in two main areas. First, the strategic dimension of Cohesion Policy is strengthened to ensure that Community priorities are better integrated into national, regional, and local development programmes. Second, efforts are reinforced to ensure greater ownership of Cohesion Policy on the ground. This is reflected in the provisions for an ongoing dialogue in the partnerships involving the Commission, the Member States, the regions and cities, and in a clearer and more decentralised sharing of responsibilities in areas such as financial management and control.

General Provisions Regulation No. 1083/2006/EC of 11.07.06

The main features of importance for the environment are:

- a strong commitment to environment and sustainable development in the overall objectives (Article 3; Recital 2);

Article 3

Objectives

1. The action taken by the Community under Article 158 of the Treaty shall be designed to strengthen the economic and social cohesion of the enlarged European Union in order to promote the harmonious, balanced and sustainable development of the Community.

The action taken under the Funds shall incorporate, at national and regional level, the Community's priorities in favour of sustainable development by strengthening growth, competitiveness, employment and social inclusion and by protecting and improving the quality of the environment.

2. To that end, the ERDF, the ESF, the Cohesion Fund, the EIB and the other existing Community financial instruments shall each contribute in an appropriate way towards achieving the following three objectives:

(a) the Convergence objective, which shall be aimed at..., the protection and improvement of the environment, and administrative efficiency. This objective shall constitute the priority of the Funds;

(b) the Regional competitiveness and employment objective, which shall, outside the least-developed regions, be aimed at strengthening regions' competitiveness and attractiveness as well

as employment by anticipating economic and social changes, including those linked to..., the protection and improvement of the environment, ...

(c) the European territorial cooperation objective, ...

3. Under the three objectives referred to in paragraph 2, assistance from the Funds shall, according to their nature, take into account specific economic and social features, on the one hand, and specific territorial features, on the other. The assistance shall, in an appropriate manner, support sustainable urban development...

- complementarity with national measures (Article 9.1);

Article 9

Complementarity, consistency, coordination and compliance

1. The Funds shall provide assistance which complements national actions, including actions at the regional and local levels, integrating into them the priorities of the Community.

- consistency with Community policies (Article 9.2);

Article 9

Complementarity, consistency, coordination and compliance

2. The Commission and the Member States shall ensure that assistance from the Funds is consistent with the activities, policies and priorities of the Community and complementary to other financial instruments of the Community.

- coordination with other Community co-financing (Article 9.4);

Article 9

Complementarity, consistency, coordination and compliance

4. In accordance with their respective responsibilities, the Commission and the Member States shall ensure the coordination between the assistance from the Funds, the EAFRD, the EFF and the interventions of the EIB and of other existing financial instruments.

- the respect of Community legislation as a *sine qua non*, even if environment is not specifically mentioned (Article 9.5);

Article 9

Complementarity, consistency, coordination and compliance

5. Operations financed by the Funds shall comply with the provisions of the Treaty and of acts adopted under it.

- environmental partners in the partnership (Article 11.1);

Article 11

Partnership

1. The objectives of the Funds shall be pursued in the framework of close cooperation, (hereinafter referred to as partnership), between the Commission and each Member State. Each Member State shall organise, where appropriate and in accordance with current national rules and practices, a partnership with authorities and bodies such as:

(a) the competent regional, local, urban and other public authorities;

(b) the economic and social partners;

(c) any other appropriate body representing civil society, environmental partners, non-governmental organisations, and bodies responsible for promoting equality between men and women.

Each Member State shall designate the most representative partners at national, regional and local level and in the economic, social, environmental or other spheres (hereinafter referred to as partners), in accordance with national rules and practices, taking account of the need to promote equality between men and women and sustainable development through the integration of environmental protection and improvement requirements.

- sustainable development as a cross-cutting principle (Article 17);

Article 17

Sustainable development

The objectives of the Funds shall be pursued in the framework of sustainable development and the Community promotion of the goal of protecting and improving the environment as set out in Article 6 of the Treaty.

- possibility of up to 10% of ERDF or ESF funds being can cover the priorities of the other fund (useful for training projects linked to infrastructure), joint programming of environment and transport projects through ERDF and CF (Article 34);

Article 34

Specific character of the Funds

1. Operational programmes shall receive financing from only one Fund, save as otherwise provided in paragraph 3.

2. Without prejudice to the derogations laid down in the specific regulations of the Funds, the ERDF and the ESF may finance, in a complementary manner and subject to a limit of 10 % of Community funding for each priority axis of an operational programme, actions falling within the scope of assistance from the other Fund, provided that they are necessary for the satisfactory implementation of the operation and are directly linked to it.

