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**2014-2020 Interregional Cooperation Programme
under the European Territorial Cooperation Objective
(INTERREG EUROPE)**

**Strategic Environmental Assessment
Environmental Report**

for

GEIE GECOTTI

INTERREG IVC

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**Strategic Environmental Assessment
Environmental Report**

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NON-TECHNICAL SUMMARY

Pursuant to the Directive 2001/42/EC adopted by the European Parliament and European Council, a Strategic Environmental Assessment (SEA) is required for the development and amendment of certain plans and programmes including those programmes which influence other plans and programmes (Art. 3 and Annex II SEA-Directive). Accordingly the assessment of the effects on the environment of the Interregional Cooperation Programme 2014-2020 (hereinafter: Programme) is obligatory. The Environmental Report is based on the final draft Programme, version dated 19 November 2013, and has been drafted alongside the development of the Programme. Changes in the revised final draft programme dated 10 January 2014 are considered in the Environmental Report.

The Programme

The area of INTERREG EUROPE covers the entire territory of the European Union (EU-28) plus the partner countries Norway and Switzerland. Nevertheless, the assessment is limited to the immediate area of the European Union. In the period 2014-2020 INTERREG EUROPE will be co-financed by the European Regional Development Fund (ERDF) with a budget of € 359 million.¹ The formal time frame for the Programme covers the years 2014 till 2020. Adding 2 more years for the finalisation of funded projects, the period considered in the assessment is 2014 till 2022.

As an implementation instrument of the EU cohesion policy, INTERREG EUROPE contributes to the overall aim of the cohesion policy namely to reduce existing disparities between EU member states and regions in terms of their social and economic development and environmental protection in consideration of their specific territorial and societal conditions and potentials. The cohesion policy by itself supports the objectives of the Europe 2020 strategy (COM(2010) 2020). It can be stated that Europe 2020 presents the overall 'strategic anchor' for INTERREG EUROPE.

The Programme is directly linked to a number of EU policy documents which are developed in order to support the objectives of Europe 2020; it also shows linkages to several EU Directives and Strategies. Beside EU policies and programmes, the Programme has also relations to regional policies and programmes which development and implementation will be supported. It can be stated that the Programme forms a kind of interregional facilitating mechanism to enhance the contributions to EU goals and policies by improving operational capacities in the regions. Thus, it receives more an indirect rather than a direct competence for these contributions.

The Programme covers 4 Priority Axes (PAs) which are based on Thematic Objectives listed in Article 9 of the Common Provisions Regulation (CPR). Within the PAs, 6 Investment Priorities (IP, as prescribed by Article 5 of ERDF Regulation (proposal)) were selected and further focussed in 6 Specific Objectives (SO), i.e. one Specific Objective per each selected Investment Priority:

¹ INTERREG EUROPE 2014-2020 Cooperation Programme final draft, p. 4

<p>Thematic Objective 1: Strengthening research, technological development and innovation</p>
<p>Priority Axis 1: Research, Technological Development and Innovation (RTD&I)</p>
<p>Investment Priority 1(a): Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence and promoting centres of competence, in particular those of European interest.</p>
<p>Specific Objective 1.1: Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, ETC programmes, in the field of research and innovation infrastructure and capacities.</p>
<p>Investment Priority 1(b): Promoting business investment in innovation and research, and developing links and synergies between enterprises, R&D centres and higher education, in particular product and service development, technology transfer, social innovation, eco-innovation, cultural and creative industries, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in Key Enabling Technologies and diffusion of general purpose technologies.</p>
<p>Specific Objective 1.2: Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, ETC programmes, that support the delivery of innovation by actors in regional innovation chains in areas of “smart specialisation” and innovation opportunity.</p>

<p>Thematic Objective 3: Enhancing the competitiveness of SMEs</p>
<p>Priority Axis 2: Competitiveness of Small and Medium-Sized Enterprises</p>
<p>Investment Priority 3(d): Supporting the capacity of SMEs to engage in growth in regional, national and international markets, and in innovation processes;</p>
<p>Specific Objective 2.1: Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, ETC programmes, supporting SMEs in all stages of their life cycle to develop and achieve growth and engage in innovation.</p>

<p>Thematic Objective 4: Supporting the shift towards a low-carbon economy in all sectors</p>
<p>Priority Axis 3: Low Carbon Economy</p>
<p>Investment Priority 4(e): Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multi-modal urban mobility and mitigation relevant adaptation measures.</p>
<p>Specific Objective 3.1:</p>

Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, ETC programmes, addressing the transition to a low-carbon economy.

Thematic Objective 6:

Protecting the environment and promoting resource efficiency

Priority Axis 4:

Environment and Resource Efficiency

Investment Priority 6(c):

Conserving, protecting, promoting and developing natural and cultural heritage

Specific Objective 4.1:

Improve the implementation of regional development policies and programmes, in particular Investment for Growth and Jobs and, where relevant, ETC programmes, in the field of the protection and development of natural and cultural heritage.

