Consultation on the 4th Report on Social and Economic Cohesion

Response of BirdLife International
http://www.birdlife.org/eu/regional_policy.html

Executive Summary
This is BirdLife International’s response to consultation on the 4th report on economic cohesion ‘Growing Regions, growing Europe’. It is based on a statement prepared in 2004 by a coalition of environmental NGOs – BirdLife International, CEE Bankwatch Network, CEEWEB, Friends of the Earth Europe, Milieukontakt Oost-Europa and WWF. This circumstance is a reflection that our aspirations remain the same, that sustainable development must be central to the future of EU Cohesion Policy. It is an admission that nothing much has changed, despite much effort by the environmental NGOs since then. Europe’s biodiversity continues to decline and green house gas emissions are increasing. Lisbon rules. We, therefore, urgently reiterate practical recommendations to ensure that the Funds help to achieve the objectives of the EU Sustainable Development Strategy (SDS)\(^1\).

These recommendations apply to the future of Cohesion Policy, its funding instruments and programmes:

1. Achieving the EU’s sustainable development objectives must be the purpose of Cohesion Policy.
2. The European Commission should assess the quality and impact of the Strategic Environmental Assessment (SEA) of the National Strategic Reference Frameworks for 2007-13.
3. The structural funds and the cohesion funds must continue to be explicitly required to protect and enhance the environment.
4. The Commission and Member States must ensure that the environmental and social objectives that are a part of sustainable development receive a sufficient share of the funds.

And to the mechanisms for implementation:

5. The management and monitoring of the funds must be transparent and accountable.
6. Environmental NGOs must be given equal representation alongside economic and social partners.
7. Equal importance must be given to economic, environmental and social targets, and indicators.
8. The Commission must adopt a precautionary approach and withhold structural and cohesion funds where there is a strong indication that a project will prove damaging to the environment.

\(^1\) European Council DOC 10917/06.
I. Introduction

1. BirdLife International is a global partnership of conservation organisations that strives to conserve birds, their habitats and global biodiversity, working with people towards sustainability in the use of natural resources. BirdLife International has 43 Partners in Europe and is active in all EU Member States. We have many years experience of campaigning, consulting, monitoring and running projects from the structural funds, the cohesion fund and the pre-accession instruments.

2. Our purpose is to place the objectives of sustainable development at the heart of future EU Cohesion policy. To do this we:
   - set out our vision of sustainable development for European regions
   - consider existing frameworks for sustainable regional policy, and
   - propose four steps towards the delivery of sustainable development.

3. These four steps consist of integrating environment and sustainability into all areas of EU Cohesion Policy; adding value to natural resources management, promoting partnership with Civil Society and evaluating progress towards the achievement of sustainable development objectives.

II. A vision of sustainable development for European regions

4. Our society’s patterns of production and consumption are currently not sustainable. At the same time, there is increasing global migration pressure towards the richest countries and a widening gap in wealth and social wellbeing between and within European Member States. Climate change is here. In 2006, the UK Stern Review on the economics of climate change\(^2\) showed that the cost of inaction far outweighs the expense of taking steps to mitigate its effects now. Recent research reported in the Climatic Atlas\(^3\) shows that the potential future range of the average European bird species is predicted to shift nearly 550km north-east; 20-30% of the species assessed are at an increased risk of extinction if the average global temperature exceeds a 1.5 – 2.5 \(\degree\)C increase.

5. EU and Member States’ regional policies are not adapted to the need for change. We must plan for uncertainty. The complexity, spatial distribution and timescale of the issues require a fundamental shift in our understanding of ‘development’. BirdLife International believes that the aim of development is to achieve qualitative improvements in people’s lives, with economic, social and environmental progress taking place within the Earth’s ecological limits. From our perspective, the purpose of future Cohesion Policy must be to achieve the EU’s sustainable development objectives.

6. The purpose of development cannot be economic growth per se. If Europe’s consumption of resources continues to grow without restraint, we will abuse our natural resources and compromise the ability of future generations to meet their needs. This means that sustainable resource use – the limits of which are

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\(^2\) http://www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/stern_review_report.cfm

defined at any time by the ecological carrying capacity of a particular resource – is a pre-requisite to any long-term development.

