



Contribution to the Public Consultation on the Green Paper on Territorial Cohesion

February 2009

About the European coalition for the Sustainable use of funds

This contribution has been prepared by the Coalition for the sustainable use of funds, which includes environmental NGOs – Friends of the Earth Europe, CEE Bankwatch Network, WWF, Royal Society for the Protection of Birds (RSPB) and CEEWEB.

www.coalition-on-eufunds.org

Introduction

A wide range of studies have demonstrated that our way of life is increasingly unsustainable. Current levels of consumption and production are already abusing the planet's natural resources and are seriously compromising the ability of future generations to meet their needs.

The loss of biodiversity and climate change are symptoms of our inability to live sustainably. Professor Jacqueline McGlade, Executive Director, European Environment Agency said in the 2009 "EEA signals" report¹ "that the scale of the environmental problems should not paralyse us into inaction. It should raise our awareness and encourage us to develop new, more sustainable patterns of living, growing, producing and consuming. Ultimately, we are talking about revaluing the fundamental elements of life. At a time when money markets are looking for direction perhaps the environment can show the way."

Against this background it is imperative that Europeans reduce their consumption of natural resources, their emission of CO₂ and generation of waste, to a level that is sustainable over the long-term.

'Sustainable' means that nature's resources must be used at a rate at which they can be replenished naturally. In other words, if the natural resources provided by the earth are considered as the natural capital of humanity, then a sustainable society manages to live off the interests of this capital and does not degrade (e.g. by dumping toxics into oceans or groundwater) or reduce (e.g. through soil erosion, deforestation, loss of biodiversity) the capital itself.

Our response to the public consultation on the territorial cohesion green paper focuses on the following questions raised in the Green paper:

- 1. What is the most appropriate definition of territorial cohesion?**
- 2. Do areas with specific geographical features require special policy measures? If so, which measures?**
- 3. How can coordination between territorial and sectoral policies be improved?**
- 4. Does the pursuit of territorial cohesion require the participation of new actors in policymaking, such as representatives of the social economy, local stakeholders, voluntary organisations and NGOs?**

¹ EEA signals 2009, Key Environmental issues facing Europe. <http://www.eea.europa.eu/publications/signals-2009>

Summary of recommendations

- The overarching goal of the territorial cohesion policy should be to achieve **the sustainable development of the territory of the EU in a transparent and accountable manner**. This means that economic, social and ecological goals form the key pillars of Territorial Cohesion. There should be neither hierarchy nor trade-off between these objectives.
- Territorial Cohesion should aim to reconcile the social and economic claims for spatial development with the territories' ecological and cultural functions, hence contributing to the sustainable, and balanced territorial development.
- Territorial cohesion policy should help the EU improve policy coherence and sectoral coordination by allocating structural and cohesion funding to achieve environmental objectives and targets alongside social and economic ones. This is essential if the EU is to meet its wider environmental commitments e.g. for climate change, water, nature.
- Territorial Cohesion should support an open and democratic approach to decision-making that respects the views of civil society and environmental organizations.

1. What is the most appropriate definition of territorial cohesion?

1.1. Setting a new overarching goal for territorial cohesion

There is no guarantee that economic prosperity will deliver environmental benefits or wellbeing for communities. Therefore it is important, when defining the objectives for territorial cohesion, to consider whether the overarching goal is primarily to promote economic growth or to focus on improving the quality of life of Europe's citizens.

We support the view that territorial cohesion should be about ensuring the sustainable development of all territories and localities, by helping to integrate, not trade-off, the economic, social and environmental needs of present generations without compromising the ability of future generations to meet their own needs.

The over-arching growth objective in the Territorial Cohesion policy puts the whole "place shaping agenda" off balance, and undermines any attempt to promote an integrated development of European Territories. The priorities for Territorial cohesion are not shaped according to its environmental and social needs but mainly by the goal to achieve economic growth.

