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Committee on the Environment, Public Health and Food Safety

2004/0167(COD)

29.4.2005

OPINION

of the Committee on the Environment, Public Health and Food Safety

for the Committee on Regional Development

on the proposal for a regulation of the European Parliament and of the Council
on the European Regional Development Fund
(COM(2004)0495 – C6-0089/2004 – 2004/0167(COD))

Draftsman: Jerzy Buzek

PA_Leg

SHORT JUSTIFICATION

Your draftsman welcomes the Commission's proposal for a Regulation on the European Regional Development Fund (ERDF). In his view, the proposal succeeds in linking the cohesion policy with the Lisbon and Gothenburg objectives. One of the main objectives of the European Union is indeed to guarantee an adequate balance between economic, social and environmental aspects of the development process. The intervention of the ERDF is foreseen in a range of topics and areas which, generally speaking, appear to be consistent with the above-mentioned objectives. However, your draftsman thinks that further areas need to be added to the relevant articles in order to improve the environmental performance of this Fund in particular.

As an example, we should underline the importance of the environmental protection pillar when it comes to the regional funds oriented to the underdeveloped regions within the "Convergence" objective. These regions have often outdated industries and strongly polluted sites and also a high population density. The restructuring of certain industries in these areas requires not only the achievement of economic profitability but also high environmental protection standards. Therefore, direct aid to investment introducing the most advanced technological solutions needs to be encouraged and financed.

The creation of conditions aiming at reducing the gap in the environmental protection measures between the Member States is essential and should be taken as a priority, especially in the context of the last enlargement. In order to be effective, the implementation of the Natura 2000 network or Water Framework Directive and promoting the Sustainable Development Strategy as a whole has to be done at EU level.

The effectiveness of the EU structural policy would be highly increased if the regions were not overburdened by a series of long term and rigid constraints giving more importance to specific local priorities. Moreover, simplification of procedures would be welcome as far as the use of the funds is concerned. In fact, detailed and specific procedural requirements create a great risk of slowing down the implementation of new high quality clean technologies and blocking the whole process of the environmental protection improvement. Therefore, the issue of the absorption capacity deserves special attention from the European Commission and the Member States.

On a more specific point concerning the rules on eligibility of expenditure, the draft regulation declares VAT ineligible for financing from the ERDF (and the Cohesion Fund) in all cases, notwithstanding, whether it is reimbursable or not. Consequently, if the new eligibility rules on VAT enter into force, the actual support rate would be reduced by the VAT rate applied, which effectively means that the level of national co-financing would increase. Taking this into account, your draftsman thinks that the current rules on eligibility of VAT should be maintained for the next programming period. The VAT, which is non-reimbursable should therefore remain eligible for the ERDF contributions as it is the case for the European Social Fund. Your draftsman considers that the same rules on eligibility of expenditure should apply for all the Funds.

AMENDMENTS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Regional Development, as the committee responsible, to incorporate the following amendments in its report:

Text proposed by the Commission¹

Amendments by Parliament

Amendment 1 Article 2, paragraph 1

The ERDF shall contribute to the financing of assistance towards the reinforcement of economic, social and territorial cohesion by reducing regional disparities and supporting the structural development and adjustment of regional economies, including the conversion of declining industrial regions.

The ERDF shall contribute to the financing of assistance towards the reinforcement of economic, social and territorial cohesion by reducing regional disparities and supporting the **sustainable** structural development and adjustment of regional economies, including the conversion of declining industrial regions.

Justification

Structural Funds must contribute to and deliver the EU Sustainable Development Strategy.

Amendment 2 Article 2, paragraph 2

In so doing, the ERDF shall give effect to the priorities of the Community, and in particular the need to strengthen competitiveness and innovation, to create sustainable jobs, **and to promote environmentally sound growth.**

In so doing, the ERDF shall give effect to the priorities of the Community, and in particular the need to strengthen competitiveness and innovation, **to promote sustainable growth**, to create sustainable jobs, **and to protect and improve the natural and urban environment.**

Justification

¹ OJ C ... /Not yet published in OJ.

One of the main objectives of the European Union is to guarantee an adequate balance between economic, social and environmental aspects of the development process. The importance of the environmental protection pillar when it comes to the regional funds oriented to the underdeveloped regions within the Convergence objective (art. 4 of the ERDF Regulation, COM(2004)495) cannot be underestimated. In these regions, due to the low investment rate, not only the development and the civilizational progress but also the environmental protection are neglected. By environment we should also mean the natural and urban environment which frequently is managed by city councils.

Amendment 3
Article 3 a (new)

Article 3a

Balanced and sustainable regional development

Regional development means the preservation, development and, where necessary, reshaping of sustainable living and working in the regions.