7. People’s needs include: employment, education and training, health, access to a healthy natural environment, a positive regional identity, and accountable and participatory governance – and more besides. Cohesion Policy and its instruments, the structural funds and the cohesion fund, should help regions to achieve their fair share of opportunities to fulfil needs, whilst reducing and eliminating unsustainable production and consumption patterns and using a precautionary approach to protect the environment. BirdLife International does not accept GDP as the only indicator of EU social and economic cohesion. Progress towards sustainable development must be measured against a range of economic, social and environmental indicators – for example the conservation status of protected sites.

8. The Territorial Dimension of Cohesion Policy offers a starting point for sustainable development. It embraces the similarities and differences in geography, culture and the economies of European regions. As discussed elsewhere\(^4\), Cohesion Policy cannot simply be regarded as a tool for meeting the Lisbon growth and competitiveness objectives. Cohesion Policy must be coherent, cohesive, cross-sectoral and integrated with both Community and national policies – in order to help achieve the objectives of the SDS. Taking into account the diversity of the EU territories environmental needs, Cohesion Policy should lead by:

- supporting the implementation of EU environmental legislation
- supporting the achievement of post-Kyoto climate change targets (via energy efficiency and renewable energy)
- supporting the development of models to achieve the decoupling of economic growth from environmental trade-offs e.g. accounting for ecosystem services
- supporting environmentally sustainable transport modes and reducing the need to travel
- supporting the implementation of the Water Framework Directive
- supporting the completion and management of the Natura 2000 network\(^5\)

9. Cohesion Policy must ensure that the Regions’ needs are addressed from within this sustainable development framework and that future programming is based on: integration (see paragraphs 15-17), adding value to sustainable development (see paragraphs 18-22), partnership (see paragraphs 23-25) and evaluation (see paragraphs 26-30).

III. EU frameworks for sustainable regional policy

10. Sustainable development is something we all agree is important. In fact, it is an urgent necessity, requiring institutional, and financial commitment. We must all act and spend according to sustainable development principles. This was recognised and stressed in Article 2 of the European Treaty, at the Gothenburg Council of Ministers 2001, the renewed European Sustainable Development Strategy (SDS) and in Article 17 of the General Regulation\(^6\) governing the funds for 2007-13.

\(^4\) Working Document on the 4\(^{th}\) report on economic and social cohesion, Committee on Regional Development, Rapporteur Ambroise Guellec, 18.09.2007

\(^5\) A network of protected sites for threatened habitats and species, which covers more that 20% of EU territory, established under the EU Birds and Habitats Directives.

\(^6\) Council Regulation 1083/2006/EC
11. The 4th report on economic and social cohesion describes the possible future of EU Cohesion Policy. This future is flawed because sustainable development cannot be delivered through an economic policy for growth and competitiveness. Despite claims to the contrary, the SDS and the Lisbon Strategy are not complementary or comparable. The two strategies are not complementary because economic growth can always justify environmental ‘trade-offs’ – what happens when there is nothing of worth left to trade? They are not comparable because the SDS is aspirational, unlike the Lisbon Strategy, it has no dedicated funding or earmarked funds to incentivise action.

12. The SDS identifies strategic objectives necessary to decouple environmental degradation and resource use from economic and social development. So far, we are not succeeding. For example, we are far from achieving the operational target of ‘halting the loss of biodiversity and contributing to a significant reduction in the worldwide rate of biodiversity loss by 2010’. The European index of 123 species of common birds shows a steady decline in numbers, (1990 base year = 100, 2005 = 89.5)\(^7\). The wording of the commitment is already weaker than that set out in the 2001 Gothenburg Strategy to ‘protect and restore habitats and natural systems and halt the loss of biodiversity by 2010’\(^8\). This reflects the current impossibility of meeting the task.

13. The key to sustainable development is integration. Article 6 of the European Treaty, the Cardiff Process and the Sixth Environmental Action Programme\(^9\) (6EAP) stress the need to integrate environment into other policies. The 6EAP encourages the reform and gradual elimination of subsidies that have negative effects on the environment and are incompatible with sustainable development. Therefore, sustainable Development must be the driver, not the passenger, of present and future Cohesion Policy.