Investment Priority 6(g):

Supporting industrial transition towards a resource-efficient economy, promoting green growth, eco-innovation and environmental performance management in the public and private sectors.

Specific Objective 4.2:

Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, ETC programmes, aimed at increasing resource-efficiency, green growth and eco-innovation and environmental performance management.

The individual SOs form the 'corridors' for the expected results and type of actions to be supported. The planned interventions aim on the facilitation of "policy learning and capitalisation of regional policy good practices on a continuous basis" as well as on the support of "interregional cooperation between regional actors, dedicated to policy learning and transfer of good practices". Both tracks focus on improvements of the implementation and monitoring of regional programmes for Investment in Growth and Jobs as well as ETC, where relevant.²

Status of the environment and Existing Environmental Problems

According to the territorial scope of the Programme the environmental objectives and indicators relate to the EU policies. Existing environmental problems were defined. Europe faces challenges particularly referring to:

- Air pollution: Though in the past decades the air pollution has declined, especially in urban areas exceedances of air quality standard occur. This damages the health of a significant proportion of Europe's population
- Biodiversity: Europe is not on the track to meet its objective "to halt the loss of biodiversity". In terrestrial as well as in marine ecosystems the trend is still decreasing.
- Soil: Unsustainable use and management of land causes soil degradation.
- Water: During the last 25 years significant progress in the quality of European waters can be stated. However, more than 50 % of the surface water bodies in Europe are less than good ecological status or potential. 25 % of the groundwater (by area) was stated poor chemical standards. Regarding the objective "To achieve good ecological and chemical status of water bodies" as well as concerning water exploitation and the objective "To achieve good

² INTERREG EUROPE 2014-2020 Cooperation Programme revised final draft, p. 11

quantitative status of water bodies” the EU is attested a “mixed progress” by remaining overall problem and stable trend.

- Global Climate: The world is not on the track, to meet its objective “*to limit increases to below 2° C globally*”. Europe is close to reach its 20 % GHG-reduction target.

Regarding the objective “To decouple resource use from economic growth, to move to a recycling society”, European Union shows a mixed progress across the member states. The overall problem remains with positive development (increasing trend).

Waste generation is still increasing. According the objective “*to substantially reduce waste generation*” Europe is not on the track with negative developments (increasing trend).

Contrary, “Waste management (recycling)” shows a positive trend. Regarding “*Several recycling targets for different specific waste streams*” Europe is on the track and shows a positive development.

Assessment of possible environmental effects

The assessment of possible environmental effects is divided into two main parts: 1) the strategic approach and 2) the expected results of the individual Specific Objectives. Except the zero alternative, i.e. non-implementation of the Programme, no alternative is defined and assessed.

The assessment of the strategic approach covers the Operative Objectives, the Priority Axes and Specific Objectives, the mutual linkages of the Priority Axes, the consideration of ‘sustainable development’ as a horizontal principle, the indicators as well as implementation needs which are required because of the strategic approach.

The assessment reveals that due to the nature of the INTERREG EUROPE only highly indirect effects and contributions can be realised by the Programme. The impact chains from the programme’s interventions to direct environmental effects of projects are quite long. In general, the strategic approach offers a potential for positive effects. This refers to the two Priority Axes with a clear focus on environmental issues (PA 3 - low-carbon economy and PA 4 - environment and resource efficiency) first of all. By tackling those topics several other environmental issues are considered which are directly or indirectly linked to these overarching issues. With 50 % of the available funds (excluding the funds for Technical Assistance), a substantial share of the total funds are earmarked for these two PAs. Priority Axes 1 (Research, Technological Development and Innovation (RTD&I)) and 2 (competitiveness of SMEs) show a less obvious potential. Nevertheless by linking their implementation with environmental issues the likely indirect effects could be strengthened.

Mutual consideration of solutions in RTD&I, SME promotion, low-carbon economy and protection of natural and cultural heritage helps to increase the positive contributions to environmental protection and resource efficiency. The potential of strengthening the positive contributions to environmental protection and resource efficiency by making use of those internal interrelations is not systemically exploited by the Programme.

Some of the defined output indicators contribute potential negatively because their achievement might cause extended travelling across Europe. The formulation of the critical indicators should be revised in order to strengthen the efforts to make use of exchange and communication modes with less potential negative impacts on air, climate and resource consumption.

‘Sustainable development’ is included in the Programme as a horizontal principle. The consideration in the implementation of the different PAs is formulated. Following the stipulations of the Common Provisions Regulation (CPR), sustainable development is also incorporated in the Programme as a horizontal principle. This provides the obligation to consider environmental issues also in the realisation of PAs 1 and 2. However, the consideration could be forced more strictly regarding PAs 1 and 2.

