EUROPEAN PARLIAMENT

session documents

ENGLISH EDITION

30 November 1993

A3-0361/93

REPORT

of the Committee on the Environment, Public Health and Consumer Protection

on the environmental aspects of the PHARE programme in the Visegrad countries (Poland, the Czech Republic, Slovakia and Hungary)

Rapporteur: Mr Raphael CHANTERIE

DOC_EN\RR\241\241171

PE 204.624/fin.
Or. EN/ES

* Consultation procedure requiring a single reading
**I Cooperation procedure (first reading)
**II Cooperation procedure (second reading) requiring the votes of a majority of the current Members of Parliament
*** Parliamentary assent requiring the votes of a majority of the current Members of Parliament

C O N T E N T S

At the sitting of 11 December 1989 the President of the European Parliament announced that he had forwarded the motion for a resolution by Mr Collins and others on measures to improve the environment in Poland and Hungary, pursuant to Rule 45 of the Rules of Procedure, to the Committee on the Environment, Public Health and Consumer Protection as the committee responsible and to the Committee on Budgets and the Committee on External Economic Relations for their opinions.

At its meeting of 9 November 1989 the Committee on the Environment, Public Health and Consumer Protection decided to draw up a report and appointed Mr Chanterie rapporteur.

At its meetings of 10 June 1993, 20 July 1993 and 29 September 1993, the committee considered the draft report.

At the last meeting it adopted the resolution unanimously.

The following took part in the vote: Collins (chairman); Schleicher, Iversen and Amendola (vice-chairmen); Chanterie (rapporteur); Bjørnvig, Ceci, Diez de Rivera Icaza, Heider, Kuhn, Morris (for Bombard), Oomen-Ruijten, Partsch, Pimenta, Raffin, Roth-Behrendt, Schwartzenberg, Scott-Hopkins, Staes, Valverde Lopez, Vanlerenberghe, Vertemati and Vittinghoff.

The opinion of the Committee on External Economic Relations is attached to this report; the Committee on Budgets decided not to deliver an opinion.

The report was tabled on 30 November 1993.

The deadline for tabling amendments will appear on the draft agenda for the part-session at which the report is to be considered.

A

MOTION FOR A RESOLUTION

Resolution on the environmental aspects of the PHARE programme in the Visegrad countries (Poland, the Czech Republic, Slovakia and Hungary)

The European Parliament,

- having regard to the motion for a resolution by Mr Collins and others on measures to improve the environment in Poland and Hungary (B3-0468/89),

- having regard to the report of the Committee on the Environment, Public Health and Consumer Protection and the opinion of the Committee on External Economic Relations (A3-0361/93),

A. whereas the PHARE programme vests enormous power in the Commission and there is no parliamentary scrutiny of the use of Community funds,

B. whereas tackling environmental problems in the countries receiving aid under the PHARE programme is a gigantic undertaking, in which the Community should play an important role to supplement bilateral aid and aid through the EIB, EBRD, World Bank and IMF, in view of European solidarity and the positive effects on the environment in the Community,

C. whereas many environmental problems are international in character and European cooperation with countries receiving aid, inter alia through the European Environment Agency which is to be set up, is therefore of vital importance,

D. whereas the number of countries receiving aid under the PHARE programme has increased substantially over a short period of time, the budget for the programme has been increased several times over and the number of areas of policy in which aid is provided has expanded greatly,

In general,

1. Takes the view that the selection of the projects accords with the priorities set by the Polish, Czech, Slovak and Hungarian Governments;

2. Regrets the fact that the share of environmental expenditure within the PHARE programme has fallen alarmingly in recent years and calls for the originally stated intention of earmarking 25% for environmental expenditure to be complied with in the years ahead;

3. Endorses the PHARE programme's aim of reducing the most serious sources of environmental pollution in the near future and, in the longer term, aiming to secure sustainable economic development and prevent pollution;

4. Emphasizes that environmental interests should also be borne in mind in the agriculture, transport and energy sectors and stresses the importance of ecologically sound and organic farming;

5. Stresses that exports of waste to non-OECD countries, including the countries receiving aid under the PHARE programme, should be banned;

6. Believes that nature conservation should be an important component of the PHARE programme and that cross-boundary nature parks deserve support;

7. Wishes 1 to 5% of the funds of the PHARE programme to be used for a small grants facility or 'bistro facility' on which both the Commission and recipient countries can draw;

8. Takes the view that funding of the PHARE programme should be increased substantially in the budget for 1994 and notably used for regional projects such as:
   - the Integrated Environmental Programme for the Danube River Basin,
   - the Regional Environmental Programme for the Black Sea,
   - the Baltic Sea Integrated Programme,
   - the Black Triangle,
   - remote sensing and use of satellite data,
   - Support for Public Participation and Awareness Building - Regional Environmental Centre in Budapest;

9. Considers that an environmental impact assessment should be compulsory for all projects above a certain size, so as to prevent investment decisions from being taken which damage the environment excessively or cause environmental damage which can subsequently be remedied only by investing many times the original amount;

10. Observes that unless there is an adequate response to criticism of the PHARE programme, bilateral aid will increasingly be advocated in preference to Community aid;

11. Supports the GLOBE-EC organization which facilitates cooperation between Members of Parliament from the PHARE countries and Members of the European Parliament who are active in the field of environmental protection, and reaffirms in this connection its desire, as expressed in resolution A3-0242/91, to form a network of Members of the European Parliament and of the national parliaments in the European continent and considers that this network (GLOBE-EUROPE) should also be able to receive financial backing from the PHARE funds;

Recipient countries

12. Considers it extremely important that recipient countries be involved from the start in the work of the European Environment Agency as soon as it becomes operational;

13. Proposes very close cooperation with the parliaments of the recipient countries in setting up and evaluating the PHARE programme;

14. Stresses that the authorities in the local area, NGOs and the project management involved in implementing projects should have a say in how a particular project is carried out;

15. Calls on the Commission to ensure that recipient countries receive proper guarantees on the capital goods supplied to them;

European Commission

16. Appreciates the difficulties experienced by the Commission in committing funds during the initial stage of PHARE, because of the as yet inadequate administrative structures in the recipient countries;

17. Is fully aware that it is better for commitments to be given and payments made later but on a sound basis than quickly and unsatisfactorily;

18. Calls on the Commission to streamline the internal procedures of the PHARE programme so that commitments can be entered into and payments made more quickly;

19. Regrets the fact that virtually none of the funds available under the PHARE programme can be used for environmental investment and that as a rule only preparatory studies can be funded for projects which may be carried out later by the national governments, perhaps with the support of the EIB, EBRD, World Bank or other banks;

20. Deplores the use of numerous consultants from Community countries, who are often too ignorant of situations and customs in the recipient countries; calls for the services of local consultants to be enlisted wherever possible, as they can, at a fraction of the cost of Western consultants, produce results better tailored to local conditions;

21. Expresses its dissatisfaction at the fact that the Commission is pursuing its activities outside the Community in a very autonomous fashion and hardly ever consults Parliament, so that it is very difficult to monitor its policy in any way;

22. Condemns the Commission for the lack of information and transparency regarding the evaluation of the first years of the PHARE programme; observes that it is unacceptable that the evaluation report for 1991 is still an internal Commission document;

23. Urges the Commission not to confine exchanges of environmental experts to officials but to extend them to industry and NGOs;

24. Condemns the Commission for spending ECU 50 million on pesticides which are banned in the Community;

25. Calls for the PHARE Operational Service to be given a staff complement adequate to its duties and compatible with its desired level of effectiveness; takes the view that the Commission should pursue a flexible personnel policy for this purpose so that staff can more readily be transferred from one Directorate-General to another;

26. Calls on the Commission to work out a legal basis for each part of the PHARE programme which provides more details of the objectives, resources and decision-making procedures than are given in the existing regulation on the PHARE programme;

27. Calls for more rapid submission to the Council and Parliament of an assessment showing what the projects hitherto initiated have achieved, and wishes Parliament to be informed more rapidly;

28. Welcomes the more programmed approach adopted by the Commission as a substitute for the original project-based approach;

29. Instructs its President to forward this resolution to the Commission, Council, the governments of the Member States, the European Investment Bank, the European Bank for Reconstruction and Development, and the governments and parliaments of Poland, the Czech Republic, Slovakia and Hungary.

