

**Ex-ante Evaluation of the
Cooperation Programme INTERREG VB North-West Europe 2014 - 2020**

**Strategic Environmental Assessment
Environmental Report**

Non-technical summary

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NON-TECHNICAL SUMMARY

INTRODUCTION

Strategic Environmental Assessment (hereinafter: SEA) is a key policy instrument to mainstream environmental considerations into plans, programmes and strategies. The main objective of SEA is to ensure that the significant environmental implications of decisions are taken into account before the decisions are made.

The SEA comprises the development of the environmental report on the likely significant effects on the environment as well as consultations of relevant authorities and the public. The findings and recommendations of the environmental report and of the consultations will be considered in the finalisation and approval of the programme.

According to the Directive 2001/42/EC (hereinafter: SEA-Directive) an assessment of the effects on the environment of the **Cooperation Programme INTERREG VB North-West Europe 2014 - 2020** (hereinafter: NWE-Programme) is obligatory.

The assessment covers the general strategic approach, defined Specific Objectives (SOs) and related Types of Actions (ToA) to be supported as well as the defined indicators as stated in the NWE-Programme. The territorial area of the assessment covers the Member States of Interreg NWE (see graphic). The formal time frame for the Programme covers the years 2014 till 2020. Adding 3 more years for the finalisation of funded projects, the period considered in the assessment is 2014 till 2023.

The environmental report is based on the draft NWE-Programme, version dated 4 March 2014.

Area of INTERREG North-West Europe



METHODOLOGY OF THE ASSESSMENT

The assessment follows the methodology prescribed in the SEA-Directive: Referring to the determinations of the NWE-Programme, relevant environmental objectives and related indicators were identified which serve as a base for the description of the present status of the environment and its development trends in the programme's area as well as for the assessment of likely significant effects of the programme on the environment.

Relevant environmental objectives are presented in numerous European directives, strategies, roadmaps and conventions. Indicators are defined to measure the achievement of the set objectives and to describe the status of the European environment. The indicators are also used to formulate 'assessment questions', which serve to appraise the likely significant effects on the environmental issues of the NWE-Programme and its contributions to the relevant EU environmental objectives.

According to the SEA Directive, the assessed environmental issues cover population/human health, landscape, water, soil, air and material assets/cultural heritage (including architectural and archaeological heritage). Additionally, the aspect 'Global Climate' as a separate environmental issue is considered. 'Resource Efficiency' as an important field of interventions with manifold direct and indirect effects on the environmental issues is also included.

It has to be emphasised that the complex interdependencies between the environmental issues are known although the description of the present state of the environment in the NWE area and the assessment of the effects focuses on the individual environmental issues first of all. A detailed description of complex effect-chains is seriously not possible at this high strategic programming level. Statements to existing interdependencies are provided where necessary and possible.

STRUCTURE OF THE NWE-PROGRAMME

The ambition of the NWE-Programme defined by the Partner States says

"To be a key economic player in the world and create an attractive place to work and live, with high levels of innovation, sustainability and cohesion".

The NWE-Programme bases on six identified key challenges in the NWE area which can each be allocated to one of the priorities of the "Europe 2020"-Strategy:

- Challenge 1: Boosting knowledge flows
- Challenge 2: SMEs innovative capabilities
- Challenge 3: Resource and materials efficiency
- Challenge 4: Energy security and supply
- Challenge 5: Vulnerability to climate change events
- Challenge 6: Inclusion

To respond to the challenges, the Member States identified three Priorities which are based on four Thematic Objectives as prescribed by Article 9 of the Common Provisions Regulation (CPR)¹. Within the Priorities a total of five Investment Priorities, as prescribed by Article 5 of ERDF Regulation², are covered which were further focussed in five Specific Objectives, i.e. one Specific Objective per each

¹ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006

² Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006

Investment Priority. The individual Specific Objectives form the framework for concrete interventions to be supported. The latter are described in nine Types of Actions.

