Summary
This document is an “ideas paper” with DG ENV’s contribution to the detailed funding priorities for the period 2007-13. The focus is on how environmental investment and sustainable development across all sectors can contribute to the Lisbon Strategy by promoting innovation, helping the European economy, creating jobs, ensuring environmental protection and enhancement and improving quality of life for citizens. This must be done whilst achieving economic and social cohesion.

The first part of the document examines how environmental investments, through the Cohesion Policy, fulfil the Renewed Lisbon Strategy as agreed by the European Councils in March and June 2005, and the updated Sustainable Development Strategy (SDS) adopted by the European Council in June 2006.

The second part of the document summarises how the Commission has interpreted the Renewed Lisbon Strategy in terms of implementing the Cohesion Policy through the package of Regulations and the Community Strategic Guidelines.

The third part of the document examines how horizontal environmental priorities are addressed in the new programmes. The promotion of quality sustainable development contributes to the Lisbon Strategy objectives of innovation, competitiveness, growth and employment, energy and climate. This is also in response to Article 6 of the EC Treaty which requires the integration of environment into all other policies to promote sustainable development. Environmental investments can bring benefits in the short, medium and long-term and hence are suitable as a funding priority under the Cohesion Policy. Therefore they contribute to long-term competitiveness and serve as a foundation for growth.

The fourth part then describes the specific vertical funding priorities within the five environmental components of the reviewed SDS related to internal EU policies (climate change and clean energy, sustainable transport, sustainable production and consumption, conservation and management of natural resources, public health). There are many synergies between these proposed priorities leading to better environmental results, lower economic costs and improvements to long-term competitiveness. To be effective, such synergies will need to be created within individual Operational Programmes. The detailed environmental priorities are summarised in a table in Annex I. Investments must be made in the heavy (i.e. expensive) environmental acquis, particularly in the new Member States as the top priority. The investments in waste, water, soil remediation, combating and mitigating climate change and air pollution are of the win-win-win type contributing to innovation, and in the long run to the increased competitiveness of regions and better social cohesion. The waste, water, soil and air pollution infrastructure can be primarily co-financed through the European Regional Development Fund (ERDF) and the Cohesion Fund (CF). Achieving a low carbon economy through the Cohesion Policy will be largely achieved through appropriate choices in transport and energy investments. Thus, the extension of the original pillars of the CF into the area of sustainable development is particularly of high importance. The European Social Fund (ESF) is key for capacity building, training, job creation and awareness raising for environmental integration and for promoting environmental technologies.

The fifth and final part attempts to provide some environmental funding priorities through the Cohesion Policy in each of the Member States, without being a prescriptive list.

Stimulating innovation through the cohesion and environmental policies
1.0 The Renewed Lisbon Strategy, Sustainable Development Strategy and environmental investments through the Cohesion Policy

The Renewed Lisbon Strategy and the Sustainable Development Strategy (SDS) must both contribute to the overall Treaty objective of sustainable development. Whilst the Lisbon Strategy concentrates on growth and jobs in the EU, the SDS brings together and balances environmental, social and economic concerns, in a positive agenda for Europe that pushes for action on a set of key issues, such as climate change, health, ageing population, resource use and the EU’s role in the world.

The European Council in June 2005 adopted 24 Integrated Guidelines for Growth and Jobs, including one (no. 11) on the sustainable use of resources and strengthening synergies between environmental protection and growth. More specifically, this covers: i) energy efficiency; renewable energies; environmental technologies; ii) internalisation of environmental costs; iii) halting biodiversity decline; iv) fighting climate change. These challenges can be clearly mapped to the five main environmental issues of the SDS related to internal EU policies (climate change and clean energy, sustainable transport, sustainable production and consumption, conservation and management of natural resources, public health). In December 2006, the Commission slightly ‘updated’ its Lisbon strategy by including ‘energy and climate’ as the fourth overall priority area.

The European Council decided in December 2005 to endorse the Commission's proposal to "earmark" resources under cohesion policy to support Lisbon-related priorities (targets of 60% for Convergence regions and 75% for Regional Competitiveness in EU15, with voluntary targets in EU10+2).

In 2007-13, sustainable development continues to be one of the two horizontal principles of the Cohesion Policy - the other being equal opportunities and non-discrimination. This principle means both compliance with community environmental legislation and policy and to encourage environmental best-practice in measures supported by the Structural and the Cohesion Funds.

In practice, the activities which the Funds support must fully meet environmental standards as laid down in Community legislation. They are also expected to contribute to the achievement of major Community environmental policy objectives. However, as the EU struggles to meet the economic and social goals set out in the Renewed Lisbon Strategy, concerns have been raised about whether environmental integration hinders economic performance.

More than in the past, the considerable potential of many environmental projects to contribute in the short, medium or longer term to economic development and employment – often ignored or underestimated – needs to be recognised and exploited:

- In the short-term, eco-innovation for example can give rise to immediate economic and social benefits. Environmental services such as clean water, waste management, as well as improved energy efficiency and use of resources, reduction of industrial contamination to air, water and land, and environmentally-sensitive landuse planning are pre-requisites for attracting inward investment and hence job creation.

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1 European Council Conclusions 16-17.06.05, Document 10255/1/05 REV 1, Annex II, 15.07.05
3 Financial Perspectives, European Council 16-17.12.05, 2007-2013, Document 15915/05, 19.12.05
4 This is included in Article 9 and Annex IV of the General Provisions Regulation 1083/2006/EC
In the medium term, risk prevention investments, for example to reduce the risk of flooding, prevent forest fires or reduce industrial risks are clearly relevant to implement the Renewed Lisbon Strategy, as their occurrence reduces the pre-requisites such as available land.

In the long term, investments in combating climate change through integration in all economic sectors will lead to improved sustainable economic growth through a more stable climate. Investments in biodiversity will lead to increased territorial cohesion, economic and social benefits (e.g. tourism potential, new pharmaceutical products, health) and can help reduce the impacts of climate change, as well as direct environmental benefits.

Some claim that environmental policies are excessively costly in terms of job losses. Others argue that they, on the contrary, create more jobs. In fact, studies – mainly conducted under the OECD auspices - tend to indicate that the net impact on employment for the economy as a whole of environmental policies has so far been either neutral or slightly positive\(^5\).

The operation of the Cohesion Policy 2000-6 suggests that integrating environmental considerations into economic decisions has been positive in the following ways.

1.1. Improving economic competitiveness through cutting costs
Integrating environmental concerns into businesses can produce significant savings and improve profit and productivity, creating sustainable economic growth. There are two key ways in which this may occur in Cohesion Policy supported activities:

1.1.1. Improved Waste Management
A more effective management of waste produced by companies can result in significant savings as well as having a positive environmental impact through recycling, reuse and potential co-generation of energy. For example, in the UK waste is costing British businesses £50 billion (€73 billion) per annum. It has been estimated that companies can save between 1% and 4% of their turnover by adopting simple waste minimisation techniques.

1.1.2 Improved Resource Efficiency
Efficient use of resources by businesses can enable them to make savings whilst at the same time conserving natural resources. This is apparent in a number of different areas. For example, the installation of water meters can lead to financial savings by allowing companies to detect leaks and more closely monitor their water usage, giving them the opportunity to enact water conservation programmes which save water and the energy required to heat it. Similarly, by installing energy efficient measures in their premises, businesses can make significant savings in running costs. This in turns reduces the emission of greenhouse gases (GHG).

1.2. Improving skills and jobs
The environment is a growth sector in terms of the value of relevant skills and related jobs. Apart from the employment and financial benefits of the direct development of environmental skills, integrating the environment into skills development programmes can have important benefits in terms of resource efficiency. This can make a significant contribution to the skills and employment aspects of the Lisbon Strategy.

1.2.1 Improving Environmental Skills
Training individuals in environmental management and sustainable business practices will increase the skill-set and employability of such individuals, as well as allowing them to identify areas in their businesses where savings can be made through improved environmental management.

1.2.2 Integrating the Environment into Skills Training Programmes
As well as the benefits which environmental skills themselves can bring to the workforce, it is also important to show that the environment can be integrated into other skills training programmes bringing positive and innovative results.

1.3 Environment and Business
The environment can be used as a means of attracting innovative businesses to regions which have a high quality of life due to the surrounding natural environment. Presenting the environment as an important part of a location for a business can bring regions with strong environmental qualities considerable jobs and investment, including the emergence of regional centres of environmental excellence.

1.4 Environmental Technologies
Environmental quality is a significant factor in regional development and competitiveness. The integration of environmental quality in productive investment will ensure a rational use of resources, enhancing economic performance and competitiveness while maintaining and creating employment. Moreover, environment-related products or processes provide an additional opportunity for the regions as they are themselves potential new sources of employment. Such products being of higher quality can in turn increase competitiveness.

The Commission has consolidated its efforts in this area by developing the Environmental Technologies Action Plan (ETAP). ETAP was particularly highlighted in the Kok Report of November 2004. The development of environmental technologies is an area where the EU is a world leader, and can therefore help enhance Europe’s competitive position. The Cohesion Policy provides an ideal opportunity for co-financing ETAP.

1.5 Investments in the natural environment
Investments in improving the natural resources and in particular in preserving and enhancing biodiversity can lead to both long-term social benefits, as well as stimulating economic growth. This can be through tourism benefits or diversifying the local economy, as well as in the pharmaceutical, water supply, fisheries, agriculture sectors which are based on the sustainable exploitation of natural resources. Preservation of biodiversity richness is a strategic option, which must be considered as an investment for ensuring future economic opportunities.

2.0. Package of Cohesion Policy Regulations and the Community Strategic Guidelines (CSG)
The points of environmental relevance are summarised in Annex II.

3.0 Horizontal elements

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6 Facing the Challenge: the Lisbon Strategy for growth and employment, November 2004
Ensuring adequate funds for environmental projects: the legislative texts for the Cohesion Policy Regulations and the CSG give a clear priority to direct (vertical) investments under the investment heavy environmental directives or other acts of the acquis. This is necessary in the new Member States within the agreed transition periods for the implementation of the environmental acquis, especially urban wastewater treatment, water supply (drinking water), waste management and Integrated Pollution Prevention and Control (IPPC). For Directives with transition periods, investment plans need to be tailored to the intermediary targets foreseen in the Acts of Accession. DG ENV calculations have given a bottom-line figure of €68 billion total cost for the EU12 7 2007-13, which is the equivalent of 2-3% of their annual GDP. The high costs of implementing the investment heavy environmental acquis in Poland, Lithuania, Latvia and Estonia 8 justify the need for an adequate share of the Cohesion Fund. This estimate for the investment heavy acquis does not include investments in the Water Framework Directive, investments in the Natura 2000 network and for combating climate change. Investments in environmental infrastructure should be using the latest technologies available to promote the best performance.

It can be necessary to create a specific OP for environmental infrastructure where needs for direct environmental investments are very high. In 2000-6 this was the case for Hungary, Greece and Portugal. Alternatively, a Priority can be included within an OP on infrastructure.

There needs to be national and regional/local level co-ordination of the various funding or loan instruments available (Cohesion Policy9, Solidarity Fund, LIFE+, European Agricultural Fund for Rural Development (EAFRD), European Fisheries Fund (EFF), the Competitiveness and Innovation Framework Programme (CIP), RTD Framework Programme, Norwegian and European Economic Area Financial Mechanisms, Trans-European Networks (TENs), European Investment Bank, European Investment Fund (EIF), and the European Bank for Reconstruction and Development (EBRD)) to ensure interactions and synergies. For example, regarding Natura 2000 this should be eligible post 2006 for financing through the Cohesion, Rural and Fisheries policies with certain aspects through LIFE + and hence co-ordination will be needed between these instruments. For renewable energy from biomass, some aspects could be funded through Rural Development and others through the Cohesion Policy. The sustainable use of marine areas also requires dovetailing of Community financial instruments in line with the recently adopted Thematic Strategy. It is necessary that national and regional OPs make specific reference to such synergies and interactions, particularly with regard to investments in environmental infrastructure. The need for increased synergies was underlined in updated SDS adopted by the European Council in June 2006 (see point 25)10.

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7 EU10, BG and RO based on the Communication The challenge of environmental financing in the Candidate Countries, COM(2001)304 final, p.21
8 Financial flows for implementing EU environmental directives in Poland, Lithuania, Latvia and Estonia, K. Berbeka, CEE Bankwatch Network, 2003
9 Cohesion Policy 2007-13 = European Regional Development Fund (ERDF), European Social Fund (ESF) and the Cohesion Fund (CF)
10 Council of the European Union, 09.06.06, document number 10117/06
• *Environment as cross-cutting horizontal priority* must be maintained in the new programmes 2007-13. This is in line with Article 6 of the EC Treaty which requires environmental protection requirements to be integrated in the definition and implementation of Community policies in order to promote sustainable development. The General Provisions Regulation for the period 2007-13 states in Article 17 that the Cohesion Policy shall be implemented within a framework of sustainable development.

Therefore, the NSRFs and OPs should include an explicit and consistent definition of an environmental sustainability strategy, ideally with an appropriate balance between horizontal and vertical elements. It is recommended that the responsibility of such a strategy is clearly defined, and the practical solutions for its implementation described (i.e. methods, human resources) with links to Technical Assistance resources in the OPs. The economic and social advantages of environmental sustainability strategies need to be recognized and stressed.

