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REPORT

drawn up on behalf of the Committee on the Environment, Public Health and Consumer Protection

on the proposal from the Commission of the European Communities to the Council (Doc. 1-1210/82 - COM(82) 849 final) for a regulation on action by the Community relating to the environment (ACE)

Rapporteur: Mr S.P. JOHNSON

English Edition

PE 83.098/fin.

By letter of 28 January 1983, the President of the Council of the European Communities requested the European Parliament to deliver an opinion, pursuant to Article 235 of the EEC Treaty, on the proposal from the Commission of the European Communities to the Council for a Regulation on action by the Community relating to the environment.

On 7 February 1983 the President of the European Parliament referred this proposal to the Committee on the Environment, Public Health and Consumer Protection as the committee responsible and to the Committee on Budgets for an opinion.

At its meeting of 27 January 1983 the Committee appointed Mr JOHNSON rapporteur. The Committee considered the Commission's proposal and the draft report at its meetings of 24 February 1983 and 22 March 1983.

At the last meeting the Committee decided unanimously to recommend to Parliament that it approve the Commission's proposal without amendment. The Committee then unanimously adopted the motion for a resolution as a whole.

The following took part in the vote: Mr COLLINS, Chairman, Mr JOHNSON, rapporteur and Vice-Chairman, Mrs WEBER, Vice-Chairman, Mr BOMBARD, Mrs DURY (deputising for Mrs PANTAZI), Mr FORTH, Mrs HOOPER, Mrs LENTZ-CORNETTE, Mr MUNTINGH, Mr PROTOPAPADAKIS (deputising for Mr DEL DUCA), Mrs SCHLEICHER, Mrs SEIBEL-EMMERLING, Dr SHERLOCK and Mr VANDEMEULEBROUKE.

The opinion of the Committee on Budgets will be published separately.

This report was tabled on 24 March 1983.

C O N T E N T S

The Committee on the Environment, Public Health and Consumer Protection hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation on action by the Community relating to the environment (ACE)

The European Parliament,

- having regard to the proposal from the Commission to the Council (COM(82) 849 fin.)[1]

- having been consulted by the Council, (Doc. 1-1210/82),

- having regard to the report of the Committee on the Environment, Public Health and Consumer Protection and the Committee on Budgets (DOc. 1-101/83),

- having regard to the result of the vote on the Commission's proposal,

- having regard to the motion for a resolution presented by Mr MUNTINGH on the implementation within the Community of the world conservation strategy[2],

- having regard to its resolution on the Community's environmental policy adopted on the basis of the report of Mr ALBER[3], which called specifically for the creation of a European Environmental Fund,

- having regard to the Resolution of the Parliament on coastal problems, adopted on the basis of the report by Mr HUME, which also called for a European Environmental Fund.

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(1) O.J. C 30, 4.2.1983, p.8

(2) Doc. 1-112/80

(3) Doc. 1-219/82

- having regard to its budgets resolutions of 1980, 1981, 1982 and 1983[1] and the establishment of the necessary lines in the Community budget,

- having regard to the tripartite agreement between Commission, Parliament and Council and the need for the Council, where items have been entered in the budget, to agree on the appropriate regulations within six months, i.e. by June 1983,

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- having regard to the resolutions of the Council of 22 November 1973, 17 May 1977 and 17 December 1982 under which the Community's first, second and third action programmes on the environment have been approved, and in particular the Commitment of the Council to provide the necessary resources for the implementation of those programmes,

1. welcomes the Commission's proposals for a Council Regulation on action by the Community relating to the environment (ACE) as an important first step in creating the European Environment Fund called by the Parliament on numerous occasions;

2. notes that the action proposed is consistent with the Community's environmental policy and should in particular lead to the more effective implementation of Community directives in the field of pollution control and nature conservation;