This is why territorial cohesion should focus on identifying the potential for synergies and functional interdependencies between regions rather than take a simple approach to cohesion by growth. This would mobilise much more regional and local potential towards a sustainable territorial development.

The overarching goal of the territorial cohesion policy should be to achieve **the sustainable development of the territory of the EU**. This means that economic, social and environmental goals form the key pillars of Territorial Cohesion. There should be neither hierarchy nor trade-off between these goals.

1.2. An integrated spatial approach at EU level is essential to ensure we develop within environmental limits

A healthy natural environment is not a luxury but is fundamental to human existence. The natural environment provides countless free goods and services to humans: food, wood, clean water, energy, protection from natural hazards, climate regulation, pharmaceutical ingredients and recreation. The well-being of every human population in the world is fundamentally and directly dependent on those “ecosystem services”.

Yet the protection of our natural environment has often been neglected in the debate on cohesion policy. The main objective of cohesion has traditionally been to reduce economic and social disparities between the levels of development of European regions. However if the EU is to meet its wider environmental commitments, then future cohesion policy must address environmental issues alongside social and economic ones.

The pressure on biodiversity and ecosystems in the wider landscape is increasing as a result of economic priorities dominating sectoral policies and lack of coordination between conflicting interests across European territories. Current spatial planning across the EU is fragmented, uncoordinated and lacks strategic integration of the objectives of the different sectors. Territorial Cohesion should aim to reconcile social and economic claims for spatial development with the area’s ecological and cultural assets, hence contributing to a sustainable, and balanced territorial development.

The Green paper suggest that policy action aimed at fostering territorial cohesion in Europe may require action on three ‘fronts’ - concentration, connecting territories and cooperation. We fear that this approach to territorial cohesion will not help address current major challenges faced across European territories such as climate change and the further loss of biodiversity and vital ecosystem services. The green paper should identify goals and priorities for Territorial Cohesion based on environmental, social and economic needs across the European territories.

Given the deepening financial crisis and the failure of the perpetual economic growth model, it is imperative to adopt a new model of development that is making the best use of these local assets to create employment opportunities locally. Investments should be directed away from traditional large-scale, energy-intensive building and construction projects towards green, sustainable businesses such as pro-biodiversity enterprises around Natura 2000 sites.

2. Do areas with specific geographical features require special policy measures? If so, which measures?

The majority of contributions to the European Commission’s 2007 consultation on the “challenges for cohesion policy”², along with the European Parliament, supported the view that Cohesion policy should cover the whole territory of the EU, considering that it is not a

² “Growing regions, growing Europe”, Fifth progress report on economic and social cohesion, June 2008, Communication from the Commission.

simple mechanism of solidarity but also aims at fostering the endogenous development potential of European regions.

It is crucial that financial resources are focused on areas which will create win-win-win situations for the economy, the environment and local communities. These may not necessarily be regions with low GDP per capita. Regions with high value environmental services such as water services may also have high GDP per capita, but will need measures in place to protect natural assets or innovation in green businesses.

Resources should also be provided to regions to help them maintain and restore Europe's natural heritage (or biodiversity). Territorial cohesion must also recognise the value of regions with specific geographical features, such as regions with high percentage of areas designed as Natura 2000. These regions represent the "hot spots" of European biodiversity and therefore deserve special focus. They offer unique opportunities for the creation of green jobs locally based on the extraordinary natural assets of these protected areas and their surroundings.

Territorial Cohesion should aim to transform the diversity of European territories into an asset and help ensure that European citizens are able to make the most of inherent features of European territories. However it should not seek to standardise the patterns of land use, infrastructures and identities (human, economic and services).

A spatial approach to development at the European level would help to integrate all essential elements of landscapes to conserve biodiversity and ecosystems also in the light of climate change.