Distribution of ERDF-funds per Specific Objective

Priorities	Specific Objectives	assigned ERDF-funds [in Mio. €]*	assigned ERDF-funds [%]*
P1: Innovation	SO1: To enhance innovation performance in NWE through international cooperation	130.7	35.1
P2: Low Carbon	SO2: To reduce GHG emissions in NWE through international cooperation on the implementation of low carbon, energy or climate protection strategies	47.5	12.8
	SO3: To reduce GHG emissions in NWE through international cooperation on the uptake of low carbon technologies, products, processes and services	51.5	13.8
	SO4: To reduce GHG emissions in NWE through international cooperation on transnational low carbon solutions in transport systems	47.5	12.8
P3: Resource and materials efficiency	SO5: To optimise (re)use of material and natural resources in NWE through international cooperation	95.0	25.5
TOTAL		372.2	100.0

* without funds for Technical Assistance

The NWE-Programme is embedded in a framework of numerous European policies, programmes and strategies. Additionally, country specific recommendations for ETC-programmes complement the complex context of this Programme.

EXISTING ENVIRONMENTAL PROBLEMS AND TRENDS OF ENVIRONMENTAL DEVELOPMENT

Despite improvements over the last years numerous challenges concerning the environment exist which need to be solved. Due to the intensive economic activities and high population density in the NWE area, all environmental issues are still under pressure.

This holds particular to:

- Biodiversity: The loss of biodiversity continued; the target to halt the loss of biodiversity by 2010 is missed.
- Air quality: Urban air pollution concentrations are still too high causing problems on human health.
- Global Climate. Although the greenhouse gas (GHG) emissions in Europe have fallen evidently in NWE, global warming however presents a considerable challenge; climate change effects are starting to become evident, adaptation is needed to protect people, buildings, infrastructure, businesses and ecosystems.

ENVIRONMENTAL EFFECTS OF THE PROGRAMME

The (financial) extent of the Programme and the proposed Types of Actions do not allow, considering the spatial coverage of the programme, for widespread, significant direct effects on the environment in the short-run. Instead, ERDF-programmes like the NWE-Programme have an important function for

strengthening the framework conditions for the transition towards a resource efficient, low carbon economy ('green economy') and for the establishment of a circular economy. The NWE-Programme serves this function by its general strategic approach and by the proposed individual Types of Actions as well.

The assessment follows three steps:

- At first the strategic approach of the NWE-Programme is analysed concerning the general orientation of the defined Priorities and Specific Objectives, the interrelations between the Priorities, the consideration of the horizontal principle 'sustainable development' and the defined indicators.
- Secondly the effects of individual Specific Objectives and Types of Actions are assessed. Due to the fact that detailed conditions of the individual funded projects (location, volume, aim, activities, etc.) are not known, the assessment has to focus on qualitative statements and the presentation of general cause-effect-relations.
- In a third step the overall potential effects of the NWE-Programme on the individual environmental issues and contributions to EU environmental objectives are assessed. For this, assessment questions per environmental issue were formulated based on the environmental objectives and related indicators.

At the **strategic level** two elements are decisive to support positive contributions of the NWE-Programme to the EU environmental objectives:

- Two out of the three priorities (Priority 2: 'low carbon' and Priority 3: 'Resource and material efficiency') aim directly at the improvement of development, testing and uptake of new technologies in the fields of reduction of GHG-emission and resource efficiency. The term 'new technologies' includes products, services, and processes but also management systems, governance arrangements and networks. A comprehensive set of necessary conditions for further improvement of climate protection and resource efficiency can therefore directly be addressed. Under Priority 1 ('Innovation') capacities will be developed to improve the innovation performance in regions and of enterprises. These capacities could serve as important intermediate structures and 'transmission belts' for promoting the transition towards green economy.
- The criterion "project proposals are only eligible if the project objectives and activities do not conflict with the principles of sustainable development, as defined by the programme" asks for an early consideration of the principles of sustainable development in the preparation of projects, even though the criterion is formulated quite soft.

