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“EU Conflicting Funds” report – Q&A

3 March 2006

What is the situation of the Iberian Lynx?

The Iberian lynx has collapsed in the last 15 years. In 1988 there were 1100 individuals in 48 separate breeding areas in Spain and Portugal. In 1995, 600 individuals were still present in Spain and only 25 in Portugal. A new census carried out between 2002 and 2004 and co-ordinated by the Spanish Environment Ministry showed that less than 100 individuals are now left, including no more than 25 breeding females, mainly two areas: Sierra de Andujar (Eastern Sierra Morena) and Doñana.

Most of the Iberian lynx habitats are included in the Natura 2000 network of protected sites, which was created under the Birds and Habitats Directives. However, development of infrastructures such as roads, dams, railways and other human activities is contributing to the loss and fragmentation of the Iberian lynx habitats, as well as creating barriers between the different populations and obstructing the exchange of individuals.

What is the general situation of European biodiversity?

Bio-diversity (Biological Diversity) includes habitats and all species – from animals like the Golden Eagle to plants like the Ladyslipper orchid. In Europe there are 150 species of mammal, 520 bird species, 180 species of reptiles and amphibians, 150 species of fish, 10.000 plant species and at least 100.000 species of invertebrates. Compared to many areas of the world, especially the tropics, biological diversity in Europe is relatively low. However, there are many unique and endemic species and ecosystems, such as the Iberian Lynx (*Lynx pardinus*), the Cyprus Whipsnake (*Coluber cypriensis*), Zino's Petrel (*Pterodroma madeira*) and some 3500 unique plant species.

According to the European Environment Agency's latest report on state and outlook of European environment, 42% of native mammals, 15% of birds, 45% of butterflies, 30% of amphibians, 45% of reptiles and 52% of freshwater fish are threatened. Furthermore, Europe has lost up to 90% of its floodplains due to river alterations for agriculture, navigation and flood control. Overall 60% of European fish catches exceed safe limits, i.e. levels above which the biomass removed by fishing is no longer replaced by population growth.

Is biodiversity on the EU agenda?

The European Community has legal and political commitments to protect its biodiversity, including the commitment undertaken by European leaders “to halt the biodiversity loss by 2010” (Goethenburg Council, 2001). In April 2006, the European Commission is expected to publish a communication on



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biodiversity, with a roadmap to halt biodiversity loss in 2010 and beyond. The “*Green Week*” in Brussels (from 29th May until 2nd June 2006) will also have biodiversity as main focus.

Why does it matter?

A healthy environment is the main source for economic and social prosperity. The *Millennium ecosystem assessment* identified key “ecosystem services” that include provision of food, fibre, fuel, biochemicals, freshwater, education and aesthetic values, support to primary production, soil formation and retention, provision of atmospheric oxygen, water recycling, seed dispersal, pollination, disease regulation, erosion regulation, natural hazard protection and climate regulation. See www.millenniumassessment.org.

What is the Natura 2000 network?

The Birds and Habitats Directives contain provisions for the development of a network of protected areas – the Natura 2000 network. The goal of the network is to promote conservation of natural habitats and wild fauna and flora while taking into account the economic, social and cultural characteristics of the areas concerned. The principle is not to create “nature sanctuaries” where human activity is prohibited. On the contrary, economic activities that sustain conservation requirements are encouraged. In many of these areas the presence or resumption of human activity is essential for maintaining biodiversity.

The terrestrial sites designated to date in the EU-15 Member States cover a total area larger than Germany. At present the designation of sites is in process for the 10 new Member States. Marine sites are to be designated by 2008.

Which EU funds have caused clashes between nature conservation and European funds?

The WWF report, “*EU Conflicting Funds*”, includes examples of clashes between EU environmental legislation and the Structural Funds, Cohesion Fund, European Regional Development Fund, Financial Instrument for Fisheries Guidance, Trans-European Networks for Transport and European Agricultural Guidance and Guarantee Fund.

What are EU Structural Funds?

The Structural Funds are a financial instrument of the European Union intended to help the EU’s poorer regions to develop (regions with less than 75% of EU 25 average GDP). It is a kind of a solidarity payment from richer European regions to poorer parts of the EU. There are three global priorities: conversion, competitiveness and co-operation.



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Structural Funds have changed over the years. For the ongoing period (2000-2006), there were five Structural Funds, including the fisheries and the rural development fund. As of 2007, there will only be three funds: European Structural Fund, European Social Fund, Cohesion Fund.

What is the budget for EU Structural Funds?

The Structural Funds represent the second largest part of the EU budget. A planned amount of 300 billion euros will be spent in Structural Funds in the years 2007-13.

However, all Structural Funds require national or regional public funds as co-funding. The share of co-funding varies according to the specific fund and to the region and it can achieve a maximum of 85%. Roughly, the poorer the region, the bigger the share coming from the EU.

How does it work?

Process to develop the regulations

The European Commission makes a proposal for a defined programming period. The proposals set key themes for investment priorities and define eligibility and co-funding rates. This is commented upon by a variety of stakeholders and negotiated by the European Parliament and the Council of Ministers. The proposal is then adopted and becomes a legally binding regulation. Guidelines are also issued to “translate” the regulation into operational terms.

Process to plan the use of the funds

EU Member States develop plans on how to spend the Structural Funds in their national territory. Those plans need to comply with the EU regulations and to reflect the priorities and strategic orientations included in the guidelines (national development plans or national strategic reference frameworks). As a next step, the Member States define how to spend the funds at a regional level and on specific sectors, e.g. environment or transport (operational programmes). The way the programmes are defined and the amount of regions or sectors included is up to the Member State decision, but operational programmes build the legal base for negotiating with the Commission.

Implementing the funds

Member States negotiate their plans and programmes with the European Commission that checks if they comply with the regulations and guidelines. A legal agreement, setting also a monitoring system for the audit and the evaluation of the plans, is then signed. After that, funds are paid according to agreed time schedules.

So who decides on what projects funds are spent?

Although the Commission is giving a rough framework for funding priorities, this is always broad enough to leave the major share of the decision at a national or even regional level. Therefore, it is



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clearly the Member States themselves that mainly decide how they want to spend the funds. The Commission exerts its strongest control function at a financial auditing level.

How are the projects implemented at national or regional level?

The selected projects are usually followed by a steering committee. The steering committee either defines selection criteria for projects or selects the projects itself. It also controls the implementation, financing and time-schedule of the project. It is a national or regional committee theoretically composed of authorities, social and economic partners and sometimes also environmental partners. It should also include representatives of the civil society, such as NGOs. However, the reality is often different. How the roles of the committees are defined and who is part of them is again a decision made at national or regional level.

Is the EU funding good or bad for nature?

There are many situations where the Commission, Member States and regions have worked together to develop projects that produce “win-win” situations, with positive outcomes for biodiversity alongside economic and social improvements. Examples of such projects include the survival of the brown bear in the Alpine Region, as well as conservation of the Monk Seal in Greece and the development of eco-tourism in Italy.

However, there are negative examples, such as the building up of roads in Spain, destroying the natural habitat of the Iberian Lynx. This shows that EU funds must be managed carefully and in a coordinated way. There must be indicators to assess the environmental consequences and impacts of biodiversity.