• *Ensuring respect of the environmental acquis ("environmental conditionality").* The respect of all Community legislation is contained in Article. 9.5 of the General Provisions Regulation – “Operations financed by the Funds shall comply with the provisions of the Treaty and of acts adopted under it”. Cohesion Policy should be implemented with a preventive approach – *ex-post* remediation of damage is always more expensive. **Key environmental directives with a strong territorial dimension must be respected when actions are co-financed,** in particular: the Birds and Habitats Directives (establishing the Natura 2000 network); the Water Framework Directive; the Urban Wastewater Treatment Directive; the waste management Directives; the proposed Soil Framework Directive; and the EIA and SEA Directives. The Revised Indicative Guidelines of 2003 for the 2000-6 period, gave prominence to co-financing of the Natura 2000 network, the Water Framework Directive and risk prevention measures.

The application of the SEA Directive has been clarified in letters from DGs REGIO and ENV to Member States. The application of the Directive where necessary is a prerequisite for the co-financing of projects (most of which will also be subject to the EIA Directive) included in OPs. The approach is to ensure that financing is devoted to plans, programmes and projects that comply with EC legislation. If not, co-financing can be suspended or cancelled. Although a NSRF prepared in strict accordance with the General Provisions Regulation is not expected to require an SEA, Member States may find that a voluntary assessment, prepared in accordance with the Directive, would help to improve their NSRF and ensure overall consistency.

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11 “Vertical” means integration in environmental infrastructures such as urban wastewater treatment and waste management structures, whereas “horizontal” means investments such as renewable energy and sustainable transport which have indirect environmental benefits.

12 underlined in letters to Member States: letter of Commissioners Wallström and Barnier of 03.07.03 on financing of urban wastewater treatment; letter of Commissioners Wallström and Barnier of 23.06.03 on financing of dams from the Cohesion Fund; letters of Commissioner Wallström and Barnier of 28.03.00 and 01.03.04 on Natura 2000 lists; letter of Commissioner Fischler of 25.05.00 on Natura 2000 lists and the Nitrates Directive; the need for waste projects to be in line with national and regional waste management plans (Guidelines for 2000-6 period)

13 Revised Indicative Guidelines, COM(2003), 499 final, 25.08.03

14 Letters to Member States on Strategic Environmental Assessment, 02.02.06 & 21.03.06 (BG & RO); 12.12.06.
The Cohesion Policy can be used to avoid infringements of Community environmental law, as well as a means to end them through co-financing especially in the new Member States (e.g. Cohesion Fund waste management investments in Greece 2000-6). As well as bringing environmental benefits, there are also social consequences through improved water services and waste management. The aim is to help identify alternative and efficient ways of achieving economic and social objectives in an environmentally sustainable way. The **preventive approach** should be complied with, the **precautionary principle** applied whenever impacts are not known or poorly understood, and the **polluter pays principle** must be implemented.

The Cohesion Policy has also led to a better implementation of environmental directives in the past, and this good practice needs to be spread to non co-financed operations as well. Regarding EIA, there is a huge transposition challenge in the new Member States. In the EU15, there are still many outstanding problems with the transposition of the EIA Directive. In 1999-2000, the negotiation of the OPs in Italy accelerated the regional transposition of the EIA Directive.

There is also the issue of co-ordinated evaluations. In addition to the application of the SEA Directive to the new OPs in the context of the *ex-ante* evaluation, there are similar requirements for an *ex ante* evaluation in the Habitats (Article 6.3) and the Water Framework (Article 4.7) Directives. In cases of overlaps, Member States should consider establishing, in cooperation with the Commission, procedures which enable all relevant directives to be complied with efficiently and effectively. In several Member States, the evaluation required under the Habitats Directive is already carried out within the EIA procedure.

- **Creating synergies between the Cohesion Policy and the environmental acquis and policy.** As well as respecting environmental legislation, the new programming period for the Cohesion Policy is an opportunity to make positive synergies with the EC environmental acquis and policy. This goes beyond scheduling investments in the environmental acquis in the agreed transition periods. In DG ENVs experience to achieve such positive synergies it is essential that the environmental authorities are involved in all phases of the preparation and implementation of the NSRFs and OPs. Particularly important are to:
  - ensure that investments through the Cohesion Policy aim to reduce climate change. Achieving low carbon could be an overarching objective of an OP. A methodology has been developed in France for assessing the carbon neutrality of their OPs 2007-13\[15\]
  - ensure investments in waste management are in line with agreed waste plans as required by the Waste Framework Directive\[16\]. Investments in recycling and waste minimisation must be considered as the preferred priorities
  - ensure investments in water actively promote the goals of the Water Framework Directive\[17\]. In the case of urban wastewater treatment, investments should be in tertiary level treatment where there are sensitive areas affected, and in prevention of water pollution in the first place.

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\[15\] [http://www.ecologie.gouv.fr/Le-rapport-du-Groupe-de-Travail.html](http://www.ecologie.gouv.fr/Le-rapport-du-Groupe-de-Travail.html)


ensure that the Cohesion Policy contributes to infrastructure investments related to the Birds and Habitats Directives\(^{18}\) to make the Natura 2000 network really operational.

ensure that the Cohesion Policy contributes to the implementation of the 6\(^{th}\) EAP priorities and the seven Thematic Strategies (see Table 1).

use the Cohesion Policy to bolster the implementation of the SEA and EIA Directives. Following the signature of the Aarhus Convention by the Community, the EIA Directive was amended to align the provisions on public participation and access to justice in environmental matters\(^{19}\). The Cohesion Policy is based on the partnership principle which is complementary to the EIA and SEA Directives.

- **Ensuring the more decentralised and simplified approach envisaged for 2007-13 is not at the expense of less environmental protection.** The General Provisions Regulation (Article 60a) states that it is the role of Managing Authority to ensure compliance with Community and national rules, and of course this includes the environment. Decentralised environmental management systems could be created to allow the Commission to collaborate together with Member States to check that environmental legislation and policy has been correctly applied, including explicit recognition of the useful role played by environmental NGOs in this process. The enlargement has reinforced the need for such controls and establishing new ways of working. The goal should be that such collaboration will lead to a better implementation and delivery of programmes.

The CF in 2007-13 will be managed through a programme based approach whereas in 1994-99 and 2000-6 each project was assessed individually. From 2007 onwards, the Commission will only see Major Projects (both ERDF and Cohesion Fund) above €50 million\(^{20}\), and TENs projects. In terms of the OPs, activities will be approved at the (higher) Priority rather than the Measure level as in the current period.

Environmental Management Systems, which could be established by Managing and Competent Environmental Authorities (CEAs) in Member States and the Commission through Technical Assistance, would need to integrate certain key elements:

- legal and policy checking of individual projects including both those sent later onto the Commission, and those which fall under the EIA thresholds.
- *ex-ante*, mid-term and *ex-post* evaluation, with the *ex-ante* evaluation respecting the SEA Directive and other relevant Directives.
- establishing on-going monitoring systems using agreed indicators reflecting core environmental and sustainable development issues and targets; a core indicator for funding of environmentally-beneficial projects is being used in Finland\(^{21}\), and this experience could be applied in other Member States. The Commission has also provided general guidance on indicators and *ex-ante* evaluation in the form of Working Papers\(^{22}\).

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\(^{20}\) €25 million for environmental projects as these tend to be smaller


Table 1  Links between the new Cohesion Policy and the 6th EAP Priorities and Thematic Strategies

<table>
<thead>
<tr>
<th>6th EAP Priority/Cohesion Objective</th>
<th>Convergence (ERDF/ESF/CF)</th>
<th>Regional Competitiveness and Employment (ERDF/ESF)</th>
<th>Co-operation (ERDF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate change</td>
<td>*** (sustainable energy and transport; better urban planning)</td>
<td>*** (sustainable energy and transport; better urban planning)</td>
<td>*** (risk prevention)</td>
</tr>
<tr>
<td>Environment and Health</td>
<td>*** (investment in environmental acquis bring health benefits)</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Sustainable use of natural resources and waste mgmt</td>
<td>*** (Natura 2000, water, waste investments)</td>
<td>*** (Natura 2000)</td>
<td>*** (Natura 2000, water, waste investments)</td>
</tr>
<tr>
<td>Air TS COM(2005) 446</td>
<td>*** (investment in acquis)</td>
<td>* (environmental technologies)</td>
<td>** (investment in monitoring of transboundary air pollution)</td>
</tr>
<tr>
<td>Urban TS COM(2005) 718</td>
<td>*** (sustainable urban transport; sustainable construction; renewable energies and energy efficiency; assistance to SMEs for environmental technologies; waste and water systems, urban air quality; restoring contaminated sites and land; tourism and cultural heritage; public health; risk prevention – climate change)</td>
<td>*** (sustainable urban transport; sustainable construction; renewable energies and energy efficiency; assistance to SMEs; restoring contaminated sites and land; tourism and cultural heritage; public health; risk prevention – climate change)</td>
<td>*** (sustainable urban networks; SME networks; exchanges of experience/ best practice on sustainable urban development; statistics/data; joint management of the environment; risk prevention – climate change)</td>
</tr>
<tr>
<td>Soil TS COM (2006) 231</td>
<td>*** (prevention of soil threats, in particular soil contamination and landslides)</td>
<td>*** (prevention of soil threats, in particular soil contamination and landslides)</td>
<td>*** (prevention of soil threats, in particular soil contamination and landslides)</td>
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<tr>
<td>Pesticides TS COM (2006) 327</td>
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<td>-</td>
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</table>

Relevance: *** = high; ** = medium; * = low; - = not relevant

- promoting selection criteria that give a higher weight or prominence to the environment or sustainable development. In the future this could include promoting innovation through Integrated Product Policy, Green Public Procurement and best practices in sustainable construction (see Table 2).
- embedding environmental networks within the NSRFs and OPs of each Member State, building on the successes with the existing Spanish, Italian and Portuguese networks; Technical Assistance will be needed for such networks, and such an opportunity is provided in Articles 45 and 46 of the General Provisions Regulation.
- designating CEAs which are responsible for environmental integration (horizontal and vertical). In Italy for example, the designated environmental authorities have
been key partners supporting national and regional managing authorities, making the environmental consequences of developments more explicit and has improved the capacities of public administrations for managing complex programmes. In terms of substance CEAs can provide an assessment of coherence with national and regional sustainable development strategies, promoting best practice, etc.

- considering appointing Environmental cross-cutting theme managers as exist in UK OPs; some OPs have established Environmental Advisory Groups, and others put “Environmental Champions” onto the partnerships that deliver the OPs (both examples again in the UK). Environmental Co-ordinating Committees could be established within national development strategies where there are several regional programmes (as exists in Ireland).

- finally there needs to be effective partnerships established for the Cohesion Policy with environmental authorities and NGOs at all stages (preparation – implementation – monitoring - evaluation) and at all scales (for example, with regional water authorities) is a key principle. Environmental partners comprise both governmental (i.e. CEAs) and non-governmental partners (i.e. environmental NGOs) according to their specific responsibilities. These are already mentioned in Article 11 of the General Provisions Regulation. In addition, there needs to be a more effective dialogue between the centre and regions in the Member States on opportunities for environmental investments and sustainable development. To help finance the participation of NGOs their expenses could be paid through technical assistance.

### Table 2 Environmental selection criteria

<table>
<thead>
<tr>
<th>Member State(s)</th>
<th>Operational Programme</th>
<th>Good example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>♦ All programmes</td>
<td>♦ Environmental criteria used as eligibility criteria and environmentally negative projects are excluded.</td>
</tr>
<tr>
<td>Finland</td>
<td>♦ All programmes</td>
<td>♦ Core Indicator of 20-30% for environmentally beneficial projects</td>
</tr>
<tr>
<td>Germany</td>
<td>♦ OP Schleswig-Holstein</td>
<td>♦ Environmental Bonus Criteria and scheme</td>
</tr>
<tr>
<td></td>
<td>♦ OP Sachsen-Anhalt</td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>♦ All programmes</td>
<td>♦ Positive or neutral environmental effects as a selection criterion.</td>
</tr>
<tr>
<td>Italy</td>
<td>♦ OP Local Enterprise Development</td>
<td>♦ Environmental selection criteria and additional points if EMAS or ISO certification</td>
</tr>
<tr>
<td>Portugal</td>
<td>♦ OP Economy</td>
<td>♦ Requires Best Available Technology (BAT) application, and a 5% bonus if a project joins EMAS at the same time.</td>
</tr>
<tr>
<td>Spain</td>
<td>♦ OP Regional Incentives for Enterprises</td>
<td>♦ Obligation to use environmental selection criteria in order to receive co-financing.</td>
</tr>
<tr>
<td>UK</td>
<td>♦ OP South West O2</td>
<td>♦ Higher weighting for environmental selection criteria</td>
</tr>
<tr>
<td></td>
<td>♦ Several OPs</td>
<td>♦ Gateway criteria</td>
</tr>
<tr>
<td></td>
<td>♦ OPs North West O2 and O3</td>
<td>♦ Toolkit</td>
</tr>
<tr>
<td></td>
<td>♦ OP East England O2</td>
<td>♦ Checklist</td>
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**OP**: Operational Programme; O1, O2 and O3 = Objectives 1, 2 & 3 respectively

- **NSRFs and OPs should contain an analysis of the coherence and description (at least in qualitative terms) of their contribution to the SDS and the priorities of the 6th EAP.** The Gothenburg European Council in June 2001 agreed on the SDS with a number of objectives and measures in four priority areas, some of which can be partly
achieved through the Cohesion Policy. The updated SDS was adopted in June 2006 by the European Council, adding a fifth one on sustainable production and consumption.

