

***PART 2 STRUCTURAL FUNDS AND
ENVIRONMENTAL ASSESSMENT***

2.1 A BRIEF OVERVIEW OF THE EU COHESION POLICY CONTEXT

Community Regional Policy or Cohesion Policy as it is now being called, is playing a major role in balancing the economic and social development of the EU. Since 1988, when the first reform of Community regional aid instruments took place, major changes in the way that policy is being delivered have occurred. The 5 principles of Cohesion Policy - *concentration* (targeting of regional aid on specific development Objectives), *partnership*, ⁽¹⁾ *consistency*, *improved administration of the Funds*, *simplification* - are now the basis for the delivery of Community Funds to the various regions. The economic and social impact of the Funds has been substantial especially for the poorer regions of the Union.

The Structural Funds are the principal EU financial instrument for the delivery of regional aid within the Union. There are currently four separate Funds:

- The European Regional Development Fund (ERDF);
- The European Agriculture Guarantee and Guidance Fund (EAGGF) (Guidance Section);
- The European Social Fund (ESF); and
- The Financial Instrument for Fisheries Guidance (FIFG).

Resources from these Funds are allocated to eligible regions on the basis of predetermined development Objectives and consist of financial assistance programmes geared to specific development priorities for those regions.

The Financial assistance is usually in the form of a multi-annual package. ⁽²⁾

The details of each Objective are as follows:

- **Objective 1** - promoting the development and structural adjustment of the regions whose development is lagging behind.
- **Objective 2** - converting the regions or parts of regions seriously affected by industrial decline.
- **Objective 3** - combating long-term unemployment and facilitating the integration of young people into the work place, promotion of equal opportunities.
- **Objective 4** - facilitating the adaptation of workers to industrial changes and to changes in production systems.
- **Objective 5a** - speeding up structural adjustment in the framework of the CAP reforms and promoting modernisation and structural adjustment of the fisheries sector.
- **Objective 5b** - facilitating the development and structural adjustment of rural areas.
- **Objective 6** - development and structural adjustment of regions with an extremely low population density.

(1) See Glossary.

(2) See Glossary.

In terms of the above current Objectives, this Handbook is only focusing on the key geographical Objectives as it is these which are principally covered by the requirements concerning *ex ante* strategic environmental assessment. These Objectives are 1, 2, 5b and 6. Typical actions likely to be co-financed within the regional Objectives concerned are shown in Table 2.1.

With the publication of *Agenda 2000* - the European Commission's political and financial perspective for the future enlargement of the EU - in 1997, a number of proposals have been made to improve the flexibility and administration of the regional funds. Of particular interest also, is the desire of the Commission to further concentrate or target the regions receiving Structural Funds assistance and to reduce the number of regional Objectives to just three. There is also likely to be greater flexibility given to the Member States with respect to implementation of programmes, particularly in the area of monitoring and administrative arrangements. Moreover the integration of the environmental dimension into the Structural Funds process is likely to be further strengthened in order to promote sustainable development.

2.2 THE STRUCTURAL FUNDS PROCESS

2.2.1 Stages in the Structural Funds Process

The Structural Funds process, as presented in Figure 2.1, is characterised by a series of steps:

- Preparation by the Member State and/or regional authority of a Regional Development Plan for an eligible region or area in accordance with the regulatory requirements for the

particular type of development Objective;

- Submission of a Regional Development Plan by a Member State for a particular region(s), its prior appraisal by the Commission services in accordance with the current requirements of the Objectives specified in the Structural Funds Regulations;
- Negotiations on the development strategy and funding priorities between the Member State and/or regional authorities and the Commission;
- The drawing up of an agreed programming document ⁽¹⁾ setting out the budgetary envelope, aims, objectives, priorities, eligible measures, monitoring and evaluation procedures and general implementation requirements;
- Programme implementation - project selection and approval, ongoing monitoring and evaluation against prior agreed indicators; ⁽²⁾
- *Ex-post* evaluation of the achievements of the programme as measured by prior agreed economic and physical indicators.

Programme implementation is the responsibility of the Member States and/or regional authorities and is achieved through the establishment of a Monitoring Committee composed of Member State representatives, the Commission, economic and social

(1) It becomes either a Single Programming Document (SPD) or a Community Support Framework (CSF) with supporting Operational Programmes (OPs). SPDs or CSFs and OPs perform the same function but are structured differently. A SPD contains the development strategy and details the actions to be funded; a CSF contains the development strategy but the actions to be funded are detailed in separate OPs.