3. In the Member States receiving support from the Cohesion Fund, the ERDF and the Cohesion Fund shall jointly provide assistance for operational programmes on transport infrastructure and the environment, including for major projects.

- that Major Projects would undergo environmental assessments (Article 40);

Article 40

Information submitted to the Commission

The Member State or the managing authority shall provide the Commission with the following information on major projects:

(...)

(f) an analysis of the environmental impact;

- the Financial engineering instruments (e.g. JASPERS, JEREMIE and JESSICA¹) which can be used for the benefit of the environment (Article 44);

Article 44

Financial engineering instruments

As part of an operational programme, the Structural Funds may finance expenditure in respect of an operation comprising contributions to support financial engineering instruments for enterprises, primarily small and medium-sized ones, such as venture capital funds, guarantee funds and loan funds, and for urban development funds, that is, funds investing in public-private partnerships and other projects included in an integrated plan for sustainable urban development.

- the possibility of animating networks, including for the environment, under technical assistance at the initiative of the Commission (Article 45.1e);

Article 45

Technical assistance at the initiative of the Commission

1. At the initiative of and/or on behalf of the Commission, subject to a ceiling of 0,25 % of their respective annual allocation, the Funds may finance the preparatory, monitoring, administrative and technical support, evaluation, audit and inspection measures necessary for implementing this Regulation.

Those actions shall include, in particular:

(...)

(e) measures to disseminate information, networking, raise awareness, promote cooperation and exchange experiences throughout the Community;

- technical assistance at the initiative of the Member States can be used for environmental purposes (Article 46);

¹ JASPERS = Joint Assistance in Supporting Projects in European Regions; JEREMIE = Joint European Resources for Micro to Medium Enterprises; JESSICA = Joint European Support for Sustainable Investment in City Areas

Article 46

Technical assistance of the Member States

1. At the initiative of the Member State, the Funds may finance the preparatory, management, monitoring, evaluation, information and control activities of operational programmes together with activities to reinforce the administrative capacity for implementing the Funds within the following limits: (...)

- that environmental impact assessment (EIA) and strategic environmental assessment (SEA) will be applied to evaluations (Article 47.1);

Article 47

General provisions

1. Evaluations shall aim to improve the quality, effectiveness and consistency of the assistance from the Funds and the strategy and implementation of operational programmes with respect to the specific structural problems affecting the Member States and regions concerned, while taking account of the objective of sustainable development and of the relevant Community legislation concerning environmental impact and strategic environmental assessment.

- the application of the principles of the precautionary principle, the principle of preventive action, and the polluter pays principle (Articles 52c & 55.2);

Article 52

Modulation of the contribution rates

The contribution from the Funds may be modulated in the light of the following:

(...)

(c) protection and improvement of the environment, principally through the application of the precautionary principle, the principle of preventive action, and the polluter-pays principle;

Article 55

Revenue-generating projects

1. For the purposes of this Regulation, a revenue-generating project means any operation involving an investment in infrastructure the use of which is subject to charges borne directly by users or any operation involving the sale or rent of land or buildings or any other provision of services against payment.

2. Eligible expenditure on revenue-generating projects shall not exceed the current value of the investment cost less the current value of the net revenue from the investment over a specific reference period for:

(a) investments in infrastructure; or

(b) other projects where it is possible to objectively estimate the revenues in advance.

Where not all the investment cost is eligible for co-financing, the net revenue shall be allocated pro rata to the eligible and non-eligible parts of the investment cost.

In the calculation, the managing authority shall take account of the reference period appropriate to the category of investment concerned, the category of project, the profitability normally expected of the category of investment concerned, the application of the polluter-pays principle, and, if appropriate, considerations of equity linked to the relative prosperity of the Member State concerned.

- stressing role of the Managing Authority and the Certifying Authority to ensure compliance with Community and national environmental rules (Articles 60a and 61b);

Article 60

Functions of the managing authority

The managing authority shall be responsible for managing and implementing the operational programme in accordance with the principle of sound financial management and in particular for:

(a) ensuring that operations are selected for funding in accordance with the criteria applicable to the operational programme and that they comply with applicable Community and national rules for the whole of their implementation period;

(...)

