EUROPEAN COMMISSION
DIRECTORATE-GENERAL
REGIONAL POLICY

The Director-General

Brussels, 13.09.2006* 08575
REGIO/C.1/PG/aa D(2006) 310640

Subject: **Recommendations to the Commission on the financing of major projects**

Dear Ms Stoczkiewicz,
Dear Mr Konečný,

Thank you for your letter of 13 July highlighting in particular your concerns about transparency for the European citizen and the health effects due to environmental pollutions. In addition to our letters of 28 April and 23 June, I hope that you will find the following elements of clarifications useful.

I regret that you interpret our views on the on-line information system that you propose as a lower standard than used by the EIB. I would like to highlight the different roles that both institutions have in approving and managing a project.

The EIB webpage to which you refer makes it clear that the EIB has a direct role in project management. The Commission simply defines the physical object, the amount to which the co-financing rate applies and the annual plan of financial contribution of the Funds, according to Article 41.2 of Council Regulation (EC) No 1083/2006, laying down general provisions on the structural funds. As a consequence the appraisal process is of a different nature. The shared management of the Cohesion Policy Funds leads to the Member States having the final responsibility for the quality of a project and compliance with existing EU and national legislation.

I would argue that the partnership principle in drafting and monitoring Cohesion Policy Programmes, the application of the SEA Directive by the Member States in drafting programmes, the indicative list of major projects provided in the operational programmes, the application of the EIA Directive to projects provides assurances for quality programmes and projects. Furthermore in all these stages individuals and organisations concerned by the particular project have ample possibilities to make their views known to the project managers. The Commission Decision procedure is foreseen to obtain a final check on value-for-money.

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To acknowledge the receipt of a major project application and trace it via an on-line information system would distract from the fact that the debate between interested parties should take place within the Member States, if necessary via the legal system. A citizen who is not initiated in the administrative structure of Cohesion Policy may be led to believe that the Commission can be considered as a Court of appeal. I believe that it is therefore for good reasons that the legislator has not foreseen a project workflow information system at the Commission level.

About waste management, we certainly understand and share your concerns for health and recycling. In my letter to you of 23 June, I have clearly expressed that we would indeed generally favour and encourage investments in the prevention, recycling and composting of waste. You will remember that the Commission urges Regions to have waste management plans. You suggest taking this a step further by setting a condition for funding incineration based on the level of recycling. I have to stress that we do not have legal bases to introduce conditionality in the decision-making process of the major projects. According to Article 40 and 41 of the above mentioned Regulation, the Commission has only the power to appraise a major project on the basis of its consistency with the priorities of the operational programme, its contribution to achieve the goals of those priorities and its consistency with other Community policies. Then, the project is approved or refused.

While agreeing to your emphasis on more definitive arrangements, I believe nevertheless that is also important to invest in incineration facilities. Where we have a choice between investments in incineration or acceptance of landfill our choices seem to diverge. I believe public health will benefit in these cases from investments in incineration whereas you seem to indicate a preference for waiting with investments until the situation is ripe for recycling or composting.

I hope these clarifications are useful to you. I appreciate your creative suggestions for furthering the environment agenda through Cohesion Policy. I hope you will understand our legal constraints and the balance that we need to find between conflicting demands and interests.

Yours sincerely,

Graham Meadows.

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