(2) See Glossary.

partners and other partners as appropriate. The Monitoring Committee is responsible for the overall co-ordination of the financial and physical progress of the programme. The Monitoring Committee sets the ground rules for project selection, financing and monitoring against agreed financial and physical indicators.

For programmes lasting six years or more, the current Regulations require the undertaking of a “mid-term review” which is intended to validate the stated aims of the programme, assess the effectiveness of programme management, identify project performance and outputs to date, monitor spending against targets ⁽¹⁾ and suggest ways to correct any weaknesses in the programme.

Finally, at the end of the programme or one to two years after it has been completed there is a requirement to conduct an *ex-post* evaluation which is designed to provide an overview of the performance and effectiveness of the programme when compared with its stated objectives and targets. This exercise is also used to identify any lessons to be learnt in order to increase the effectiveness of future programmes.

While there is potentially an environmental dimension or aspect to each of the different steps in the Funds process, this Handbook concerns itself primarily with the *ex ante* phase, that is the preparation of regional plans and programmes and how to undertake a Strategic Environmental Assessment of a proposed plan or programme, its strategy, priorities and measures.

Table 2.1 *Typology of Development Projects, Aid Schemes or Other Interventions Within Objectives 1, 2, 5b and 6*

Objective 1

Basic infrastructure - transportation projects (road, rail, ports, etc.), environmental infrastructure, productive investment including R&D provision, energy production and supply, energy efficiency measures, human resources including technical and advanced training, combating long-term unemployment, agriculture and rural development aid schemes, support for fishing communities and investments in the fisheries sector.

Objective 2

Limited basic infrastructure support mainly public transport provision and clean-up and rehabilitation of contaminated land, image enhancement of run-down urban areas, productive investment supports focused mainly on SMEs, enhancement of knowledge-based industries, industrial waste recycling, energy efficiency, improving environmental performance, waste minimisation, training actions in support of SMEs and community economic development measures.

Objective 5b

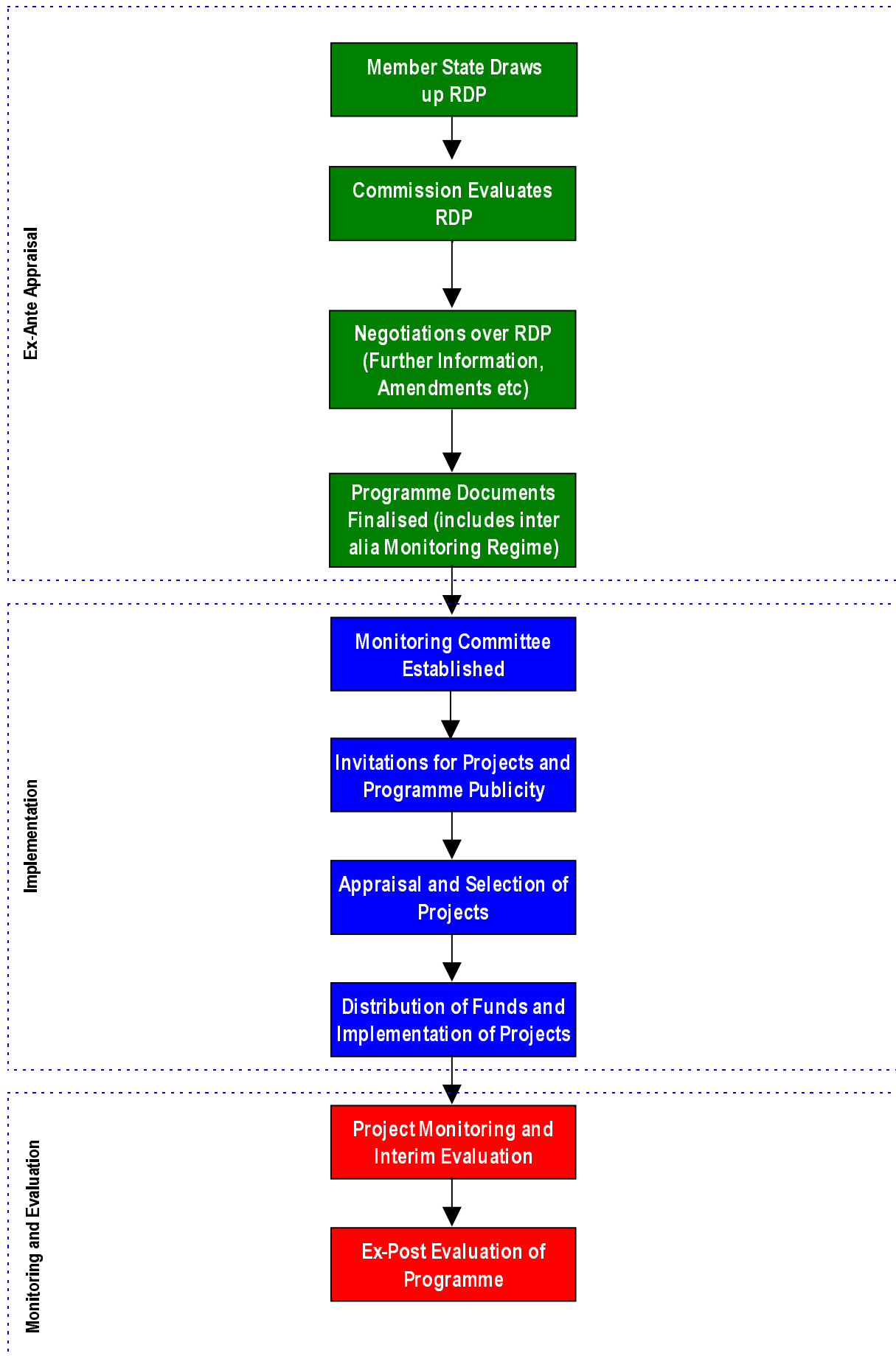
Agricultural diversification activities such as agri-tourism, non-quota stock and crop activities, forestry and forest product related activities, the construction of rural infrastructure (roads, water supply and wastewater treatment), set-up and support for SMEs (village based), investments in human resources (training to support new activities), tourism (complementary to agri-tourism) focusing on increasing and improving accommodation, tourism products and protection of the natural and cultural heritage.