IV. Four steps towards the delivery of Sustainable Development

14. We believe that there are four essential steps for Cohesion Policy to lead the delivery of SDS objectives. The first two steps (integration and adding value to sustainable development) involve programmatic changes. The third and fourth step (partnership principle and evaluation) focus on mechanisms needed to implement the suggested changes to programming.

Step 1: Integration

15. The structural funds and the cohesion fund must comply fully with EU environmental legislation and should fulfil the objectives of the SDS. For all the reasons above and especially significant given the large scale and long-term effects of these EU funds. There should be scope for enforcement in the procedures guiding the planning, programming and monitoring of regional programmes, and the implementation of projects.

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\(^8\) Presidency conclusions, Gothenburg, 15 and 16 June 2001.
\(^9\) Environment 2010: our future our choice, 1600/2002/EC.
16. **The Commission should review the quality and effectiveness of the Strategic Environmental Assessment (SEA) of the 2007-13 Operational Programmes.** The SEA Directive 2001/42/EC applied to certain plans and programmes within Member States after 2006, including the Operational Programmes (OPs) for the current programming period. If applied systematically and correctly, SEA is a powerful tool for minimising the risk of environmentally damaging projects. However, experience shows that the quality of the assessments carried out for the OPs varied enormously. It may be surmised that in the majority of cases, no real alternatives were discussed i.e. the SEA was undertaken after major investment decisions were taken. Much greater importance needs to be placed on the role of SEA in ensuring the environmental sustainability of structural fund programmes.

17. **Implement the lessons learned from current and past Programmes.** Every seven years the reform of the EU’s policy for the regions poses new challenges for decision-makers. Besides promoting sustainable development, the design of future programmes would do well to reflect the essential qualities of the Leader Programme:

- bottom up,
- rooted in the local economy,
- multi-stakeholder,
- innovative projects, and
- availability of smaller grants easier to spend on beneficiaries.  

**Step 2: Adding Value to Sustainable Development**

18. **Doing nothing is not an option.** In the 2007-13 period, the Commission has much less direct involvement in the management of the Funds. It provides more guidance and has less of a control function than previously, with the danger that Member States will regard the environment as an optional extra. Increasing incidents of floods highlight the enormous costs of neglecting the protection and management of natural resources. These environmental objectives must receive a sufficient share of the Funds. The European Commission and Member States must consider the tremendous economic, social and environmental benefits of implementing agreed EU environmental protection measures, such as, the Water Framework Directive (WFD). The WFD is based on the concept of integrated riverbasin management; promoting the co-financing of actions necessary to implement the Directive (biological status analyses, assessments, management plans, staff needs etc) would help to reduce the risks of major floods in the future.

19. **Protect and enhance natural resources.** Structural and cohesion funds must help to conserve biodiversity, in keeping with the EU SDS target of halting the loss of biodiversity and international commitments made at the Convention on Biological Diversity. Key to achieving this target is the co-financing the completion (terrestrial and marine designations) and management of the Natura 2000 Network. For 2007-13, the European Regional Development Fund (ERDF) allows support for the management of Natura 2000 (for implementation of management plans, training, education, land purchase and other essential investment activities). This is progress, but Member States must know (e.g. via a comprehensive needs assessment) and show how they intend to finance the network from appropriate sources. There must be a systematic approach to meeting the needs of this European network of

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10 Although for countries receiving less funds, there is a point at which the cost of administration will outweigh the benefit of small grants.

11 Outside the Convergence regions.
protected sites, taking into consideration ongoing threats of habitat fragmentation and the future impacts of climate change. The Commission must not approve of plans and programmes or release Funds before it is confident that adequate provision is in place.

