



To:

Danuta Hübner, Commissioner for Regional Policy
Stavros Dimas, Commissioner for the Environment
Philippe Maystadt, President, European Investment Bank
Jean Lemierre, President, European Bank for Reconstruction and Development

Brussels, 6 January 2006

Re. JASPERS – the new joint initiative of the Commission, EIB and EBRD

Dear Commissioners, dear Presidents,

We have learnt with great interest about the new JASPERS initiative, the objective of which will be to assist the new member states with “preparing quality projects so that they can be approved more quickly for EU support by the services of the Commission”.

Over the last six years CEE Bankwatch Network and Friends of the Earth Europe have been jointly monitoring dozens of major projects in central and eastern Europe (CEE) co-financed by EU funds, EIB as well as EBRD. In light of our experience with problematic aspects of some previously financed major projects, we have several questions on JASPERS (see below).

We understand that there is a need to increase the absorption capacity of the new member states. But JASPERS will only benefit citizens of the new member states if it links better absorption capacity to better quality, better cost-effectiveness and better environmental sustainability of the financed projects. We therefore see a major role for JASPERS in the improvement of the quality, the independent assessment and the transparency of the preparatory process for major projects, i.e. in the preparation of feasibility studies, cost-benefit analyses and environmental impact assessments.

We have seen a number of cases in CEE countries - for example, the Ljulin motorway in Bulgaria, co-financed by ISPA, and the D8 motorway in the Czech Republic, co-financed by ISPA and EIB - where national authorities have neglected the assessment of possible alternatives, leading to unnecessary environmental damage and the inappropriate use of public funds.

In the 2007-2013 period, a number of controversial projects are likely to be submitted for EU financial support, such as the bridge to Saaremaa island in Estonia, the S-8 section of Via Baltica in Poland or the relocation of the main railway station in Brno, Czech Republic. Dozens of expensive and polluting waste incinerators are planned to be built with the help

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of EU funds in the new member states, although there is substantial evidence to show that waste prevention and recycling schemes would be much cheaper and create many more jobs, while saving precious materials for further use.

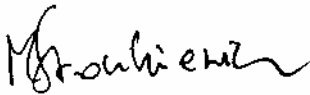
JASPERS should help in the first place to thoroughly assess the economic, financial and environmental aspects of such projects, to consider various alternatives (including the zero alternative, i.e. no construction) and to select the most appropriate and cost-effective ones.

If it is to be of added value to EU citizens, JASPERS must help ensure that public resources are spent on the most needed projects and not on unnecessary or environmentally damaging ones.

Below please find a set of questions on the JASPERS initiative.

I wish you a happy and successful new year and I look forward to hearing from you at your earliest convenience.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Magda Stoczkiewicz', written in a cursive style.

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Questions on the JASPERS initiative

1) How will JASPERS help ensure that environmental impacts assessments, cost-benefit analyses and feasibility studies are undertaken *with proper quality* and that the so-called 'salami tactic' is avoided?

Currently we see that EIAs in some countries, for example in Hungary and Poland, are often carried out by project promoters themselves as a mere formality. Different project alternatives are often not assessed and the public is not actively consulted. Another common practice is for a long motorway or waterway to be sliced into several smaller projects (the 'salami tactic') and the *overall* economic and environmental impacts are not properly assessed.

2) Will JASPERS staff include specialists on environmental legislation and environmental impact assessments?

All financed projects must be fully compatible with EU environmental legislation, especially the Water Framework Directive and the Birds and Habitats Directives. In Poland, the planned road infrastructure to be financed in the 2007-2013 period involves approximately 50 potential conflicts with Natura 2000 sites. Hence the need for JASPERS to help ensure that such conflicts are prevented through properly undertaken SEA and EIA.

3) How will JASPERS help improve the transparency of major projects, namely the full disclosure of documents related to their preparation?

In the case of the above-mentioned Ljulin motorway, for example, Bulgarian citizens were denied access to the project's feasibility study report, cost benefit analyses and correspondence between the European Commission and Bulgarian government regarding the implementation of the Financial Memorandum. Transparency is a legitimate right of effected people and one of the preconditions of closing the gap between the European Union and its citizens.

4) How will JASPERS help to concretely implement the main recommendations from the ex-post evaluation of a sample of 200 projects co-financed by the Cohesion Fund (1993-2002), namely the following ones?

- To select only mature projects, fulfilling clear quality standards;
- to request active public consultation before submission;
- to use an expert opinion on the quality of the project;
- to provide methodological support in preparing cost-benefit analyses and proposing indicators;
- to request measurable and quantified goals, results and impacts.

5) With the JASPERS and JEREMIE initiatives, the Commission, EIB and EBRD have chosen to give special support to major infrastructure projects and to SMEs. Do you plan to launch a similar special initiative for projects directly contributing to the objectives of the European Sustainable Development Strategy? If not, why not?

The potential of the cohesion policy to promote sustainable development is currently greatly under-utilised due to an insufficient supply of projects on waste prevention, recycling and composting, biomass heating for communities, the insulation of buildings for energy efficiency, bicycle routes, sustainable public transport, nature protection, etc. Such projects are often the most cost-effective way of investment and can create long-term local employment. In the absence of a special initiative to support such projects, it is difficult to ensure their consistent supply. The new member states especially have little experience of developing such projects. A special initiative to increase their capacity and know-how regarding the preparation and implementation of environmentally sustainable projects in the areas of transport, energy, waste and nature protection would thus be of great benefit.

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