Some regions have already **regional sustainable development strategies** for many years (widespread in France, Germany, the UK, and some Spanish regions for example), or have sustainable development as a constitutional requirement (Estonia and Wales). Such Strategies are often prepared for administrative regions, but they are also appropriate for cross-border or sensitive environments. Specific instruments, such as the Alpine Convention, the Carpathian Convention or Baltic Agenda 21 contribute to strengthening the sustainable development of ecologically sensitive crossborder regions. For the sensitive coastal zones, the EU **Integrated Coastal Zone Management** (ICZM) Recommendation promotes sustainable development based on commonly agreed strategic elements and principles of sound coastal management\(^{23}\). The “bottom-up” development of such regional sustainable development strategies, according to the **partnership principle** needs to be encouraged. Sustainable regional development will require regular and systematic dialogue with regional level partners through the **Environmental Conference of the European Regions** (ENCORE) with its Valencia Charter, the **Environment Platform of Regional Offices** (EPRO), the Interreg IIIC network on **Greening of Regional Development Programmes** (GRDP), the **Implementation of Environmental Legislation** (IMPEL) network, and the **Sustainable European Regions Network** (SERN) in the same way that regular dialogues already takes place with economic and social partners on the cohesion policy\(^{24}\).

- **Promoting Risk Prevention** is a key element in the package of regulations and features in the CSG. The European Commission proposed a Directive on floods (in river and coastal areas) in January 2006\(^{25}\). The Urban Thematic Strategy also includes 'risks' management, linked to climate change under the topic of sustainable urban management and the Soil Thematic Strategy will cover landslides. Regarding coastal erosion the results of the EUrosion study need to be put into practice\(^{26}\).

Risk prevention is now more necessary than before due to increases in intensity of natural hazards. Therefore a pro-active approach is needed, providing space for natural processes to operate and act as buffer zones, so safeguarding housing, assets and natural resources.

- **确保环境能力建设** for all actors involved (especially public bodies and environmental NGOs). Administrative capacities to ensure adequate project pipelines and “overbooking” of projects will be essential in the new Member States to meet the requirements of implementing the environmental *acquis* and to ensure absorption of Funds. It is also of value for building up experience of integration of the environment in other policies. Technical Assistance in regional programmes should be used for this purpose, again using the opportunities in Article 45 and Article 46 of the General Provisions Regulation. The ESF Regulation also includes an explicit mention of environmental capacity building. Targets could be set in ESF OPs for specific actions for capacity-building promoting sustainable development and environment. **In all Member States, a key issue is strengthening**

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\(^{23}\) Recommendation 2002/413/EC, OJEC L 148 of 06.06.2002  
\(^{24}\) see: [http://www.encoreweb.org/](http://www.encoreweb.org/)  
\(^{26}\) see: [http://www.eurosion.org/](http://www.eurosion.org/)
the environmental capacity and clear devolution of competence at all levels of the decision-making process. Co-ordination is also needed between these administrative and geographical levels.

Table 3 The SDS and the Cohesion Policy

<table>
<thead>
<tr>
<th>SDS priority areas:</th>
<th>OPs can contribute to …</th>
<th>6th EAP and its Thematic Strategies</th>
</tr>
</thead>
</table>
| Climate change and clean energy | ➢ Achieving the Kyoto commitment on reducing greenhouse gases by 8% by 2008-12 for EU15, individual targets for new Member States.  
➢ Providing 21% electricity (of gross electricity consumption) from renewable sources by 2010.  
➢ Providing 5.75% of total fuel consumption from renewable sources by 2010.  
➢ Improving energy efficiency. | ➢ Tackling climate change – TSs on the Urban Environment and Air. |
| Sustainable transport | ➢ Decoupling of transport growth and GDP growth in particular by a shift from road to other modes.  
➢ Promote sustainable transport and infrastructure.  
➢ Tackling rising traffic volumes and congestion, noise and pollution.  
➢ Implementing the revised TENs guidelines to give priority to sustainable transport and modes other than road haulage.  
➢ Encouraging local initiatives and integrated development strategies to tackle urban problems and environmentally sensitive areas.  
➢ Preventing urban sprawl and linking resource management to spatial planning. | ➢ Tackling climate change - TSs on the Urban Environment and Air.  
➢ Environment and Health and quality of life – TS on urban environment and air.  
➢ Sustainable use of natural resources and waste management – TS on soil. |
| Sustainable production and consumption | ➢ Co-financing the improvement of products and processes and encouraging their uptake by business and consumers.  
➢ Aiming to achieve by 2010 an EU average level of Green Public Procurement (GPP) equal to that currently achieved by the best performing Member States.  
➢ Helping the EU to increase its global market share in the field of environmental technologies and eco-innovations. | ➢ Sustainable use of natural resources and waste management – TSs on waste prevention and recycling; resources; urban environment, water management. |
| Conservation and Management of natural resources | ➢ Enhance the link between long term economic growth and sustainable use of resources and waste, including implementing an Integrated Product Policy.  
➢ Halting biodiversity decline by 2010.  
➢ Preserve soil functions and prevent soil threats. | ➢ Sustainable use of natural resources and waste management – TSs on marine; soil; waste prevention and recycling; resources; urban environment Nature and Biodiversity - Implementing EU Biodiversity Strategy & Action Plan. |
| Public health | ➢ Within a generation only producing and using chemicals in ways which do not lead to a significant impact on health and environment. | ➢ REACH  
➢ Environment and Health Action Plan (June 2004).28, Urban Environment TS. |

TSs: Thematic Strategy

➢ **Shaping a policy-research agenda** which can produce guidelines for achieving regional sustainable development. The 7th Framework Research Programme for 2007-13 provides an opportunity to co-finance such activities. There is a need for action-

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28 COM(2004)416 final, 09.06.04
research which is directly applicable for stimulating regional sustainable development. An example is the SRDTOOLS\textsuperscript{29} project in the 6\textsuperscript{th} Framework Research Programme.

4.0 Issues for vertical environmental integration

The following topics are grouped around the four environmental topics in the SDS. If applicable, operations must take account of the Commission’s Guidelines on State-Aids for environmental protection. The actions described in section 4 are positive for the environment. However, it must be emphasised that all co-financed projects, no matter how positive they are must be in compliance with environmental rules themselves, and especially on EIA and the Birds and Habitats Directives.

4.1 Combating Climate Change, air pollution and promoting Integrated Pollution Prevention and Control

4.1.1 Climate change - Environmental policy and link with Cohesion Policy

The implementation of the Kyoto Protocol is one of the key environmental objectives of the EU. In the last years, the European Climate Change Programme (ECCP) has put forward a number of key instruments to meet Kyoto targets, mainly related to energy supply (renewables or RES), energy demand (promotion of energy efficiency) and transport. At the end of 2006, energy and climate change policies also became a priority area for action in under the Lisbon strategy. The ECCP has also highlighted the importance of the integration of climate change into other EU policies, and in particular into Cohesion Policy. This is shown by the close link between GHG on the one hand and economic developments and the organisation/development of energy and transport systems on the other. The Cohesion Policy can help create important leverage for action at Member State and regional level. It must form part of the integrated regional development and of the NSRFs.

Measures for co-financing should not be exclusively considered in the context of the short term target of meeting the Kyoto targets, but also in the context of the longer term efforts to meet the challenge of climate change, which implies further reductions if the impacts of climate change are to be prevented. The Commission is continuing to look at the costs and benefits of mid and long term strategies for climate change\textsuperscript{30}. The Cohesion Policy has a particular strong impact in a long term perspective since it influences investment patterns in the land use, building, energy and transport sectors, which have an impact on GHG emissions over long periods.

Preventing significant increases in GHG emissions is even more important for the new Member States where major investments in transport, housing and energy systems are expected. While the new Member States are usually well below their Kyoto targets, they should not choose a path of economic development that ignores the long term implications of climate change. This could lead to additional adjustments later on and jeopardise economic opportunities in the long term.

The situation of the new Member States could be compared with the development of the four EU-15 Cohesion Countries (Greece, Ireland, Portugal, Spain) in the last 10 years: despite the fact that the burden sharing agreement on meeting the Kyoto targets is allowing a significant

\textsuperscript{29} SRDTOOLS, see http://www.psi.org.uk/research/project.asp?project_id=126
\textsuperscript{30} See: http://www.europa.eu.int/comm/environment/climat/future_action.htm
increase in GHG emissions in these countries, they are now confronted with severe difficulties in meeting their targets. Therefore, it is in the self-interest of the new Member States that such a trend is not repeated in their home country.

Actions to adapt to the consequences of climate change, for example through risk prevention, better flood control in urban and rural areas and landuse planning are also appropriate for co-financing through the Cohesion Policy.

It should be noted that efforts to reduce GHG emissions have many positive ancillary benefits, including air quality improvements, improvements in security of energy supply, reduction of energy costs (in particular in a context of high/volatile energy prices), increase of employment by using local renewable energy sources and creating new enterprises in innovative technologies with higher public acceptance.

4.1.1.1 Climate change - proposed measures for co-financing

Energy efficiency especially in the new Member States (CF/ERDF/ESF – Convergence and Regional Competitiveness and Employment)

Energy efficiency improvements can reduce the energy bill and improve economic performance in the new Member States. The Kok report (November 2004) underlined in particular the need to promote energy efficiency technology and clean fuels.\(^{31}\)

Rationale: very high energy intensity in the new Member States; lack of institutional capacity to implement energy efficiency; large economic gains from reduced energy use; large impact from local authorities as they have ownership of many buildings and are also in many cases energy providers (e.g. through district heating networks). More efficient energy use will lead to important reductions in GHG emissions. Currently, the acquis comprises a Directive for mandatory energy labelling of consumer appliances, a Directive on the promotion of combined heat and power, a Directive on the energy performance of buildings and a Directive regarding end-use energy efficiency and the promotion of energy services. In addition, an Action Plan on Energy Efficiency has been adopted setting out an objective to achieve 20% improvement in energy efficiency by 2020.

Measures:

- promoting more energy efficient modes of transport (such as clean urban transport)
- upgrading and refurbishment of district heating installations in the new Member States (new Member States have extensive district heating networks with more than 35% of people connected)\(^{32}\)
- implementation of the Directive on the promotion of Combined Heat and Power (CHP), including using biomass
- improving energy efficiency of buildings (including implementation of the Directive on the Energy Performance of Buildings)
- improving energy efficiency of industrial installations and equipment (e.g. electric motors)

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\(^{31}\) Facing the Challenge: the Lisbon strategy for growth and employment, November 2004

\(^{32}\) These systems are usually old inefficient boilers running on coal or oil. Conversion to modern gas or biomass boilers will have large GHG reduction and air quality benefits, while existing distribution networks can continue to operate. Use of biomass boilers also has positive rural development aspects. The use of biomass for heat production for general and district heating purposes in Austria is a useful example (by 2000, there were more than 500 district heating plants operating throughout Austria).
improved implementation of the Directives on energy labelling for domestic appliances
fuel switching and stimulation of clean low emission and renewable source based technologies for domestic heating and cooling (temperature control)
upgrading/replacing large coal combustion plants using clean coal techniques
implementation of the Directive on end-use energy efficiency and energy services
increasing capacity building for establishing energy efficiency agencies
promoting green public procurement regarding energy efficiency
training and awareness raising programmes on energy efficiency
higher support for mandatory energy audits at conditions acceptable for small scale energy consumers, especially in new Member States

Promotion of renewable energy (CF/ERDF/ESF – Convergence and Regional Competitiveness and Employment)

Renewable energy investments use local energy resources and contribute to regional development, innovation and increased employment. Whilst such investments promote environmental goals, they must themselves respect the environmental acquis (especially EIA and Natura 2000).

Rationale: use of local energy sources contributes to regional development innovation and increased employment.

Measures:
- windfarms; bio-energy; small scale hydroelectric generation; geothermal; photovoltaic and solar
- improving grid connections for RES; preparation of adaptation to electricity network infrastructure to exploit local RES
- development of infrastructures for biomass productions and biomass supply chain
- setting-up of renewable energy agencies – physical establishment of agencies capacity building and training related to renewable energy
- implementation of the Directive on RES
- promoting the development of active buildings self-producing energy from renewable sources
- implementation of the Directive on biofuels and establishing the supply chain for biofuels
- especially in the new Member States, identification of RES resources and interesting project areas, feasibility studies
- programmes for exploiting the potential of biomass, solar and geothermal for heating and cogeneration applications including conversion of conventional district heating installations and associated networks

Sustainable transport (CF/ERDF – Convergence and Regional Competitiveness and Employment)

In both the EU15 and the new Member States, it is the transport sector that continues to show rising GHG emissions and hence requires particular attention. Transport related actions to be financed should be part of a comprehensive national plan and contribute to achieving a sustainable transport system. Since transport can be conceived as a derived activity, actions
in other sectors should be assessed to minimise their impact on transport volumes. Whilst such investments promote environmental goals, they must themselves respect the environmental acquis (especially EIA, SEA, Water Framework Directive and Natura 2000).

Measures:
- promoting sustainable urban transport
- promotion of rail transport for passengers and cargo freight
- promoting inland waterway and maritime transport
- promoting intermodal transport

An SEA in order to determine the impact in terms of GHG emissions should be carried out in the context of developing national transport plans/programmes presented for co-financing.

Adaptation to climate change (ERDF/ESF, all Objectives)

Climate change will require substantial mitigation measures over the next 50 years. There will be implications for management and spatial planning which will need to incorporate risk prevention approaches. Manmade and natural areas (including Natura 2000 sites (Article 10 Habitats Directive) will be threatened. Ecological resilience could be affected.