B

EXPLANATORY STATEMENT

1. INTRODUCTION[1]

1.1. PHARE is one of two EC programmes of aid to Central and East European Countries (CEEC). It covers Poland, Hungary, the Czech and Slovak Republics, the Baltic States, Bulgaria, Albania, and the former Yugoslavia. The PHARE budget to date exceeds ECU 2 billion and extends to 11 CEECs (the other programme, Technical Assistance to the Commonwealth of Independent States or TACIS, deals with the Commonwealth of Independent States minus the Baltic states). Safety of nuclear installations in the PHARE area falls under both the TACIS and PHARE programmes.

1.2 In order to provide support to the process of economic and social reform in Central and Eastern Europe, the Council adopted Regulation (EEC) No. 3906/89[2] in December 1989 with the objective of providing Community aid to Poland and Hungary, hence the name PHARE (Poland-Hungary Aid for the Reconstruction of the Economy).

By Council Regulation (EEC) No. 2698/90 of 17 September 1990 the above regulation was amended to include Bulgaria and Romania, together with the then Czech and Slovak Federative Republic, the former German Democratic Republic, and the former Yugoslavia[3].

The PHARE Council Regulation was amended again by Council Regulation No. 95/542/EEC to extend economic aid to Estonia, Lithuania, and Latvia[4]. Since German reunification, the former German Democratic Republic has no longer been eligible.

The PHARE assistance to the former Yugoslavia has been blocked since December 1991; today, for various reasons, this assistance is relevant only for Slovenia.

The objective of PHARE is to provide systemic reform while the beneficiary countries change from planned to free market economies.

The priority sectors to be supported are: agriculture, industry, investment, energy, training, environmental protection, trade and services.

Since September 1990 up to 5% of the budget may be spent on humanitarian aid. This limit was reached by July 1991.

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[1] For a description of the environmental situation in the countries concerned see the publications of the Research Department.

[2] OJ No. L 375, 23.12.1989, p. 11

[3] OJ No. L 257, 21.9.1990, p. 1

[4] Decision No. 95/542/EEC of 23 November 1992, OJ No. L 351, 2.12.1992, p. 29

Priority projects are agreed at the beginning of each year by the national authorities in the relevant beneficiary country in dialogue with the Commission. An overall indicative programme is set out.

The sectoral programmes have clear policy reform objectives. All projects and programmes for which PHARE funds are solicited and approved must be submitted to the Commission by the competent authorities of the recipient country.

The 1990 budget contained provision for ECU 500 million,
the 1991 budget contained provision for ECU 785 million,
the 1992 budget contained provision for ECU 1 billion.

It should be noted that PHARE is only one of the funds made available for Central and Eastern Europe: other sources include the G-24 Group, World Bank, EIB and EBRD. Special attention must be paid to the duty of the Commission to coordinate G-24 assistance to Eastern Europe and to avoid duplication of effort.

For each PHARE Programme sector a Project Implementation Unit/Project Management Unit is set up together with the national authority concerned (through the national coordinator), assisted by a team of consultants and the EC delegation in the recipient country. The PHARE Programme is administered by the PHARE Operational Service in DG I (External Relations) of the Commission which is managed by the PHARE Management Committee with representatives of each Member State (provided by the Permanent Representatives to the EC).

The PHARE Operational Service consists of four sections: Section 1 is responsible, inter alia, for transport, agriculture, the environment and food aid, Section 2 for the development of the private sector, small and medium-sized enterprises, the development of banking, management training etc, Section 3 for social security, the labour market, the reform of the public sector and democratization, and Section 4 for financial affairs and control. Altogether, around 125 staff are currently working on the PHARE programme.

1.3. The EC's rapid and positive response to the dramatic political changes and resultant needs in CEECs was to establish the PHARE Programme in 1989. PHARE is only one of a number of G-24 aid programmes directed at supporting the development of free market economies. Like the other G-24 programmes, the overall aim of PHARE is to support economic restructuring. PHARE has to a large extent been 'demand-driven' and responded to the needs of CEEC governments. These needs are elaborated jointly between the Community and CEECs and expressed in the form of 'National Indicative Programmes'. Environmental aid was an early CEEC priority and the PHARE Environmental Programme was introduced in 1990. In fact PHARE has provided the largest source (about 75%) of grant funding to the environmental sector in the CEECs during the last three years.

1.4. The environment in CEECs presents some stark contrasts: extensive wilderness areas containing much of Europe's biodiversity with unique habitats the last refuge of threatened species, together with some of the worst pollution anywhere in the world. In terms of environmental improvement CEECs have much to gain from well-targeted and well-managed aid programmes but they also have a great deal to lose from short-term measures designed to promote economic growth without regard for the environmental consequences.

1.5. Few projects, programmes and policies are environmentally neutral. It is inevitable that PHARE will have environmental impacts, some positive and some

negative, which have yet to be considered and addressed. This report aims to identify and analyze these impacts.

2. PHARE AND THE ENVIRONMENT

2.1. There are active PHARE environment programmes in Bulgaria, Hungary, Poland, the Slovak Republic, Romania, and the Baltic states. The former German Democratic Republic also has an environmental programme, which will not be renewed. Poland, Hungary and the Czech and Slovak republics have well-developed programmes of two to three years' duration. There is also a Regional Environmental Programme, which began in 1991 and covers transnational environmental problems including riparian and trans-boundary air pollution. Albania and Slovenia are the only two countries which as yet have no environmental sector programme.

2.2. In addition PHARE funds support programmes in other sectors which have an impact on the environment such as agriculture, transport, energy and industrial restructuring.

2.3. By the end of 1992, ECU 254.2 million had been allocated to the environment sector of the PHARE Programme. Overall this represents 11% of the total PHARE budget. The percentage allocation has decreased over the course of the PHARE programme: in 1990 the sector allocation was 21%, which dropped to 11% in 1991, and was 6% in 1992. Most of this money (63% or ECU 160 million) has been allocated to the four Visegrad countries - Poland, Hungary and the Czech and Slovak Republics. The remaining 89% of the budget is divided between the other sectoral programmes, as defined by each 'National Indicative Programme'.

3. PHARE ENVIRONMENTAL PROJECTS

3.1. The Commission of the European Communities (EC Commission) set up a new unit, the PHARE Operational Service (PHOS), at the Directorate-General for External Relations (DG I) to administer PHARE. The initial approach adopted by PHOS was project-based. This approach was used in all sectors to meet immediate and urgent needs in the countries concerned. Project lists were drawn up by the recipient countries and in consultation with PHOS, and final project lists were agreed. Environmental projects identified in the first phase of PHARE, in 1990 (Phase 1 projects), tended to be in the areas of greatest need, such as:

- pollution monitoring;
- waste water treatment;
- hazardous waste disposal;
- nature conservation;
- environmental education/training;
- air pollution abatement.

3.2. Since 1990 PHARE has funded over 300 projects in the environmental sector. Almost half of the environment budget (ECU 120 million) has been committed to Poland and Hungary. These projects should by now (1993) be showing results that can be used in the development of future programmes of environmental protection.

3.3. The greatest financial commitment on projects has been in Poland (ECU 80 million) and it is here that PHARE might be expected to have the greatest positive environmental impact. However, during a visit to the European

Parliament in December 1992 by the Representatives of the Polish Parliamentary (Sejm) Environment Committee, many criticisms were made of western environmental aid generally, which included PHARE. These criticisms echo those which most frequently appear in press coverage of aid and loan programmes to CEECs (e.g. in recent reports on the European Bank for Reconstruction and Development, EBRD). The main points are briefly summarised below.

3.4. The end product of many PHARE-funded projects was studies or 'master plans' rather than action; funding was used to pay western consultants whilst existing CEEC expertise was not used; there appeared to be little improvement in the environmental situation as a consequence of aid; it was difficult to get information on PHARE-funded projects.

3.5. On this last point it is worth noting that many Members of the European Parliament (MEPs) have also found it difficult to get detailed information on PHARE projects. Some of the criticisms made during the visit may turn out to be ill-informed but this is to be expected if information is not freely available.

