

Cohesion Policy: Green investments to deliver sustainable prosperity and jobs

March 2012

The seven environmental NGOs of the Coalition for sustainable EU funds welcome the Commission's proposals to improve key aspects of the Cohesion Policy in order to ensure stronger coherence with EU priorities to move towards a more sustainable, low carbon and resource efficient regional development.

The Coalition however calls for a strengthening of the incentives to invest in the leading sectors of the green economy, particularly: eco-innovation, renewable energies, energy savings, nature restoration and decarbonised transport. Enhancing the Commission's proposal in a targeted way will allow to maximize the benefits delivered by the future Cohesion Policy for the regions while also effectively contributing to reach the 2020 climate, energy and biodiversity targets and creating green jobs.

This briefing outlines a number of crucial aspects to be improved in the Commission's draft regulations for:

- The Common Strategic Framework' funds;
- The European Regional Development Fund (ERDF);
- The Cohesion Fund.

The Coalition calls on decision makers to:

- 1. Support thematic concentration towards a low carbon economy and climate proofing of programmes;**
- 2. Support measures for environmental protection and resource efficiency, including measures for protecting biodiversity and ecosystem services across all regions;**
- 3. Improve result orientation of the Cohesion Policy through ex-ante conditions and an adequate performance framework based on targets and indicators;**
- 4. Ensure strong partnerships through multi-level governance and the European Code of Conduct.**

These issues are crucial to accelerate the transition of European regions towards sustainable economies that work within ecological limits.

REGULATION ON COMMON STRATEGIC FRAMEWORK FUNDS

In order to further increase the incentives for regions to choose cost-effective green investment options, the Coalition for Sustainable EU Funds call on MEPs to support amendments to:

- Ensure sustainable development is part of the entire scope of Cohesion Policy;
- Ensure an adequate compliance, monitoring and reporting framework to implement a sustainable Cohesion Policy;
- Ensure climate and biodiversity tracking, to monitor the contribution of Cohesion Policy to these European priorities for 2020;
- Enhance multi-level governance and partnership, for a better implementation and efficiency of programmes as well as to improve programme delivery for the local economy.

Integrate the sustainable development goal throughout Cohesion Policy

1. Support the horizontal integration of environment in the regulation

Support the Commission's proposal to integrate the principle of sustainable development into the regulation – with the establishment of ambitious environmental milestones, targets, result indicators in the Partnership Contracts and Operational Programmes.

Support

2. Make requirement to safeguard natural capital more visible in the regulation

Strengthen the thematic objective on environment by explicitly mentioning 'biodiversity' to ensure a better integration of nature conservation into projects.

Improve

3. Improve the environmental assessment of programmes

Ensure that the Strategic Environmental Assessment (SEA) of programmes includes climate and biodiversity impacts and that they are an integral part of the planning of the Partnership Contracts and Operational Programmes. This is key to safeguarding the coherence between programmes and EU environmental policies.

Improve

4. Support the allocation of the performance reserve based on environmental criteria

Projects that are performing the most sustainably, contributing to EU environmental targets for 2020, should be rewarded with additional funding from the performance reserve to promote eco-innovation and best practice. Additional finance should therefore be conditional on environmental criteria.

Support

Ensure an adequate compliance, monitoring and reporting framework to implement a sustainable Cohesion Policy

1. Support the ex-ante conditionalities proposed by the Commission

Implementing/complying with Ex-ante conditionalities will ensure that programmes comply with EU legislation and do not contradict EU policies and targets - thus improving Cohesion Policy quality and added value. Ex-ante conditionalities will clarify the legal requirements for each Member State and region, stating precise measures to be met within each sector.

Support

2. Improve the environmental and general ex-ante conditionalities

Include up to date conditionalities on biodiversity, energy savings, renewable energies and sustainable transport which are already part of EU obligations. Also include general ex ante conditionalities to ensure implementation of the polluter pays principle, green public procurement, public participation and transparency.

Improve

3. Ensure a robust enforcement mechanism

Support the Commission's proposal for a staggered suspension of payment in case of non-compliance with ex-ante conditionalities or nonachievement of agreed targets. This is crucial for the credibility and efficiency of Cohesion Policy.

Support

Ensure climate and biodiversity tracking

1. Support the Commission's proposal to require and monitor climate spending

A consistent methodology integrated throughout all cohesion spending should be established by the Commission to demonstrate the financial support for climate action and to disincentivise harmful spending. The climate impacts of spending proposals should be assessed at the pre-allocation stage, to ensure that spending will contribute to climate protection and adaptation, amounting to at least 20% of the EU budget .

Improve

2. Introduce biodiversity tracking

Biodiversity tracking is already carried out for EU development aid. It should be mainstreamed with a simple methodology, to measure progress towards the EU target of halting biodiversity loss by 2020 and protecting a key basis of our livelihood and economy.

Additional provision

Enhance multi-level governance and partnership

1. Support the Commission's proposal for a European Code of Conduct

The European Code of Conduct for partnership is necessary to ensure a level playing field in all Member States on partnership and public participation. It should be part of the legal framework and rely on best practice all over Europe. It will facilitate sharing of experience, results and best practice among Member States.

Support

2. Ensure partners can receive support for capacity building

To be able to fully participate in the planning, implementation, monitoring and evaluation of Partnership Contracts and Operational Programmes, partners' capacity needs to be financially supported.

Improve

3. Ensure sufficient time for proper involvement of partners

To allow partners to provide feedback on the design of programmes and the evaluation of ex-ante conditionalities, Operational Programmes should be submitted 6 months and not 3 after the adoption of regulations, while ensuring that adequate Strategic Environmental Assessments have been completed.

Improve

4. Ensure transparency of the programmes

Programming documents, timelines and information for all projects should be published on a single website, making effective public participation easier.

Improve

EUROPEAN REGIONAL DEVELOPMENT FUND (ERDF) REGULATION

Support and improve thematic concentration

1. Strengthen the Commission's proposal for climate thematic concentration

Strengthen the Commission's proposal for climate thematic concentration from 20% to 25% in developed and transition regions and from 6% to 15% in less developed regions. Europe is not on track to meet its energy saving target despite both Parliament and Council having stated that it must be achieved – thus requiring additional financial effort. This can be massive win-win for creating green jobs, maximizing economic opportunities in every region, reducing consumer energy bills and improving energy security.

Improve

2. Add environment and resource efficiency in the thematic concentration

The thematic concentration proposed by the Commission includes 3 thematic objectives (innovation, SMEs and low carbon support). A new objective, 'promoting the environment and resource efficiency' (thematic objective n°6) should be added to allow greater choice and more flexibility for the regions, help them to comply with the environmental legislation, contribute to the EU target of halting biodiversity loss by 2020 and establish a clear link with the EU 2020 Strategy Flagship Initiative.

Additional provision

Integrate environmental targets and indicators in planning and implementation

1. Support the Commission's proposal to set targets for each programme

Environmental targets should be set for programmes, and be fully consistent with EU 2020 environmental targets.

Support

2. Improve the Commission's proposal for qualitative result-oriented indicators

Result indicators are needed to assess the results and efficiency of the programmes and to implement the sustainable development principle.

Improve

COHESION FUND REGULATION

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Improve

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