Measures:
- Measures to adapt to climate change – building environmentally sensitive flood defences; ecological management; relocation of manmade activities.

Technical assistance for capacity building and training (ERDF-technical assistance; ESF, all Objectives)

In the new Member States, the need for capacity building to face climate change is considerable. It is a big challenge for the ESF, and the ERDF through technical assistance, to create the adequate institutional structures and knowledge in the field of climate change and mitigation strategies.

Measures:
- Specific training for: implementation of EU and UNFCCC monitoring and reporting requirements; implementation of the Emissions Trading Directive; implementation of Kyoto flexible mechanisms, in particular Joint Implementation; implementation of policies and measures and horizontal integration of climate change
- Training to encourage energy efficiency and the development of RES

4.1.2 Air quality – Environmental Policy and the link with Cohesion Policy

The Thematic Strategy on Air Pollution was adopted in 2005 by the Commission\(^\text{33}\). This Strategy includes a description of the problem and policy options to reach environmental and health objectives. It also provides suggestions on the policy instrument to be applied, such as the use of Directives/Regulations but also economic instruments and European co-financing.

\(^{33}\) COM(2001)446, 21.09.05
The first baseline scenario developed in preparation of the Thematic Strategy on Air Pollution indicated that the implementation of existing legislation will improve the air quality but some pollutants will still remain above the air quality limit values if no further measures are taken. This is the case for small size particulates (PM 2.5 and PM10) which are problematic to public health and for low-level ozone generation. The implementation of existing European legislation will require financial efforts and administrative capabilities in the Member States. This is particularly the case in the coming years for the new Member States who will have to implement simultaneously several directives requiring high investments to reduce emissions.

4.1.2.1 Air pollution – proposed measures for co-financing

Full compliance with environmental acquis for air pollution (CF/ERDF/ESF-Convergence)

Measures:
- Investment to ensure compliance with directives to improve air quality and pollution control (e.g. Large Combustion Plant (LCP) Directive (2001/80/EC), Volatile Organic Compounds (VOCs) Directive (1994/63/EC) and the IPPC Directive): funding could be mobilised for required investments allowing Member States to respect these directives all of which are subject to transition periods
- Infrastructure for sustainable energy supply in urban areas including district heating networks, including domestic heating and fuel switching to facilitate compliance with air quality legislation mentioned above

Environment: Air - ERDF- Co-operation

Measures:
- Pan-European network for air pollution monitoring, assessment and management of transboundary air pollution: major air quality problems are encountered due to long range transboundary pollutants. Funds could be mobilised in a first phase to achieve a coherent monitoring and assessment of air quality in the enlarged EU. In a second phase, support could be given to the development of common air quality management systems that take into account the transboundary aspect of air pollution. New problems such as fine dust need to be tackled.

4.1.3 Integrated Pollution Prevention and Control from industrial installations – proposed measures for co-financing (CF/ERDF/ESF-Convergence):


Measures:
• To ensure compliance with Directives to reduce environmental impacts (in particular emissions to air and water, improvement of energy efficiency and waste management): funding could be mobilised for required investments allowing Member States to respect these Directives all of which, in specific cases, are subject to transition periods


4.2 Ensuring Sustainable Transport and land-use planning

The SDS as first agreed by the Heads of State and Government in 2001 focussed on sustainable transport. Ministers endorsed the need for compact cities with mixed uses in order to prevent urban sprawl and social segregation.  

The revised TEN-T guidelines, place a clear emphasis on favouring sustainable transport modes over less sustainable modes.

Soil is essentially a non-renewable resource and an environmental media of common vital interest - its degradation needs to be prevented in line with the Thematic Strategies on Soil and the Urban Environment. Soil functions need to be enhanced and threats to soil prevented.

4.2.1 Urban transport – Environmental Policy and the link with Cohesion Policy:

Urban transport is responsible for a significant part of the transport sector related CO2 emissions (main GHG). The transport sector, in general, also shows the fastest growth of CO2 emissions compared to other sectors (between +25% and +35% increase expected between 1990 and 2010).

Directive 96/62/EC requires the adoption of plans or programmes aiming at reducing air pollution in the agglomerations over 250,000 inhabitants and in particular zones, once air quality levels exceed the limit values. In those agglomerations, limit values are frequently exceeded, and urban traffic is often one of the significant sources of urban air pollution (mainly NOx and PM10). It has to be addressed by these plans and programmes. The Thematic Strategy on Air Pollution focuses on transport sources.

Directive 2002/49/EC requires the adoption of noise maps and action plans aiming at reducing excessive environmental noise emitted by transport (roads, railways, airports) as well as protecting quiet areas from transport related noise. Urban transport infrastructures located in agglomerations over 100,000 inhabitants, as well as other ‘major transport infrastructures’ located outside the previously mentioned agglomerations, fall under the scope of the Directive.

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34 Ministerial meeting on Urban Policy, Cities Empower Europe, November 2004
37 COM(2001)446, 21.09.05
39 roads over 3,000,000 vehicles/year, railways with more than 30,000 pass-by trains/year, airports with more than 50,000 movements/year
The Thematic Strategy on the Urban Environment focuses on sustainable urban transport as a priority theme given its fundamental role in determining the quality of the urban environment and the performance (in economic and environmental terms) of the city as a whole. Support for improvements in public transport in urban areas is therefore a key priority for reducing pollution and congestion in cities. Research projects and expert working groups highlight the need to address the issues through an integrated package of coordinated measures to be effective. To ensure that the co-financing on urban transport operations achieves its goals, the city in question should have an integrated urban transport strategy. This strategy should seek to ensure access to goods and services by all citizens at a reasonable cost in an environmentally safe and healthy way. Guidance on such strategies, i.e. for Sustainable Urban Transport Plans, is being developed by the Commission for publication in 2007.

4.2.1.1 Urban transport – proposed measures for co-financing (CF/ERDF – Convergence and Regional Competitiveness and Employment)

A wide range of measures should be available for support in order to reduce the environmental impacts of the transport system and increase its efficiency. Priority should be given to the activities in the larger urban areas reflecting the demands of the existing EC legislation (those above 100,000 inhabitants) although smaller urban areas may also need such support.

Measures:

• Public investments aiming at promoting and improving passenger and goods railway transport in order to achieve a more balanced modal split. Investments in metro systems, tram systems, light rail, bus lanes, cycle lanes and pedestrianisation are a priority. Whilst such investments meet environmental goals, they must also themselves respect the environmental acquis (especially EIA and Natura 2000).

• Implementation of integrated city-wide strategies for clean urban transport. These strategies should comprise measures such as:
  - development and improvement of infrastructures and systems dedicated to non-motorised private transport, and clean and energy efficient urban transport modes;
  - stimulation for shifting from individual to public transport in large urban areas;
  - renewal of public transport fleets with clean and energy efficient vehicles;
  - infrastructures and systems enhancing inter-modality including park and ride infrastructure;
  - urban charging schemes reflecting environmental external costs;
  - infrastructure for low emissions zones with access control systems;
  - intelligent road traffic and public transport management and information systems;
  - integrated public transport payment/ticketing systems.

• Elaboration of emissions (air pollutants and CO2) inventories and diagnostics, as well as elaboration, monitoring and implementation of public plans or programmes aiming to control emissions from urban transport

• Elaboration, monitoring and implementation of air quality management plans and programmes required by Directive 96/62/EC aiming to control air emissions from transport in agglomerations over 100,000 inhabitants and around ‘major transport infrastructures’
• Elaboration of noise maps, as well as preparation, monitoring and implementation of noise action plans required by Directive 2002/49/EC for agglomerations over 100,000 inhabitants and ‘major transport infrastructures’. This can include low noise road pavements, noise dampers for rail infrastructure, noise barriers, building soundproofing, road traffic calming, retrofitting of cast iron brake-blocks of existing railway freight rolling stocks.

4.2.2 Urban environment policy


The 1997 and 1998 Communications established the policy goals for a sustainable urban development of Europe’s towns and cities and its central role in achieving the goals of the Cohesion Policy. The quality of the urban environment within cities and the environmental performance of cities are highlighted as essential components of any future approach for the development of urban areas. Urban environment issues are inextricably linked with the Cohesion Policy and they must be integrated within it.

Legislation exists that has a specific focus on the urban environment in certain areas, such as Directives on air quality, noise assessment, water quality and urban waste water treatment.

4.2.2.1 Urban Environment – proposed measures for co-funding

• Rehabilitation of contaminated sites and land - (CF/ERDF- Convergence and Regional Competitiveness and Employment): through identification, survey and remedy for cleaning up of contaminated soil and land, removing derelict or obsolete infrastructure, preparatory work for past liabilities such as large scale military sites with a view to their reuse as functioning parts of the city. Such clean-up is most efficient if tied to spatial planning policies. Reuse may be through new industrial uses, housing or even new public space such as parks. Standards can be set for accessibility and quality of urban green spaces. The benefits of contaminated land restoration need to be seen also in terms of improved health, community value and biodiversity, as well as the economic value. The “polluter pays principle” should be respected, in similar terms to those applied under the Community Guidelines on State Aid for Environmental Protection. Reuse of land inside cities is essential to reduce pressure for urban sprawl and preserve habitats and land (soil) around cities. The need to develop compact cities with mixed uses to prevent urban sprawl was acknowledged by Urban Ministers at the Cities Empower Europe conference in 30.11.04. Where rehabilitation includes decontamination of soil, this should be done using the best available techniques.

Developing integrated solutions for city neighbourhoods - (CF/ERDF/ESF – Convergence and Regional Competitiveness and Employment): The measures could include urban renewal (making the city a fit and attractive place to live, work and invest), rehabilitation of the physical environment (increasing use of underused buildings to reduce pressure for

40 COM(2005)718 11.01.2006
urban sprawl, providing play spaces, new green areas), improving the quality and energy efficiency of the housing stock, development of historical and cultural heritage, measures to promote entrepreneurship, local employment and community development. Any new buildings constructed or renovated through these projects should be of the highest environmental standard and take the environment into account in the design and construction techniques used. It is essential that local authorities and the public are adequately involved in the development of these projects. Demographic changes are particularly important. Projects addressing how cities can minimise the environmental, economic and social consequences of a declining population should be supported as the outward migration of citizens represents a serious challenge to sustainability of a city. Achieving Sustainable Communities must be the end goal, as endorsed by Ministers in Bristol, 06-07.12.05\textsuperscript{41}.

- **Urban environmental measures – (ERDF – Cooperation):** Support is needed for networking and exchange of experience among regional and local authorities in the rehabilitation of contaminated sites and land, energy efficiency, renewable energy production, clean urban public transport, environmental risks as they affect urban areas, and integrated strategies to tackle high concentrations of environmental, economic and social problems affecting urban areas. Exchange projects or networks must have a clear benefit in achieving full compliance with existing EC environmental obligations. Projects and networks should promote the take up (i.e. real use) of results from EC research and demonstration programmes. All projects and networks should focus on the applied needs of cities and regions rather than abstract issues and adopt an integrated, holistic approach to sustainable urban development. Networks focussing on single issues without sufficiently demonstrating the links with other aspects of sustainable urban development should be discouraged.

4.3 Conservation and management of natural resources

In this area there are several issues which are particularly relevant for cohesion policy support – waste management, halting biodiversity decline by 2010, water policy, soil, coastal zone management, risks and environmental technologies.

4.3.1 Waste management and the cohesion policy

Waste infrastructures are often commonly understood as waste disposal facilities such as landfills or incinerators. While such infrastructures are clearly necessary and welcome, the Commission has also long been insisting that they should form part of an *integrated approach to waste management*, reflecting the EU policy and principles in this area and including, in particular, measures related to *waste prevention and recycling*, in line with the hierarchy of principles: prevention of waste production and its harmful impact; recovery of waste by recycling; re-use or reclamation; and safe final disposal limited to waste where no possibility of recovery exists. This is strengthened through the Thematic Strategy on Prevention and Recycling of Waste\textsuperscript{42}.

An important instrument to promote such integrated approaches is the existence of *sound waste management plans*, in conformity with relevant legal obligations under Article. 7 of Directive 75/442/EEC. An important prerequisite to any waste co-funding should therefore be

\textsuperscript{41} See: [http://www.odpm.gov.uk/index.asp?id=1162287](http://www.odpm.gov.uk/index.asp?id=1162287)

the adoption of adequate waste management plans\textsuperscript{43}. In this regard it is pointed out that the availability of waste plans was a commitment in all Common Positions for Accession of the new Member States.

Furthermore, it should be highlighted that waste management does not only contribute to the protection of the environment but also to the economic development (e.g. green technologies) and related employment, especially when recycling activities are concerned.

\textbf{4.3.1.1 Waste management – proposed measures for co-financing}

- \textit{Safe waste landfill and incineration - (ERDF/CF – Convergence)}: Bearing in mind that uncontrolled dumping is still a significant problem, especially among many new Member States, considerable funds are needed to ensure safe and environmentally sound disposal of waste. The Landfill and the Incineration Directives establish relevant standards. A top priority is the implementation of the Landfill Directive, taking into consideration that its implementation needs high investment, especially in the new Member States and in the current EU15 Cohesion Countries (E, P, GR).