Objective 6

Objective 6 targets the development of sparsely populated areas in Sweden and Finland. In general, the types of activities likely to be co-financed by the Structural Funds in these regions are similar to Objectives 1 & 5b though the cultural and ethnic dimension is also very much to the fore. Forest related activities, tourism development and SME support and training dominate the current Objective 6 programmes.

(1) See Glossary.

Figure 2.1 *Summary of the Structural Funds Process*



2.2.2 *The Handbook in Context*

economic sectors (Transport, Agriculture,

This section of the Handbook looks at the context in which environmental issues should be more fully considered within the Structural Funds process. In particular, the following aspects are discussed:

- Environment and Regional Development;
- EU policy on Environment and Sustainable Development;
- Key EU environmental legislation and its consequences for assisted regions; and,
- Spatial planning and the environment.

Environment and Regional Development

In the past, the negative relationships and tensions that exist between environment and regional development have tended to be emphasised. However, there is a now growing awareness of their complementary nature. The environment (in all its facets) itself, is now recognised as a major determinant of regional development. Natural resources (water, air, soils, etc.) are the basic support elements for man and ecosystems. The quality of the environment determines regional attractiveness and as such is a location factor for investments. However, the environment and its components are not inexhaustible nor can they be exploited indefinitely without depletion or degradation.

Developments in environmental policy within the EU are leading from reliance on a “command and control” approach to environmental management towards a broader proactive approach based on the concept of *sustainable development*.

Environmental and sustainable development principles should be internalised within other policies - particularly those related to the principle

Tourism, Industry and Energy). This requires changing our approaches to environmental problems from dealing with the symptoms to influencing the design and implementation of the policies causing the problems in the first place. This is very much the view of the European Commission.

In 1995 the Commission published its communication on "Cohesion Policy and the Environment" ⁽¹⁾. Section 2 of the Communication notes that:

"In the past, environmental protection and economic development had often been perceived as conflicting objectives. However, there is now an increasing awareness that environment and regional development are of *complementary character*".

It goes on to say:

"On the other hand the financial transfer effect of Cohesion policy puts administrations, as well as enterprises of the least favoured regions in a better situation to cope with environmental problems (by strengthening their investment capacity), and thus gives opportunities to improve environmental standards and quality".

