

## **Wildlife and Countryside Link response to the Consultation on the Draft National Strategic Reference Framework for Future Structural Fund Programmes in the UK**

Wildlife and Countryside Link welcomes the opportunity to respond to the consultation on the Draft National Strategic Reference Framework for Future Structural Fund Programmes in the UK. Wildlife and Countryside Link (Link) brings together voluntary organisations concerned with the conservation, enjoyment and protection of wildlife, the countryside and the marine environment. Our members practice and advocate environmentally sensitive land management and food production practices and encourage respect for and enjoyment of natural landscapes and features, the historic environment and biodiversity. Taken together, our members have the support of over eight million people in the UK and manage over 476,000 hectares of land. This response is supported by the following organisations:

- Association of Rivers Trusts
- Buglife – the Invertebrate Conservation Trust
- Butterfly Conservation
- Campaign to Protect Rural England
- Council for British Archaeology
- Royal Society for the Protection of Birds
- The Wildlife Trusts
- Woodland Trust

### **Framework and principles (question 3)**

We believe that there is sufficient focus in the National Strategic Reference Framework (NSRF) on the Lisbon ‘growth and jobs’ agenda. However, the conclusions of the European Council on 22 and 23 March 2005 were clear that “...the Lisbon Strategy is to be seen in the wider context of the sustainable development requirement that present needs be met without compromising the ability of future generations to meet their own needs”. The NSRF, therefore, must be consistent with the Gothenburg agenda for sustainable development and by extension with the UK sustainable development strategy ‘Securing the future’.

In the new strategy, the Government has adopted the position that a sustainable economy means living within environmental limits. We want to see this acknowledged in the text. This is especially important for delivery at a regional level e.g. in England there is a 3 year review cycle for Regional Economic Strategies (RESs) which means that they may not reflect Government sustainable development policy until 2008 – while Structural Funds spending starts in 2007. Such plans focus instead on the maintenance of ‘high and stable levels of economic growth’ one of four central aims in the 1999 strategy ‘A better quality of life’.

The proposed ‘earmarking’ of funds for activities supporting the Lisbon agenda must not preclude projects which provide integrated solutions for economic development, social inclusion and environmental protection and enhancement. We urge the Government to negotiate with the Commission for specific priorities (e.g. the rehabilitation of brownfield land) which provide wider benefits for the environment and biodiversity – in line with the Lisbon National Reform Programme.

### **Coherence of funding priorities (questions 2, 3)**

European priorities for the Structural Funds are set out in the Community Strategic Guidelines. The key guideline for the Environment is to 'make Europe and its regions more attractive places to live and work' and within that the priority to 'strengthen synergies between environmental protection and growth'. This includes actions which support the implementation of environmental legislation such as species and nature protection (under the Convergence objective) and actions to rehabilitate the physical environment, such as, investment in natural and cultural assets, which in Link's opinion would include areas of High Nature Value as well as areas of high landscape quality. It is up to the Government to select which priorities are relevant to the UK and to decide how to interpret them at a national level.

In this context we welcome the focus in the NSRF on priorities for the European Regional Development Fund (ERDF) such as: sustainable development, consumption and production; sustainable communities; environmental sustainability and enhancing the environment. We welcome the Government's recognition of the environment as an economic driver – but it must also be seen as a good in its own right. This is of particular importance in relation to landscape following the signing by the United Kingdom of the European Landscape Convention this year and its imminent ratification. We believe that landscape protection, management and rehabilitation are integral to the key environmental outcomes that the Structural Funds should aim to deliver.

We would expect to see all UK countries and regions to address all four 'shared priorities for UK action' outlined in 'Securing the Future'. These are:

- Sustainable production and consumption
- Climate change and energy
- Natural resource protection and environmental enhancement
- Sustainable communities

This core set of priorities would of course be interpreted through reference to the relevant country or regional sustainable development, economic, spatial, rural delivery and biodiversity strategies – and so on.

This is in keeping with the UK's Lisbon National Reform Programme (NRP) which states, with regard to its EU commitment to halt biodiversity loss and the rate of global biodiversity loss by 2010, that "integrating biodiversity with social and economic issues across all sectors... will facilitate progress towards these commitments and bring wider benefits".