3.6. Three reasons can be advanced to explain the reported lack of environmental improvement (i.e. low positive environmental impact):

3.6.1. The costs involved in tackling national pollution problems are much greater than the PHARE budget. For example, the cost of a single water treatment plant to serve a town between 30,000 and 50,000 inhabitants could be ECU 20-30 million, i.e. as large as the entire budget for Poland since 1990. Such costs have to be borne by the investment banks and private enterprises and cannot be met by aid programmes. PHARE has funded training programmes, pilot projects and feasibility studies which are increasingly being used as pre-investment studies by the investment banks such as the European Bank for Reconstruction and Development (EBRD). Unrealistically high expectations of the PHARE programme could be avoided if PHOS made information more freely available. External contributions, which include PHARE funds, to combating environmental problems account for only 5% of needs in Poland and Hungary, and 95% of the necessary funds have to be provided by the countries themselves.

3.6.2. Money committed is not necessarily money spent; in fact some of the 1990 budget committed to the environment has still not been spent in 1993, and most of the 1992 budget remains unspent.

The Court of Auditors' report on the financial year 1991 highlights the extremely 'low rate of implementation' (i.e. spending of funds committed) for the period 1990 to the end of 1992. Less than 21% of the money allocated to the environment had been spent in this period.

Rates of implementation varied from country to country, ranging from 12% in Bulgaria to 30% in Hungary. For the Visegrad countries (Poland, Hungary, Czech and Slovak republics) the table below shows the proportions of the total funds committed since 1989 that were spent by 31 December 1991 (taken from Court of Auditors Report for 1991, ref.: OJ C 330 1992).

	Total % spend environment sector	Total spend all sectors
Hungary	30%	36%
former Czechoslovakia	20%	22%
Poland	22%	32%

In the Regional Environmental Programme none of the ECU 22 million allocated had been spent by the end of 1991.

In fact implementation rates for Poland and Hungary have increased markedly during the course of 1992, although some 1990 projects have still (in 1993) to be started in these countries. The separation of the Czech and Slovak Republics has seriously slowed down implementation of PHARE projects, PHARE programme coordination having been previously based in the former Czechoslovakian Federal Ministry of the Environment.

In part, low implementation rates are a result of the continuing political instability of CEECs (as in the case of Czechoslovakia); they also result from the need to develop a CEEC infrastructure for dealing with foreign aid and investment capital. (It took many months before accounts in ECU could be opened in Poland and Hungary). This meant that a certain amount of institutional development and training had to take place before money could be effectively (and accountably) spent. These problems are compounded by the Commission's apparent inability to provide adequate resources for PHOS to carry out all its responsibilities.

3.6.3. A recent external evaluation of PHARE environmental projects, initiated by PHOS, has shown that many of these projects have been successfully carried out, within the guidelines given to the contractors (i.e. they have, on the whole, met the contract terms of reference and been completed in time and to budget). However it seems that the main problems lie rather with the '*policy vacuum*' in which they have been carried out. It is often not clear how the results of these projects will be used in the future, or by whom.

For example, several projects have involved transferring west European Flue Gas Desulphurisation (FGD) technology to countries with severe air pollution problems, notably Poland, Hungary and the former Czechoslovakia. These projects appear to have been carried out without due consideration of the cost and affordability to CEEC governments and enterprises.

Although the technology has been successfully transferred, it is arguable whether there is, or ever will be, a market for this relatively expensive technology. To be effective in alleviating pollution problems, FGD must be adopted by a significant number of the major polluters, e.g. national power generators. CEEC power generators simply cannot afford to do this (similar cost constraints have severely limited the use of FGD in the United Kingdom).

In a similar way an overall policy framework is essential in the field of nature conservation, particularly in cases where protection necessitates intervention. Valuable CEEC wildlife habitats may have been damaged, for example in Hungary,

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[1] See e.g. The Economist of 10.4.1993

because little consideration has been given to the time limits for implementing project recommendations.

It is difficult, on the basis of present information, to say how typical such projects are. However, it is clear that even if projects are carried out well they will not have the hoped for positive environmental impact, unless due thought is given to the future use of project results.

3.6.4. This is a problem that has been recognised by PHOS and there has been a progressive move away from funding a series of projects to supporting programmes which will develop CEEC environmental policies and produce pre-investment studies *(see 3.6.1. above)*. This approach is best developed in Poland in the PHARE 1991/1992 Environment Programmes.

Nevertheless a substantial amount of PHARE money, the majority of the 1990 budget, will have been invested: ECU 30 million in the former Czechoslovakia, ECU 25 million in Hungary, ECU 22 million in Poland and ECU 20 million in the former German Democratic Republic.

Information on PHARE projects appears to be scattered (in CEEC Ministries, with EC Delegations and in Brussels with PHOS) and not readily available *(see 3.5. above)*.

4. ENVIRONMENTAL IMPACT OF PHARE

4.1. The funds allocated to the environmental sector, although large and greater than the EC's own LIFE Programme (ECU 88 million per year), represent only 11% of the total PHARE budget. The environmental impact of the remaining 89% is likely to be more significant.

4.2. For example, in 1990, ECU 22 million was allocated to environmental protection projects in Poland. However, in the same year ECU 50 million was spent on supplying unspecified 'pesticides' to Polish farmers. Potentially, the adverse environmental effects of supplying pesticides within the agricultural sector could outweigh the benefits of the ECU 22 million provided by the environment programme (e.g. pollution of water supplies, contaminated groundwater). It is important that care is taken in supervising supply contracts given that there are reports of pesticides banned in the EC being used in CEECs (e.g. organochlorines in the former German Democratic Republic).

4.3. Programmes and policies developed with PHARE funding (Second Phase) will also have positive and negative environmental impacts. To return to the example of FGD, the G-24 have funded a number of projects on FGD technology transfer from Western Europe to CEECs. For example, bilateral programmes between Austria and the Czech and Slovak Republics; between Denmark and Poland; and between the United States of America and Poland have developed FGD projects. In addition, PHARE has funded FGD projects in Poland and Hungary.

4.4. The intended result of such projects is to demonstrate how the various FGD technologies can be used to produce cleaner effluents. However, this appears to be happening without due regard to the environment impacts of FGD. To achieve a significant reduction in air pollution, the Polish Ministry for the Protection of the Environment, Natural Resources and Forestry (MOSZNIL) has estimated that as many as 30 power stations may need FGD. Apart from the cost implications, much will depend on which FGD technology is chosen. Using wet limestone is a

favoured method in Poland. This requires daily supply of crushed limestone and daily disposal of the by-product, gypsum. It was originally envisaged that the gypsum might be sold to the building industry or for fertiliser production.

4.5. Clearly the environmental impacts of FGD are potentially large. They have been well documented in western Europe. Some of the most important issues are:

- the mass extraction and processing of limestone (given that many limestone formations in Europe are protected areas and high in biodiversity; e.g. a potential source of supply for power stations in Polish Silesia is the Ojcowski National Park);

- transport of limestone and gypsum, and disposal of gypsum (given that supply to the building industry will almost certainly exceed demand).

4.6. As identified above, the energy sector has significant impact on the environment. The urgent need for FGD technology has come from the use of fuels with high sulphur content (such as lignite) to generate power. It is clear that all policy decisions on power generation will have environmental impacts which should be assessed.

4.7. External consultants have been contracted by PHOS to carry out environmental impact assessment of certain projects. However, PHOS has yet to undertake an environmental impact assessment of any PHARE funded project, let alone programmes or policies. Indeed, there appears to be no mechanism to achieve this within PHOS. This is inconsistent with the move in Western Europe towards the greater integration of environmental considerations into all levels and areas of policy. This policy is outlined in the Community's Fifth Environmental Action Plan and Agenda 21 to which the Community is committed.

5. COORDINATION

5.1. Two issues will be considered in this section: the role of the Commission in the overall coordination of G-24 aid and investment programmes and the need for internal coordination within and between the various Commission services.

5.2. Coordination is vital to achieve efficient use of resources, to avoid duplication of effort, to ensure consistency of approach and to avoid confusion in the recipient countries. The example of FGD given above illustrates the potential for duplication and possible confusion.

5.3. In its report for the financial year 1991, the Court of Auditors criticised the Commission's failure to coordinate G-24 assistance. Although the Court had already stressed the importance of coordination in its two previous annual reports it saw no real progress in this area and called upon the Commission to allocate the resources necessary to undertake this task. Even coordination with the EC Member States was found to be inadequate.

5.4. In one of the most recent CEECs to receive PHARE funds, Albania, at least 5 major studies which have environmental implications have been carried out by the World Bank, EBRD, Commission and United Nations over the last six months. Many elements of these overlap and it is essential to provide mechanisms ensuring the coordination of future actions that may result from these studies. The case for coordinating programmes and assessing the environmental impacts of western aid and investment is particularly strong in Albania. This is a poor

country, ecologically rich, with fragile ecosystems, and it has few investment opportunities apart from mass tourism.

