

# Faster ... but smarter or more destructive?

## Mapping controversial anti-crisis paths for EU and EIB funding in central and eastern Europe

Fifty-five environmentally damaging projects lined up for accelerated funding from the EU at a total cost of 23 billion euros. National governments and the EU must halt such projects and instead deploy EU funding for smarter, more effective and more transparent investments



This updated map displays 55 environmentally destructive and economically unsound projects, several of which are already being funded, and the bulk of which are still in line for accelerated anti-crisis funding from the EU structural and cohesion funds and the European Investment Bank.

CEE Bankwatch Network and Friends of the Earth Europe are calling for the EU funds not to cause damage but to instead bring real long-term benefits to people living in the CEE countries. In a time of crisis – economic and climate – EU funding can have a significant leverage impact on job creation and recovery, but the protection of nature and the prevention of climate change must not be overlooked. Most of the projects that feature on the map have yet to receive funding, which means that most of the environmental harm and money wastage can still be prevented.

**PROJECT TYPE:**

- Road
- Waste incinerator
- Waste landfill
- Water management project
- Railway project
- Metro
- Bridge
- Seaport
- Cultural Center
- Airport
- Nuclear power plant
- Fossil fuel power plant
- Shopping centre

**PROJECT STATUS:**

- Financed (already received EU or EIB funding)
- Planned (included in national programmes for EU funding in 2007-2013 or planned to be financed by EIB)
- Potential (seriously considered for EU or EIB funding)



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## EU billions in crisis – fast or smart?

The European Union is injecting billions of euros for the development of the new member states of central and eastern Europe (CEE) via the structural and cohesion funds as well as the European Investment Bank (EIB). This financial aid, aimed at resolving regional disparities, accounts for the bulk of public investment into the region and will play an even more vital role during the advancing economic crisis.

As part of the European economic recovery plan, the European Commission (EC) has put forward a proposal to accelerate the implementation of major infrastructure projects and also to enhance “smart” investments for a low carbon future. An underlying question, however, remains – are the new members states now prepared to use European taxpayers’ money more wisely?

This map displays 55 projects that are being financed – or are planned to be financed – by the EU funds and the EIB. The projects are economically irresponsible, may lead to severe environmental damage and could have adverse impacts on overall quality of life across the CEE region. These mostly include motorways, waste incinerators and inland navigation or water projects at a total estimated cost of over €23bn. Of this, at least €12bn stands to be paid via the EU funds, and in addition there will be billions of euros in the form of loans from the EIB.

## Alternatives are available and up and running!

The controversial projects on this map are not the result of an “inevitable trade-off” between economic development and environmental wealth. Alternative solutions exist – whether it’s simply a different route for a motorway or a conceptually different solution, such as separating and recycling waste instead of incinerating it. It is very possible to avoid the potential environmental damage portrayed in this map. For instance, after two years of concerted campaigning from environmentalists seeking to avoid the routing of a major bypass road through the treasured Rospuda Valley (a NATURA 2000 site), the Polish government has just recently put forward an alternative route which will not destroy valuable nature sites.

In the Czech Republic, there are small municipalities which have already adopted the “Zero waste” concept and submitted small scale separate collection and recycling projects for EU funding – there are alternatives to incineration that are more cost-effective, easier to implement, create more local jobs and that are both more

## Our aim: sound use of EU funding

In 2008, we published a map of projects entitled “Cohesion or Collision?” that presented the controversies surrounding planned, potential and implemented investment projects seeking funding from EU sources. Now in 2009 we present an update of the map that shows how the same projects are very likely to be put forward for accelerated absorption of EU funding despite the environmental, climate, social and economic controversies detailed in this map. We call on the EC and member states to ensure that:

- ~The economic crisis is not used as a reason to deploy EU money for dubious projects
- ~The transparency of and public scrutiny over major projects should be significantly strengthened
- ~Assessments of alternative solutions and stringent compliance with EU environmental law is required
- ~Clear criteria for what constitutes a “green” investment are established
- ~A mid-term assessment of the changes in the EU funds regulations against multiple criteria is undertaken – an assessment that looks at economic, social and environmental considerations..

## Recovery but only if it is smart and green ...

Instead of restricting CEE countries by providing easy money to dubious and climate intensive projects, the economic crisis offers an opportunity for the EU to demonstrate leadership that can ensure progressive decisions on EU spending – this can get the new member states onto a more sustainable development path in the medium term.

The EC has called for “smart spending” in energy efficiency (EE), renewable energy sources (RES) and integrated urban developments as a way out of the crisis towards a low carbon future. EU funds regulations will now allow for all member states to use up to 4% of the ERDF for EE/RES in housing. The EIB is also set to increase such investments by up to €6 billion per year for the next two years.

Member states should seize this opportunity and reshuffle EU funds allocations towards direct support for clean and efficient energy and transport and also guarantee horizontal efficiency measures in other programmes and projects – rapid, positive effects for the economy, for employment and for our climate will result.

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