3. How can coordination between territorial and sectoral policies be improved?

3.1. Key principles which should be strengthened through Territorial Cohesion

3.1.1. Environmental integration across all policies sectors

Since 1997, environmental integration is a requirement under the EC Treaty. Article 6 of the Treaty states that "environmental protection requirements must be integrated into the definition and implementation of the Community policies in particular with a view to promoting sustainable development". Furthermore the importance of integration is reaffirmed in the Sixth Environment Action Programme which stipulates that "integration of environmental concerns into other policies must be deepened" in order to move towards sustainable development.

It remains essential that vertical integration, through direct increase in the share of financial assistance to deliver environmental commitments, is reaffirmed by the territorial cohesion approach. We recommend that significant financial resources under the Cohesion policy are allocated to support climate change mitigation and adaptation (energy efficiency, renewable energy, clean public transport) as well as to protect and enhance natural resources (Natura 2000, halt biodiversity loss, water). In addition to this, we call for a better integration of the environmental policies (especially nature conservation) into the management structures of the funds.

Horizontal environmental integration is also essential. Environmental protection should therefore be integrated across all policy areas to ensure that environmental benefits are achieved alongside social and economic ones. Environmental objectives should also be integrated horizontally in the programming, implementation and evaluation of all regional development programmes and projects.

3.1.3. Strategic Environmental Assessment (SEA)

The economic, social and environmental effects of any policy choice or decision must be fully assessed and understood and their consequences must be fully considered in reaching decisions. Strategic environmental assessment (SEA) is a tool that improves the environmental performance of plans and programmes so that they can better contribute to sustainable development. SEA evaluates the environmental impacts of plans and their alternatives at an early stage in their preparation.

The 4th and 5th cohesion report identify climate change as one of the main challenges to regional development in Europe, which needs to be addressed in the goals of cohesion policy as well as in the allocations of structural and cohesion funding. Moreover, in the report Regions2020³ published by DG Regional policy it is noted that climate impact will have acute territorial impacts and certain regions and territories (mountain, coastal, etc.) will bear severe negative impacts not only on the balance in their natural ecosystems but also their economic development and quality of life their citizens. Incorporating a territorial assessment approach to SEA can help ensure that the territorial impacts of climate change are integrated into all policy and decision-making at an early stage.

3.1.4 New indicators to support the design and implementation of policies

To ensure the good design and implementation of policies, appropriate qualitative and quantitative indicators are needed. This includes indicators on CO₂ reduction potential, favourable conservation status of habitats and species as developed within Natura 2000, or indicators for open and non-fragmented habitat such as the ratio of unbuilt coastline to built-up coastline and the connectivity of migratory corridors. Indicators should take into account the different territorial specificities, and recognise the value of regions which can provide unique environmental services. GDP as the only eligibility criterion for receiving financial assistance from the Cohesion Policy should be revisited.

3.2. Gearing EU structural and cohesion funding to environmental objectives / targets

3.2.1 The role of Territorial Cohesion policy in improving the integration and consistency between the sectoral policies

Policies across the sectors should work together to enable us to live within environmental limits. For example Europe's aspirations to reduce greenhouse gas emissions by 20% by 2020 would be undermined by decisions which would lead to greater dependency on fossil fuels.

³ Regions2020: An Assessment of Future Challenges for EU Regions. 2008. DG Regional policy.
http://ec.europa.eu/regional_policy/sources/docoffic/working/regions2020/pdf/regions2020_en.pdf

Cohesion policy provides significant financial resources which, in the case of regions and territories in new member states, often determine their long-term pattern of development. These patterns of development must be sustainable, and support the protection of natural resources and address climate change.

Territorial Cohesion has a key role to play in helping the EU improve policy coherence and sectoral coordination by focusing on achieving environmental objectives and targets (climate change, water, biodiversity) alongside social and economic ones.

3.2.2. Climate change and energy

Territorial cohesion can promote the integration and consistency between sectoral policies by gearing regional development towards the concrete targets of Community policies (climate, water, waste, biodiversity) and making EU funding conditional to these.