Amendment 4
Article 4, paragraph 3

3) Environment, including investments connected with waste management, water supplies, ***urban*** waste-water treatment and air quality, integrated pollution prevention and control, rehabilitation of contaminated sites and land, promotion of biodiversity and nature protection, 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;

3) Environment, including investments connected with waste management, water supplies, ***water quality, protection and exploitation of river basins, environmental risk prevention (including protection against flooding and the pollution of inland waters)***, waste-water treatment and air quality, integrated pollution prevention and control, ***prevention of noise pollution***, rehabilitation of contaminated sites and land, ***landscape development in rural areas***, promotion of biodiversity and nature protection, aid to SMEs to promote sustainable production patterns, the introduction of ***simpler*** cost-effective environmental management systems and the

adoption and use of pollution-prevention technologies, ***including technologies to prevent climate change.***

Amendment 5
Article 4, paragraph 5

5) Tourism, including promotion of natural and cultural assets as potential for the development of sustainable tourism, protection and enhancement of the cultural heritage in support of economic development, aid to improve the supply of tourism services through new higher value-added services;

5) Tourism, including promotion of natural and cultural assets as potential for the development of sustainable tourism, protection and enhancement of the ***physical and*** cultural heritage in support of ***balanced*** economic development, aid to improve the supply of tourism services through new higher value-added services;

Amendment 6
Article 4, point (10 a) (new)

10 a) Direct aid to investment, with particular attention to high-quality clean technologies, in order to restructure heavy industries in the regions where transition to the market economy took place only recently.

Justification

The regions supported by the assistance under the "Convergence" objective have often outdated industries and strongly polluted sites. Moreover, these regions have also a high population density. Therefore, the restructuring of certain industries in these areas requires not only the achievement of economic profitability but also high environmental protection standards. The application of the most advanced technological solutions is necessary.

Amendment 7
Article 5, paragraph 2, point (a)

a) stimulating investment for the rehabilitation of contaminated sites and land, ***and promoting the development of infrastructure linked to biodiversity and Natura 2000 contributing to sustainable economic development and diversification of rural areas;***

a) stimulating investment for the rehabilitation of contaminated sites and land ***that promotes economic, social and environmental potential;***

Justification

It is important to improve the environmental value of contaminated sites for nature and biodiversity, recognising that this has wider social, environmental and economic benefits. Cf. also the justification to the amendment on Article 5, paragraph 2, point (aa) (new).

Amendment 8
Article 5, paragraph 2, point (a a) (new)

aa) promoting the development of infrastructure linked to the implementation of the Water Framework Directive, biodiversity and Natura 2000 management contributing to sustainable development and diversification of rural areas;

Justification

Investment in biodiversity and Natura 2000 sites should not only be linked to direct economic benefits but should also contribute to the regions' sustainable objectives. Cf. also the justification to the amendment on Article 5, paragraph 2, point a)

Amendment 9
Article 5, point 2, letter a a (new)

(aa) Promoting the development of infrastructure along access routes to protected zones in order to encourage sustainable tourism and provide added value to protected zones such as the Natura

2000 network.;

Justification

In the interest of sustainable tourism, access routes to protected zones should also be developed and taken care of.

Amendment 10
Article 5, point 2, point (c)

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| c) promoting <i>clean urban</i> public transport; | c) promoting <i>environmentally friendly</i> public transport; |
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Justification

It should be clear that we aim for transport solutions with a positive overall environmental effect regarding the whole of the Union and not just its urban complexes.

Amendment 11
Article 5, paragraph 2, point (d)

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| d) developing plans and measures to prevent and cope with natural and technological risks. | d) developing plans and measures to prevent and cope with natural and technological risks <i>including the mitigation of, and adaptation to, climate change and reducing the risk of floods through the implementation of the Water Framework Directive.</i> |
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Justification

Climate change is one of the biggest environmental threats we face. Floods and the Water Framework Directive are linked and should be mentioned here.

Amendment 12
Article 5, paragraph 2, point (d a) (new)

da) promoting the sustainable use of natural resources and enhancing regional assets through pollution prevention and the sustainable management of waste and water;

Justification

The aim of this amendment is to help businesses to reduce their environmental impact, in particular through waste and water.

Amendment 13
Article 6, paragraph 2, point (c)

c) risk prevention, including the promotion of maritime security and protection against flooding, marine and inland water pollution, prevention of and protection against erosion, earthquakes and avalanches. Programmes may include the provision of equipment and development of infrastructure, drawing up and implementing transnational assistance plans, common risk mapping systems, and the development of common instruments for studying, preventing, monitoring and controlling natural and technological risks.

c) risk prevention, including the promotion of maritime security and protection against flooding, marine and inland water pollution, prevention of and protection against erosion, earthquakes and avalanches ***and the mitigation of, and adaptation to, climate change***. Programmes may include the provision of equipment and development of infrastructure, drawing up and implementing transnational assistance plans, common risk mapping systems, and the development of common instruments for studying, preventing, monitoring and controlling natural and technological risks.

