

CEE Bankwatch Network is an international NGO with member organisations currently from 11 countries across the CEE and CIS region. Our mission is to prevent the environmentally and socially harmful impacts of international development finance, and to promote alternative solutions and public participation. Bankwatch has been following the impacts of such financial flows into our region since 1995. Monitoring EU funds is an integral part of our work.



Friends of the Earth Europe campaigns for sustainable and just societies and for the protection of the environment, unites more than 30 national organisations with thousands of local groups and is part of the world's largest grassroots environmental network, Friends of the Earth International.

Brussels, March 28, 2006

Subject: Making better use of EU funds in central and eastern Europe

Dear President Barroso

In light of the preparations for the new generation of structural and cohesion funds in 2007-2013, CEE Bankwatch Network and Friends of the Earth Europe would like to present to you a new map of 22 problematic projects in the new member states and accession countries.

The map, entitled *EU Funds in Central and Eastern Europe: Cohesion or Collision?*, includes three categories of projects:

- projects that have already received EU funding (marked in green);
- projects in the pipeline, which are among national priorities for EU funding in the 2004-2006 or 2007-2013 period (marked in yellow);
- potential projects, which might be proposed for EU funding in the 2007-2013 period (marked in amber).

Most of the projects are in the latter two categories, which means that the negative impacts they may cause can still be prevented.

The 22 projects include:

- ineptly routed roads and motorways which insensitively cut through residential areas or valuable protected areas (including existing or potential Natura 2000 sites), despite the availability of alternative routes (e.g. Via Baltica in Poland, Kresna motorway in Bulgaria);
- unnecessary waste incinerators promoted at the expense of cheaper recycling alternatives that would create more jobs (e.g. Opatovice incinerator in the Czech Republic, Várpalota incinerator in Hungary);
- economically unjustified dams and canals that would destroy or threaten natural or cultural heritage sites (e.g. Nieszawa dam in Poland, Danube-Tisza canal in Hungary).

We would like to emphasise that the controversial projects are not the result of an “inexorable conflict” between economic development and the environment. Some of the identified projects are unnecessary, i.e. they cannot be justified even on economic grounds. For all the other cases, better alternatives exist.

The map has been prepared with the aim of ensuring that EU funds do not cause damage but bring real benefits to the CEE countries. The map also provides suggestions for making better use of the funds, especially in the transport, energy and waste management sectors.

We appeal to you to help ensure that all projects financed by EU funds in the 2007-2013 period have clear economic, social and environmental benefits and are fully consistent with EU legislation and policies. Most of the projects in the map fall into the category of “major projects”, which need to be approved by the Commission. Some of them may also apply for technical assistance through the new JASPERS instrument.

In those cases where better alternatives are available, the Commission should ensure that the projects are appropriately modified before it approves funding for them. In those cases where the projects are unnecessary, the Commission should reject funding support.

Furthermore, we would like to stress one essential precondition to ensure better use of the EU funds: **improving transparency in the Commission's appraisal process for major projects**. In practice, this means that the Commission should start publishing on its website:

- information on all major projects submitted for funding support in a timely manner. This should also include full project documentation and a timeline of the appraisal process for each project.
- information on all major projects assisted through the new JASPERS instrument.

We believe that transparency in this area is a legitimate right of European citizens, given the high costs of such major projects for taxpayers and their significant social and environmental impacts. It is all the more important for citizens living in the vicinity of such projects. More transparency would also enable the Commission to benefit from a variety of sources of information on the submitted projects.

Let us add that despite the troubling potential for financing projects with negative impacts, we consider the cohesion policy to be a very important and necessary instrument for supporting development in the new member states. However, its legitimacy could be tarnished if it supports damaging projects.

Our organisations have conducted continuous monitoring of the EU funding programmes in the central and eastern European countries for the past six years. The projects displayed in the map have been identified and analysed in cooperation with our partner organisations and other civic associations in the respective countries.

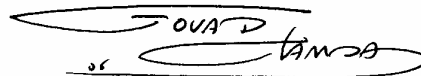
The projects shown in the map are only a selection. There are more controversial projects being planned or considered. We will continue to monitor them, update our map and bring these issues to the attention of decision-makers and the public.

Should you have any questions about our suggestions for making better use of the funds or about any project displayed in our map, please do not hesitate to contact us for more information.

Yours sincerely,



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An interactive version of the map is available at: <http://www.bankwatch.org/billions>