It is evident from these statements that the environment is viewed by the Commission as an important element within Cohesion policy and regional development. However, the majority of programmes have some scope for causing damage to the environment either directly, through funding for projects or aid schemes (e.g. new transport

infrastructure or development sites), or indirectly, through the environmental problems that successful programmes may induce (problems such as traffic congestion, resource use and waste management). On the other hand, most programmes will have scope to improve the environment in ways ranging from investment in basic environmental infrastructure through to training for workers in industries with environmental impacts. The key then, is to try to minimise the negative tendencies while maximising the positive synergies that exist between development priorities and the environment in which they take place.

EU Environmental Policy - the 5th Action Programme - Towards Sustainable Development

The Amsterdam Treaty has strengthened the principle of integration of the environmental dimension within other EU policies building on the changes to the Treaty introduced in 1993 by the Maastricht Treaty.

The principle of sustainable development is more clearly stated as a goal for all EU policies, including Regional & Cohesion Policy and the principle of integration is now seen as the basis on which EU policies must be defined and implemented in order to achieve sustainable development.

Since the adoption of the European Community's first five year environmental action programme in 1973 the Community has developed a wide range of environmental legislation and policy instruments. In recent times Community environmental policy along with other areas of policy making has identified the need to reconcile economic development and the environment.

(1) Com(95) 509 final of 22.11.1995

The current policy on the environment is described in *Towards Sustainability, a European Community Programme of Policy and Action in Relation to the Environment and Sustainable Development* ⁽¹⁾.

¹⁾ This document is more usually referred to as the Fifth Environmental Action Programme (5EAP) and was adopted by the Council of Ministers for the Environment in 1993. The 5EAP runs to the year 2000 and commits the EU to promote sustainable development through its policies and actions. It sets out a series of key objectives and a strategy for achieving these.

For the purposes of the 5th Action Programme the following definition of sustainability is used:

".....the word 'sustainable' is intended to reflect a policy and strategy for continued economic and social development without detriment to the environment and natural resources on the quality of which continued human activity and further development depend.."

The objectives of the 5th Action Programme include:

- *Sustainable management of natural resources: soil, water natural areas and coastal zones;*
- *Integrated pollution control and prevention of waste;*
- *Reduction in the consumption of non-renewable energy;*
- *Improved mobility management, including more efficient and environmentally rational location decisions and transport modes;*
- *Coherent packages of measures to achieve improvements in environmental quality in urban areas; and*
- *Improvement of public health and safety, with special emphasis on industrial risk assessment and management, nuclear safety and radiation protection.*

The overriding goal of the Programme is to move towards sustainable development via the sustainable use of natural resources. The 5EAP intends to do this by focusing on the agents of change rather than continuing to deal with the symptoms. Five key target sectors of economy have been identified - ***industry, energy, transport, agriculture and tourism*** - where the objective is to make them more responsible for their environmental impacts by ensuring that they integrate environmental and sustainable development principles into the definition and implementation of their policies and instruments.

In addition to focusing on these sectors of the economy, the Action Programme addresses seven environmental themes where greater efforts have to be made to ensure that they are managed as effectively as possible because they are to some extent barometers of environmental and human health. These are:

- climate change;
- acidification and air pollution;
- depletion of natural resources and biodiversity⁽²⁾;
- depletion and pollution of water resources;
- deterioration of coastal zones; and
- waste.

(1) Resolution 93/C 138/01. Published in the Official Journal of the European Communities, 17/05/93.

(2) See Glossary.

(note: Since the review of the 5th Action Programme in 1995, noise and urban environment have been added to the themes above).

The themes address the principal issues which are regarded as being of EU wide significance either because of trans-boundary, internal market, shared resource or cohesion implications and because they impact on the environment in all EU regions.

Insofar as Cohesion policy and the Structural Funds are concerned, Member States are required to ensure that in drawing up and implementing regional development plans and programmes they have regard to the goals and objectives of EU environmental policy.

Key EU Environmental Legislation and its consequences for Assisted Regions

All Community environmental legislation has its basis in the Treaties that govern the European Union. Environmental Policy and its relationship to Cohesion Policy, is set out clearly in Article 174 of the Amsterdam Treaty (which replaces Article 130r of the Maastricht Treaty). Essentially, Community environmental policy will aim at a high level of protection taking into account the diversity of situations in the various regions of the Community. This does not imply that there can be "exemptions" from Community legislation however, but rather, that the Community's environmental rules (existing and future Directives and Regulations) should take into account regional diversity. This is both politically, economically and scientifically valid given the wide diversity of conditions within the territory of the Community.

