

# Improving transparency in EU funding of major projects

Contribution by 41 non-governmental organisations  
to the consultation on the European Transparency  
Initiative Green Paper – Chapter 3

31 August 2006

## Supporting organisations:

### European organisations

- BirdLife International
- CEE Bankwatch Network
- European Citizen Action Service
- European Environmental Bureau
- European Federation for Transport and Environment
- Friends of the Earth Europe
- WWF European Policy Office

### Austria

- GLOBAL 2000

### Bulgaria

- Bulgarian Society for the Protection of Birds
- Centre for Environmental Information and Education (CEIE)
- Za Zemiata!

### Czech Republic

- Centre for Transport and Energy (CDE)
- Hnutí DUHA

### Denmark

- NOAH - Friends of the Earth Denmark

### Estonia

- Estonian Green Movement-FoE (ERL)
- Jaan Tõnisson Institute

### France

- Les Amis de la Terre-France
- Ligue pour la Protection des Oiseaux

### Germany

- Bund für Umwelt und Naturschutz Deutschland (BUND)

### Hungary

- Magyar Természetvédők Szövetsége (National Society of Conservationists)

### Latvia

- Latvian Green Movement

### Lithuania

- Atgaja

### Malta

- Moviment għall-Ambjent

### Netherlands

- Both ENDS
- Milieudefensie

### Poland

- Foundation for Support of Environmental Initiatives
- Institute of Environmental Economics
- Polish Green Network
- Lower Silesian Foundation for Sustainable Development
- Towarzystwo na Rzecz Ziemi

### Romania

- AGORA - Working Group for Sustainable Development
- ONG Mare Nostrum
- Focus Eco Center
- TERRA Mileniul III Foundation
- The Romanian Ornithological Society (SOR)

### Slovakia

- Friends of the Earth - Center for Environmental Public Advocacy (FoE-CEPA)

### Spain

- Amigos de la Tierra España
- Ecologistas en Acción

### Sweden

- Miljöförbundet Jordens Vänner

### United Kingdom

- Friends of the Earth
- Royal Society for the Protection of Birds

## Introduction

The Green Paper on the European Transparency Initiative (ETI) proposes the mandatory disclosure of beneficiaries of EU funds by the member states.

While this is a welcome direction, the undersigned organisations believe that the ETI should logically also bring about improvement in the Commission's own transparency in the funding of major projects through the EU's cohesion policy.

Although major projects are the single biggest investments deriving from the EU budget, decided about directly by the Commission, the Commission currently does not publish information about them on its website, in stark contrast with other funders such as the European Investment Bank.

## Transparency in the decision-making about major projects

In the 2007-2013 period, an unprecedented amount – EUR 308 billion – will be invested via the cohesion policy. While the management of the funds will be increasingly decentralised to the member states, the European Commission will have the authority to single-handedly approve or reject major projects – i.e. operations that cost above EUR 25 million (in the environmental sector) or EUR 50 million (in the transport and other sectors). According to the regulation on the Structural and Cohesion funds, the Commission has three months to approve or reject applications for the funding of major projects submitted by a member state. The realisation of some 525 EU-funded major projects is foreseen in the new member states alone.

These major projects are the single biggest investments to derive from the EU budget. Online publishing of information about major projects prior to decision on their financing is a common practice among public funding bodies, including the European Investment Bank (see: <http://www.eib.org/projects/pipeline>). The European Commission is a regrettable exception.

Currently, the approved major projects can only be seen *ex post* in the Commission's annual reports on Structural and Cohesion funds, which appear very late (e.g. currently the last available report is for the year 2004, which appeared only in November 2005).

There is no reason why the transparency standards of the European Commission should be lower than those of the EIB.

It is also not enough to leave responsibility for the disclosure of information on major projects to the member states. The Commission should directly publish the information on its own website because the financing with EU taxpayers' money makes the major projects relevant to all EU citizens irrespective of nationality. It is the Commission who makes the final decision on the funding of major projects, not the member states.