3. stresses the need for the Council to approve the relatively modes sums requested by the Commission while believing that the funding proposed will in the longer term be inadequate for the tasks envisaged and that the amounts should therefore be reviewed in the light of experience gained in the implementation of the directive;

4. believes that the creation of a European Environment Fund is not only important in its own right but could also contribute towards achieving a better balance between the different Community policies;

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(1) Docs. 1-581/79, 1-705/80, 1-860/81, 1-593/82

5. calls on the Commission to come forward in due course with proposals to expand the scope of the Regulation so that the Environment Fund may develop into a fully effective instrument to be used in support of Community environment policy;

6. requests the Commission to respect the decisions of the budgetary authority by actually allocating to the Environment sector the staff who have been earmarked for that purpose in the budget;

7. calls on the Council to ensure in accordance with commitments already made, that the necessary resources both human and financial are made available to the Commission for the implementation of the Community's environmental policy;

8. instructs its President to forward to the Council and Commission, as Parliament's opinion, the Commission's proposal as voted by Parliament and the corresponding resolution;

9. requests the Council, in accordance with the terms of the tripartite agreement, to approve the present regulation not later than June 1983.

B.

EXPLANATORY STATEMENT

1. The Community has had an environment policy since the early 1970s. The declaration at the Paris Summit of Heads of State of Governments of the Member States in October 1972, provided the impetus which led to the adoption on 22 November 1973 of the first Community Action Programme on the Environment. This was updated on 17 May 1977 in order to ensure the continuity of the projects already undertaken and to undertake new tasks for the period 1977 to 1981. On 17 December 1982, the Council adopted a third Community action programme on the environment to cover the period up until 1986.

2. As the Commission notes in the Explanatory Memorandum which accompanies the present proposal, substantial results have been achieved in a very short space of time. The main endeavours have been in the form of legislation aimed at reducing pollution and preserving the natural environment. In just under seven years, the Community has adopted over sixty pieces of legislation in this field, including fifteen on the reduction of air pollution, seven on waste, eight on noise abatement, and four on the protection of the environment, land and natural resources.

3. It has become increasingly clear, however, that rules and regulations alone are an insufficient basis for a genuinely dynamic environmental protection policy. In 1980, the European Parliament's Committee for Environment, Public Health and Consumer Protection proposed that 25 million units of account (eua) should be put into a European Environment Fund. The Committee noted in its report that, within the framework of the Polluter Pays Principle, there was a need for Community financing of certain measures of environmental protection. An Environment Fund established by the Community could provide assistance for a variety of projects and programmes including:

- some pollution-control expenditures incurred in the implementation of Community directives, particularly expenditures of a transitional nature,
- measures for environmental conservation, protection of habitats etc. in particular that are endangered or include endangered species,
- actions, including pilot projects, in the field of reclamation and recycling.

4. Finance provided from the Environment Fund would complement the limited resources available through the Regional Fund, the European Investment Bank, the Ortoli facility etc.

5. The general approach of the Environment Committee in calling for an EEC Environment Fund was endorsed by Parliament in the context of the 1980 and 1981 budget debates though only symbolic amounts of money were allocated for this purpose in the budget as finally adopted for those years. However, in 1982, greater progress was achieved on the financial front and an amount of 4 million eua was allocated under Articel 661 "Community operations concerning the environment". The corresponding amount in the 1983 budget was 3,750,000 eua.

6. In proposing the draft Council Regulation (EEC) on action by the Community relating to the Environment (ACE), the Commission takes into account the experience which has already been acquired in the use of the funds available under Article 661 for descriptive analysis and pilot experiments. The Commission now proposes a Community instrument intended to provide financial support for two types of priority action:

a) the development of new technologies which are "clean", i.e. which cause little or no pollution and are more economical of natural resources, in particular raw materials;

b) the protection of the natural environment in certain sensitive areas of Community interest.