The First Cohesion Report (1996) identified three factors which determine the impact of Community environmental policy and legislation on the regions :

- The quality of the environment prior to implementation of the legislation in question;
- The availability of infrastructure for the management of water resources, waste management etc; and
- The relative importance of economic activities affected by environmental legislation.

From an operational point of view, a number of key Community Environmental Directives are particularly important in regard to the Structural Funds and the measures they support. These include Directives which influence the use of land, assess the environmental impact of projects prior to authorisation and implementation or control the operation of certain activities.

Directives influencing the Use of Land and Development Control:

- Council Directive 85/337/EEC on the assessment of the effects of certain private and public projects (Environmental Impact Assessment Directive, EIA); ⁽¹⁾
- Council Directive 79/409/EEC on the conservation of wild birds (Birds Directive) ;
- Council Directive 92/43/EC on the conservation of natural habitats and of wild fauna and flora (Habitat Directive);
- Council Directive 96/61/EC concerning Integrated Pollution Prevention and Control (IPPC Directive);

(1) See Glossary.

- Council Directive 91/676/EC concerning the protection of waters against pollution by nitrates from agricultural sources (Nitrate Directive).

These Directives currently exert, or will exert, considerable influence on the control of developments throughout the Community. All are currently in force.

Council Directive 85/337/EEC has been recently amended by the Council of Ministers (Directive 97/11/EC). The amendments are to be brought into effect by March 1999. This Directive *requires the carrying out of an assessment of the likely environmental effects of certain public and private projects prior to receiving authorisation*. The Directive is mandatory for certain types of projects and discretionary (subject to either case by case evaluation, or thresholds or criteria) for other types. Many of the types of actions co-financed by the Structural Funds are covered by this Directive.

Both the Birds and Habitats Directives (Directives 79/409/EEC and 92/43/EEC) require the *designation and protection of important areas for Birds, other fauna and flora*. There is an ongoing and progressive implementation of both Directives throughout the Community, but full classification and designation of all known areas of importance is still far from complete. Particular care should thus be taken when undertaking Structural Funds actions which may potentially have a negative impact on designated or proposed sites.

The IPPC Directive (96/61/EC) has only been adopted relatively recently. Its purpose is to ensure that *all emissions to the environment are considered in an integrated fashion* and that any cross media environmental impacts from, specified manufacturing industries, are

considered *prior to the commencement of operation of an industrial facility*.

The Nitrates Directive (91/676/EEC) requires *the designation and protection of vulnerable zones* from the point of view of surface and groundwater pollution by nitrates from agricultural sources. The process of identification and designation of vulnerable zones is still ongoing.

Directives concerned with the regulation or the operation of certain activities:

- Council Directive 91/156/EEC on Waste.
- Council Directive 91/689/EEC on Hazardous Waste.
- Council Directive 91/271/EEC on Urban Waste Water Treatment.

These three Directives are particularly important from a Structural Funds viewpoint as there is currently a large volume of co-financed expenditure by the Regions (in particular the most lagging regions) in remedying deficiencies in basic environmental infrastructure (wastewater treatment, waste recycling, recovery, treatment and disposal). It is therefore important to ensure that any investments being made in these areas are consistent with the appropriate plans (waste, hazardous waste, etc) drawn up at national or regional level for the implementation of these Directives. All of these Directives have a requirement for plan making within their provisions which, if already undertaken, greatly facilitates assessment of environmental and economic costs and benefits.

Table 2.2 lists some of the Community's key environmental legislation and its relationship to the typical range of Structural Funds interventions. This list is not intended as a comprehensive overview of all relevant legislation, but simply as an example of the links between environmental law and development sectors. In reality, one or more Directives may be relevant and will need to be taken into consideration, depending on the nature and location of proposed development.

The EMAS Regulation

Table 2.2 also refers to the Eco-Management and Audit Scheme Regulation (93/1836/EC). This is a scheme for voluntary certification which became operational in April 1995. The objective is to promote continuous

improvements in the environmental performance of industrial activities by:

- establishing and implementing environmental policies;
- evaluating a company's environmental performance systematically, objectively and periodically; and
- providing information on environmental performance to the public.