Article 61

Functions of the certifying authority

The certifying authority of an operational programme shall be responsible in particular for:

(...)

(b) certifying that:

(i) the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents;

(ii) the expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme and complying with Community and national rules;

(c) ensuring for the purposes of certification that it has received adequate information from the managing authority on the procedures and verifications carried out in relation to expenditure included in statements of expenditure;

(d) taking account for certification purposes of the results of all audits carried out by or under the responsibility of the audit authority;

(e) maintaining accounting records in computerised form of expenditure declared to the Commission;

(f) keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the general budget of the European Union prior to the closure of the operational programme by deducting them from the next statement of expenditure.

(...)

- that Monitoring Committees will have the role to agree selection criteria for co-financed operations, including for the environment (Article 65a).

Article 65

Tasks

The monitoring committee shall satisfy itself as to the effectiveness and quality of the implementation of the operational programme, in accordance with the following provisions:

(a) it shall consider and approve the criteria for selecting the operations financed within six months of the approval of the operational programme and approve any revision of those criteria in accordance with programming needs;

(...)

Very positive is the emphasis on urban issues throughout the General Provisions Regulation and the ERDF Regulation (see in particular ERDF, Article 8). The Commission has also adopted a Communication on "Cohesion Policy and cities: the urban contribution to growth and jobs in the regions" (COM(2006)385 final), 13.07.06.

The European Council 15-16.12.05 decided that a N+3 rule on automatic decommitment will apply to the SFs and CF for Member States whose average per capita GDP from 2001-3 was below 85% of the EU average during the period 2007-10; N+2 rule in all other cases. This is significant as environmental projects are often slower spending than transport projects. It is picked up in Article 93 of the General Provisions Regulation. The European Council also decided to endorse the Commission's proposal to " earmark" resources under the Cohesion Policy to support Lisbon-related priorities (with targets of 60% for the Convergence Objective regions and 75% for the Regional Competitiveness Objective in EU15, and the same voluntary targets in EU10+2). This is picked up in a new Article 9.3 and Annex IV of the adopted General Provisions Regulation – several environment related categories are earmarked.

European Regional Development Fund (ERDF) 1080/2006/EC of 05.07.06

The main features of importance for the environment are:

- a commitment to ensure “sustainable development” in the purpose of the ERDF (Article 2, 2nd paragraph);

Article 2

Purpose

...

In so doing, the ERDF shall give effect to the priorities of the Community, and in particular the need to strengthen competitiveness and innovation, create and safeguard sustainable jobs, and ensure sustainable development.

- environmental funding in the Objective on Convergence (Article 4);

Article 4

Convergence

Under the Convergence objective, the ERDF shall focus its assistance on supporting sustainable integrated regional and local economic development and employment by mobilising and

strengthening endogenous capacity through operational programmes aimed at the modernisation and diversification of economic structures and at the creation and safeguarding of sustainable jobs. This shall be achieved primarily through the following priorities, the precise policy mix depending on the specificities of each Member State:

(...)

4. environment, including investments connected with water supply and water and waste management; waste-water treatment and air quality; prevention, control and fight against desertification; integrated pollution prevention and control; aid to mitigate the effects of climate change; rehabilitation of the physical environment, including contaminated sites and land and brownfield redevelopment; promotion of biodiversity and nature protection, including investments in NATURA 2000 sites; aid to SMEs to promote sustainable production patterns through the introduction of cost-effective environmental management systems and the adoption and use of pollution-prevention technologies;

5. prevention of risks, including development and implementation of plans to prevent and cope with natural and technological risks;

6. tourism, including promotion of natural assets as potential for the development of sustainable tourism; protection and enhancement of natural heritage in support of socio-economic

development; aid to improve the supply of tourism services through new higher added-value services and to encourage new, more sustainable patterns of tourism;

7. investments in culture, including protection, promotion and preservation of cultural heritage; development of cultural infrastructure in support of socio-economic development, sustainable tourism and improved regional attractiveness; and aid to improve the supply of cultural services through new higher added-value services;

8. transport investments, including improvement of trans-European networks and links to the TEN-T network; integrated strategies for clean transport which contribute to improving the access to and quality of passenger and goods services, to achieving a more balanced modal split, to promoting intermodal systems and to reducing environmental impacts;

9. energy investments, including in improvements to trans-European networks which contribute to improving security of supply, the integration of environmental considerations, the improvement of energy efficiency and the development of renewable energies;

10. education investments, including in vocational training, which contribute to increasing attractiveness and quality of life;

11. investments in health and social infrastructure which contribute to regional and local development and increasing the quality of life.