7. The Committee warmly welcomes this initiative by the Commission which can be seen as a response to the Parliament's call, first expressed in 1980 and repeated on many occasions since, for a European Environment Fund. It may be pointed out that:

- irrespective of whether money comes from Member States of the Community, a case can be made;
- given the current low levels of expenditure - for more resources to be devoted to protecting and enhancing the environment. As the Community has recognised in adopting the three Community programmes for the environment, a policy aimed at protecting the environment and natural resources is a necessary basis for balanced and sustained development.

- it is Europe's environment as well as its political, social and cultural traditions that gives it its identity. Many environmental problems are common to more than one Member State. Some, such as air and water pollution, may affect all Member States. Effective action may best be achieved at Community level or by Community contribution to, and coordination of, programmes being carried out at the national level;

- the very existence of the Common Market, and of certain Community policies, may aggravate certain environmental problems. The Community has therefore a duty to contribute to the solution of these problems. Indeed recognition of the potential conflicts between different types of Community expenditure - e.g. between agricultural development schemes and the requirements of nature protection - might help solve such conflicts;

- the process of making applications for grants from the Environment Fund and the allocation of those grants by the Community institutions would be educative for all the parties concerned. It would help to expand the Community's environmental policy and prevent it from being too narrowly legislative;

- the Community's existing environmental legislation, and further legislation envisaged under the Action Programme, may place obligations on Member States which some of them may not be able to afford without a contribution from Community funds, and which may not be available from one of the existing Funds. This may be particularly true of applicants for membership (Spain and Portugal) and newly joined States (Greece). If the Community's progress in the field of the environment is not to be slowed down as a result of this situation, there is a clear need for another "resource window" such as that proposed by the Parliament and Commission;

- experience of administrations in most Member States of the Community, as elsewhere, indicates that spending departments have more power than departments without a spending budget. If environmental policy is to continue to develop in the Community, the institutions must be able to back that policy with the necessary financial resources (as well as, of course, with the necessary complement of staff).

8. In proposing a Community instrument limited, as noted above, to the provision of financial support for "clean" technologies and the protection of the natural environment in certain sensitive areas, the Commission has selected two priority areas for Community spending where the necessary preparatory studies have already been made to permit rapid and effective action and where there are no other obvious sources of Community support.

9. As far as "clean" technologies are concerned, the objective would be to aid firms, federations of firms or other bodies answering an invitation, published by the Commission, for the submission of pilot projects intended to attain all or some of the three objectives specified by the Council at its meetings of 18 December 1978 and 9 April 1979, namely:

a) to cause less pollution, i.e. discharge less effluent into the natural environment;

b) to produce less waste;

c) to be more economical of natural resources (in particular raw materials).

10. The Commission is asking the Council for commitment appropriations of 3 million eua in 1983, rising to 4 million eua in 1984 and 7 million in 1985. (Corresponding payment appropriations requested are 1.5 million eua in 1983, 2 million eua in 1984 and 3.5 million eua in 1985).

11. The Commission proposes the creation of an Ad Hoc Advisory Committee to enable it to assess the value of the projects submitted for Community aid. The Commission notes that it would seem to be particularly desirable that precedence should be given, in the granting of Community aid, to small and medium-sized firms whose financial resources are limited but whose innovation capacity in the field of clean technologies would seem to be considerable and who can make a direct contribution towards reducing the social costs of pollution and nuisance in the Community.

12. This approach is sound. Community financial support along the lines described for "clean" technologies could make an important contribution to the implementation in the Member States of the Community's environmental policy, particularly if information and experience gained can be satisfactorily diffused, in accordance with the procedure laid down in Article 5 of the proposed regulation. Though the

sums initially envisaged are modest, it is to be hoped that the amounts allocated to this sector can be increased in subsequent years in the light of experience gained in the operation of the Regulation.