We urge the Government:

- to promote environmental investment, such as biodiversity protection and habitat and landscape restoration, which provides economic and social benefits and helps to implement EU environmental legislation (e.g. Natura 2000), and
- to ensure that increased funding is available to explicitly support projects integrating economic development and social inclusion with environmental protection and enhancement in both urban, rural and coastal settings.

Under the European Social Fund we would like to see UK wide recognition of the benefits to communities of life-long learning, through voluntary as well as paid activity.

**Importance of an environmental indicator for regional economic analyses, allocation of resources and measurement of progress (questions 1, 5, 7, 8)**

The NRP recognises that promoting productivity growth must be tempered by 'protecting the environment through sustainable and innovative resource use'. The current analysis is incomplete because it fails to include environmental externalities. It is essential that the analysis of development disparities, weaknesses and potential is set within the context of environmental limits. This would mean that productivity drivers – competition, enterprise, innovation, investment and skills – are understood not only in terms of their economic function, but also their impact on the environment.

Data is already available to enable the Government to devise an additional environmental indicator against which Convergence and Competitiveness funds would be allocated – and spending performance measured. For instance, WWF UK and partners recently launched a report called "Ecological Budget UK" which provides detailed regional analyses of material flows, ecological footprints and CO2 emissions. This could provide a sound a scientific and statistical basis for minimising the impact of UK consumption and production<sup>1</sup>, linked perhaps with innovation (e.g. recycling, resource efficiency and flow, and new business start-ups). A precedent has of course already been set by the Business Resource Efficiency and Waste scheme financed by the Landfill Tax.

Another potential environmental indicator is Green Infrastructure (GI) – high quality multi-functional green space, offering benefits to people's health, well-being and quality of life. As GI deficit is associated with social and economic deprivation, environmental enhancement can provide beneficial effects for the local economy within a relatively short time.

We therefore believe that an environmental indicator must be used to allocate funds, to help to drive investment towards more environmentally sustainable projects and to evaluate the environmental sustainability of project and programme outcomes.

#### **Complementarity of Structural Funds with EU funding (question 4)**

We are concerned that the NSRF does not provide enough detail about how Structural Funds will be aligned with the European Agriculture Fund for Rural Development (EAFRD) and European Fisheries Fund, particularly with regard to meeting Natura 2000 commitments.

It is expected that Natura 2000 – the EU's network of protected habitats – will be financed in part by the EAFRD, Structural Funds (in particular the ERDF), LIFE+ and domestic funds. For instance, the Community Strategic Guidelines for Rural Development state that financing of Natura 2000, along with the preservation of high nature value farming and forestry systems and traditional agricultural landscapes, are priorities for rural development spending and the EAFRD regulation describes biodiversity and Natura 2000 site management as key issues to be addressed in rural development programmes.

The exact mix of funding will vary from one Member State to another. The draft ERDF regulation offers a number of opportunities for Natura 2000 under the 'convergence' and 'competitiveness' objectives:

- under 'convergence', ERDF can be used to promote biodiversity and nature protection, including investments in Natura 2000 sites.

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<sup>1</sup> One of the shared priorities for UK action in the UK Sustainable Development strategy 'Securing the Future'.

- under ‘competitiveness’, ERDF can be used to promote the development of infrastructure linked to biodiversity and investments in Natura 2000 sites, where this contributes to sustainable economic development and/or diversification of rural areas.

However, the NSRF is not clear about how or where Structural Funds will be used to finance Natura 2000 sites. For example, the Scotland chapter states that:

*“the Executive will maintain close co-ordination with other relevant EU funding programmes and ensure a clear demarcation in the eligibility criteria for different funds, This will be particularly important with regard to the EAFRD and EFF. The Executive intends these two funds to provide sector-based support, while using the Structural Funds to support wider economic and social development in areas dependent on agriculture and fisheries. It will avoid overlap of eligible activities, in particular with respect to Axis 3 of the Rural Development Fund”.*

Whereas paragraph 49 of the draft Rural Development Strategy states that:

*“Local community infrastructure projects could be supported under Axis 3 whilst projects of more regional significance would be funded using the Structural Funds. Projects funded by the EAFRD will focus on small-scale infrastructure and small and microbusinesses. The guidelines also suggest that, in relation to human capital, a priority for EAFRD would be to support training in the land-use sector, including diversification into other activities”.*

Both strategies must explain clearly how the obligation to fund the protection and enhancement of Natura 2000 sites will be met, and in particular:

- how the demarcation outlined above be achieved and
- how stakeholders will be involved in this process.