- **environmental funding in the Objective on Regional Competitiveness (Article 5);**

Article 5

Regional competitiveness and employment

Under the Regional competitiveness and employment objective, the ERDF shall focus its assistance in the context of sustainable development strategies, while promoting employment, primarily on the following three priorities:

(...)

2. environment and risk prevention, and in particular:

(a) stimulating investment for the rehabilitation of the physical environment, including contaminated, desertified and brownfield sites and land;

- (b) promoting the development of infrastructure linked to biodiversity and investments in NATURA 2000 sites, where this contributes to sustainable economic development and/or diversification of rural areas;
- (c) stimulating energy efficiency and renewable energy production and the development of efficient energy management systems;
- (d) promoting clean and sustainable public transport, particularly in urban areas;
- (e) developing plans and measures to prevent and cope with natural risks (e.g. desertification, droughts, fires and floods) and technological risks;
- (f) protection and enhancement of the natural and cultural heritage in support of socio-economic development and the promotion of natural and cultural assets as potential for the development of sustainable tourism;
- (...)

- **environmental funding in the Objective on European Territorial Co-operation (Article 6);**

Article 6

European territorial cooperation

Under the European territorial cooperation objective, the ERDF shall focus its assistance on the following priorities:

1. the development of cross-border economic, social and environmental activities through joint strategies for sustainable territorial development, and primarily:

(a) by encouraging entrepreneurship, in particular the development of SMEs, tourism, culture, and cross-border trade;

(b) by encouraging and improving the joint protection and management of natural and cultural resources, as well as the prevention of natural and technological risks;

(c) by supporting links between urban and rural areas;

(d) by reducing isolation through improved access to transport, information and communication networks and services, and cross-border water, waste and energy systems and facilities;

(...)

2. the establishment and development of transnational cooperation, including bilateral cooperation between maritime regions not covered under point 1, through the financing of networks and of actions conducive to integrated territorial development, concentrating primarily on the following priority areas:

(...)

(b) environment: water management, energy efficiency, risk prevention and environmental protection activities with a clear transnational dimension. Actions may include: protection and management of river basins, coastal zones, marine resources, water services and wetlands; fire, drought and flood prevention; the promotion of maritime security and protection against natural and technological risks; and protection and enhancement of the natural heritage in support of socio-economic development and sustainable tourism;

(...)

(d) sustainable urban development: strengthening polycentric development at transnational, national and regional level, with a clear transnational impact. Actions may include: the creation and improvement of urban networks and urban-rural links; strategies to tackle common urban-rural issues; preservation and promotion of the cultural heritage, and the strategic integration of development zones on a transnational basis.

Assistance to bilateral cooperation between maritime regions may be extended to the priorities referred to in point 1;

3. reinforcement of the effectiveness of regional policy by promoting:

(a) interregional cooperation focusing on innovation and the knowledge economy and environment and risk prevention in the sense of Article 5(1) and (2);

(b) exchanges of experience concerning the identification, transfer and dissemination of best practice including on sustainable urban development as referred to in Article 8; and

(c) actions involving studies, data collection, and the observation and analysis of development trends in the Community.

- The Communication from the Commission on Regions for Economic Change and the related Commission Staff Working Paper (COM(2006)675 final of 08.11.06; SEC (2006)1432 of 08.11.06) are highly relevant for the environment.
- Technical assistance will be available for capacity building in the management of the ERDF, which can also be made available for the environment (Article 3.2d);

Article 3

Scope of assistance

(...)

2. The ERDF shall contribute towards the financing of:

(...)

(d) technical assistance as referred to in Articles 45 and 46 of Regulation (EC) No 1083/2006.

- a derogation for environmental conservation purposes to the eligibility rule that land purchases cannot exceed 10% of total eligible expenditure (Article 7.1b);

Article 7

Eligibility of expenditure

1. The following expenditure shall not be eligible for a contribution from the ERDF:

(...)