5.5. In terms of assessing environmental impacts of projects and programmes it has proved difficult to find evidence of coordination between PHOS units, e.g. between the unit administering environment programmes and those responsible for agriculture and energy. There also appears to be little coordination between PHOS and the various Directorates-General active in CEEC programmes.

5.6. The Commission is undertaking a number of separate actions in CEECs. With a coordinated, horizontal approach they could interact and reinforce each other. Environmental initiatives are being taken in:

- ECOS and OUVERTURE - regional programmes funded and managed by DG XVI (Regional Policy);
- research projects funded by DGs XII (Research), XIII (Telecommunications and Informatics) and XVII (Energy);
- the LIFE programme administered by DG XI (Environment) which has technical assistance funds for environmental protection in CEECs;
- the CORINE programme and the European Environment Agency Task Force also have strong links with CEECs (the extension of CORINE to CEECs was funded by PHARE);
- TEMPUS, which although funded by PHARE is managed by the Task Force on Human Resources (TEMPUS could be used to provide the environmental education and training programmes needed to underpin PHARE Phase II programmes);
- and finally DG XXIII (Small and Medium-sized Enterprises and Tourism) has funds available to sponsor projects in CEEC tourism.

5.7. What is clear from this long list of Community-sponsored activity is that these initiatives should be coordinated - each has a potential impact on the environment, and a horizontal approach is essential to evaluate these impacts.

6. RESOURCES

6.1. Many of the findings so far, reinforced by the external sources cited in this report, suggest that the administration of programmes of EC aid to CEECs are under-resourced. For example in 1990 and 1991 only one PHOS staff member was responsible for managing an ECU 191 million PHARE environment budget in five separate CEECs. By 1993, the Environment Unit in PHOS had increased to five people. However, the political constraints placed on the Community budget by the Member States make the appointment of new staff difficult. In such cases extra staff tend to be appointed on temporary contracts, which may or may not be renewed.

6.2. In a working document concerning the staffing situation in DG XI and in the Consumer Policy Service submitted to the Environment Committee (PE 156.269), the rapporteur, Mr Muntingh, described a similar situation in these services. Like DG XI, the environment unit in PHOS is over-extended, dependent on temporary staff, and does not appear to be in a position to take on the extra tasks involved in assessing the environmental impacts of all other sectors within PHARE.

6.3. In terms of technical expertise this task should rightly be taken on within the Commission by DG XI. However, for the reasons described by Mr Muntingh, this is not possible. The issue thus appears to be one of

resources. Adequate evaluation, project management, development of assessment procedures, provision of information to meet the demands of increased transparency and coordination of activities will all depend on extra staff and resources being made available.

7. GENERAL CONCLUSIONS AND RECOMMENDATIONS

7.1. In general, information on the implementation of PHARE funded activities is very difficult to get. Such information as exists is distributed between the PHARE Project Implementation Units established in the relevant CEEC institutions (e.g. Ministries of Environment and Agriculture), the Commission's Delegations in the CEECs, and various Commission DGs. Easily obtainable and reliable information is a prerequisite for the exercise of democratic scrutiny of Community aid programmes to CEECs. This is necessary to establish that aid given by the EC conforms to EC policies and does not result in environmental damage. It is therefore suggested that comprehensive project data be made available to the European and CEEC Parliaments.

7.2. The Court of Auditors' report for 1991 criticised the Commission's lack of evaluation of the PHARE programme. This is no longer true of the PHARE Environment Programme. PHOS has engaged external consultants to evaluate projects in the environment sector. This is a necessary and welcome start to the process of environmental evaluation. Unfortunately, other sectors of PHARE have not yet been evaluated and this is obviously a priority if effective assessment of the environmental impacts of the other projects is to be undertaken.

7.3. A major recommendation of this report is that PHOS should develop the necessary structures and procedures by which the potential environmental impacts of projects and programmes can be screened before, and monitored after, implementation. Such impact assessments should be carried out as a matter of routine, preferably in conjunction with DG XI.

7.4. Given the diversity and complexity of the many Community and G-24 programmes in CEECs it is suggested that the Commission adopt a horizontal and integrated approach in order to coordinate CEEC environmental activities.

7.5. The EC has concluded in the Fifth Environmental Action Plan that effective environmental protection can only be achieved by integrating environmental considerations into all sectors of economic activity. Similar considerations must be applied to Community aid and investment for the economic restructuring of CEECs. The necessary resources should be made available to the Commission in order to achieve this goal.

PROJECTS 1990 AND 1991

	MECU
POLAND 1990	
1. Sectoral Import Programme for Plant Protection Products	50.0
2. Environmental Protection Programme	22.0
3. Basic Technical Assistance Programme for the Privatization Agency	9.0
4. Sectoral Import Programme for Animal Feed and Animal Feed Additives	20.0
5. Sectoral Import and Technical Assistance Programme for SMEs	25.0
6. Establishment of Lines of Credit for Imports of Agricultural Equipment and Equipment for the Food Industry	30.0
7. Programme for Assistance Developing Statistical Systems	1.5
8. Programme for Assistance for Industrial Restructuring	4.0
9. Programme for the Development of Foreign Trade Infrastructure	8.5
10. Programme for Equity Investments in Private Enterprises	2.0
11. Programme for the Development of Rural Telecommunications	6.0
12. Programme of Assistance in the Field of Vocational Education and Training	2.8
Poland 1990	**180.8**
POLAND 1991	
1. Modernization of Telecommunication Equipment	5.0
2. Enterprise Restructuring, Privatisation and Demonopolisation	50.0
3. Agricultural and Rural Development	17.0
4. Municipal Development and Training	3.5
5. Environmental Sector Programme	30.0
6. Financial Sector Development	16.0
7. Technical Assistance to the Transport Sector	2.0
8. Environmental Sector Programme	5.0
9. Advisory Support for Energy Sector Reforms	3.0
10. SME Development in the Private Sector	6.0
11. Health Reform Programme	20.0
12. Civic Dialogue Support Programme	3.0
13. Environmental Sector Programme	5.0
14. Private Sector Development	6.0
15. Public Administration Reforms	4.0
16. Socio-Economic Development in Poland	18.0
17. Upgrading Education and Training in Poland	1.0
18. Support for Reform of the Health Care System	20.0
Poland 1991	**142.5**

	MECU
CZECHOSLOVAKIA 1990	
1. Environmental Protection Programme	30.0
CSFR 1990	30.0
CZECHOSLOVAKIA 1991	
1. General Technical Assistance Facility	20.0
2. Technical Assistance for the Reorganisation of CSFR Telecoms	6.0
3. Small and Medium Sized Enterprises	20.0
4. Aid to the Energy Sector	25.0
5. Privatisation and restructuring of State Enterprises in Czech and Slovak Federative Republic	19.0
6. Regional Nuclear Safety Programme Phase	3.5
7. Environmental Protection	5.0
8. Labour Market Development	15.0
CSFR 1991	113.5
HUNGARY 1990	
1. Environmental Protection Programme	25.0
2. Community Participation in the Regional Environment Centre in Budapest	2.0
3. Modernisation of the Financial System	5.0
4. Programme for the Development of Private Farming	20.0
5. Basic Technical Assistance Programme for the Privatisation Agency	5.0
6. Programme of Assistance for SMEs	21.0
7. Sectoral Modernization Programme for Research Infrastructure	3.0
8. Programme for the Upgrading of Higher Education	3.0
9. Sectoral Programme for the Modernisation of the Infrastructure for Foreign Trade	1.3
10. Programme for the Development and Reform of Vocational Education	1.5
11. Programme for the Promotion of Local Community Development and Social Welfare	3.0
HUNGARY 1990	89.8
HUNGARY 1991	
1. National Firm Registration and Information System	1.5
2. Sectoral Programme for the Modernisation of the Infrastructure for Foreign Trade	1.3
3. Enterprise Restructuring and Privatisation	40.0
4. Restructuring of Agriculture	13.0
5. Restructuring of the Energy Sector	5.0
6. Environmental Protection Phase	10.0
7. Small and Medium Sized Enterprises	3.5
8. Customs Computerisation	8.0
9. Research and Development Programme	5.0
10. Trade Development and Investment	5.0
11. Technical Assistance for the Transport Sector	2.0
12. Financial Sector Development Programme	9.0
13. Hungarian Statistical Information System	9.0
HUNGARY 1991	112.3