Climate change is the greatest long-term threat to global biodiversity and projected temperature rises are likely to stretch human society and ecosystems well beyond their adaptive capacity. Society has only recently started to understand and quantify the value of services provided by ecosystems (including carbon storage, flood risk management, and water purification). Protecting ecosystems from the impacts of climate change, and helping them to adapt, is essential to secure these services and in turn to enable human beings to adapt cost effectively to a changing climate. This overarching objective must be integral to any approach to territorial cohesion, especially as many economically vulnerable regions will also be particularly vulnerable to shifting climatic conditions (e.g. mountain regions, coastal areas, etc...).

There is an urgent need to reorient European cohesion policy to both mitigate the effects of climate change and to curb greenhouse gas emissions through significant increase in support for energy savings and efficiency, renewables and eco-innovations, education and governance. Adaptation measures which enable communities and ecosystems adapt to climate change, should be particularly supported. Horizontal integration of energy efficiency and renewable energy measures should be compulsory integrated in the regional development programmes and projects as horizontal goal, project selection criteria, and performance indicators.

Many European territories especially in new member states have huge potential for achieving energy efficiency in industry, household and transport sectors and EU structural and cohesion funding is key financial opportunity to realize emissions reduction towards countries obligations under EU climate targets. At the same time, efficient and renewable energy offers new business opportunities and can help create jobs which is important in times of economic downturn. Therefore, structural and cohesion funding should be made conditional to achieving the EU climate targets or in other words should be climate “proof”.

3.2.3. Recognising the value of healthy ecosystems and biodiversity

A crucial deficit in the Green paper is the lack of environmental cohesion. The pressure on biodiversity and ecosystems in the wider landscape is increasing as a result of economic priorities dominating sectoral policies and lack of coordination between conflicting interests

across European territories. The fragmentation of landscapes contributes to the loss of valuable ecosystem services and biodiversity across the European territories and is as such a major threat to nature conservation. Current spatial planning across the EU is fragmented, uncoordinated and lack strategic integration of the objectives of the different sectors. Territorial Cohesion should aim to reconcile social and economic claims for spatial development with the area's ecological and cultural assets, hence contributing to a sustainable, and balanced territorial development.

Territorial cohesion must also recognise the diverse values that ecosystems such as forests provide in terms of biodiversity and other ecosystem services, and of benefits to local communities and human wellbeing. There is a need to improve the structural connectivity of the Natura 2000 network for priority species and habitats.

Embedding an ecosystem based approach in territorial cohesion would help:

- value the full range of benefits that the natural environment provides in decision-making;
- ensure environmental limits are respected;
- support adaptive management to respond to changing pressures, at an appropriate spatial scale;
- link environmental, economic and social benefits.

We also recommend that all sectoral policies should adopt an ecosystem based approach in order to help maintain and restore key ecosystem structures, processes and functions and to ensure the resilience of ecosystems.

3.2.4. Transport

The Green paper identifies connectivity as one of the key themes to be addressed by territorial cohesion. However, this should not mean more large infrastructure nor extension of TEN-T. Cohesion policy should instead stimulate mobility services of people, goods, information and ideas within and between European territories. A fundamental shift is needed, specifically away from new roads and aviation and into creation of new low carbon infrastructure and solutions that reduce the need to travel by car. These can include cross-border and regional railways, public transport systems and integrated regional and local public transport management systems). Moreover, investments in clean transport systems and soft measures (such as intelligent transport systems, clean urban transport, taxing, etc.) are essential to guarantee mobility, especially for social disadvantaged groups.

Transport programmes and projects supported by EU structural and cohesion funding should be better integrated with land use planning to support nature protection policy and especially NATURA 2000. Territorial cohesion should facilitate an approach where transport and environmental protection goals should not be in contradiction. Regions should be able to develop mobility services and preserve the natural assets in their territories.