(b) the purchase of land for an amount exceeding 10 % of the total eligible expenditure for the operation concerned. In exceptional and duly justified cases, a higher percentage may be permitted by the managing authority for operations concerning environmental conservation;

(...)

- the possibility of financing housing, useful to promote energy efficiency (Article 7.2);

Article 7

Eligibility of expenditure

2. Expenditure on housing shall be eligible only for those Member States that acceded to the European Union on or after 1 May 2004 and in the following circumstances:

(a) expenditure shall be programmed within the framework of an integrated urban development operation or priority axis for areas experiencing or threatened by physical deterioration and social exclusion;

(...)

- a commitment to sustainable urban development (Article 8);

Article 8

Sustainable urban development

In addition to the activities listed in Articles 4 and 5 of this Regulation, in the case of action involving sustainable urban development as referred to in Article 37(4)(a) of Regulation (EC) No 1083/2006, the ERDF may, where appropriate, support the development of participative, integrated and sustainable strategies to tackle the high concentration of economic, environmental and social problems affecting urban areas.

These strategies shall promote sustainable urban development through activities such as: strengthening economic growth, the rehabilitation of the physical environment, brownfield redevelopment, the preservation and development of natural and cultural heritage, the promotion of entrepreneurship, local employment and community development, and the provision of services to the population taking account of changing demographic structures.

By way of derogation from Article 34(2) of Regulation (EC) No 1083/2006, and where these activities are implemented through a specific operational programme or priority axis within an operational programme, the ERDF funding of measures under the Regional competitiveness and employment objective falling within the scope of Regulation (EC) No 1081/2006 may be raised to 15 % of the programme or priority axis concerned.

- co-ordination with other Community co-financing (Article 9);

Article 9

Coordination with the EAFRD and the EFF

Where an operational programme supported by the ERDF targets operations also eligible under another Community support instrument, including Axis 3 of the EAFRD and the sustainable development of coastal fishing areas under the EFF, Member States shall set out in each operational programme the demarcation criteria for the operations supported by the ERDF and those supported by the other Community support instruments.

- a reference to sustainable use of resources in areas with geographical and natural handicaps (Article 10).

Article 10

Areas with geographical and natural handicaps

Regional programmes co-financed by the ERDF covering areas facing geographical and natural handicaps as referred to in point (f) of Article 52 of Regulation (EC) No 1083/2006 shall pay particular attention to addressing the specific difficulties of those areas.

Without prejudice to Articles 4 and 5, the ERDF may in particular contribute towards the financing of investments aimed at improving accessibility, promoting and developing economic

activities related to cultural and natural heritage, promoting the sustainable use of natural resources, and encouraging sustainable tourism.

Cohesion Fund (CF) 1084/2006/EC of 11.07.06

The main features of importance for the environment are:

- a commitment to contribute to the pursuit of Community environmental objectives and promote “sustainable development” in the purpose of the CF (Article 1, Recital 3);
- that the new CF will support: the Transport-Trans European Networks (TEN-T); the priorities under the Community environmental action programme, including elements relating to sustainable development (financing renewable energies and energy efficiency, and public transport, etc.)(Article 2.1);

Article 2

Scope of assistance

1. Assistance from the Fund shall be given to actions in the following areas, ensuring an appropriate balance, and according to the investment and infrastructure needs specific to each Member State receiving assistance:

(...)

(b) the environment within the priorities assigned to the Community environmental protection policy under the policy and action programme on the environment. In this context, the Fund may also intervene in areas related to sustainable development which clearly present environmental benefits, namely energy efficiency and renewable energy and, in the transport sector outside the trans-European networks, rail, river and sea transport, intermodal transport systems and their interoperability, management of road, sea and air traffic, clean urban transport and public transport.

The proposed CF Regulation in Article 2.2 states that an “appropriate balance of assistance shall be agreed in partnership between Member States and the Commission”, between the environment/sustainable development and transport. Benefits will arise from both co-financing of the investment heavy environmental *acquis* as well as a significant boost to renewable energies, energy efficiency and environmentally sustainable public transport. From now on, the CF will be managed as a programme rather than individual projects, and with a common financing strategy with the ERDF.