Besides building new landfill sites or incinerators, EU funds should be also directed to the upgrading of existing facilities, as well as to the decontamination/rehabilitation of contaminated sites. The latter should in particular address the clean-up of abandoned mining waste sites as well as hazardous wastes sites. In particular, new landfills or incinerators should be funded only if they form part of an integrated waste management scheme, including measures for recycling/recovery and a biowaste diversion strategy, as well as for progressive closing-down and rehabilitation of old waste dumps. Furthermore, when new incinerators are financed, high energy efficiency must be promoted, notably through CHP generation.

Methane emissions in landfills make up the large majority of GHG emissions from waste. Between 1990 and 2000, the EU15 emissions from waste disposal on land decreased by 26% due to national measures. Therefore recovery of methane from landfills for energy production could be further enhanced.

- \textit{Waste prevention and recycling - (ERDF – Convergence; Regional Competitiveness and Employment)}: The reduction of environmental pressures associated with the quantities and harmfulness of waste is the highest priority of the EU waste management policy. This can be achieved in particular by promoting clean technologies and improved product design. Consumer information and education in this area and general awareness-raising campaigns can progressively change consumption patterns.

Separate collection of waste is necessary to reduce hazardousness of waste disposed of and increase recovery/recycling rates. EU legislation dealing with specific waste streams provides for specific targets on collection and recovery. EU funding should promote the setting up or upgrading of regional schemes for separate collection and recovery of waste streams such as packaging waste, hazardous household waste, end-of-life vehicles, electrical and electronic waste, batteries, PCBs, paper or construction

\textsuperscript{43} Acknowledging the importance of waste management plans, the Commission has now included, in the context of the proposed revision of the Waste Framework Directive, a clarification and streamlining of relevant legal requirements
and demolition waste. Such actions need to be coupled with adequate public awareness information campaigns on reducing the volume of waste and on recycling.

Biodegradable waste (BDW) represents a very significant fraction of household waste as well as a valuable resource of organic matter and nutrients. The Landfill Directive establishes concrete targets for the reduction of BDW going to landfills. EU funds should be available for schemes for separate collection of BDW, the establishment of waste treatment capacity, as well as awareness-raising actions. However, composting of unsorted household waste should in principle not be financed since it produces compost of poor quality and contaminated with heavy metals.

- **Interregional / transnational cooperation - (ERDF – Cooperation):** such actions may include cross-border waste schemes (joint infrastructures for disposal and recovery including recycling). This is particularly important considering the small size and contiguity of many of the new Member States. Moreover, the drafting of interregional and transnational waste management plans as well as measures for interregional cooperation and exchange of experiences and good practices could also be properly funded.

### 4.3.2 Natura 2000 and the Cohesion Policy

In February 2004 the Commission adopted a proposal for the *Financial Perspectives* and the reform of the Cohesion Policy for the period 2007-13. In the *3rd Cohesion Report* the Commission recognizes the role of Natura 2000 in safeguarding biodiversity throughout the EU, and this is picked up again in the ERDF Regulation adopted in July 2006 and the CSG in October 2006. These initial proposals were followed in July 2004 by a Communication to the Council and Parliament on financing Natura 2000 and by legislative proposals which include the development of infrastructure linked to biodiversity & Natura 2000 as eligible areas of expenditure. Actions and projects targeting Natura 2000 could be financed through all three ERDF priorities, the ESF and the CF.

Apart from the legal basis of Cohesion Policy and of the Regulations governing the different funds, the Directive 92/43/EEC (the Habitats Directive) has identified the need for the provision of Community co-financing for the Management of Natura 2000 sites. The Habitats Directive recognises the need for Community support for the management of Natura 2000 in several cases, through co-financing by Community financial instruments, in case of the excessive financial burden that Natura 2000 might place on Member States, particularly those Member States with a higher concentration of species and habitats of Community interest. There are marked differences in the extent of designation in different Member States; some of the southern Member States have designated up to 25% of their territory, in others Natura 2000 accounts for less than 10% of their territory. Article 8 therefore provides for Community co-financing, following a request by a Member State, of measures needed to ensure the favourable conservation status of habitats and species in the designated Special Areas of Conservation (SACs). However, Article 8 does not directly specify the types of Community funding which could be used for co-financing.

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44 COM(2004)431 final, 15.07.04
45 See 92/43/CEE Habitats Directive, Article 8.
Now that the network is nearing completion, it is crucial that attention turns more towards management of the sites. The implementation of management plans clearly raises the issue of the availability of financial and other resources required. This requires increased overall funding as well as an emphasis on strategic, longer term, Cohesion Policy co-financing. In its 2004 proposals for the Financial Perspectives for the period 2007-13 the Commission proposed that the bulk of Community co-financing for investment in infrastructure and support for site owners should come from the EU Cohesion Policy and Rural Development funds so that NATURA 2000 objectives can be integrated into other Community policies which affect the way land is worked and managed\textsuperscript{46}. There is a need for strong national and regional strategies or plans to ensure Natura 2000 is adequately co-financed.

The Commission published a Guidance handbook on financing Natura2000 in 2006\textsuperscript{47}. This Guidance shows how to use Community funds for Natura 2000, which will contribute to the implementation of Natura 2000 and thus to the overall goal of protecting Europe’s biodiversity.

- This Guidance handbook aims to provide an accurate and up-to-date resource for national and regional authorities to identify the opportunities for EU co-financing of Natura 2000 in the 2007-13 funding period. It focuses on the main EU funding instruments that will apply during these years, including the Cohesion Policy, EAFRD, EFF, LIFE+ and the 7th Research Framework Programme (FP7).

In addition to the funding to be provided through EAFRD and Cohesion Policy, support for the Natura 2000 network is included in the proposed LIFE+ financial instrument\textsuperscript{48}. Funding here will be primarily for supporting actions such as networking of best practices, communication and public awareness raising, as well as actions that cannot be covered by the main financing instruments of the Cohesion and Rural Development policies.

Financial support for the marine component of Natura2000 has to be also considered.

4.3.2.1 Natura 2000 - proposed measures for co-financing

Some key groups of measures can be identified that can be co-financed through the Cohesion Policy. These includes the following:

**ERDF/CF/ESF - Convergence**

- Restoration projects for habitats and species
- Relocation of existing harmful infrastructure from designated areas (like drainage works, irrigation systems, waste facilities, power lines etc) or amendments to improve design (like putting lines underground, etc)
- Site rehabilitation and improvement (specific plantings, landscape management, etc)
- Risk management (fire prevention and control, flooding, etc) in Natura 2000 sites
- Assistance in the preparation of management plans and studies needed for accompanying the previous mentioned projects where this cannot be covered by national financing (Technical Assistance)

\textsuperscript{46} COM(2004)487 final, 14.07.04

\textsuperscript{47} This document is available in most of Community official languages at: http://ec.europa.eu/environment/nature/nature_conservation/natura_2000_network/financing_natura_2000/guidance/index_en.htm

\textsuperscript{48} COM(2004)621 final, 29.09.04
- Preparation of information and publicity material, awareness raising for the projects and Natura 2000
- Promotion of institutional capacity building in new Member States and other Convergence Member States or regions for the finalisation of their Natura 2000 lists & establishment of the Natura 2000 network
- Preparation of information and training materials
- Land purchase, land lease

**ERDF/ESF - Regional Competitiveness and Employment**
- Infrastructure investments needed for restoration projects for habitats and species management (i.e. recovery centres)
- Infrastructure investments needed for the relocation from designated areas (drainage works, irrigation systems, etc.)
- Infrastructure investments needed for site rehabilitation and improvement (specific plantings, landscape management, etc.)
- Infrastructure for risk management (fire prevention and control, flooding, etc) in Natura 2000 sites
- Infrastructure for public access, observatories, visitor centres, recreation facilities, trails, parking and information kiosks, buildings, vehicles, specialised equipment
- Assistance to the preparation of management plans and studies needed to accompany management and infrastructure projects where this cannot be covered by national financing (Technical Assistance)
- Preparation of information and publicity material, awareness raising for the projects and the Natura 2000
- Training of staff for management of Natura 2000 sites
- Land purchase, land lease

**ERDF-European territorial cooperation**
- Development of management plans and strategies for cross-border co-operation and for Natura 2000 sites sharing boundaries, including marine sites;
- Co-operation for risk management (fire prevention and control, flooding, etc) in Natura 2000 sites
- Develop platforms for protection and joint management of Natura 2000 sites (improve governance and exchange of good practices, joint management bodies)
- Establishment and development of transnational cooperation (can be beneficial for species protection, like bear, wolves, as also for marine species)
- Assisting bilateral cooperation between maritime regions (promoting links for the management and monitoring of marine species) through the financing of networks
- Promote integrated territorial development projects which can include the management and protection of river basins and riparian belts (often Natura 2000 sites), coastal zones (management and protection of coastal Natura 2000 sites like dunes) and management of wetlands.
- Exchange of best practices and awareness raising / information campaigns
- Preparation of information and publicity material
- Land purchase, land lease
4.3.3 Water directives and the cohesion policy

In order to protect and to restore water resources, the Water Framework Directive has established ambitious targets to be achieved by 2015. Its key element is the design of an integrated river basin management plan with a programme of measures by 2009 at the scale of each national or international river basin district.

Though the implementation schedule is different, strong opportunities exist for the funding of the first programmes of measures by the Cohesion Policy. Indeed, a major part of their contents can be anticipated since:

- Some measures are already well known, such as the necessary investments to fulfil the “old water directives” requirements (Urban Waste Water Treatment and Drinking Water);
- With the “Article 5” reports (reports on the analysis of the characteristics of each river basin), key water management issues are now identified for each river basin district.

It also means that a closer co-operation between the different competent authorities for Structural Funds and Cohesion Fund planning and the water authorities in Member States and Regions is necessary. It should be especially the case where international cooperation is required for transboundary districts (such as the Rhine, Scheldt, Elbe, Oder or Danube rivers).

Greater public participation of citizens and stakeholders, cost-efficiency considerations by applying the polluter-pays principle (e.g. water-pricing), as well as developing structures, competence and partnership between services, regions and across borders are objectives, the WFD has in common with the Cohesion Policy programmes.

**Flood Protection:** At least two of the three strands of the new Cohesion Policy recognise protection from physical risks as being an important issue. Early in 2006, the Commission proposed a Directive on the assessment and management of flood risk\(^49\). This proposal requires flood protection plans and risk maps for all river basins and coastal areas at risk. A sustainable flood risk management aims at reaching the overall objective to reduce exposure to risk of people and property. This contributes to territorial cohesion and competitiveness. It is important that flood protection is developed in a way that is coherent with the principles of the WFD and that the solution is more holistic than simply pouring concrete everywhere. One part of the approach would involve the reintroduction of flood plains but this may result in a loss of income to farmers and other land-owners and householders. Other approaches would involve the re-opening and restoration of wetland areas to act as sponges at the time of flooding. Flood protection can also lead to improved territorial cohesion and increasing competitiveness in the long-term.

**Urban Waste Water Treatment:** The UWWT directive will continue as an independent piece of legislation, even with the WFD. In the new Member States there will need to be significant investment in order to build the necessary waste water treatment capacity. Waste water treatment constituted a significant component of the previous and current Cohesion Fund and ERDF investments. This will continue to be the case in 2007-13.

**Drinking Water:** The Drinking Water Directive adopted in 1998, is likely to impose significant burdens on the new Member States with regard to contamination of drinking water.

supplies, connection of households to the public supply and the development of purification capacity.

**Marine Protection/Coastal Areas:** The Commission came forward with a package for the marine protection strategy and proposed Directive\(^{50,51}\). The Strategy is aimed at addressing threats facing the marine environment in an integrated manner. These threats include in particular effects of climate change, pollution (including contamination by dangerous substances; from land-based sources; litter, microbiological; oil spills as a result of accidents as well as pollution from shipping and offshore oil and gas exploration; and noise pollution); the impacts of commercial fishing; the introduction of non-native (exotic) species principally through discharge of ships' ballast water; nutrient enrichment (eutrophication) and associated algal blooms.

Synergies with water policy are particularly evident with landuse planning and risk prevention, Natura 2000, IPPC, contaminated land and the urban environment. Creating such synergies meets better environmental goals, lowers economic costs and increases long-run competitiveness.

**4.3.3.1 Water directives – proposed measures for co-financing**

Depending on the needs of a given region as well as on the type of fund or a region's category (convergence, competition, co-operation), typical examples for funding linked to the WFD are:

**CF/ERDF - Convergence:**
- investment heavy infrastructure justified by one or more of the water sector directives under the umbrella of the Directive 2000/60/EC of 23.10.2000 establishing a framework for Community action in the field of water policy and in compliance with its objectives of a sound and sustainable water management
- restoration of “natural infrastructures” such as aquatic ecosystems and wetlands
- access and use of Technical Assistance (prepared list of foreseeable activities to be co-funded to be referenced in OP).
- flood and risk prevention, including land purchase

**ERDF - Regional Competitiveness and Employment:**
- measures to improve environmental information (urban area development); water savings campaigns, awareness raising
- support to services of public interest and their possible strengthening/restructuring
- promote innovative water management techniques and methodologies
- flood and risk prevention, including land purchase
- restoration of aquatic ecosystems

**ESF – Convergence and Regional Competitiveness and Employment**
- networking and training measures of both administrative and other (stakeholders) partners
- promotion of public participation

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\(^{50}\) COM(2005)504 final, 24.10.2005
\(^{51}\) COM(2005) 505 final, 24.10.2005
• preparation for creating and maintaining employment opportunities (in connection with integrated river basin development)
• public awareness of water-ecology and water-use efficiency (saving)
• promoting environmental training for the conservation of terrestrial aquatic ecosystems and marine ecosystems

**ERDF - Co-operation:**
• support to inter-regional and inter-national river basins co-operation and activities (planning, management and awareness raising)
• flood and risk prevention
• water scarcity management
• coastal erosion and ICZM activities
• networking for joint research/mapping/monitoring.
• networking for exchange of experiences and knowledge on aquatic environment and flood protection
• Land purchase

Risk prevention of flooding is a top priority (see section 4.3.6).