In this context, the Regulation is relevant in terms of opportunities rather than constraints. Structural Funds can provide SMEs in less favoured regions with an incentive (financial support) and a momentum for taking on board voluntary certification.

Table 2.2 Example of Key Environmental Legislation and its Relationship to the Typical Range of Structural Funds Interventions

Structural Funds action	Example of Relevant Key Environmental Directives
Investment Type: Basic Infrastructure:	
Motorways, express roads, TGV	EIA (85/337/EEC and 97/11/EC) Birds (79/409/EEC) Habitats (92/43/EEC)
Other public transport	EIA (85/337/EEC and 97/11/EC)
Water supply - storage, distribution & treatment	EIA (85/337/EEC and 97/11/EC) Habitats (92/43/EEC) Drinking waters (80/778/EEC) Nitrates (91/676/EEC)
Wastewater collection & treatment	EIA (85/337/EEC and 97/11/EC) Birds (79/409/EEC) Habitats (92/43/EEC) Urban Wastewaters (91/271/EEC)
Municipal waste management & hazardous waste management	EIA (85/337/EEC and 97/11/EC) Waste & Hazardous waste (91/156/EEC and 91/689/EEC)
Investment Type: Productive Investment	
Provision of industrial sites & treatment of contaminated land	IPPC (96/61/EC) EIA (85/337/EEC and 97/11/EC) Dangerous Substances (67/548/EEC) Waste (91/156/EEC) Hazardous Waste (91/689/EEC)
Energy efficiency & waste minimisation, pollution control	EMAS Regulation 93/1836/EC (voluntary certification)
Tourism development (accommodation), development of tourism facilities.	EIA (85/337/EEC and 97/11/EC) Habitats (92/43/EEC)
Investment Type: Rural Development Infrastructure	
Control of farmyard pollution	Nitrates (91/676/EEC) Dangerous Substances (67/548/EEC)
Agri-tourism, SME development, farm diversification schemes,	EIA (85/337/EEC and 97/11/EC) Habitats (92/43/EEC) IPPC (96/61/EC)
Aquaculture, development, afforestation, biomass	EIA (85/337/EEC and 97/11/EC) Habitats (92/43/EEC) Birds (79/409/EEC)

Spatial Planning

Land use, to a significant extent, determines the pressures exerted upon the environment. These in turn, combined with the degree of vulnerability of the environment, determine the quality of the environment. Pressures and vulnerability vary considerably from one place to another as does the quality of the environment and its natural resources. The Community territory (15 Member States) is characterised by extraordinary variability in its environment in terms of natural resource endowment, degree of exploitation and quality of environment. Because of this, spatial planning is essential as a tool for matching development policies and subsequent land use with the capacity of an area or region to absorb it.

The growing interdependence of the various parts of the Union and the considerable influence exerted by Community policies can no longer be ignored by the Union and planning authorities in the Member States. As a consequence the Ministers responsible for Regional Policy and Spatial Planning in the Member States, together with the European Commission have committed themselves to preparing a European Spatial Development Perspective (ESDP). In June 1997, at Noordwijk in the Netherlands, they adopted a First Official Draft of the ESDP.

Its main principles are that :

- spatial planning and development can contribute in a decisive way to the achievement of the goal of economic and social cohesion ;
- the ESDP may contribute to the implementation of Community policies which have a territorial impact, but without constraining the responsible institutions in exercising their responsibilities ;

- it will respect the principle of Subsidiarity;
- each Member State will take it forward according to the extent it wishes ;
- *the central aim will be to achieve sustainable and balanced development* of the Community territory.

The main political aims are:

- A more balanced and polycentric system of cities and a new urban-rural relationship;
- Parity of access to infrastructure and knowledge;
- Prudent management and development of natural and cultural heritage.

Spatial planning should be seen as an integrated approach and is, in its broadest sense, being advocated as a reference framework for co-ordination of economic and social development of the Community. In particular it is being seen as a means of ensuring that the territorial impact of certain Community Policies within Member States is taken into account in their development and their implementation within Member States.

This Handbook targets the Structural Funds planning process - the key mechanism for the implementation of EU Regional and Cohesion Policy. Plans put forward under the Structural Funds should complement local and regional spatial and development plans and share a number of common elements. One of these is regard for the environment. In particular, even if there was no requirement to comply with Structural Funds Regulations or the broader body of EU environmental legislation, or if there was no recognition of the positive links between environment and development, there is a compelling case to consider the environment: the environment is an

integral part of any spatial or territorial planning process.