20. **Change people’s lifestyles and ways of doing business.** For example, current patterns of production and consumption rely too heavily on unsustainable growth in road and air transport. Statistics show that, after an initial fall, total greenhouse gas emissions of the EU 15 are continuing to grow (index base year = 100, 1995 = 96.9, 2005 = 98)\(^{12}\). The Cohesion Fund is still used to finance the expansion of the Trans-European Transport Networks (TEN-T), especially roads, leading to further loss of valuable habitats\(^{13}\), and problems of air pollution, global warming etc. The new Cohesion Fund regulation gives more priority to measures that promote environmentally sustainable transport use, but all future transport investment must be within a demand-management framework. The starting point should be the needs and potential of the region itself, before inter-city links. Measures include repairing and upgrading existing infrastructure – in order of importance: urban public transport, rail, roads, sea – and the connections between the different transport modes.

21. **Maximise new opportunities within environmental limits.** Global temperature rises must be kept below 2\(^\circ\)c above pre-industrial levels. Reducing greenhouse gas emissions opens new areas for technological innovation and job creation. The Lisbon Agenda recognises this and structural and cohesion funds have been earmarked for investment in renewable energy resources (solar, wind) and energy efficiency. It is essential to raise awareness of the economic opportunities rather than the obstacles provided by environmental protection and enhancement. However, Cohesion Policy must respect environmental limits e.g. wind farms must be sited in the right places (not in the flight paths of migrating birds) and growth of biofuels must not lead to loss of pristine rainforests or food shortages.

22. **Shift towards more local delivery.** Member States should mainstream small-scale long-term regeneration projects while moving away from capital intensive, end-of-pipe investments. The Commission has developed packages of assistance such as JASPER, JEREMY and JESSICA. Direct guidance and support to Member States to promote sustainable development projects would be very helpful.

**Step 3: Partnership**

23. **Safeguards must be put in place to ensure the transparency and accountability of the decision-making process.** Government ministries and agencies preparing Structural (and Cohesion) Fund plans and programmes are often also involved in their implementation. However, it is essential that officials from across government ministries, environmental authorities and, most importantly, the public, are involved in the programming and implementation process in order to avoid harm to the environment resulting from conflicts of interest. This approach also promotes the efficient use of the Funds and reduces the risk of misuse.


\(^{13}\) For example, the potential funding of sections of the ‘Via Baltica’ which threatens the Augustow and Knyszyn Primeval Forests and the famous Biebrza Marshes.
24. **Environmental authorities must play a key role in making sure that structural fund programmes work with principles of sustainable development.** Cohesion Policy should clarify the authorities’ key involvement in the preparation, negotiation and implementation of all structural fund programmes, in order to ensure a consistent high standard of environmental protection across different programmes and across all Member States. We also recommend that, for example:

- **A ‘Sustainable Development Manager’** is appointed to liaise with the managing authority and monitoring committee, and to oversee the integration of environmental considerations in programme preparation and implementation.
- Managing authorities consist of representatives from across Government departments and ministries, in order to reflect their different sectoral interests and to facilitate communication between them.

25. **Involve Civil Society.** The European Union has to promote wide and effective partnerships in Structural Fund programming at national and regional levels, among economic, social and other relevant stakeholders. These include non-governmental, not-for profit organisations working to protect the environment. This is an important method of strengthening civil society in the new and existing Member States. Effective partnership means partners’ early involvement in the preparation of programmes, budgeting, management, monitoring and evaluation of Structural Funds assistance. Effective NGO participation requires the following principles to be implemented:

   a. **Access to information.** Especially on planning and operational processes, their timescales and advance notification of meetings and consultation deadlines. All programming documents should be publicly available. Documents should be available at least one month before the consultation deadlines. Transparent, timely and accurate information must also be ensured for all partners on steering and monitoring committees.

   b. **Feedback on consultation responses.** A summary of consultation responses should be accompanied by clear explanations about what changes have been made to programming documents and why, no more than three months after the consultation deadline.

   c. **Equal representation of environmental NGOs alongside economic and social partners** in the preparation or programmes, budgeting, management, monitoring and evaluation of Structural Funds assistance. In the 2000-6 period and in preparation for 2007-13, the inclusion of NGOs varied greatly in the different Member States. Future Cohesion Policy must identify environmental partners among the appropriate bodies to form national, regional or local partnerships. Experience shows that investment in participation early in the programming cycle pays off in better acceptance and support from partners at a later stage. Environmental NGOs should nominate their representative in those committees and the representative should report back to all NGOs regularly.