Many synergies are possible with other policies. For example, the funding of Natura 2000 network in wetlands or in rivers will be of great interest to reach the goals of the WFD. Another example is the funding of the cleaning of contaminated sites and land which can strongly enhance water quality.

### 4.3.4 Soil

Soil degradation is a serious problem in Europe. It is driven or exacerbated by human activity such as inadequate agricultural and forestry practices, industrial activities, tourism, urban and industrial sprawl and construction works. These activities have a negative impact, preventing the soil from performing its broad range of functions and services crucial to humans and ecosystems.

It is for these reasons that the Commission has adopted a comprehensive strategy for the protection of European soil. The Soil Thematic Strategy is composed of a Communication, a proposal for a Soil Framework Directive and an Impact Assessment. The Communication outlines the objective of soil policy at Community level, that is the protection and sustainable use of soil, based on the principles of preventing further soil degradation and preserving its functions, and restoring degraded soils to a level of functionality consistent at least with current and intended use.

The proposal for a Soil Framework Directive requires Member States to adopt a systematic approach to identifying and combating soil degradation, tackling precautionary measures and integrating soils protection into other policies. But is allows for flexibility - it is for the Member States to decide the level of ambition, specific targets and the measures to reach those. This is because soil degradation offers a very scattered picture throughout Europe, where 320 major soil types have been identified.

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Member States are required to identify areas where there is a risk of erosion, organic matter decline, compaction, salinisation and landslides. They must set risk reduction targets for those areas and establish programmes of measures to achieve them. They will also have to prevent further contamination, establish an inventory of contaminated sites on their territory and draw up national remediation strategies. When a site is being sold, where a potentially contaminating activity has taken or is taking place, a soil status report has to be provided by the seller or the buyer to the administration and the other party in the transaction. Finally, the Member States are required to limit or mitigate the effects of sealing, for instance by rehabilitating brownfield sites.

4.3.4.1 Soil – proposed measures for co-financing

CF/ERDF – Convergence and ERDF - Regional Competitiveness and Employment:

**To combat erosion and organic matter decline**
- Measures to improve existing irrigation systems to prevent droughts, desertification and soil erosion
- Production and use of high quality compost (derived from separately collected waste streams) in organic matter deficient soils and soils prone to erosion

**To combat contamination**
- Clean up of contaminated sites (e.g. illegal landfills, industrial sites, former military sites)
- Containment of soil contaminants to prevent for instance risk to human health and leaching to water

**To combat soil sealing**
- Rehabilitation of brownfield sites to allow land to be reused
- Application of construction techniques to mitigate the effects of soil sealing by maintaining as many soil functions as possible

**To combat landslides**
- Construction and maintenance of landscape elements to prevent landsides
- Establishment of protective measures for existing constructions in areas at risk of landslides
- Relocation programmes

**ERDF - Co-operation:**
- Similar measures as above
- Cross-border schemes for the remediation of contaminated megasites

4.3.5 Coastal zones and cohesion policy

The EC Recommendation on the implementation of integrated coastal zone management invites Member States in partnership with regions and stakeholders to set up national strategies to implement integrated coastal zone management, based on a common set of principles and strategic elements. The essence of ICZM is to bring about sustainable development in the much pressurised coastal zones; hence the Cohesion Policy is the principle instrument at EU level to contribute to the implementation of measures identified in the national ICZM strategies and to foster ICZM activities directly at regional level. Coastal zones are also particularly exposed to natural risks and the impacts of climate change. The incorporation of risks into coastal development strategies is therefore a priority. Investments

53 Recommendation 2002/413/EC, OJEC L 148 of 06.06.2002
in monitoring and setting up governance structures for risk assessment and management are a pre-requisite for successful risk management. Novel approaches to coastal defence, working with nature, are preferred. Given the transboundary nature of coastal processes, cross-border and transnational cooperation is essential to support ICZM activities at national and regional contexts.

4.3.5 Coastal zones - proposed measure for co-financing - ERDF/ESF – all objectives

- Development of regional ICZM strategies and support to regional and/or local implementation projects
- Programmes with industry, transport and tourism sectors to guide investments in accordance with ICZM principles
- Coastal restoration projects, rehabilitation of urbanised and/or tourist coastal areas
- Coastal observatories, monitoring and information systems
- Training and education programmes to support integrated coastal zone management (ESF)
- Cooperation programmes at regional sea level, based on ICZM principles with attention for coherent planning of marine and coastal areas
- Development of long term coastal erosion/sediment management plans⁵⁴ to restore and preserve coastal resilience:
  - the preparation of such plans, including: identification of coastal sediment cells, strategic sediment reservoirs, risk mapping, impact assessment, cost-benefit analyses of policy options and objectives, public consultation. Integration of the plans into spatial planning and/or ICZM initiatives.
  - possible implementation measures, noting that the existence of a coastal sediment management plan should be a pre-requisite for actual coastal defence works. There would be a preference for techniques that ‘work with natural processes’ and which aim to restore the natural coastal resilience: dune restoration or creation, re-vegetation schemes, lagoon and wetland restoration or creation; decommissioning of sediment trapping structures on the coast and/or in river basins; beach nourishment schemes; mitigation techniques such as sand by-passes around essential coastal infrastructures; financial compensation schemes to support ‘managed realignment’ or ‘do nothing’ policy options.
- Coastal flood risk maps, combined with riverine flood risk maps in cases of estuaries/river mouths (see section 4.3.3).
- Measures to enhance the knowledge base of coastal erosion planning and management:
  - Establishment of Local Information Systems, based on GIS and to support better informed hazard identification and risk mapping, environmental impact assessment, cost-benefit analyses. This also includes dissemination of information to the public and stakeholders.
  - Long-term monitoring schemes, investigation and mapping of coastal processes, climate change impacts analyses.
  - Regional and/or national coastal observatories, bringing together a network of local information systems and national agencies (in line with INSPIRE⁵⁵ principles and good information governance). This also includes systems for active dissemination of the information to the public and stakeholders.

⁵⁴ see: http://www.eurosion.org
- Awareness and capacity building actions to enhance the knowledge flow of coastal erosion causes and effects and their appropriate consideration in impact assessments, investment decisions and planning. Actions can take the form of information/training seminars with policy makers, planners, engineers, funding decision makers, etc; dissemination and production of guidance and tools; systems for sharing of information, decision support beyond coastal erosion information systems.

4.3.6 Risks – environmental policy and link with Cohesion Policy

Risk prevention is a major priority highlighted in the ERDF regulation and included in the CSG. Preceding sections of this Ideas Paper have dealt with flooding and coastal risks. The ERDF Regulation however encompasses prevention of all natural and technological risks, and includes explicitly the preparation of plans.

While this provides the opportunity to fund dedicated risk measures, the incorporation of risks into the Cohesion Policy should also operates at other levels and be considered as a horizontal concerns to be taken into account. Programmes and projects, as funded under other strands of the Cohesion Policy, can unduly increase the exposure of the population, assets and the environment to risks. Risk impact assessment should for part of the evaluation and/or selection criteria to apply risk prevention coherently across Cohesion Policy. There is clearly no point in funding on the one hand risks prevention measures under a risks operational programme, but augmenting on the other hand the risk exposure in an area through ill-designed projects. For those projects, plan and programmes that fall under the EIA or SEA directives, risk impact assessment may be part of the EIA/SEA.

The focus of risk measures in the Cohesion Policy should lay on “prevention”, but given that risks can never be fully controlled or reduced to zero, investments in preparedness to deal with a natural or technological disaster need to be considered.

Financial assistance covering the immediate damages of disasters is available through the European Solidarity Fund

56. Moreover, a Community Civil Protection Mechanism was created in 2001

57. Since its entry into force, when hit by a major disaster, Member States can send an assistance request to the Monitoring and Information Centre in the Commission. The request is then forwarded to all participating countries and the assistance facilitated. A Communication adopted in March 2004 demonstrated how, with relatively few human and budgetary resources, the current system works to the benefit of participating countries. In the wake of the tsunami, a further Communication was adopted in April 2005 to strengthen the Mechanism. These Communications recalled the need to work on prevention and revealed a number of issues which require special attention to ensure that a disaster stricken country receives adequate support through the EU Civil Protection Mechanism. They stressed in particular the need to better identify the assets and teams available in the different countries, to provide EU funding opportunities in order to ensure that cost of transportation could not be a financial burden, and to boost common trainings and exercises. On 06.04.2005, the Commission proposed a Rapid Response and Preparedness Instrument (afterwards renamed "Civil Protection Financial Instrument") to deal with major emergencies

59. In December 2006, the Council reached political agreement on this Instrument, including funding for certain actions related to the transport of civil protection assistance during emergencies.

57 COM(2001) 707 final, 28.11.01  
58 COM(2004) 200 final, 25.03.04  
59 COM(2005)113 final, 6.4.2005
4.3.6.1 Risks - proposed measures to be co-financing

- Development of risk prevention plans and measures, including public information (in order to ensure that people present in risk prone area are aware of the adequate behaviour in the event of a disaster) and emergency planning - (ERDF - Convergence; Regional Competitiveness and Employment and Co-operation): The development of risk assessment and mapping are key to successful risk prevention and preparedness. Moreover risk awareness and communication need in many cases to be further developed. Emphasis should be placed on involving authorities, stakeholders and the public into risk assessments and measures. Commonly several hazards affect a given regions, hence a multi-risk approach is required to capture ‘domino-effects’ between hazards and to facilitate integration of risks into planning. Technical support for the broad range of such non-structural measures should be provided by ERDF. Related to this would be support for INSPIRE/GMES\(^{60}\) initiatives. Determining risk prone area following common methodologies would obviously strengthen the reliability of the results, avoid incoherency at borders, lower down the costs and may also highlight the European area where actions are more urgently needed. Such plans and measures can also significantly contribute to reduce the costs and life toll of disasters

- Training in reducing risks – (ESF - Convergence; Regional Competitiveness and Employment): training is a prerequisite for long term risk prevention.

- Provision of anti-flood risk infrastructure – (CF/ERDF Convergence): although there is a preference for using “natural infrastructures” such as wetlands and flood plain, basic infrastructure can be also necessary not only because of minimising the risk of damage due to flooding (risk prevention) but also safeguarding the quantity of disposable water resources (water management). See also section 4.3.3 on Water.

- Natural and technological Risk prevention works and infrastructure (CF/ERDF Convergence, Regional competitiveness: Works and infrastructure to reduce risks and to restore the natural buffers against risks. For such works and infrastructures working with natural processes are preferred (see section 4.3.5 for coastal erosion). For technological risks, external and internal safety measures in industrial sites, including transportation.

- Provision of equipment for preventing, monitoring and controlling natural and technological risks - (ERDF - Convergence; Regional Competitiveness and Employment and Co-operation): In a context of emerging risks, highly specialised equipment is needed to deal with a series of threats and hazards but it is neither feasible nor practicable for individual Member States to be prepared for each and every eventuality. In practice, each and every country should invest in buying specialised equipment to deal with situations that they may never have to face on their territory. There is an obvious scale economy to pool, share and rationalise Member States efforts for purchasing, maintaining and sharing the adequate equipment\(^{61}\). Moreover, for transboudary risks such as forest fires, when one Member State improves its risk prevention policy, there are positive effects in the neighbouring countries. Adequate equipment can also significantly contribute to reducing the costs of disasters. Last but not least, equipment such as fire fighting planes with the EU flags would contribute to promote a positive image of the EU actions.

\(^{60}\) GMES = Global Monitoring for Environment and Security, see: http://europa.eu.int/comm/space/gmes/index_en.htm

\(^{61}\) It is worthwhile to note that the Civil Protection Mechanism already provides a first inventory of the means available in the Member States and allows the corresponding means to be brought within a reasonable short time period where needed.
Development of “centres of excellence”: (ERDF - Convergence; Regional Competitiveness and Employment and Co-operation): The increased number of disasters and the emergence of new threats put also extreme pressure on intervention teams that shall be able to respond to a wide range of adverse events. Highly specialised intervention teams are needed to deal with a series of threats and hazards but it is impracticable, in particular for small countries, to have well trained people perfectly prepared to deal with each and every situation. A coherent strategy aiming at ensuring that intervention teams available in the different participating countries cover the whole range of potential needs should be encouraged, in particular with a view to avoiding duplication and gaps across the EU25. This could be done by co-financing the development of “centres of excellence” that would be specialised and trained to deal with specific threats. The EU Civil Protection Mechanism would then ensure that, in case of need, the appropriate teams are sent swiftly where necessary. This can also significantly contribute to reduce the costs and life toll of disasters.