PHARE ENVIRONMENTAL PROGRAMMES 1990 - 1992 in MECU

Country	1190	1991	1992	1990-1992
Bulgaria	3,5	7,5	7,5	18,5
Czechoslovakia	30,0	5,0	-	35,0
Hungary	25,0	10,0	10,0	45,0
Poland	22,0	35,0 + 5,0	18,0	80,0
Ex-DDR	20,0	-	-	20,0
Romania	-	2,0	5,0	7,0
Estonia	-	-	0,3	0,3
Lithuania	-	-	0,2	0,2
Latvia	-	-	0,2	0,2
Regional[1]	2,0[2]	20,0	16,0 + 10,0[3]	48,0
Total	**102,5**	**84,5**	**67,2**	**254,2**
Percentage of total PHARE Budget	**20,5 %**	**10,7 %**	**6,3 %**	**11 %**

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[1] The Regional Environmental Programmes for 1991 and 1992 include:

* Integrated Environmental Programme for the Danube River
* Integrated Environmental Programmes for the Black Sea and the Baltic Sea
* Programme for the rehabilitation of the Black Triangle
* Extension of the CORINE Methodologies
* Remote Sensing (Basically the extension of the MARS Programme)
* Research Programme for Air and Health (Partly managed by DG XII)
* Support for the elaboration of the State of the Environment Report for Europe
* Support for the Regional Environmental Centre in Budapest

[2] Support for the Regional Environmental Centre for Central and Eastern Europe in 1990 and 1991.

[3] Support for the implementation of an Environmental Action Programme for Europe (Dobris follow up)

LIST OF PROJECTS

Project Ref.	Recipient / Title	Donor	Proj. Cost (in MECU)	Don. Contr. (in MECU)	Grant (in MECU)
	HUNGARY				
	II. ENVIRONMENT				
	1. Air Pollution Control				
CE91033000	Modernization of the emission monitoring network	EC	1.900	1.900	1.900
CE91033100	Modernization of the air quality monitoring network	EC	1.950	1.950	1.950
CE91033200	Modernization of the network registering background air pollution	EC	0.500	0.500	0.500
CE91033300	Catalyzer programme	EC	0.725	0.725	0.725
CE91034200	Study for SO2 emission reduction at 3 power stations	EC	0.200	0.200	0.200
CE91045500	Assistance to the Implementation of Hungary's air pollution strategy	EC	4.200	4.200	
CE91055100	Small-scale catalyzer field tests	EC	0.500	0.500	
CE91055200	Master Plan for an environmentally friendly public transport system in the inner city of Budapest	EC	0.200	0.200	0.200
CE91055300	Continuation of modernization of emission monitoring system	EC	1.900	1.900	1.900
CE91055400	Continuation of modernization of ambient air monitoring system	EC	1.700	1.700	1.700
CE92004900	Demonstration program for energy production from straw and wood	DENMARK		0.211	0.211
CE92005000	Environmental audit for the Hungarian Tannery industry	DENMARK		0.065	0.065
CE92006400	Agreement concerning the exchange of ozone measurement-data and establishment	AUSTRIA	0.009		
CE92031600	Air Pollution Monitoring Station for the City of Budapest	NETHERLANDS	0.013	0.013	0.013
CE92031800	Conversion to dual fuel for Debrecen transport company	NETHERLANDS	0.173	0.173	0.173
CE92032100	Clean dieselbuses for the city of Budapest	NETHERLANDS	0.076	0.076	0.076
CE92115200	Energy/Environment	WB	167.808	112.371	
CE92123200	Hungary Electricity Board (MVMT)	EIB	150.000	15.000	
CE92123400	Hungary Electriciy Board (MVMT)	EIB	100.000	35.000	
CE93045100	Municipality and Feasibility by JICA	JAPAN			
CE93045400	Request for loan aid	JAPAN		58.578	
	2. Environmental Policy Elaboration				
CE91032700	Wetlands and grasslands protection study	EC	0.190	0.190	0.190
CE91045600	Strengthening Environmental education & awareness & Government environmental management capabilities	EC	1.600	1.600	
CE91054200	New Formal Law on Environmental Protection	EC	0.050	0.050	
CE91054300	Legal department of KIM	EC	0.600	0.600	0.600
CE91054400	Technical Assistance to the Elaboration of the New Basic Environment Protection Law	EC	0.200	0.200	0.200

Project Ref.	Recipient / Title	Donor	Proj. Cost (in MECU)	Don.Contr. (in MECU)	Grants (in MECU)
	HUNGARY				
CE91054700	Introduction of Environmental Charges in Hungary	EC	0.100	0.100	0.100
CE91055000	Drafting New Air Legislation	EC	0.200	0.200	
CE92033000	EIA implementation support programme	NETHERLANDS	0.192	0.188	0.188
	3. Env. Protection Activities				
CE91054100	Central Environment Protection Fund	EC	0.050	0.050	
CE91055600	Development of new Comprehensive Legislation on Nature Conservation	EC		0.200	0.200
CE91055700	Study on Eco Tourism in National Parks and on Zoning	EC	0.250	0.250	0.250
CE91055800	Programme for the Protection of the Great Bustard	EC	0.130	0.130	0.130
CE91056000	Supply of equipment to the Somogy Nature Conservation Organisation	EC	0.060	0.060	0.060
CE92031900	Environmental Assessment of the Dorong Region	NETHERLANDS	0.231	0.231	0.231
CE93044900	Acceptance of trainees by JICA	JAPAN			
CE93045000	Acceptance of trainees by JICA	JAPAN			
	4. Env. Research/Info/Education				
CE91032400	Establishment of a regional integrating monitoring system	EC	0.280	0.110	
CE91032800	Environmental education and training study	EC	0.250	0.250	0.250
CE91032900	Environmental education and training exchange programme	EC	0.250	0.250	0.250
CE91033900	Thermal water resources study	EC	0.700	0.600	0.600
CE91054500	Environmental Education and Training Exchange Programme	EC	0.200	0.200	0.200
CE91054600	Post-Graduate Environmental Training Programme	EC	0.350	0.350	0.350
CE91054800	The KIM and Public Awareness/Information	EC	0.070	0.070	0.070
CE91054900	Public Awareness Study Tours	EC	0.020	0.020	0.020
CE91055900	Publication of a National Nature Conservation Atlas	EC	0.060	0.060	0.060
CE92000100	Donation to the Regional Environmental Center for Central and Eastern Europe in Budapest	DENMARK		0.125	0.125
CE92031700	Fund for Hungarian officials	NETHERLANDS	0.022	0.022	0.022
CE92032000	Post-graduate education in environmental law	NETHERLANDS	0.044	0.044	0.044
	5. Waste Management/Disposal				
CE91034600	Upgrading Miskolc sewage treatment plant	EC	0.360	0.360	0.360
CE91040800	Incineration of Wastes with high halogenic content in Hidas	SWITZERLAND	43.172		
CE91040900	Modernization of Galvanic Technology to minimize Waste Production and enhance water recycling	SWITZERLAND	5.054		
CE91045400	Development and Implementation of a national policy for municipal solid waste	EC	2.000	2.000	
CE91047500	The Study on the Municipal Solid Waste Management in Budapest	JAPAN	0.032	0.032	0.032