3.2.5 Waste

Cohesion policy should stimulate resource efficiency of European territories by supporting waste solutions which are fully in line with the principles of cost-effectiveness,

environmental sustainability and social acceptance. Territorial cohesion can stimulate local waste solutions by exclusive support to prevention, minimization, separation and recycling schemes. These waste solutions are cheaper, create more jobs and actually prevent the extraction, processing and importation of new resources. Moreover, small-scale waste projects are easier to manage and can significantly improve absorption capacity especially in some regions in new member states.

3.2.6 A need for coordination with the Common Agricultural Policy

The Green Paper highlights the importance of coordination between sectoral and territorial policies in order to maximize synergies and avoid conflicts. This is of particular importance for agriculture and specifically the Common Agricultural Policy. However, we do not accept the statement that the first pillar of the CAP plays an important role in maintaining farming and incomes in rural areas and in promoting sound land management. Despite undergoing a series of major reforms in recent years, over 75% of the CAP's budget is paid to farmers via the Single Farm Payment (a pillar one payment). This payment is not linked to any clear outcome. Furthermore, the SFP territorial effects are not analysed properly nor coordinated with other policies affecting rural area.

The failings of the current policy are most evident when looking at High Nature Value (HNV) systems of farming. These systems deliver significant public benefits and are necessary for the survival of farmland birds and other biodiversity. However, they are generally characterized by low levels of economic output, therefore the SFP, which is generally based on historic levels of productivity, does not provide adequate levels of support. The same criticism can be applied to pillar 2 mechanisms such as agri-environment schemes, the support of which is based on income forgone. Land abandonment is a major biodiversity concern in many parts of the EU and affects all marginal areas. New Member States are particularly struggling as traditional farming systems collapse: 17.6% of agricultural land is abandoned in Poland, 10.1% in Estonia, 21.1% in Latvia and 19% in Cyprus.

Support for HNV farmland needs to be targeted specifically at farms practicing appropriate land management and designed to ensure the continued delivery of the public benefits associated with it. Alongside this specific tool for land management, social and economic investment should be channeled towards areas of HNV farmland. This could be based on the competitiveness and diversification measures in the current Rural Development Regulation which would require a clearer coordination and coherence along with Territorial Cohesion, and should aim to improve the rural economy in a sustainable way, through for example, building local and added value food chains and helping land managers benefit from eco-tourism.

We recommend that territorial cohesion improves the coordination between rural and regional policy on the local level via a combined LEADER type approach.

4. Does the pursuit of territorial cohesion require the participation of new actors in policy-making, such as representatives of the social economy, local stakeholders, voluntary organisations and NGOs?

4.1 Participation

An open and democratic approach to decision-making that respects the views of civil society is key to ensuring that social and environmental concerns are addressed alongside economic issues.

In the general EC Regulation No 1083/2006 of the provisions on ERDF, ESF and Cohesion Funds stated that the objectives of the funds shall be pursued in the framework of close cooperation, and encompasses local, regional and national stakeholders as well as representatives of social, economic and environmental partners.

Civil society⁴ plays a key role in giving voice to the concerns of citizens and delivering services that meet the needs of current and future generations. As the EU's 6th Environmental Action Plan says, "non-governmental organisations (NGOs) have an important role to play, in channelling the views of the 'person in the street' to decision-makers, in participating in expert or technical groups and in monitoring the implementation of the legislation. They represent a broader public interest in the policy process".

Nature has no voice so others must speak up for it. Any government and public authorities need to adopt an inclusive approach when developing and implementing policies to encourage the participation of environment stakeholders. Increased civic engagement and participation of environment stakeholders will help to improve the quality, relevance and effectiveness of government policies and ensure that socio-environmental concerns are addressed alongside economic issues. An inclusive approach is likely to create more confidence in the policies and decisions and in the institutions, which develop and deliver them⁵.

Formal arrangements should be in place and implemented to enable civil society to participate in decision-making.