Therefore, we propose that the following element is added to the European Transparency Initiative:

**The timely publication of online information on major projects submitted to the Commission for funding support.** DG Regio should set up a webpage with an online list of major projects based on the example of a similar webpage that exists within the website of the European Investment Bank (<http://www.eib.org/projects/pipeline>). New major projects should be added to the online list as soon as possible after the Commission receives an application for funding from a member state and *before* any Commission decision on their financing. The webpage should go beyond the EIB practice by also including direct access to project documentation (the application, feasibility study, cost-benefit analysis, EIA, etc.) as well as providing an expected date for a Commission decision on the funding of the project. The webpage should also enable the submission of comments regarding such projects, directed to the relevant departments. **An idea for such a webpage is provided in the annex.**

DG Regional Policy has recently rejected such a request from NGOs with the following argument: "The online information system you propose would make it more difficult to keep to [the three-month] deadlines and would also be misleading for the European citizen."<sup>1</sup>

We believe this argument is not valid as the EIB is operating a similar webpage without such problems. We also believe that the public interest in the routine disclosure of such information significantly overrides the small administrative costs of running such a webpage.

## Transparency of JASPERS

The Commission's involvement in major projects is not limited to the final decision. With the new JASPERS instrument providing technical assistance for the preparation of major projects to the member states, the Commission will (together with EIB and EBRD) be increasingly involved in the planning of many major projects from an early stage.

However, it is impossible to find timely information about the projects assisted by JASPERS throughout the EU. This information is in national annual plans agreed between the Member States and JASPERS. To a recent inquiry, the EIB has responded that "the decision whether to make action plans publicly available remains with the Beneficiary States concerned."<sup>2</sup>

To ensure minimum transparency in the workings of JASPERS, we believe that all the plans need to be published on one website (either that of the European Commission or the EIB). Once again the issue cannot be left only to the member states, as the major projects concern all European citizens.

Therefore, we propose that the following element is added to the European Transparency Initiative:

**Online publication of the annual JASPERS action plans** of all involved member states as soon as possible after their approval on the website of DG Regio or the EIB. The website should also enable citizens to provide the JASPERS agency with comments on the plans.

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<sup>1</sup> Letter from Mr. Graham Meadows, director-general for regional policy to CEE Bankwatch Network and Friends of the Earth Europe, 23 June 2006.

[http://www.bankwatch.org/billions/Response\\_from\\_Graham\\_Meadows\\_230606.pdf](http://www.bankwatch.org/billions/Response_from_Graham_Meadows_230606.pdf)

<sup>2</sup> Email from the European Investment Bank, 22 June 2006.

## Seven reasons for improved transparency in the EU funding of major projects

- 1) Transparent decision-making in this area is a legitimate right of European citizens, given the **high costs of such major projects for EU taxpayers** and their often significant social and environmental impacts. With the cost of each project above EUR 25 million, these are the **single biggest investments from the EU budget**. Moreover, the submitted documents such as cost-benefit analyses are themselves prepared with public funds.
- 2) Access to information is all the more important **for citizens living in the direct vicinity** of such projects. Currently they often do not have any information on whether the EC will make a decision on a given project and about the proposals it received from the national government.
- 3) The **Commission and its relevant departments will benefit** from a variety of sources of information on the submitted projects, which will enable them to make better, more well-informed decisions.
- 4) **Regulation 1049/2001** on public access to EU information, whose purpose is to *"give the fullest possible effect to the right of public access to documents [...]"*, also states in article 12 that: *"The [EU] institutions shall as far as possible make documents directly accessible to the public in electronic form..."*.
- 5) The Green Paper on the **European Transparency Initiative** goes further in this direction by proposing a mandatory disclosure of data on the beneficiaries of EU funds in the member states. Logically, the Commission should also improve its own transparency in decision-making about major projects.
- 6) Online publishing of information about major projects is a **common practice** among public funding donors, including the **European Investment Bank** (see: <http://www.eib.org/projects/pipeline>). The European Commission is a regrettable exception.
- 7) It is **not enough to leave responsibility for disclosure to the member states**. Applications to the EC for major projects are only rarely disclosed in member states. In any event, the Commission should directly publish all relevant information on its own website because the financing with EU taxpayers' money makes these major projects relevant for all EU citizens irrespective of nationality. It is the Commission who makes the final decision on the funding of major projects, not the member states.

### For more information please contact:

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*Friends of the Earth Europe is registered in the CONECCS database.*

**Annex - An idea for a webpage with information on submitted major projects.**  
**The information below is fictitious and serves only as an example**

[Home](#) » [Project list](#)

## Project list

The list includes major projects submitted to the Commission for financing.