Project Ref.	Recipient / Title	Donor	Proj. Cost (in MECU)	Don.Contr. (in MECU)	Grants (in MECU)
	HUNGARY				
CE91051200	Feasibility Study on the Modernization of Galvanic Technology to minimize Waste Production & enhance Waste Recycling	SWITZERLAND	0.182	0.182	0.182
CE91051300	Comprehensive study on hazardous waste management in Hungary	SWITZERLAND	0.393	0.393	0.393
CE91051400	Feasibility Study of the Incineration of Wastes with high Halogenic Content in GARE	SWITZERLAND	0.152	0.152	0.152
CE91055500	Master Plan Study on Municipal Solid Waste	EC	0.500	0.500	0.500
CE92004700	Hazardous waste treatment in Rudabanya in Hungary	DENMARK		0.310	0.310
CE92004800	Waste management in Miskolc	DENMARK		0.111	0.111
CE92009400	Introduction of Basel convention	SWITZERLAND	0.045	0.045	0.045
	6. Water Pollution Control				
CE91033600	Monitoring of water quality	EC	0.820	0.820	0.820
CE91033800	Groundwater pollution study	EC	0.500	0.500	0.500
CE91034100	Inventory of groundwater pollution sources	EC	1.300	1.300	1.300
CE92005100	Waste water treatment and waste incineration in Szeged	DENMARK		0.219	0.219
CE92014700	Policy analysis of the water management in the Gemenc area and its environment	NETHERLANDS	0.251	0.251	0.251
	7. Others				
CE91032500	Protection of caves and springs of Budapest	EC	1.200	1.000	
CE91032600	Establishment of Ferto Lake National Park	EC	2.500	1.400	1.400
CE91033400	Koros Oxbow rehabilitation	EC	0.820	0.820	0.820
CE91033500	Silt dredging and reed harvesting at Lake Balaton and Lake Velence	EC	0.953	0.953	0.953
CE91033700	Hydrometric monitoring system	EC	0.500	0.500	0.500
CE91034500	Taurus rubber energy savings project	EC	1.930	1.130	
CE91045300	Strengthening of Nature Conservation Management	EC	1.000	1.000	
CE91067400	Gas and oil training	CANADA			
CE92004600	System for measurement of noise and vibration in Hungary	DENMARK		0.188	0.188
CE92030400	Stichting Milieukontakt Oost-Europa 1991 Hungary	NETHERLANDS	0.051	0.051	0.051
CE92030700	Stichting Milieukontakt Oost-Europa 1992 Hungary	NETHERLANDS	0.054	0.054	0.054
CE92031500	Determinative soil investigation at the Metallochemia site and surroundings Budapest, Hungary	NETHERLANDS	0.199	0.199	0.199
CE92033100	Regional Environmental Center	NETHERLANDS		0.650	0.650
CE92111400	Regional project development	AUSTRIA	0.173	0.173	0.173
CE93039100	Consultancy in Environmental Law	GERMANY	0.226	0.221	0.221
CE93045300	Request for loan aid	JAPAN		8.008	

Project Ref.	Recipient / Title	Donor	Proj. Cost (in MECU)	Don.Contr. (in MECU)	Grants (in MECU)
	TOTAL II. ENVIRONMENT		502.320	264.934	24.137
	TOTAL HUNGARY		502.320	264.934	24.137
	TOTAL GENERAL		502.320	264.934	24.137

Project Ref.	Recipient / Title	Donor	Proj. Cost (in MECU)	Don.Contr. (in MECU)	Grants (in MECU)
	CZECHOSLOVAKIA				
	II. ENVIRONMENT				
	1. Air Pollution Control				
CE91038100	Reduction of SO2 emissions by using the Elsorb process	NORWAY	0.249	0.125	0.125
CE91038200	Introduction of monitoring of volatile organic compounds and heavy metals in the atmosphere	NORWAY	0.025	0.025	0.025
CE91047800	The Feasibility Study on Flue Gas Desulphurisation for the Melnik Power Station	JAPAN			
CE91079400	Novaky Power Station	AUSTRIA	5.403		
CE92003000	Energy savings in Slovakia, "The Brundtland town concept"	DENMARK		0.084	0.084
CE92003200	CFC-free technologies in the refrigerator sector	DENMARK		0.098	0.098
CE92003300	Energy savings in the housing sector, Tabor.	DENMARK		0.062	0.062
CE92003400	Feasibility study for combined power-, heating plant on biomass	DENMARK		0.102	0.102
CE92003600	District heat planning in Northern Bohemia.	DENMARK		0.140	0.140
CE92003700	Recycling of organic solvents at tanks and tank trucks	DENMARK		0.115	0.115
CE92003800	Transfer of the water glass powder process to the foundries in the CSFR.	DENMARK		0.074	0.074
CE92004000	Reduction of air pollution and waste management in Decin	DENMARK		0.211	0.211
CE92004100	Catalytic combustion of organic solvents	DENMARK		0.407	0.407
CE92096500	Emission measurement programme in Most area	AUSTRIA	0.064	0.032	0.032
CE92096600	Emission measurements in Chomutov area.	AUSTRIA	0.059	0.030	0.030
CE92107600	Projet de contrôle de la pollution atmosphérique	LUXEMBOURG		0.122	0.122
CE92114600	Power and Environmental Improvement	WB	69.034	184.289	
CE92114700	Second Power and Environmental Improvement Project	WB	92.151	112.371	
CE93045800	Request for loan aid	JAPAN		92.686	
	2. Environmental Policy Elaboration				
CE91069600	Cooperation on environmental laws.	DENMARK		0.079	
CE92002800	Cooperation on environmental laws	DENMARK		0.079	0.079
CE92003900	Economic instruments as tools for environmental protection in economics in transition.	DENMARK		0.175	0.175
CE92049900	Environmental legislation	UK	0.033		
CE92113700	Environmental Master Plan for Northern Bohemia	NORWAY	0.249	0.249	0.249
CE92114900	Management of Protected Areas	WB		3.221	3.221

Project Ref.	Recipient / Title	Donor	Proj. Cost (in MECU)	Don.Contr. (in MECU)	Grants (in MECU)
	CZECHOSLOVAKIA				
CE93040000	Energy and Environment II, Brown Coal	GERMANY	0.021	0.018	0.018
	3. Env. Protection Activities				
CE91034700	DANUBIAN Lowland Groundwater model	EC	2.400	2.400	2.400
CE91034800	Toxicological centre, Pardubice	EC	1.000	1.000	1.000
CE91035000	Equipment for monitoring food quality	EC	0.500	0.500	0.500
CE91037600	Federal Committee for the Environment	NORWAY	0.784	0.032	0.032
CE91048100	Protection of Forests	CANADA			
CE91048600	Remote Sensing Mission	CANADA			
CE91048700	Cooperation Programme	CANADA			
CE91049000	Reclamation of Mined Lands Study -	CANADA			
	Preparation of terms of reference				
CE91049200	Reclamation of Mined Lands Study	CANADA			
CE91050800	Rehabilitation of forestland Jeseniky	SWITZERLAND	0.324		
CE91050900	Forest Training Programme	SWITZERLAND	0.017	0.017	0.017
CE91051000	Rehabilitation of Forestland Sumava,	SWITZERLAND	1.132		
	Slavkovsky Les and Jelsava Lubenik				
CE91072500	Promotion of Ecological Process in	SWEDEN	0.113		
	Agriculture				
CE92114800	Environment Project I	WB	69.034	112.371	
CE92115000	Reduction of Ozone Depleting Substances	WB		2.847	2.847
CE92115100	Joint Environmental Study	WB			
CE93045600	Acceptance of trainees by JICA	JAPAN			
	4. Env. Research/Info/Education				
CE91034900	Ecotoxicological Centre, Bratislava	EC	1.100	1.100	1.100
CE91035400	Waste sector study	EC	1.000	1.000	1.000
CE91035600	License for production of air filters	EC			
CE91037400	Workshop on Pollution in Ostrawa Region	NORWAY	0.062	0.062	0.062
CE91037500	Workshop	NORWAY	0.062	0.062	0.062
CE91038300	Energy savings preparation of a catalo-	NORWAY	0.031	0.031	0.031
	gue on technology				
CE91043100	Participation in first phase of CSFR	USA			
	Joint Environment Study				
CE91044100	Study of env. problems of North Bohemia	UK	0.017	0.017	0.017
CE91044200	Establishment of Industry and Conserva-	UK	0.040	0.040	0.040
	tion Association in Bratislava				
CE91072100	Training and Research in forest ecology	SWEDEN			
CE91072600	Preparation Study on Municipal Services	SWEDEN	0.501		
	5. Waste Management/Disposal				
CE91035100	Information centre for hazardous waste	EC	1.000	1.000	1.000
CE91035200	Basic engineering services for hazardous	EC	2.300	2.300	
	waste disposal centre, Ostrawa				
CE91035300	Basic engineering services for hazardous	EC	1.500	1.500	1.500
	waste incinerator, Sala				
CE91035800	Sludge disposal of Prague sewage	EC	1.500	1.500	1.500
	treatment plant				
CE91037700	Upgrade wastewater systems	NORWAY	0.075	0.075	0.075
CE91037800	Waste management by sered nickel	NORWAY	0.087	0.087	0.087
	smelters				
CE91037900	Filtration of Industrial Wastewater	NORWAY	0.062		0.062
CE91043200	Study of Milovice hazardous waste site	USA		36.905	36.905