European Social Fund (ESF) 1081/2006/EC of 05.07.06

The main features of importance for the environment are:

- a commitment to promote “sustainable development” in the tasks of the ESF (Article 2.2);

Article 2

Tasks
(...)

2. In carrying out the tasks referred to in paragraph 1, the ESF shall support the priorities of the Community as regards the need to reinforce social cohesion, strengthen productivity and competitiveness, and promote economic growth and sustainable development. In so doing, the

ESF shall take into account the relevant priorities and objectives of the Community in the fields of education and training, increasing the participation of economically inactive people in the labour market, combating social exclusion — especially that of disadvantaged groups such as people with disabilities — and promoting equality between women and men and non-discrimination.

- a commitment to: eco-technologies (Article 3.1.a.i) in both the Convergence and Regional Competitiveness and Employment objectives; to increasing strengthening institutional capacity and the efficiency of public administrations and the public sector in the environment field in the Convergence Objective (Article 3.2.b); and involving environmental partners (Article 3.2.b).

Article 3

Scope of assistance

1. Within the framework of the Convergence and Regional competitiveness and employment objectives, the ESF shall support actions in Member States under the priorities listed below:

(a) increasing adaptability of workers, enterprises and entrepreneurs with a view to improving the anticipation and positive management of economic change, in particular by promoting:

(i) lifelong learning and increased investment in human resources by enterprises, especially SMEs, and workers, through the development and implementation of ... eco-friendly technologies

(...)

2. Within the framework of the Convergence objective, the ESF shall support actions in Member States under the priorities listed below:

(...)

(b) strengthening institutional capacity and the efficiency of public administrations and public services at national, regional and local level and, where relevant, of the social partners and non-governmental organisations, with a view to reforms, better regulation and good governance especially in the economic, employment, education, social, environmental and judicial fields, in particular by promoting:

- | |
|---|
| <ul style="list-style-type: none"> (i) mechanisms to improve good policy and programme design, monitoring and evaluation, including through studies, statistics and expert advice, support for interdepartmental coordination and dialogue between relevant public and private bodies; (ii) capacity building in the delivery of policies and programmes in the relevant fields, including with regard to the enforcement of legislation, especially through continuous managerial and staff training and specific support to key services, inspectorates and socio-economic actors including social and environmental partners, relevant non-governmental organisations and representative professional organisations. |
|---|

- the use of the ESF for environmental purposes as currently in all Member States (training, education, job creation, awareness raising, etc.).

European grouping of territorial co-operation (EGTC) 1082/2006/EC of 05.07.06

This is of concern in so far as territorial cooperation can finance projects with environmental goals (e.g. for crossborder water management).

Community Strategic Guidelines (CSG)

Following the adoption of the CSG by the Commission on 12.07.06, the Assent of European Parliament, these were finally adopted by the Council on 06.10.06². These indicative Guidelines reflect the renewed Lisbon Strategy with a main focus on growth and jobs. The GPR (Article 26, para. 2) foresees the possibility for a mid-term review of the CSG, following close cooperation with Member States, in order to take account of any major changes in Community priorities. However, such a review does not impose an obligation on Member States to revise their OPs or NSRFs. The main features of importance for the environment are:

- a clear commitment to sustainable development as a cross-cutting principle;
- the guidelines on environment includes - infrastructures for air, water, waste, nature and species protection and biodiversity particularly in Convergence regions, especially the new Member States; promoting landuse planning to reduce urban sprawl, physical rehabilitation including the development of natural and cultural assets; investments to promote Kyoto commitments in addition to those under the sustainable energy and transport CSG guidelines; risk prevention through improved management of natural resources (including preventative monitoring), RTD, ICTs and public management policies
- the guidelines on innovation – include eco-innovation and introduction of environmental management systems;
- the guidelines on energy – include renewable and alternative technologies which can give the EU a leading edge, as well as energy efficiency;
- the guidelines on transport – include environmentally sustainable transport networks;
- in the section on jobs - environmental capacity building is recognised;

² OJ No. L291 of 21.10.06, page 11

- the role of cities is recognised - the urban environment thematic strategy mentioned;
- in the section on economic diversification of rural areas – improvements in habitats and biodiversity can occur as a spin-off of tourism;
- in the section on the Cooperation Objective – environment is mentioned as a key sector that will benefit.

DG ENV, 21.02.07