Participation goes hand-in-hand with transparency. It is essential to ensure there is sufficient transparency in the way policies are developed and the funding allocated through the national and regional planning. Information on who benefits from the funding and what type of activity is funded as well as the impact of investments should be available publicly.

To support the involvement of civil society in decision-making, we recommend that all relevant information is posted at a central website: all preparatory documentation, the programmes, project selection criteria and processes, the composition of committees, proposals, selected projects, beneficiaries, auditing, monitoring and evaluation criteria and reports. Processes leading to decisions, and the implementation and enforcement of them, should be clear and accessible to anyone.

10 Golden rules on transparency and partnership

Experience from Interreg has shown that the principles of participation are still very weak and little developed. Although they are key beneficiaries of the Cross-Border Cooperation

⁴ Civil society includes amongst other: charities and non-governmental organisations, grass-roots organisations and "social partners" (trade unions and employers' organisations. See European Commission white paper on European Governance (2001). See http://ec.europa.eu/governance/index_en.htm

⁵ European Commission white paper on European Governance (2001). See http://ec.europa.eu/governance/index_en.htm

funding (Interreg IVa), environmental stakeholders at local level have difficulties accessing funding.

In the context of Inter-Regional Cooperation funding (Interreg Ivc), environmental NGOs cannot access any funding because only public bodies are eligible recipients. As a result of these narrow eligibility criteria, environmental NGOs miss out on the opportunity to exchange good practice across regions.

Therefore Territorial Cohesion needs to ensure that Participation is applied according to certain minimum quality criteria and in a systematic way throughout all member states and regions and implementation bodies in Europe.

This should be based on the 10 Golden rules on transparency and partnership⁶ as developed by several leading NGO as a baseline for the EU cohesion policy:

- 1) Give all partners equal status and voting rights
- 2) Provide all partners with the same information and the same documents at the same time and ensure their access to all documents relevant to the committee work
- 3) Ensure that information and relevant documents to be discussed by the committee are received by partners at least 2 weeks in advance of the meeting
- 4) Establish transparent feed-back mechanisms for comments and input given in the committees
- 5) Involve all partners in the development of project selection criteria and in the process of project appraisal and selection
- 6) Ensure that the minutes of all committee meetings are publicly available, at latest 2 weeks after the meeting
- 7) Offer all committee members training and capacity building to ensure high-quality participation
- 8) Cover direct costs of travel, overnight accommodation and copying for NGO committee members
- 9) Use a transparent selection process for the appointment of NGO committee members
- 10) Offer at least one place for an environmental NGO partner in all committees (not only for the OP environment)

To improve transparency and accountability in delivering territorial cohesion we recommend that all relevant information is posted at a central website: all preparatory documentation, the programmes, project selection criteria and processes, the composition of committees, proposals, selected projects, beneficiaries, auditing, monitoring and evaluation criteria and reports. Processes leading to decisions, and the implementation and enforcement of them, should be clear and accessible to anyone. Moreover, all stakeholder should have equal access to capacity building and exchange of experience.

⁶ http://www.foeeurope.org/publications/2006/Golden_Rules_for_partnership.pdf

Contacts of the European NGO coalition on sustainable EU funds

Keti Medarova-Bergstrom

EU funds campaign coordinator
CEE Bankwatch Network / Friends of the Earth Europe
Rue Blanche 15, Brussels 1050, Belgium
Tel. : +32 2 542 0188
Email : keti.medarova@foeeurope.org
www.bankwatch.org/billions

Annabel Lambert

Sustainable Development and Regional Policy Officer
The Royal Society for the Protection of Birds
The Lodge, Sandy, SG19 2DL, United Kingdom
Tel.: +44 1767 693334
Email : Annabel.lambert@rspb.org.uk
www.rspb.org.uk

Peter Torkler

EU-Policy
WWF Germany,
WWF Berlin Office, Reinhardstr. 14, D-10117 Berlin
Tel.: +49 30 30 87 42 15
Email : torkler@wwf.de
<http://www.wwf.de>