Project Ref.	Recipient / Title	Donor	Proj. Cost (in MECU)	Don.Contr. (in MECU)	Grants (in MECU)
	CZECHOSLOVAKIA				
CE91043300	Chabarovice hazardous waste site	USA		0.223	0.223
CE91050300	Municipal sewage treatment	SWEDEN	0.514	0.514	0.514
CE91050500	Incineration of hazardous wastes at Martin	SWITZERLAND	0.057	0.057	0.057
CE91050600	Environmental impact assessment of hazardous wastes at Martin	SWITZERLAND	0.074	0.074	0.074
CE91050700	Integrated waste management study for the regions of Liberec Jablonec, Novy Jicin, Trinec and Strazske	SWITZERLAND	0.057	0.057	0.057
CE91051100	Formation of Specialists for Laboratory Analysis of Hazardous Wastes	SWITZERLAND	0.017	0.017	0.017
CE91053800	Hazardous Waste Incineration	AUSTRIA	2.983	2.983	2.983
CE92002900	Waste water treatment in Ziar nad Hronom	DENMARK		0.050	0.050
CE92003100	Waste sector studies in three Slovakian cities	DENMARK		0.072	0.072
CE92004300	Cleaner technology in the metal plating industry in CSFR	DENMARK		0.103	0.103
CE92004400	Regional environmental policy priorities	DENMARK		0.079	0.079
CE92095200	Biological sewage treatment plant and sewer DYAKOCIKY-CHVALOVICE	AUSTRIA	0.144	0.144	0.144
CE92095300	Biological sewage treatment plant and sewer KRHOVICE	AUSTRIA	0.111	0.111	0.111
CE92095400	Biological sewage treatment plant and sewer MASOVICE	AUSTRIA	0.103	0.103	0.103
CE92095500	Biological sewage treatment plant and sewer JAROSLAVICE	AUSTRIA	0.222	0.222	0.222
CE92095600	Biological sewage treatment plant and sewer HEVLIN	AUSTRIA	0.181	0.181	0.181
CE92095700	Biological sewage treatment plant and sewer VRATENIN	AUSTRIA	0.085	0.085	0.085
CE92095800	Biological sewage treatment plant and sewer VALTROVICE-KRIDLUVKY	AUSTRIA	0.119	0.119	0.119
CE92095900	Biological sewage treatment plant and sewer HRADEK-DYAKOVICEX	AUSTRIA	0.241	0.241	0.241
CE92096000	Biological sewage treatment plant and sewer STRACHOTICE-SLUP	AUSTRIA	0.248	0.248	0.248
CE93040600	Sewage treatment plant LANZHOT and examination for 4 others communes	AUSTRIA	0.137	0.137	0.137
	6. Water Pollution Control				
CE91035700	Improving the monitoring of drinking water quality	EC	1.100	1.100	1.100
CE91035900	Monitoring system for water quality in the Elbe catchment area	EC	3.300	3.300	3.300
CE91050400	Drinking Water Control and Protection	SWEDEN	0.006	0.006	0.006
CE91072300	Ground Water Protection	SWEDEN			
CE91072400	Ground Water Protection Project Formulation	SWEDEN	0.006		
CE91075200	Post-graduate courses in water management	NETHERLANDS	0.022		
CE92003500	Software system for renovation of sewerage systems in Praha	DENMARK		0.055	0.055

Project Ref.	Recipient / Title	Donor	Proj. Cost (in MECU)	Don.Contr. (in MECU)	Grants (in MECU)
	CZECHOSLOVAKIA				
CE92004200	The use of information systems on water resources	DENMARK		0.086	0.086
CE92049800	Assistance to the Water Research Institute	UK	0.026		-
	7. Others				
CE91038400	Impact of environmental pollution to the health of the population in the district of Teplice	NORWAY			
CE91038800	Purchase of measuring instruments	AUSTRIA		1.143	
CE91048800	Office Automation Project	CANADA			
CE91064900	Group Training Course on Ecology	JAPAN			
CE91067500	Protection of Forests	CANADA			
CE91067600	Office Automation Project	CANADA			
CE91071700	Centre for Protection of Working Environment	SWEDEN			
CE91074000	Training Course on environmental protection	JAPAN			
CE91074500	Training in District Heating Systems	DENMARK	0.052		0.052
CE91075100	Training Seminar for top management in the energy sector	DENMARK	0.085		0.085
CE91079500	Regional environmental Strategy Slovakia	AUSTRIA	0.333	0.166	0.166
CE92030100	Stichting Milieukontakt Oost-Europa 1990, Czechoslovakia	NETHERLANDS	0.022	0.022	0.022
CE92030300	Stichting Milieukontakt Oost-Europa 1991 Czechoslovakia	NETHERLANDS	0.051	0.051	0.051
CE92030600	Stichting Milieukontakt Oost-Europa 1992 Czechoslovakia	NETHERLANDS	0.054	0.054	0.054
CE92036800	Energy and environment in Slovakia	SWEDEN	0.011	0.011	0.011
CE92049200	Environmental Liaison Centre	UK	0.055		
CE93045700	Dispatch of experts	JAPAN			
	TOTAL II. ENVIRONMENT		262.345	571.454	66.414
	TOTAL CZECHOSLOVAKIA		262.345	571.454	66.414
	TOTAL GENERAL		262.345	571.454	66.414

LIST OF PROJECTS

Project Ref.	Recipient / Title	Donor	Proj. Cost (in MECU)	Don.Contr. (in MECU)	Grants (in MECU)
	POLAND				
	II. ENVIRONMENT				
	1. Air Pollution Control				
CE91031300	Serialized production of flue gas desulphurisation installations for coal fired electrical power	EC	1.800	1.800	
CE91031400	Project for setting up production of circulation fluidised bed boilers	EC	3.100	3.100	
CE91031500	Air pollution monitoring	EC	5.000	5.000	
CE91036500	New EMEP sites in Poland	NORWAY	0.162	0.162	0.162
CE91047400	The Feasibility Study on Flue Gas Desulphurization for the Kozienice Power Plant	JAPAN	1.281	1.281	1.281
CE91049700	Production of modern coal burning furnaces (multiple bed combustion)	SWEDEN			
CE91049900	District Heating in Torum	SWEDEN	1.208		
CE91052000	Moravian Gates Air Pollution Monitoring	EC	0.120	0.120	0.120
CE92000200	The building of a new heat plant for the county hospital in Gdansk.	DENMARK		0.356	0.356
CE92000700	Reduction of pollution from coal fired heating systems in Gdansk	DENMARK		0.267	0.267
CE92000800	Environmental project on the harbour of Gdansk	DENMARK		0.054	0.054
CE92001500	Fluegas cleaning on a power station	DENMARK		0.331	0.331
CE92001700	Masterplan for reduction of air pollution from Polish power plants	DENMARK		0.150	0.150
CE92001800	Transfer of wind power technology to Poland	DENMARK		0.103	0.103
CE92002600	Revolving Fund for energy saving investments in Poland	DENMARK		0.084	0.084
CE92029800	Filters for the Ferro Alloys Works Huta Laziska	NETHERLANDS	0.801	0.445	0.445
CE92033800	Delivery of low NOx-burners to the Lagisza Power Station	NETHERLANDS	0.801	0.667	0.667
CE92123100	Polish Oil and Gas Company PGNG	EIB	299.657	50.000	
	2. Environmental Policy Elaboration				
CE91037300	Workshop on environmental management efficiency	NORWAY	0.009	0.009	0.009
CE91042700		USA			
CE91044800	State Environmental Monitoring System (development ...)	EC	5.000	5.000	5.000
CE91044900	Strengthening institutional environmental management	EC	1.600	1.600	
CE91048200	World Cities and the Environment Conference	CANADA			
CE92001300	Education in environmental administration.	DENMARK		0.116	0.116
CE92030000	Remedial action plan for environmental measures in the province of Poznan	NETHERLANDS	0.125	0.125	0.125

