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From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 2)/Council
No. prev. doc.:	13428/14, 13429/14
Subject:	Draft Council conclusions on Special Report No 12/ 2014 by the European Court of Auditors: "Is the ERDF effective in funding projects that directly promote biodiversity under the EU biodiversity strategy 2020?"

1. On 19 September 2014, the General Secretariat of the Council received the Special Report No 12/2014 "Is the ERDF effective in funding projects that directly promote biodiversity under the EU biodiversity strategy 2020?"¹, adopted by the Court of Auditors at its meeting on 4 June 2014.
2. Pursuant to the rules laid down in the Council conclusions² on improving the examination of special reports drawn up by the Court of Auditors, the Permanent Representatives Committee (Part II) at its meeting on 1 October 2014 instructed the Working Party on Structural Measures to examine this report according to the rules laid down in the abovementioned conclusions.

¹ OJ C 321, 18.9.2014, p. 2.

² Doc. 7515/00 FIN 127 + COR 1.

3. The Working Party on Structural Measures examined the Special Report on 6 November 2014 and an agreement on draft Council conclusions was reached on 2 December 2014 following a silence procedure.
 4. The Permanent Representatives Committee is therefore invited to recommend to the Council to adopt, as an "A" item, these draft Council conclusions as set out in the Annex to this document.
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Draft Council conclusions on Special Report No 12/2014

by the European Court of Auditors:

"Is the ERDF effective in funding projects that directly promote biodiversity under the EU biodiversity strategy 2020?"

THE COUNCIL OF THE EUROPEAN UNION,

- (1) WELCOMES the special report from the European Court of Auditors (hereinafter referred to as "the Court") and TAKES NOTE of its observations;
- (2) RECOGNISES that protecting biodiversity is an essential environmental priority of for the EU, which is expressed through the EU biodiversity Strategy for a and also relevant legislative acts;
- (3) UNDERLINES the importance of biodiversity for providing vital goods and services, such as food, water and air purification and that a loss of biodiversity may give rise to substantial economic and welfare losses in terms of polluted water and air, floods, erosion and the spread of diseases;
- (4) RECALLS that the "EU biodiversity strategy to 2020" was endorsed by the Council in June 2011, while Member States were encouraged to integrate the strategy into their national plans and programmes;
- (5) RECALLS that protecting biodiversity is also included in the seven flagship initiatives of the EU 2020 Strategy for growth and jobs, as part of the initiative on resource efficiency and in the Environmental Action Programme to 2020 and UNDERLINES that interventions to prevent and reduce the loss of biodiversity can also contribute to growth and jobs;

- (6) **HIGHLIGHTS** that biodiversity is not under the sole responsibility of any sectoral EU policy, but it is rather a cross-cutting issue that can draw on funding through a number of diverse policy instruments such as the Programme for the Environment (LIFE), the European Agricultural Guarantee Fund (EAGF), the European Agricultural Fund for Rural Development (EAFRD), the European Maritime and Fisheries Fund (EMFF), the European Regional Development Fund (ERDF) and the Cohesion Fund and Member States and the Commission shall, through a stronger thematic focus in programmes and the application of the principle of sustainable development in accordance with Article 8 of the Regulation No.1303/2013, seek to exploit synergies as underlined in the Common Strategic Framework in Annex I to the Regulation No. 1303/2013;
- (7) **RECALLS** that Member States allocated EUR 2,8 billion in the 2007-2013 programming period to the direct promotion of biodiversity and natural protection under the ERDF, including Natura 2000;
- (8) **TAKES NOTE** that for the purposes of their Special report No 12/2014 the Court examined the extent to which Member States benefit from the available ERDF funding and then assessed the performance of the 32 sampled projects and **RECOGNISES** that the available ERDF financing opportunity for promoting biodiversity have not been fully exploited by the Member States;
- (10) **ACKNOWLEDGES** that despite the sampled projects match Member States and EU priorities for halting biodiversity loss, further efforts should be made to monitor their actual contribution and ensure their effects are long-lasting and not just temporary, so that proper result indicators and, where needed, monitoring systems can be put in place to assess the effectiveness of the projects and thus a clear link between projects and tangible results in protecting biodiversity;
- (11) **TAKES NOTE** of the Court's findings that Member States did not always recognise ERDF as a possible instrument for promoting biodiversity, while its potential for financing Natura 2000 was not sufficiently realised;

- (12) WELCOMES the fact that the physical outputs of the sampled projects were generally realized as planned in the projects and ENCOURAGES the Member States to continue ensuring, where appropriate, the support of ERDF in order to guarantee the sustainability of the projects;
- (13) WELCOMES the Court's recommendations that the Commission should: *support* Member States in setting biodiversity restoration priorities in operational programmes for 2014-2020 period; *assess* the complementarity with projects financed by other EU instruments and *advise* Member States on applying ERDF rules for combining different EU funds; *support* Member States in following up preparatory projects with a view to an active protection policy for habitats and species; *support* the evaluation of the environmental changes in habitats and species following co-financed interventions; INVITES the Commission, while implementing the Court's recommendations as appropriate, to take into account the relevant Partnership Agreement and the specific development needs identified in the operational programmes as well as the starting positions of the Member States and to refrain from imposing further obligations beyond legal requirements and/or unnecessary administrative burden on Member States; INVITES the Commission and the Member States to monitor the actual implementation of operational programmes in view of an early and proactive identification of difficulties;
- (14) NOTES that, while the main objective of the ERDF is the reduction of economic, social and territorial disparities, the promotion of biodiversity is a horizontal principle to be applied throughout the preparation and implementation of programmes and INVITES the Member States to explore and make use, where appropriate, of the possibilities offered also by ERDF to finance the promotion and protection of biodiversity, also with an integrated approach in order to achieve greater synergy with other policies and among different funds and benefits from cost-effective actions; in that spirit, EU macro-regional strategies could also contribute to promote biodiversity by common action, taking into account the specific ecological challenges in each macro region.
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