Spatial planning can be used to ensure balanced and sustainable development. To achieve this requires recognition of:

- The constraints imposed by the physical/ environmental attributes of an area. For example, urban air quality problems or sensitive ecosystems may mean that new industrial facilities in an area may not be appropriate;
- The constraints imposed by the policy and institutional context relating to the environment. For example, national parks (and often other protected areas) inevitably restrict the types of development that can be considered in an area;
- The potential of improved environmental quality for economic attractiveness of urban areas - proper traffic management, waste management and air quality management;
- The environmental issues and problems which need to be addressed. For example, urban sprawl, land degradation or water table depletion all require the attention of spatial planners; and
- Broader policy objectives that planning must take due regard of. For example, changes in national transport policy require a reassessment of the planning framework.

However, spatial planning should not be seen as an end in itself. It is an instrument, not a policy, which can help integrate different and often competing sectoral policies. It also offers possibilities for more "proactive" approaches to the spatial development of the Community, Member States and regions rather than continuing with the often reactive approach pursued to date.

The more proactive approach to spatial development requires *a priori* influencing the sectoral policies themselves (transport, energy, agriculture, etc.), helping to ensure that their territorial impact - economic, social and environmental - is a positive one. The proposed Council Directive ⁽¹⁾ on the assessment of the effects of certain plans and programmes on the environment is intended to provide a framework for this pro-active dimension in the future.

(1) COM(96) 511 final of 04.12.96

2.3 THE HANDBOOK'S ASSESSMENT METHODOLOGY

2.3.1 Introduction

Increasingly, regional and national plans (sectoral or multi-sectoral) are being subject to environmental assessment procedures (formal and informal) to identify, at a strategic level potential environmental impacts likely to arise during implementation of the plan or programme. The level of environmental assessment is often referred to as Strategic Environmental Assessment (SEA) and can be defined as:

'a systematic process for evaluating the environmental consequences of proposed policy, plan or programme initiatives in order to ensure they are fully included and appropriately addressed at the earliest stage of decision-making on par with economic and social considerations'.⁽¹⁾

The methodological approach proposed in this Handbook is based on existing SEA practices and methodologies.

2.3.2 SEA stages

The SEA approach adopted in the Handbook is based on six core stages which apply to plans and programmes (Table 2.3).

The SEA Process

Within the EU there is currently no formal or legally binding procedure for SEA though some Member States have developed ad hoc methods and even in some cases legislation covering this strategic approach to assessment. Thus, this Handbook is intended to explain the

key components of SEA in the context of the Structural Fund programming process, ⁽²⁾ leaving Member States and Regions to integrate, as appropriate, each stage in their planning process.

Each proposed SEA stage is meant to facilitate integration of economic, social and environmental objectives.

Key players in the development of plans and programmes and related evaluation processes are the 'Development Authorities' and 'Environmental Authorities'. The generic term Development Authorities is intended to cover all national and regional ministries, agencies and other governmental bodies which have an involvement in the planning and implementation of Structural Fund programmes, for both sectoral and cross-sectoral themes. Environmental Authorities refers to those authorities responsible for developing national and regional environmental policy and legislation, and its implementation and monitoring.

Co-operation between the two Authorities is the key element of this process, and crucial to its success. However, the style and procedures for such co-operation can be flexible, since they will have to fit into a variety of national and regional systems.

The whole SEA process is intended to act as a support to planners and decision-makers, providing them with *relevant* environmental information on the positive and negative implications of plans and programmes.

SEA is not intended to replace decision-making.

(1) Sadler and Verheem (1996) Strategic Environmental Assessment Status, challenges and future directions. Ministry of Housing, Spatial Planning and Environment, The EIA Commission, The Netherlands

(2) See Glossary.