Amendment 14
Article 7, point (a)

a) VAT;

a) ***reimbursable*** VAT;

Justification

Cf. Short Justification of draftsman.

Amendment 15

Article 9, point (5)

5) development of tourism and rural amenities.

5) development of tourism and rural amenities ***and enhancement of physical assets including infrastructure for biodiversity and Natura 2000 management.***

Amendment 16

Article 9, paragraph 2 a (new)

(2a) Integrated projects requiring the participation and/or cooperation of several local authorities shall be deemed to be an indicator of added value for the purposes of ERDF actions in rural areas.

Justification

The aim of the amendment is to encourage integrated regional projects involving cooperation between different municipalities.

Amendment 17

Article 10, paragraph 2

Without prejudice to **Article** 3 and 4, the ERDF shall in particular contribute towards the financing of investments aimed at improving accessibility, promoting and developing economic activities related to the cultural heritage, promoting the sustainable use of natural resources, and stimulating the tourism sector.

Without prejudice to **Articles** 3 and 4, the ERDF shall in particular contribute towards the financing of investments aimed at improving accessibility (***in terms of infrastructure, networks and services***), ***encouraging economic diversification***, promoting and developing economic activities related to the cultural heritage, promoting the sustainable use ***and protection*** of natural resources, and stimulating the tourism sector.

Or. fr

Justification

The issue of accessibility is of fundamental importance to help regions with natural handicaps and it would also seem important to clearly specify the direction development should take. Often, areas with natural handicaps concentrate excessively on single activities and encouraging economic diversity may benefit their development. Sustainable use of natural resources should be linked to their protection.

Amendment 18 Article 12, point (1)

1) an analysis of the situation of the cooperation area in terms of its strengths and weaknesses, and the strategy adopted to deal with it;

1) an analysis of the situation of the cooperation area in terms of its strengths and weaknesses ***and sustainable development objectives***, and the strategy adopted to deal with it, ***taking account of sustainability criteria, i.e. the impact on nature, heritage (including sites of historical interest) and economic and demographic imbalances;***

Justification

All the national strategies should take into account the European sustainable development strategy goals. Operational programmes should provide clear information concerning their impact on nature and heritage analysed by experts in the field.

Amendment 19 Article 12, point (3)

3) the information on the priorities with their specific goals. Those goals shall be quantified using a limited number of indicators for implementation, results and impact. The indicators shall make it possible to measure the progress and effectiveness of the goals implementing the priorities;

3) the information on the priorities with their specific goals. Those goals shall be quantified using a limited number of indicators for implementation, results and impact. The indicators shall make it possible to measure the progress and effectiveness of the goals implementing the priorities ***and shall relate to the socio-economic, structural and environmental situation;***

Justification

Projects and programmes should be assessed by a mixture of environmental, social and economic indicators.

Amendment 20
Article 14, point 3 a (new)

(3a) Managing authorities, under the supervision of the Member States, shall publish in a regular and appropriate manner the operations benefiting from Community funding and the appropriations available broken down by eligibility criteria.

Justification

Detailed information on the operations co-financed is important in order to increase the profile of European funding at local level. It would also seem equally important to know the exact amounts available.

PROCEDURE

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|---|---|
| Title | Proposal for a regulation of the European Parliament and of the Council on the European Regional Development Fund |
| References | COM(2004)0495 – C6-0089/2004 – 2004/0167(COD)] |
| Committee responsible | REGI |
| Committee asked for its opinion Date announced in plenary | ENVI 1.12.2004 |
| Enhanced cooperation | |
| Drafts(wo)man Date appointed | Jerzy Buzek 1.9.2004 |
| Discussed in committee | 15.3.2005 |
| Date amendments adopted | 21.4.2005 |
| Result of final vote | for: 33 against: 0 abstentions: 0 |
| Members present for the final vote | Georgs Andrejevs, Dorette Corbey, Avril Doyle, Anne Ferreira, Karl-Heinz Florenz, Françoise Grossetête, Cristina Gutiérrez-Cortines, Satu Hassi, Mary Honeyball, Holger Krahmer, Urszula Krupa, Jules Maaten, Roberto Musacchio, Riitta Myller, Vittorio Prodi, Dagmar Roth-Behrendt, Guido Sacconi, Richard Seeber, Kathy Sinnott, Bogusław Sonik, María Sornosa Martínez, Antonios Trakatellis, Thomas Ulmer, Anja Weisgerber, Åsa Westlund |
| Substitutes present for the final vote | Margrete Auken, María del Pilar Ayuso González, Danutė Budreikaitė, Jerzy Buzek, Erna Hennicot-Schoepges, Renate Sommer, Andres Tarand |
| Substitutes under Rule 178(2) present for the final vote | Albert Deß |