At the **level of Type of Actions (ToA)**, the actual effects and their characteristics depend on the design, execution conditions and results of the projects supported by the NWE-Programme which in turn depend on the effective application of selection criteria related to environmental, climate and resource protection.

According to the orientation of the Priorities 2 and 3 with the Specific Objectives 2 - 5, all supported projects need to contribute to the mitigation of CO₂-emissions or to resource efficiency. Additionally under Specific Objective 2 (ToA5) projects will contribute to adaptation to risks of climate change. For the supported projects under Priority 1, respectively Specific Objective 1, the link to topics related to environmental, climate or resource protection is not required in the NWE-Programme consistently. However, the consideration of principles of sustainable development is required.

The risk of significant negative effects and conflicting contributions to sustainable development is limited, nevertheless existent. Potential negative effects have to be considered connected to the promotion of energy generation out of renewable energy sources, e.g. wind power plants, hydro power plants, biomass power plants, large solar power plants on green fields or distribution networks, but also connected to construction work linked to adaptation measures.

The assessment of the cumulative and synergistic effects can be done in an abstract manner only. Important criteria of a detailed assessment as the particular spatial conditions and the extent, duration, frequency and the range of the effects are not known. Fields of positive cumulative effects can be seen in reducing CO₂-emissions and improvement of resource efficiency; cumulative effects on particular territories cannot be assessed due to lack of details regarding territorial aspects and contents of the projects. By promotion of low-carbon economy as well as resource efficiency the NWE-Programme tackles two areas which could generate a number of potential **synergistic effects**: (a) the mitigation of GHG-emissions and (b) the reduction of the consumption of resources for (industrial) production and energy generation. These also 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, landscape and soil.

Summarising it can be stated that the NWE-Programme shows a strong potential to generate positive effects on the environment and to contribute to the EU environmental objectives. This holds for effects delivered by the projects as well as for developing framework conditions to strengthen the transition towards a green economy and to respect sustainable development. Decisive tools to exploit the potential of the programme are: A thorough assessment of applications, ensuring the selection of projects with the best possible contribution to environmental, climate and resource protection and an effective monitoring of the implementation of projects.

The assessment of the alternative to change the funding of the individual priorities revealed that shifting of the funds in favour of Priorities 2 and 3 would generate limited additional positive effects concerning climate and resource protection. At the same time this change of funding would reduce the enhancement of innovation performance capabilities.

For mitigating the potential negative effects only general procedural recommendations can be made:

- The potential for tiering, i.e. assessing effects on the level of projects being funded by the NWE-Programme, must be strictly used.
- Beside the application of formal procedures, environmental competences must be integrated with the approval of applications showing the risk of potential negative effects on environmental issues.
- Prior to the approval phase, an important instrument for the mitigation of potential negative effects (and strengthening potential positive effects too of course) is building capacities to provide advice to the applicants.

RECOMMENDATIONS

Although the NWE-Programme contributes to the set EU environmental objectives recommendations can be given in order to exploit the potential to an optimum. The recommendations aim mainly on arrangements concerning the implementation of the programme.

1. In chapter 8.1 it is stated that “innovation in the NWE programme strategy also includes eco-innovation”³. However, the consideration of eco-innovations as a privilege for the selection of projects should be added for Priority 1, respectively Specific Objective 1. Projects under priority 1 should also, as far as possible, respond on the environmental challenges in the NWE area and contribute to the transition towards green economy.

The compliance of Priority 1 with important EU environmental priorities could be strengthened; the positive contribution to these priorities would not “depend on the actual projects”.

³ NWE-Programme; p. 81

2. Additionally to recommendation 1, selection criteria should be included in chapter 8.1 clearly asking for the contribution of the proposed projects on the environmental challenges in the NWE are as there are resource and materials efficiency, GHG-emission and vulnerability to climate change events.

The current formulation “do not conflict with the principles of sustainable development” as stated in chapter 8.1 opens a wide room for interpretations and different perceptions.

It should also be stated explicitly that EU and national environmental legislations must be applied and EU and national environmental standards must be met by all supported projects.