Table 2.3 *SEA Stages in Structural Fund Programming*

SEA Stage	Description
1. Assessment of the environmental situation - developing a baseline	To identify and present information on the state of the environment and natural resources of a region, and on the positive and negative interactions between these and the main development sectors which are being funded through the Structural Funds.
2. Objectives, targets and priorities	To identify environmental and sustainable development objectives, targets and priorities which the Member States and Regions should achieve through development plans and programmes funded by the Structural Funds.
3. Draft development proposal (plan/programme) and identification of alternatives	To ensure that environmental objectives and priorities are fully integrated in the draft plan or programme which define development objectives and priorities for assisted regions, the types of initiatives which could be funded, the main alternatives for reaching the development objectives of a region, and a financial plan.
4. Environmental assessment of the draft proposal	To assess the environmental implications of the development priorities within plans or programmes and the degree of environmental integration in their objectives, priorities, targets, and indicators. To examine to what extent the strategy set out in the document will contribute to or hinder sustainable development in the region. To review the draft document in terms of its conformity with relevant regional, national and EU environmental policies and legislation.
5. Environmental Indicators	To identify environmental and sustainable development indicators intended to quantify and simplify information in a manner that promotes understanding of the interaction between the environment and key sectoral issues to both decision-makers and the public. They are intended to use quantified information to help identify and explain changes over time.
6. Integrating the results of the assessment into the final decision on plans and programmes	To assist in the development of the final version of the plan or programme, taking into account the findings of the evaluation.

The Difference Between SEA and EIA

Table 2.4⁽¹⁾ shows how SEA and EIA compliment each other in a tiered system of assessment. Plan and programme assessments (SEA) will refer to issues covering a large geographical scale and focus on strategic impacts, whilst project assessments (EIA) tend to be more

focused on a particular project at a particular location.

In the Structural Funds process SEA is applied to plans and programmes (RDP, CSF and OPs/SPD), while EIA becomes relevant at the implementation stage of programmes (OPs and SPDs).

The Structural Funds implementation stage leads to the invitation for projects, their assessment and funding. At this

(1) The table is based on a figure in CEC (1997) Spatial and ecological assessment of the TENs. Proceedings of a Technical Workshop, Brussels

point several types of projects will require an EIA (eg. transport infrastructure).

Table 2.4 The Differences Between SEA and EIA

	SEA (plans/ programmes)	EIA (projects)
Data	mixture between descriptive and quantified	mainly quantified
Objectives/scope of impacts	global, national and regional	mainly local
Alternatives	eg. More efficient use of existing infrastructure, fiscal measures, spatial balance of location etc.	eg. location, technical variants, design etc.
Methods for impact prediction	simple (often based on matrices and use of expert judgement) with high level of uncertainty	complex (and usually based on quantified data)
Outputs	broadbrush	detailed

An SEA of a plan will aim to assess the broad environmental and sustainability implications (positive and negative) of a large number of initiatives which can vary in type (eg. from a transport network to a research programme for universities). It will anticipate development proposals instead of reacting to them (as in the case of EIA). This enables a more comprehensive protection of the environment which is focused on promoting sustainable development as much as preventing negative environmental impacts.

An EIA of a single project (eg. a tourism complex) will aim to identify the specific impacts on the ground, as much as possible in quantitative terms. It is intended as a tool which helps decision makers ⁽¹⁾ to establish whether a single project will have negative impacts on the local environment. As a result, it gives significant importance to practical mitigation and compensation solutions. ⁽²⁾ While at SEA level, these are often

discussed in terms of broad policy alternatives. ⁽³⁾

2.3.3 *Structural Funds and SEA: an Integrated Process*

Structural Fund programming is a logical framework involving a number of phases: the preparation of a plan, the adoption of an agreed programming document (CSF or SPD), an implementation programme and finally evaluation of the impact of interventions on the basis of prior agreed objectives and indicators (social, economic and environmental). All these phases are strongly inter-linked. It is therefore necessary to ensure that the potential environmental impacts identified at the plan preparation stage are carefully accounted for during the entire planning process.

The SEA process requires that full attention is given to environmental and sustainable development issues from the very first stage of Structural Fund

(1) See Glossary.

(2) See Glossary.

(3) See Glossary.

programming: ie the preparation of the Regional Development Plan. This is intended to ensure that the results and information obtained will benefit the next planning levels, reducing the consuming conflicts between environmental and economic objectives.

This Handbook proposes an SEA process which follows as much as possible the Structural Fund programming stages. It also aims to maximise the co-ordination and collaboration between the Development Authorities and Environmental Authorities.

The objective is to ensure the integration of the environmental dimension into the programming process as it develops (see Figure 2.2).

Furthermore, the integration of the environmental dimension at all stages (*ex-ante*, *interim* and *ex-post*) of a programme's evaluation and implementation enables the competent authorities to carry out changes and improvements throughout the life of programmes as appropriate.

Figure 2.2 Integrating Structural Funds and SEA