Demarcation criteria must be decided immediately, before drafting of the operational programmes begins. We expect the Government to be very clear about which actions can be financed by what funds in order to avoid the confusion over terminology and the funding gaps experienced in current programmes.

### **Alignment of ERDF with domestic funding (questions 9 and 10)**

We accept that regional and national economic strategies are the appropriate framework for guiding spending at a regional level – as long as the Operational Programmes are also consistent with appropriate sustainable development frameworks and strategies (or their updated equivalents) and the UK SD strategy. As described above in England some Regional Sustainable Development Frameworks have not been updated to reflect the new policy of living with environmental limits adopted in ‘Securing the Future’. Moreover, in some updated strategies (called Integrated Regional Strategies or Frameworks) sustainable development is included as part of a broader package undermining its importance as the framework within which development takes place.

### **Environmental sustainability as a cross-cutting theme (question 9, 10)**

We welcome the environmental sustainability cross cutting theme, but want to see it fully integrated across each objective – as well as having the environment as a

vertical priority. In order for this to happen it is essential funding allocation and performance is linked to a regional environmental indicator (discussed above). The NSRF must promote the benefits of environmental integration and ensure that regional guidance will be provided on how to achieve it (e.g. by including environmental partners and environmental 'gateway criteria' in the project selection process'. We want a commitment from the Government to build on the experience and best practice of current programmes<sup>2</sup>. In order to derive the benefits, environmental integration must take place at each stage of the development, implementation and evaluation of structural fund programmes<sup>3</sup>.

## **Partnership**

The composition of regional operational groups tasked with preparing Operational Programmes (OPs) will be critical in determining their scope, focus and knowledge-base. Environmental NGOs must be involved in the preparation, implementation, monitoring (as members of the new Monitoring Committees) and evaluation of the OPs. Representatives could be nominated by regional environmental fora. We recommend that the Government should also provide resources to enable them to do this (e.g. in the same way that Technical Assistance funding is to support the Third Sector European Network).

## **Management and delivery of Structural Funds (questions 9, 10)**

As yet it is unclear how the Structural Funds will be managed in the English regions or the devolved administrations. We understand that Operational Programmes will be implemented through delegation to sub-regional partnerships, such as, local-action partnerships following current LEADER+ model, Local Strategic Partnerships or Local Area Agreements (LAAs). We are concerned that, in particular, LAAs incorporate little, if any, environmental delivery.

Environmental integration will only work if there is effective facilitation between delivery agents/stakeholders/partners e.g. the role currently filled by Environmental Sustainability Theme Managers in England and Wales. In convergence areas Technical Assistance could be used to fund a similar post. In England, the provision of advice is particularly at risk given proposed cuts to Government Offices and stretched resources of RDAs. The more partners there are, the more variation there will be in ways of working (etc) and the greater the challenge to provide advice (taking into account the wider funding landscape) and to communicate effectively. We therefore urge the Government to continue to employ Environmental Sustainability Theme Managers to oversee the day-to-day integration of environmental considerations into regional programmes.

The Government must also:

- Ensure that project selection criteria assess potential environmental and health impacts, for example through an integrated impacts checklist.
- Ensure that environmental/sustainable development project selection criteria clearly favour projects with positive environmental impacts, which go well beyond

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<sup>2</sup> For example, implementing the findings in the Audit Report 'Green Growth' produced by the 'Greening Regional Development Programmes' Project, July 2005.

<sup>3</sup> See Fraser Associates: 'The effectiveness of EU Structural Funds in delivering the Government's environmental objectives', final report, October 2005 (study commissioned by Defra).

requirements under current planning law, and exclude projects which cause environmental damage.

- Promote criteria and systems that encourage collaborative projects across policy sectors (for example, environment, accessibility, health and social inclusion) and delivery agencies (public, private and NGO partners).
- Simplify application and administration procedures and ensure that information is readily available on application and project selection procedures – and EU and national legislative requirements (especially environmental and planning legislation). This is equally important for governance and transparency.
- Raise standards of communication and dissemination to ensure that successful projects can be replicated (e.g. web-based UK Leader+ Network).
- Ensure that as key delivery agents NGOs and community groups are able to directly access funding in the English regions and Scotland, Wales and Northern Ireland.
- Support NGOs and community groups with a proven track record of delivery.

Wildlife and Countryside Link  
22 May 2006