13. As far as the protection of the natural environment in certain sensitive areas of Community interest is concerned, the objective - as proposed by the Commission - would be the "preventive preservation" of such areas, in accordance with certain Community directives (in particular the Council Directive of 2 April 1979 on the conservation of wild birds) or international conventions to which the Community is, or is preparing to be a contracting Party (e.g. the Berne and Bonn Conventions and the Protocol to the Barcelona Convention). These sensitive areas are geographically identifiable following studies carried out at the Commission's request. It is proposed that aid should be granted to public authorities or other bodies recognised by these authorities for the conservation, management or acquisition of such authorities. The Commission is requesting commitment appropriations of 3.5 million eua for 1983, rising to 4 million eua in 1984 and 6 million eua in 1985. (Payment appropriations requested are 1.8 million eua for 1983, 2 million eua for 1984 and 3 million eua for 1985).

14. Community aid would take the form of financial intervention representing a percentage (not exceeding 50% for investments and financial compensation for the restriction of certain economic activities, and not exceeding 70% for descriptive analyses) of the cost of the activity.

15. Here again, it is possible to approve the Commission's general approach. A great deal of the groundwork has already been performed to permit the Commissi to make early and effective use of the funds to be made available in this sector For example, studies carried out in connection with the implementation of the Council Directive of 2 April 1979 on the conservation of wild birds have permit the elaboration of a preliminary inventory of areas of particular importance fo the conservation of birds and of wetlands considered of international importanc Similarly, work undertaken in connection with the ecological mapping of the European Community should help in the identification of biotopes of significanc for nature conservation in the Community.

16. As in the case of aid to "clean" technologies, the Commission proposes th creation of an Ad Hoc Advisory Committee to advise on the allocation of funds.

The Commission will obviously need to elaborate at an early date general criteria not only for the more precise identification of sensitive areas of community interest, but also for funding priorities.

17. One feature of the proposed Regulation is of special interest, namely the provisions of Article 8.2 which would make eligible for Community financing, within certain limits, expenditure intended to compensate for restricting economic activities in certain areas in order to safeguard habitats of Community interest. Certain Member States, e.g. the United Kingdom under the Wildlife and Countryside Act, already provide for such compensation under national legislation. The Commissions's proposal, in the rapporteur's view, is a valuable and timely expression of the same principle at Community level. Care should be taken, however to prevent compensation payments from becoming an excessive burden on the Community's environmental funds. In most cases, it would be better for the Community to negotiate once-for-all payments than to incur continuing obligations.

18. The amount of funds to be allocated under the Regulation over the next several years, looking beyond the period 1982 to 1985 which is covered by the Commission's proposal, must obviously depend on experience acquired in the operation of the Regulation. Equally, it will depend on the political will of the Community to build up a solid and substantial Environment fund to set alongside the other main Community intervention instruments. And that political climate will itself be influenced by progress made in solving the various structural problems which exist today.

19. The development of this new dimension of Community environmental policy, and the opening of this new "window", should itself contribute to the solution of structural problems, if only in a marginal way. At the present time spending on environmental policy accounts for 0.04% of the Community budget. In this context the Commission's proposal is modest indeed. But at least it is a step in the right direction.

20. In the light of the experience gained and the likely availability of adequate resources, the Commission will need to consider to what extent the scope of the Regulation should be extended to cover other aspects of environmental policy. It must be pointed out that the original lines voted by Parliament into the budget under Article 661 covered not only "clean" technologies and "nature conservation", but also the question of job-creation through environmental measures the harmonization of environmental statistics and the implementation of

Community directives. If these items are not at the moment to be covered by the proposed regulation, appropriate provision will still need to be made elsewhere in the budget.

21. Finally, the question of staff remains of paramount importance. There can be no doubt that, if the Commission is to act responsibly and professionally in managing Community funds under the Regulation, it must have adequate staff resources to do so. The European parliament has pressed consistently for more staff to be allotted to the Directorate-General concerned. It is a matter of deep regret that, even when staff have been specifically earmarked for environment in the Budget, the Commission itself has decided to allocate these posts to other sectors of work.