4.3.7 Environmental Technologies

The following are general actions beyond the specific funding priorities mentioned before. They could be funded through the Convergence and Regional Competitiveness and Employment Objectives (ERDF/ESF):

- **preventative approach** – support for SMEs which promote environmental sustainability could have a higher rate of co-financing;
- **stimulating technology transfer** – regional skill centres (using existing Innovation Relay Centres) for SMEs; business innovation centres for SMEs;
- **targeted training** in environmental technologies and for job creation in SMEs;
- **national, regional and local SME environmental compliance programmes**;
- **environmental management** – to help SMEs make use of environmental services such as Eco-Audits and Eco-labels, green public procurement, life-cycle information databases and training;
- **clean technologies** – encourage Member States to favour measures accelerating the shift from old polluting and end-of-pipe measures to new clean technologies;
- **industrial sites** – priority should be given to the rehabilitation of derelict industrial sites (brownfields) over the development of greenfields;
- encouraging **public-private partnerships** with seed/venture capital for investments in environmental technologies (maybe with a higher rate of co-financing)

Cooperation (ERDF)

- networks of SMEs involved with ETAP

A possible ETAP Action that could assist national planning for Cohesion Policy would be the preparation of an inventory of environmental technologies to assist the programming of Cohesion Policy instruments (matching investment priorities with corresponding environmental technologies).

4.4 Addressing threats to public health – training, education and capacity building

4.4.1 Environment and health -proposed measures for co-financing – ERDF/ESF

The health and well-being of the population helps to create an attractive environment for inward investment. Physical investments in air, water, waste and nature through the ERDF
are therefore evident. However, the human health benefits are covered elsewhere in this document. Action 10 of the Environment and Health Action Plan focuses on promoting training of professionals and improving organisational capacity in environment and health. The aim is to use the Community funding instruments to enhance the capacity of professionals and organisations to address health and environment issues, including strengthening capacity to provide high-quality risk communication regarding environmental health risks. Among the suggested initiatives are to use the ESF for the following:

- International cooperation should be established to set up training programmes (with special focus on children) and stimulate professional development to increase the capacity (and number) of environmental health specialists at a national level;
- Training for (paediatric) environmental health speciality units;
- Local environment and health networks should be established to assist local communities in coping with their surroundings.

The Commission should do its best to foster necessary developments, but responsibility for many of the initiatives (e.g. education) is primarily with the Member States.

4.5 Sustainable Production and Consumption

The renewed EU Sustainable Development Strategy committed the Commission to develop a Sustainable Consumption and Production (SCP) Action Plan by 2007. The Commission will take a two-tier approach: a Green Paper by 2007 and an Action Plan, including legislative proposal, in 2008. The aim is for the EU to achieve more with less, i.e. move towards a low carbon economy by making better use of products and services using less resources, preventing waste across their life cycle, whilst boosting innovation and resource productivity. The Green Paper will propose tangible actions that build on, bring together and improve the coherence of existing policies so as to change consumption patterns, reduce energy consumption; increase material efficiency; eliminate harmful substances, and advance sustainable innovation. The focus will be on product areas with highest environmental impacts, including food/drink, housing, and personal transport, as a result of unsustainable consumption and production patterns in the EU. Main elements include:

- **Eco-design Framework Directive** with guiding principles for minimum requirements
- **Eco-design Regulation** with mandatory requirements for damaging product groups
- **Stronger environmental dimension** in areas including Construction, Common Agricultural Policy, Nutrition, Fisheries and Impact Assessments
- **Improved and coherent SCP initiatives**, e.g. Green Procurement, Market-based instruments, EMAS, IPPC
- **Creation of new markets** for eco-labelled products
5.0 Key environmental issues to be faced by country

These are shown in Table 4 below. The items listed are not in any order of priority. It is implicit that when “energy”, “transport” etc. are mentioned that these are sustainable.

**Table 4 Main environmental issues for cohesion policy financing**

<table>
<thead>
<tr>
<th>Country</th>
<th>Main environmental issues for funding through the cohesion policy</th>
</tr>
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<tbody>
<tr>
<td>Austria</td>
<td>Combating climate change (energy/transport); biodiversity and nature conservation; waste water, soil management, sustainable production</td>
</tr>
<tr>
<td>Belgium</td>
<td>Water management (water quality and flood protection); biodiversity and nature conservation; combating climate change (energy/transport); soil and sediment decontamination; coastal management including coastal erosion; air quality.</td>
</tr>
<tr>
<td>Cyprus</td>
<td>Water management; waste management; combating climate change (energy/transport); urban sprawl, high dependency on private car, poor public transport, biodiversity and nature conservation; soil erosion.</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>Urban wastewater and sewage systems; waste management; IPPC; combating climate change (energy/transport); decline in public transport in cities (high dependency on private cars); biodiversity and nature conservation</td>
</tr>
<tr>
<td>Denmark</td>
<td>Combating climate change (energy/transport) and flood risk management; diffuse pollution and soil management; biodiversity and nature conservation; protecting water resources and water quality; improving waste management; coastal risk management</td>
</tr>
<tr>
<td>Estonia</td>
<td>Urban wastewater; drinking water, waste management; IPPC; combating climate change (energy/transport); biodiversity and nature conservation</td>
</tr>
<tr>
<td>Finland</td>
<td>Combating climate change (renewable energy); water quality management; water supply; biodiversity and nature conservation (Natura 2000 areas and nature tourism projects); renovation of culturally valuable buildings; landscape protection</td>
</tr>
<tr>
<td>France</td>
<td>Biodiversity and nature conservation; natural and technological risk prevention; water policy; climate change; pollution reduction in the field of waste management (priority to reduction and recycling), air and soil quality; coastal management</td>
</tr>
<tr>
<td>Germany</td>
<td>Biodiversity and nature conservation; combating climate change (energy efficiency); management of sustainable mobility (integrated urban and rural areas mobility concepts); water policy and management (Water Framework Directive implementation, flood prevention/protection); land management; use of brownfield land and decontamination of derelict land;</td>
</tr>
<tr>
<td>Country</td>
<td>Focus Areas</td>
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<tr>
<td>Greece</td>
<td>Waste management; urban wastewater treatment; biodiversity and nature conservation; air water and soil management; combating climate change (energy/transport/IPPC); ETAP; protection of coastal areas</td>
</tr>
<tr>
<td>Hungary</td>
<td>Urban wastewater; waste management; IPPC; combating climate change (energy/transport); decline in public transport in cities; urban sprawl; land decontamination/revitalisation of industrial and urban areas; biodiversity and nature conservation combined with sustainable tourism; ETAP/SME; environmental management, education and training (networking/capacity building)</td>
</tr>
<tr>
<td>Ireland</td>
<td>Waste management; combating climate change (energy/transport); water quality management in rural areas; biodiversity and nature conservation; coastal zone management, including risk prevention</td>
</tr>
<tr>
<td>Italy</td>
<td>Urban air pollution; soil and water management; waste management and contaminated sites; biodiversity and nature conservation; landscape conservation; climate change (energy/transport); protection of coastal areas and marine environment; risk prevention.</td>
</tr>
<tr>
<td>Latvia</td>
<td>Water supply and urban wastewater treatment; waste management; remediation of historically polluted sites; IPPC; innovation and environmental technologies; combating climate change (mitigation and adaptation); renewable energy and energy efficiency; air quality; biodiversity and nature protection, in particular Natura 2000 management; natural and industrial risk prevention</td>
</tr>
<tr>
<td>Lithuania</td>
<td>Urban wastewater; waste management; IPPC; combating climate change (energy/transport); decline in public transport in cities (high dependency on the private car); urban traffic congestion; urban sprawl; high levels of brownfield land; biodiversity and nature conservation (landscape protection, nature tourism developments in protected areas, renovation of culturally valuable buildings in protected areas); coastal zone management including risk prevention</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>Diffuse pollution and “consumption” pollution; waste management; combating climate change (energy/transport); biodiversity and nature conservation</td>
</tr>
<tr>
<td>Malta</td>
<td>Upgrading infrastructure for solid and liquid waste management and treatment, infrastructure for</td>
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<tr>
<td>Country</td>
<td>Issues</td>
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<td>-------------</td>
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<tr>
<td>Netherlands</td>
<td>Biodiversity and nature conservation; combating climate change including sea level rise (energy/transport); water quality; risk prevention (flooding, erosion); human health; North Sea pollution; soil quality; air quality.</td>
</tr>
<tr>
<td>Poland</td>
<td>Pollution prevention (including IPPC); urban wastewater treatment and sewage systems; waste management; biodiversity and nature conservation; combating climate change (energy/transport); risk prevention (major industrial accidents, flooding, coastal erosion); implementation of Water FD, decline in public transport in cities (high dependency on the private car); brownfield sites; urban sprawl; landscape conservation</td>
</tr>
<tr>
<td>Portugal</td>
<td>Urban wastewater; waste management; biodiversity and nature conservation.; combating climate change (energy/transport); ETAP; coastal zone management, including risk prevention</td>
</tr>
<tr>
<td>Slovakia</td>
<td>Urban wastewater treatment and sewage systems; drinking water supply; flooding control; waste management; IPPC; air protection; combating climate change (energy/transport); biodiversity and nature conservation; environmental burden issues; rehabilitation of contaminated sites and land</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Urban wastewater; groundwater pollution; water quality; waste management; IPPC; combating climate change (energy/transport); decline in public transport in cities (high dependency on the private car); urban congestion; urban sprawl; air pollution; biodiversity and nature conservation</td>
</tr>
<tr>
<td>Spain</td>
<td>Water management (quality and quantity); biodiversity and nature conservation; combating climate change (energy/transport); air pollution; coastal zone management and sustainable tourism; waste management</td>
</tr>
<tr>
<td>Sweden</td>
<td>Water management (quality and quantity); combating climate change (energy/transport); clean air; acidification; biodiversity and nature conservation</td>
</tr>
<tr>
<td>Location</td>
<td>Focus Areas</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>United Kingdom (England, Wales, Scotland)</td>
<td>Mitigation and adaptation to climate change; Protecting and improving natural resources (soil and water) including actions to prevent diffuse pollution and tackling flooding; Efficient use of resources including waste management; Improving air quality; Protecting and enhancing biodiversity and nature conservation; More accessible environment; Improving quality of landscape; protection/enhancement of historic/cultural heritage; coastal and marine natural resource protection and sustainable use</td>
</tr>
<tr>
<td>United Kingdom (Northern Ireland)</td>
<td>Combating climate change (energy efficiency); Efficient use of resources including green procurement; waste management; natural resource protection and sustainable use; implementation of the Water Framework Directive; Urban wastewater treatment; Improving air quality; Public transport (high dependency on private cars); Protecting and enhancing biodiversity and the environment and nature conservation; Protection/enhancement of historic/cultural heritage; coastal and marine natural resource protection and sustainable use</td>
</tr>
</tbody>
</table>

Sources: OECD Environmental Performance Reviews (various); Commission’s Staff Working Paper “National Sustainable Development Strategies in the European Union” (April 2004); ‘Twelve Candidate Countries Overview Report’ European Academy of the Urban Environment (2003); DG ENV own ‘experience’; informal contacts with Member States.
### Annex I Summary table of environmental priorities

<table>
<thead>
<tr>
<th>Link to ERDF, CF and ESF - bold = link to env. policy</th>
<th>Environmental Working Objectives for Cohesion Policy 2007-13</th>
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</thead>
<tbody>
<tr>
<td><strong>Convergence (ERDF, CF and ESF)</strong></td>
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<tr>
<td>Full compliance with the environmental acquis - investment heavy directives (water, waste, air); waste prevention and recycling and resources TSs; environmental capacity building (ERDF, CF, ESF)</td>
<td>Water Framework Directive - wastewater treatment (including extensive wastewater treatment); water supply; drinking water; restoration of aquatic ecosystems and wetlands (outside Natura 2000 network); water saving and re-use; integrated river basin management plans, land purchase</td>
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<td></td>
<td>Waste management – waste prevention schemes (including clean technologies and improved product design), separate waste collection schemes; recycling facilities; waste treatment capacity for biodegradable waste (composting, anaerobic digestion and Mechanical/Biological Treatment); upgrading old landfills; waste disposal facilities (landfills, incinerators) as part of integrated waste management schemes;</td>
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<td>IPPC Directive - support for BAT investments; monitoring of industrial emissions</td>
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<td>Institutional capacity building for implementing the environmental acquis</td>
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<td>Stimulating technology transfer – regional skill centres (using existing Innovation Relay Centres); business innovation centres</td>
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<td>Targeted training in environmental technologies</td>
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<td>National, regional and local SME environmental compliance assistance programmes</td>
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<td>Full compliance with the environmental acquis - Natura 2000; environmental capacity building (ERDF, CF, ESF)</td>
<td>Restoration projects for habitats and species</td>
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<td>Relocation of existing harmful infrastructure from designated areas (like drainage works, irrigation systems, waste facilities, power lines etc) or amendments to improve design (like putting lines under surface, etc)</td>
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<td>Site rehabilitation and improvement (specific plantings, landscape management, etc)</td>
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<td>Risk management (fire prevention and control, flooding, etc) in Natura 2000 sites</td>
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<td>Preparation of management plans and studies needed for accompanying the previous mentioned projects (Technical Assistance)</td>
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<td>Preparation of information and publicity material, awareness raising for the projects and Natura 2000</td>
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<td>Promotion of institutional capacity building in new Member States and other Convergence MS or regions for the finalisation of their Natura 2000 lists &amp; establishment of the Natura 2000 network</td>
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<td>Preparation of information and training materials</td>
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<td>Synergies with water policy (e.g. wetland restoration)</td>
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<td>Land purchase, land lease</td>
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<td>Aid to SMEs for environmental technologies – ETAP, waste prevention and recycling and resources TSs (ERDF)</td>
<td>Implementation of BAT investments – IPPC Directive in SMEs</td>
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<td>Life-cycle information databases and training in SMEs</td>
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<td>Environmentally sound public procurement for eco-industries in SMEs</td>
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<td>Implementation of EMAS and acquisition of the EU Eco-Label in SMEs</td>
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<td>Restructuring traditional industries with cleaner technologies (SMEs)</td>
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<td>Synergies with water policy (e.g. water technologies)</td>
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<tr>
<td>Use of cleaner technologies can be a condition for assistance. Need public-private partnerships providing seed capital.</td>
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<td>Rehabilitation of contaminated sites and land – soil and urban TSs (ERDF)</td>
<td>Dealing with past liabilities (e.g. large scale military and industrial sites)</td>
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<td>Cleaning up contaminated polluted land and groundwater to allow reuse</td>
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<td>Clean-up and rehabilitation of old landfills, including abandoned mining waste sites and hazardous waste sites</td>
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<td>Removing obsolete infrastructure (buildings, rail tracks, machinery) to allow land to be reused</td>
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<td>Addressing other barriers to reuse of the soil such as sub-surface structures, unstable land following industrial activity</td>
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<td>Preventative measures and structures to avoid leaching of contaminants from soil to water</td>
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<td>Synergies with water policy (e.g. control of point sources of pollution)</td>
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<td>Preventing natural and technological risks – soil and urban TSs; coasts; flooding; climate change (CF/ERDF)</td>
<td>Infrastructure for anti-flood measures</td>
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<td>Disaster equipment (fire fighting planes; helicopters; heavy pumps; field hospitals; Chemical, Biological, Radiological and Nuclear (CBRN) equipment; mobile telecommunication; marine)</td>
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<td>“Centres of Excellence”</td>
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<td>Risks training infrastructure and awareness raising programmes</td>
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<td>Management and responses to natural/technological risks (decommissioning of built-up land/restoration of floodplains, risk telematics, emergency plans)</td>
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<td>Erosion vulnerability reduction programmes, restoration of natural resilience of the coastline and</td>
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</tbody>
</table>
### Environmental Working Objectives for Cohesion Policy 2007-13