   d. **Building NGO capacity and covering direct costs.** Member States benefiting from the Funds must be required to provide technical assistance and/or domestic match-funding to support national and regional NGOs or NGO networks involved in Structural Fund partnerships. This recognises the valuable contribution that NGOs can make in the move towards sustainable development to: the preparation of programmes, financing, management, monitoring and evaluation of Structural Funds assistance, and dissemination of information to the wider public. All direct costs (ie travel, overnight stay) for the NGO representatives involved should
be covered by the TA budget or by an additional budget line included in the programmes.

e. **NGO involvement in project implementation.** Managing authorities should encourage project partnerships to include an NGO partner whenever possible. Guidance should also be available on the project selection procedure for those interested in setting up their own partnerships.

### Step 4: Evaluation

26. **The Commission should standardise indicators used to evaluate the contribution made by the Structural and Cohesion Funds to sustainable development.** There is currently no standard tool for managing authorities to monitor how funds are used to promote sustainable development. As a matter of best practice, the Commission should review the environmental and sustainable development indicators employed by Member States as part of their ex-ante, mid-term and ex-post structural fund evaluations, and issue guidance on the most widely accepted and recognised indicators. Such indicators should assess programme outputs (the actual effect of projects on the environment) and procedures, for example, provision of information, awareness of public consultation, and the quality of partnership involvement. The Commission’s review should be conducted through a consultative process taking into account the views of all the relevant stakeholders, including the expertise of environmental NGOs.

27. **The Commission must ensure that equal importance is given to economic, environmental and social targets, and indicators.** We reiterate that Cohesion Policy must be for sustainable development, as distinct from more and sustained economic growth. This requires the adoption of integrated environmental, social and economic targets against realistic achievements at the level of programme priorities and project delivery. Targets and the choice of indicators must be closely monitored in the negotiations between the Commission and the Member States. The managing authority should report on its performance meeting these environmental targets, making a clear link to the indicators used.

28. **Managing Authorities must evaluate project outcomes.** Targets and indicators related to environment and sustainability are as important as financial targets and indicators. Auditors can be called in at any time to check on the financial management of a Structural Fund project, yet there is no apparent monitoring process to check whether a project is meeting its other targets (including environmental and sustainability targets). The evaluation of environment and sustainability targets (contributing to the achievement of SDS objectives) must be a requirement in future programming periods.

   a. **There must be ongoing project monitoring for environmental and sustainability impacts** once a project reaches the execution phase, to check for unintended environmental and sustainability consequences. Mechanisms must be in place (e.g. working with responsible authorities) to ensure that any harmful activity is stopped and where possible the damage is rectified as soon as it is identified.

   b. **Post project monitoring should be seen as a positive tool that can help to identify beneficial environmental impacts and help the future selection of best projects for delivering sustainable development.** Lessons learned should be fed back into the project selection process and into a **common EU project database.**
29. **The Commission must withhold Structural and Cohesion Funds where projects are likely to damage the environment.** Future Cohesion Policy must continue to respect existing environmental law (e.g. Birds and Habitats Directives, Water Framework Directive, SEA and EIA Directive, etc.) and avoid damage, destruction, deterioration or loss to environmental assets including biodiversity. This must include potential harm to endemic or globally threatened species and their habitats (in particular in the French Overseas Departments where the nature Directives do not apply). Where strong doubts are raised about a project, the Commission has a responsibility to withhold funds until the case is fully and transparently resolved. The Funds must also be withheld where damage occurs. Projects should only be given the green light if it can be clearly shown that they do not undermine environmental legislation.

30. **The Commission must respond quickly to environmental complaints.** There are many instances where a Member State or its regional or local authorities is supporting a potentially damaging project. In such cases, the reality is that Environmental NGOs often have to take their complaints to European institutions, in particular to the Commission. However, DG Environment’s capacity to deal with these complaints has not been adequate for a long time and has been reduced further following enlargement to the EU 27. The Commission must find a way to bridge this gap, to improve the environmental complaint mechanism in such a way that the environment is fully protected.

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