Country	Status	Date submitted	Decision due	Project title. Click for further information and submission of comments
Latvia	Under appraisal	17/05/2007	17/08/2007	<a href="#">Reconstruction of Riga railway junction (SEE EXAMPLE ON THE NEXT PAGE)</a>
Poland	Under appraisal	15/05/2007	15/08/2007	<a href="#">Railway modernization E 65 Gdynia – Zbrzydowice/Zwardoń</a>
Hungary	Under appraisal	09/05/2007	09/08/2007	<a href="#">Waste water system in Székesfehérvár</a>
Czech Republic	Under appraisal	10/05/2007	10/08/2007	<a href="#">R6 Expressway - Nové Strašecí - Kamenný Dvůr</a>
Poland	Under appraisal	09/05/2007	09/08/2007	<a href="#">Extension of the airport in Gdańsk</a>
Slovakia	Under appraisal	09/05/2007	09/08/2007	<a href="#">Bratislava wastewater sewer system</a>
Hungary	Under appraisal	09/05/2007	09/08/2007	<a href="#">M4 Motorway Monor - Pilis</a>
Poland	Under appraisal	09/05/2007	09/08/2007	<a href="#">A-2 Motorway Warszawa-Siedlce section</a>
Czech Republic	Under appraisal	09/05/2007	09/08/2007	<a href="#">Railway modernization Beroun - Praha Smíchov (tunnel)</a>
Hungary	Under appraisal	09/05/2007	09/08/2007	<a href="#">Waste management system in Győr Region</a>
Poland	Under appraisal	08/05/2007	08/08/2007	<a href="#">A-4 Motorway Kraków-Tarnów section</a>
Bulgaria	Under appraisal	08/05/2007	08/08/2007	<a href="#">Extension of the Metropoliten Sofia</a>
Slovakia	Under appraisal	08/05/2007	08/08/2007	<a href="#">D3 Motorway Svrčinovec - Skalité</a>
Czech Republic	Under appraisal	04/05/2007	04/08/2007	<a href="#">R35 Expressway - Sedlice - Mohelnice</a>
Romania	Under appraisal	04/05/2007	04/08/2007	<a href="#">Targoviste-Sibiu Motorway</a>
Poland	Under appraisal	04/05/2007	04/08/2007	<a href="#">Construction of a flood-protection reservoir Racibórz on the Oder river</a>
Latvia	Under appraisal	03/05/2007	03/08/2007	<a href="#">Construction of E22 road - section Riga-Koknese</a>
Bulgaria	Under appraisal	03/05/2007	03/08/2007	<a href="#">Modernisation of Sofia - Plovdiv railway</a>
Hungary	Under appraisal	09/05/2007	09/08/2007	<a href="#">Budapest suburban railway development</a>
Poland	Under appraisal	02/05/2007	02/08/2007	<a href="#">Railway Warszawa – Wrocław – I stage – high speed line</a>
Slovakia	Approved	28/04/2007	28/07/2007	<a href="#">Galanta, wastewater sewer and wastewater treatment plant</a>
Spain	Approved	27/04/2007	27/07/2007	<a href="#">Puerto de Algeciras</a>
Poland	Approved	27/04/2007	27/07/2007	<a href="#">A-1 Toruń-Stryków section</a>
Czech Republic	Approved	27/04/2007	27/07/2007	<a href="#">Municipal waste management system in Pilsen</a>
Hungary	Approved	27/04/2007	27/07/2007	<a href="#">Flood reservoir in Szamos-Krasznaköz</a>

## Reconstruction of the railway junction in Riga

<b>Date of Entry:</b>	10/05/2007
<b>Beneficiary:</b>	Government of Latvia
<b>Location:</b>	Latvia - Riga
<b>Description:</b>	Reconstruction of the railway junction in Riga... ...
<b>Objectives:</b>	The project will improve the transit of trains through Riga...
<b>Sector:</b>	Railway infrastructure
<b>Proposed EU co-financing:</b>	EUR 86.36 from the Cohesion Fund (85% of the total cost)
<b>Total cost:</b>	EUR 101.6 million
<b>Available project documents (for download)</b>	<a href="#">Application</a> <a href="#">Feasibility study</a> <a href="#">Timetable for implementation</a> <a href="#">Cost-benefit analysis</a> <a href="#">Environmental impact assessment</a> <a href="#">Justification of public contribution</a> <a href="#">Financing plan</a>
<b>Status:</b>	Under appraisal - 10/05/2007. Decision due 10/08/2007
<a href="#">Submit a comment</a>	By clicking on the link, you can submit a comment on the project
<a href="#">View comments</a>	By clicking on the link, you can view all comments submitted so far (if any)