3. In the selection process for projects aiming on the promotion of energy generation by renewables and distribution networks (ToA4 and ToA5 of SO₂, ToA6 of SO₃), the possible effects on biodiversity, landscape, soil and water have to be taken into account seriously. The use of second generation biomass (e.g. agricultural waste, organic waste, sludge) should be promoted.
4. By designing appropriate implementation guidance or application manuals, the consideration and incorporation of criteria concerning environmental, climate and resource protection in project applications must be ensured. The criteria must not be too strict but should guarantee a sufficient environmental quality standard of the projects.
5. Each project application should be complemented by a concise description of the environment-related aspects to be addressed and of expected environmental effects. Depending whether the project has a clear territorial focus, a short description of the existing environmental conditions could be added.
6. At the level of the Member States, arrangements should be established to enable applicants to receive information and advice for the consideration of environmental aspects in the design and execution of projects.
7. Relevant national or regional authorities responsible for environmental and nature protection should be involved in the assessment and selection of project applications.
8. To exploit the potential to an optimum, the Joint Secretariat should support the exchange of information and knowledge between beneficiaries on the projects’ outputs and lessons learned of the different Types of Actions. This should be done for projects within one priority or across the different priorities. The functions of the Joint Secretariat could be complemented with: “Promotion of information exchange and cooperation between the beneficiaries of the different supported projects.” It could be linked to the listed function “to assist and organise activities to support project generation and development” (function h)⁴.

NOTES ON PROBLEMS IN THE COMPILATION OF REQUIRED DATA AND INFORMATION

In the course of the assessment, no problems occurred to find and use accurate data and information.

PROPOSED MONITORING MEASURES

The SEA Directive requires that “Member States shall monitor the significant environmental effects of the implementation of the plans and programmes, in order, inter alia, to identify at an early stage unforeseen adverse effects, and to be able to undertake appropriate remedial action.”⁵

⁴ NWE-Programme; p. 64

⁵ Directive 2001/42/EC, Art. 10

The lack of details of supported projects does not allow the identification of measures to monitor concrete possible effects on the environment. The monitoring must aim to ensure that no adverse effects to the EU environmental objectives and the EU environmental policy are supported by the Programme, even if the effects will only occur in the long run.

Monitoring measures should include:

1. Environmental criteria have to be safeguarded by including them in the project implementation guidance or application manuals of the NWE-Programme.
2. The consideration of potential environmental effects has to be proven in the application for a project. Projects which potentially show effects not compliant with EU environmental objectives and with the principles of sustainable development as described in the application manual can be screened out or amendments can be demanded by the Monitoring Committee. The selection process must be used to avoid contradictions to the effective EU environmental objectives and the general EU environmental policy.
3. In the progress and final reports of the projects the initiated indirect effects should be described and assessed towards the expected effects stated in the applications.
4. As part of the function “to monitor progress made by projects through collecting and checking project monitoring reports, monitoring outputs, results and financial implementation”⁶ of the Joint Secretariat, the expected effects and contributions and the actually initiated ones as stated in the projects progress and final reports have to be compiled and assessed on regular base in order to avoid incompatibility of the overall implementation orientation of the NWE-Programme towards the effective EU environmental objectives and general environmental policy.
5. As part of the monitoring systems to be established and in course of defining indicators, complementary to the result and output indicators, to ensure an effective progress and implementation monitoring⁷, adequate indicators should be defined to measure the contribution of the NWE-Programme to the effective EU environmental objectives in particular and sustainable development in general. Areas of monitoring could be:
 - Energy consumption
 - (Raw-) material consumption
 - Land take for construction
 - Direct and indirect impacts on biodiversity
 - Pollution of water and air.
6. Depending on the nature of the individual projects, relevant existing national, regional and/or local environmental monitoring systems should be used (for example to measure air pollution, noise, water pollution). Relevance and mode of utilisation could be clarified by involvement of the authorities responsible for the monitoring (linked to recommendations 6 and 7).

⁶ NWE-Programme; p. 64

⁷ NWE-Programme; p. 69