**Relocation programmes**
- Measures to prevent flooding in urban and rural areas
- Measures to prevent droughts, desertification and soil erosion
- Measures to combat impacts from climate change – soil and ecosystems
- Synergies with water policy (e.g. restoration of ‘natural infrastructure’ such as flood plains)

**Environmentally friendly transport**
- Implementing actions in urban sustainable transport plans (e.g. noise barriers)
- Environmentally efficient transport modes and infrastructure such as bus, metro, cycling and walking, and demand management
- Environmentally-sound public procurement of vehicles
- Urban GHG emission inventories
- Air quality management schemes
- Innovative approaches to sustainable tourism and transport
- Noise maps
- Public awareness and education programmes
- Synergies with water policy (e.g. landuse planning)

**Energy Efficiency – climate change**
- Promoting more energy efficient modes of transport (such as clean urban transport)
- Upgrading and refurbishment of district heating installations in the new Member States in addition to new cogeneration plant
- Implementation of the Directive on the promotion of Combined Heat and Power (CHP), including using biomass
- Improving energy efficiency of buildings (including implementation of the Directive on the Energy Performance of Buildings)
- Improving energy efficiency of industrial installations and equipment (e.g. electric motors)
- Improved implementation of the Directive on energy labelling for domestic appliances
- Fuel switching and stimulation of clean and renewable source based technologies for domestic heating
- Upgrading/replacing large coal combustion plants using clean coal techniques
- Implementation of the Directive on end-use energy efficiency and energy services, once it is adopted
- Increasing capacity building for establishing energy efficiency agencies
- Promoting green public procurement regarding energy efficiency
- Energy audits (with higher co-financing rates of support for small scale consumers)

**Renewable energies – climate change**
- Meeting renewable and biofuel electricity targets (each country, including new MSs have an indicative target)
- Biomass bio-energy facilities for heat, transport and electricity (energy from forest residues and specifically grown energy crops) through the entire supply chain
- Conversion of conventional district heating installations to biomass, geothermal and solar
- Wind farms (on and off-shore)
- Ecosystem friendly small hydroelectric generation; ecosystem friendly refurbishment and upgrading of existing hydro plants
- Geothermal facilities.
- Infrastructure for grid connection for renewable electricity
- PV and solar thermal
- Tidal power
- Promoting the development of active buildings self-producing energy from renewable sources
- Setting up of renewable energy agencies – physical establishment of agencies; capacity building and training related to renewable energy

In general, activities supported could cover various activities such as support to R&D (e.g. set-up of research centres), supporting start-ups, investment support services e.g. Patient Capital Fund, training, and demand side actions (green power initiatives, grants for solar thermal installations).

**Health investments, quality of life, – Environment and Health Action Plan, urban TS (ERDF, ESF)**
- Actions in the Environment and Health Action Plan
- Actions in the Urban TS

**Sustainable tourism activities – Natura 2000, urban TS (ERDF, ESF)**
- Investments in the Natura 2000 network to encourage sustainable tourism in natural areas
- Actions in the Urban TS to promote sustainable tourism in urban areas

**Integrating the environment in the National Employment Plans (ESF)**
- Improving the capacity of the public sector to implement environmental directives (e.g.: Water Framework Directive)
- Generating green jobs and training and education in environmental technologies
- Stimulating technology transfer – regional skill centres (using existing Innovation Relay Centres); business innovation centres; clean technology clubs
### Environmental Working Objectives for Cohesion Policy 2007-13

#### Regional Competitiveness and Employment (ERDF and ESF)

| **Investment in infrastructures linked to Natura 2000 contributing to sustainable economic development (ERDF, ESF)** | **Infrastructure investments needed for restoration projects for habitats and species management (i.e. recovery centres)**  
| | **Infrastructure investments needed for the relocation from designated areas (drainage works, irrigation systems, etc.) in line with the WFD**  
| | **Infrastructure investments needed for site rehabilitation and improvement (specific plantings, landscape management, etc.)**  
| | **Infrastructure for risk management (fire prevention and control, flooding, etc) in Natura 2000 sites**  
| | **Infrastructure for public access, observatories, visitor centres, recreation facilities, trails, parking and information kiosks, buildings, vehicles, specialised equipment**  
| | **Preparation of management plans and studies needed to accompany management and infrastructure projects**  
| | **Preparation of information and publicity material, awareness raising for the projects and the Natura 2000**  
| | **Training of staff for management of Natura 2000 sites**  
| | **Synergies with water policy (e.g. wetland restoration)**  
| | **Land purchase, land lease** |

| **Aid to SMEs for environmental technologies – ETAP, waste prevention and recycling and resources TSs (ERDF)** | **Implementation of BAT investments (IPPC) in SMEs**  
| | **Life-cycle information databases and training in SMEs**  
| | **Environmentally-sound public procurement in SMEs**  
| | **Waste recycling facilities and schemes**  
| | **Implementation of EMAS and acquisition of the EU Eco-Label in SMEs**  
| | **Synergies with water policy (e.g. water technologies)** |

| **Rehabilitation of contaminated sites and land – soil and urban TSs (ERDF)** | **Cleaning up contaminated and polluted land, including old landfills, and groundwater to allow reuse**  
| | **Removing obsolete infrastructure (buildings, rail tracks, machinery) to allow land to be reused**  
| | **Removing waste from obsolete sites where it prevents reuse (e.g. old colliery sites)**  
| | **Addressing other barriers to reuse of the soil such as sub-surface structures, unstable land following industrial activity**  
| | **Preventative measures and structures to avoid leaching of contaminants from soil to water**  
| | **Synergies with water policy (e.g. control of point sources of pollution)** |

| **Preventing natural and technological risks - soil and urban TS; coasts; flooding; climate change; desertification (ERDF)** | **Disaster equipment (fire fighting planes; helicopters; heavy pumps; field hospitals; Chemical, Biological, Radiological and Nuclear (CBRN) equipment; mobile telecommunication; marine)**  
| | **“Centres of Excellence”**  
| | **Risks training infrastructure and awareness raising programmes**  
| | **Management and responses to natural/technological risks (decommissioning of built-up land/restoration of floodplains, risk telematics, emergency plans)**  
| | **Flood risk management plans (risk management: prevention, protection, preparedness, emergency response, recovery and lessons learned) and flood risk maps**  
| | **Geographical data and environmental monitoring (in-situ, airborne, spaceborne, for risk vulnerability mapping, INSPIRE, risk audits)**  
| | **Shoreline management plans (mandatory before defence measures implemented), including risk maps and climate change scenarios**  
| | **Erosion vulnerability reduction programmes, restoration of natural resilience of the coastline and relocation programmes**  
| | **Measures to prevent flooding in urban and rural areas**  
| | **Measures to prevent droughts, desertification and soil erosion**  
| | **Measures to combat impacts from climate change – soil and ecosystems**  
| | **Synergies with water policy (e.g. restoration of “natural infrastructure” such as flood plains)** |

| **Promoting clean urban public transport - urban TS; climate change (ERDF)** | **Implementing actions in urban sustainable transport plans (e.g. noise barriers)**  
| | **Environmentally efficient transport modes and infrastructure such as bus, metro, cycling and walking, and demand management**  
| | **Environmentally-sound public procurement of vehicles**  
| | **Urban GHG emission inventories**  
| | **Air quality management schemes**  
| | **Innovative approaches to sustainable tourism and transport**  
| | **Noise maps**  
| | **Public awareness and education programmes**  
| | **Synergies with water policy (e.g. landuse planning)** |

| **Energy Efficiency – climate change (ERDF)** | **Promoting more energy efficient modes of transport (such as clean urban transport)**  
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### Environmental Working Objectives for Cohesion Policy 2007-13

#### Joint management of the environment (cross-border) – Natura 2000; TSs on resources, waste prevention and recycling, marine, soil, air
- Integrated Coastal Zone Management
- Integrated sea policies
- Development of management plans and strategies for cross-border co-operation and for Natura 2000 sites sharing boundaries
- Co-operation for risk management (fire prevention and control, flooding, etc) in Natura 2000 sites
- Develop platforms for protection and joint management of Natura 2000 sites (improve governance and exchange of good practices, joint management bodies)
- Establishment and development of transnational cooperation (can be beneficial for species protection, like bear, wolves, as also for marine species)
- Assisting bilateral cooperation between maritime regions (promoting links for the management and monitoring of marine species) through the financing of networks
- Promote integrated territorial development projects which can include the management and protection of river basins and riparian belts (often Natura 2000 sites), coastal zones (management and protection of coastal Natura 2000 sites like dunes) and management of wetlands
- Exchange of best practices and awareness raising / information campaigns
- Preparation of information and publicity material
- Land purchase, land lease

#### Water, waste and energy systems (cross-border) – TSs on resources, waste prevention and recycling, marine, soil, air
- Cross-border water schemes (e.g. for scarcity)
- Cross-border waste schemes (disposal facilities, joint infrastructures for recovery and disposal including recycling)
- Cross-border renewable energy and energy efficiency schemes
- Cross-border air quality monitoring schemes
- Land purchase

#### Networking of SMEs (cross-border) - ETAP
- Networks of SMEs involved with ETAP

#### Risk Prevention, maritime safety, flooding, erosion, earthquakes, avalanche, risk mapping, etc. (transnational)
- Disaster equipment (fire fighting planes; helicopters; heavy pumps; field hospitals; Chemical, Biological, Radiological and Nuclear (CBRN) equipment; mobile telecommunication; marine)
- “Centres of Excellence”
- Risks training infrastructure and awareness raising programmes
- Management and responses to natural/technological risks (decommissioning of built-up land/restoration of floodplains, risk telematics, emergency plans)
- Flood risk management plans (risk management: prevention, protection, preparedness, emergency response, recovery and lessons learned) and flood risk maps
- Geographical data and environmental monitoring (in-situ, airborne, spaceborne, for risk vulnerability mapping, INSPIRE, risk audits)
- Shoreline management plans (mandatory before defence measures implemented), including risk maps and climate change scenarios
- Erosion vulnerability reduction programmes, restoration of natural resilience of the coastline and relocation programmes
- Measures to prevent flooding in urban and rural areas
- Measures to combat droughts
- Transnational responses to mitigate and adapt to the impacts of climate change

#### Integrated Water Management (transnational)
- Water Framework Directive in transnational basins (planning and management) – wetland protection; improving continuity of rivers; pollution prevention; water saving and re-use, joint research/mapping/monitoring
- Integrated Coastal Zone Management
- Management of Marine Resources

#### Sustainable tourism activities – Natura 2000, urban TS (transnational)
- Investments in the Natura 2000 network to encourage sustainable tourism in natural areas
- Actions in the Urban TS to promote sustainable tourism in urban areas

#### Networks of regions and cities (inter-regional) – urban TS
- Sustainable urban development related to the urban TS (including networks of regions and cities)

#### Networks dealing with environment and risks (inter-regional)
- Co-operation and exchanges of experience dealing with environment and risk issues
Annex II – 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
<table>
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<tr>
<th>Objectives</th>
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<tbody>
<tr>
<td>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.</td>
</tr>
<tr>
<td>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.</td>
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<td>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:</td>
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<td>(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;</td>
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<tr>
<td>(b) the Regional competitiveness and employment objective, which shall, outside the least-developed regions, be aimed at strengthening regions’ competitiveness and attractiveness as well</td>
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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 JESSICA\(^{62}\)) 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);

\(^{62}\) 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);

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

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

- the possibility of financing housing, useful to promote energy efficiency (Article 7.2);
(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:
(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 06.10.06 63. 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 include - 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;

63 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*