The character and the management of this Europe-wide Programme require extensive travelling of regional partners, representatives of member states, and programme management. Emission of greenhouse gases, air pollution and noise are the most significant issues of transport. It is the ultimate purpose of the Programme to promote the interregional exchange and to provide capacity development by interregional cooperation activities. Therefore, it is not possible to consider actual principle alternatives. Instead, it is recommended to focus more on other means of exchange and types of cooperation and to minimise the number of meetings, visits and events in order to mitigate the environmental impacts.

The assessment of the expected results of each Specific Objective shows a twofold picture.

The impacts on the environment as well as the contribution of the expected results of SO 1.1, SO 1.2 and SO 2.1 to the EU environmental objectives are very limited. The results aim to improve framework conditions and exchange processes. Both of course can show environmental effects in the long run. However, direct or even indirect links of first order can not be stated. Positive indirect effects might be expected if the supported measures are linked with needs of environmental protection issues. But these positive effects cannot be seen as granted.

The situation concerning SO 3.1, SO 4.1 and SO 4.2 is different. For all expected results of these SOs positive indirect effects can be stated. Though even for these Specific Objectives most of the actions to be supported refer to improvement of programming, exchange of experiences and practices, a successful realisation of the proposed results finally can generate positive impacts on the environmental issues related to the individual focus (low-carbon economy, protection and development of natural and cultural heritage as well as resource efficiency, green growth and eco-innovation and environmental management).

Regarding expected result 2 of SO 3.1, attention must be paid to the fact that the generation of energy by particular renewable sources can cause negative impacts on other environmental issues. Increasingly, conflicts between climate protection aims and protection of natural assets and biodiversity aims can be stated in the last years. Support of energy generation by renewable sources has to take those conflicts into account and find an acceptable balance between the conflicting interests. Although the effects of the Programme are highly indirect and problems will actually appear quite distant on the impact chain, it seems necessary to put those possible effects on the agenda in an early stage of the impact chain.

Due to the wide range of potential (indirect) contributions to EU environmental objectives and potential effects on environmental issues the indirect cumulative effect of the Programme is notable. A successful implementation of the Programme establishes mechanisms and builds capacities with positive influences on realising environmental protection more effectively in the future via improved regional policies and programmes.

By promotion of low-carbon economy and environment and resource efficiency the Programme tackles two areas which might generate a number of potential indirect synergetic effects. The mitigation of GHG emissions and the reduction of the consumption of natural resources for energy generation and (industrial) production support also the protection of other environmental media as air, water, soil, biodiversity and landscape. Human health and human well-being is positively influenced by less polluted air, particularly in urban areas, but also by better quality of waters and landscape.

Concerning the potential effects of the Programme as a whole on the environment and contributions to the EU environmental objectives and general EU environmental policy, the Programme is differentiated into two parts: PAs 1 and 2 show little, highly indirect effects and contributions, PAs 3 and 4 can realise also indirect effects and contributions but due to their explicit focus on environmental issues more effectively. The risk of negative effects and contributions is very limited. Only connected to the promotion of specific renewable energy sources potential negative effects have to be considered, e.g. in case of promotion of wind power plants, hydro power plants or biomass power plants.

But even more important for the effect and contribution for the Programme as a whole than the individual PAs are the character and type of interventions planned. The improvement of framework conditions and mechanisms for more effective implementation of regional programmes, policy learning and exchange of interregional experiences expands the scope of (positive) effects. Knowledge and capacities generally open opportunities for an effective consideration and integration of environmental issues in programming and implementation of regional programmes.

Recommendations

Most of the recommendations for increasing the potential of positive effects aim on implementation structures of the Programme. The stricter consideration of the horizontal principle 'sustainable development' as well as mutually linking the different Priority Axes could support the generation of positive effects regarding Priority Axes dealing with RTD&I and competitiveness of SMEs. For both, a pronounced orientation on eco-innovations, green procurement and circular flow economy can improve their contributions to EU environmental objectives and the EU environmental policy.

The given recommendations based on the draft Programme dated 19.11.2013; in the revised draft Programme (11.12.2013) the recommendations are partly considered already.

Monitoring

The highly indirectness of potential environmental effects of the INTERREG EUROPE Programme due to its nature does not allow the identification of measures to monitor possible impacts on the environment by projects funded by this Programme. Thus, the monitoring must aim to ensure that no adverse effects to the EU environmental objectives and the EU environmental policy are supported by INTERREG EUROPE, even if the direct impacts will occur in the long run only. It is proposed to safeguard the consideration of clear environmental criteria in project application manuals of the Programme. Furthermore, the project applications and reports have to cover expected and actually initiated environmental effects even if indirect only. A regular assessment of expected and initialised effects by projects supported by INTERREG EUROPE has to be done in order to avoid incompatibility of the Programme's implementation orientation with the EU environmental objectives and general environmental policy.