Project Ref.	Recipient / Title	Donor	Proj. Cost (in MECU)	Don.Contr. (in MECU)	Grants (in MECU)
	POLAND				
CE92033200	Mission to Poland concerning national environmental monitoring policy	NETHERLANDS	0.013	0.013	0.013
CE92033300	State of the Environment Poland	NETHERLANDS	0.213	0.213	0.213
CE92033600	Aid programme for the region Myszkow	NETHERLANDS	0.617	0.617	0.617
CE92115400	Structural Adjustment Loan	WB		224.743	
CE92115500	Forestry Development	WB		112.371	
CE92115600	Forest Biodiversity Protection Programme Project	WB		3.371	3.371
CE92115700	Environmental Strategy Study	WB			
CE93039900	Environmental Situation of the Oder Estuary	GERMANY	0.188	0,173	0.173
	3. Env. Protection Activities				
CE91036700	Monitoring and controlling environmental and safety aspects of Zelazny Most tailing dam. Part I	NORWAY	0.075	0.075	0.075
CE91040200		NORWAY			
CE91042400	Krakow Air and Water Quality	USA	1.189		1.600
CE91042900	Clean Fossil Fuels	USA	22.297	2.230	2.230
CE91043800	IUCN/Ministry of Environment	UK	0.029	0.029	
CE91045200	Selected Investments - follow up to 1990 PHARE	EC	2.000	2.000	
CE91048000	Energy Saving and Environment Protection Projects of which Projects relating to Environment Protection.	FINLAND	11.486	10.860	2.454
CE91049800	Assessment of Forest Damages	SWEDEN			
CE91051700	National Fund for Environmental Protection and Water Management	EC	0.380	0.380	0.380
CE92001400	Use of isotop technics in connection with environmental investigations	DENMARK		0.105	0.105
CE92001900	Environmental activities in Jelenia Gora - Poland	DENMARK		0.184	0.184
CE92113600	GENIE: global environment network for industry emergencies	NORWAY	0.137	0.137	0.137
CE92115300	Environmental Management Project	WB	20.290	13.378	
CE93024500	Acceptance of trainees by JICA	JAPAN			
CE93024600	Acceptance by trainees by JICA	JAPAN			
	4. Env. Research/Info/Education				
CE91032300	Environment education + training exchange programme	EC	0.400	0.400	0.400
CE91036400	Upgrading of Existing Treatment Plants in Poland	NORWAY	0.007	0.007	0.007
CE91037100	Educational Programme in Clean Technology	NORWAY			
CE91037200	Study on treatment of saline water from coal mines	NORWAY		0.268	0.268
CE91039300	Sulphur Transport Environment Study	CANADA		0.223	
CE91040100	Data center in Warsaw	NORWAY			
CE91040300	Training programme	NORWAY			
CE91045000	Regional Environmental Programme for Upper Silesia	EC	15.500	15.500	

Project Ref.	Recipient / Title	Donor	Proj. Cost (in MECU)	Don.Contr. (in MECU)	Grants (in MECU)
	POLAND				
CE91045100	3 sector sub-programmes	EC	9.800	9.800	
CE91050200	Energy Saving Measures at Bangow, hot-water station and seminars on env. and cost effective energy production	SWEDEN			
CE91051800	State of the Polish Environment	EC	0.200	0.200	0.200
CE91051900	Czorsztyn Dam Assessment	EC	0.200	0.200	0.200
CE92029700	Designing the course 'Advanced Environmental Sanitation'.	NETHERLANDS	0.248	0.248	0.248
CE92029900	Advice on the environmental problems of the Vilanov Palace	NETHERLANDS	0.017	0.017	0.017
CE92033700	Second course on 'Advanced Environmental Santition'	NETHERLANDS	0.216	0.216	0.216
CE92120000	Environment (1992)	EC	18.000	18.000	18.000
	5. Waste Management/Disposal				
CE91031800	Incineration plant for toxic chemical waste, Zachem (Bydgoszcz)	EC	1.100	1.100	1.100
CE91031900	Municipal waste incineration plant Warsaw	EC	0.500	0.500	0.500
CE91032100	Cracow Waste water treatment plant	EC	0.600	0.600	0.600
CE91032200	"Czajka" Warsaw Waste Water treatment plant	EC	0.600	0.600	0.600
CE91036900	Preengineering study for the building of a new wastewater treatment plant in Bytom.	NORWAY	0.200	0.125	0.125
CE91039600		JAPAN			
CE91040000	Wastewater from coal mines	NORWAY			
CE91042500	US Trade & Development Programme	USA			
CE91042600	US Trade & Development Programme	USA			
CE91047300	The Study on the Solid Waste Management for Poznan City	JAPAN	0.062	0.062	0.062
CE91049600	Sewage Treatment Plants	SWEDEN			
CE91050100	Sewage Treatment plant in Warsaw "Czajka"	SWEDEN			
CE92000900	Solid waste management plan for Bytom municipality	DENMARK		0.152	0.152
CE92001600	Establishing of a controlled waste deposit in Poznan, Poland	DENMARK		0.244	0.244
CE92002700	Waste management in Bydgoszcz county	DENMARK		0.152	0.152
CE92029500	Coal reclaiming project	NETHERLANDS	0.006	0.222	0.222
CE92029600	Waste management project in Warsaw	NETHERLANDS	0.234	0.234	0.234
	6. Water Pollution Control				
CE91031600	Foundation for the great Mazurian lakes region	EC	1.800	1.800	1.800
CE91031700	Warta River Foundation	EC	0.500	0.500	0.500
CE91032000	Mine water desalinisation plant Czeczott hard coal mine	EC	0.800	0.800	0.800
CE91036600	Case study on estimating critical loads of acidity to lakes in the Tatra mountains in Poland.	NORWAY	0.012	0.012	0.012
CE91043900	CARLISLE/SLUPSK - river pollution	UK	0.043	0.043	

Project Ref.	Recipient / Title	Donor	Proj. Cost (in MECU)	Don.Contr. (in MECU)	Grants (in MECU)
	POLAND				
CE92001000	Waste water treatment plan for Zielena Gora	DENMARK		0.220	0.220
CE92001100	Sewerage and waste water treatment-plants on the island Wolin	DENMARK		0.475	0.475
CE92001200	Projection of sewerage and waste water treatment in the towns along the Rega River in the county of Szczecin	DENMARK		0.804	0.804
CE92002000	Demonstration project for waste water treatment in smaller sytems	DENMARK		0.171	0.171
CE92002100	Waste water treatment at Gryfino, Poland	DENMARK		0.450	0.450
CE92002200	Recipient quality plan for the Gasawka River	DENMARK		0.145	0.145
CE92002300	Planning of waste water treatment systems in Pultusk, Poland	DENMARK		0.171	0.171
CE92002400	Central sewage treatment plant "Wschod" in Gdansk	DENMARK		0.120	0.120
CE92002500	Cleaner technology in the Polish fishing industry	DENMARK		0.370	0.370
CE92014500	Water Quality Management Poland	NETHERLANDS	0.392	0.392	0.392
	7. Others				
CE91036800	Human Health Effects of Air Pollution	NORWAY	0.026	0.026	0.026
CE91037000	Establishmentof a GRID-centre in Warsaw	NORWAY	1.193	0.374	0.374
CE91039400		FINLAND			
CE91042800	US Trade and Development Programme	USA	0.520		0.520
CE91048300	Environmental Training and Information Exchange	CANADA			
CE91050000	Two River Area Restoration Projects	SWEDEN			
CE92030200	Stichting Milieukontakt Oost-Europa 1991 Poland	NETHERLANDS	0.051	0.051	0.051
CE92030500	Stichting Milieukontakt Oost-Europa 1992 Poland	NETHERLANDS	0.054	0.054	0.054
CE92033400	Seminar 'Common Future : for Richer or for Poorer'	NETHERLANDS	0.046	0.005	0.005
CE92033500	Water for Warsaw	NETHERLANDS	0.290	0.139	0.139
CE92033900	Support of activities of 'Stichting Karkonosze'	NETHERLANDS	0.004	0.004	0.004
CE93039500	Environmentally safe coal-mining	GERMANY	0.368	0.368	0.368
CE93044800	Request for loan aid	JAPAN	100.842		
	TOTAL II. ENVIRONMENT		534.409	498.213	52.340
	TOTAL POLAND		534.409	498.213	52.340
	TOTAL GENERAL		534.409	498.213	52.340

ANNEX 4

MOTION FOR A RESOLUTION (doc. B3-0468/89) by Mr Collins, Mrs Schleicher, Sir James Scott-Hopkins and Mr Iversen pursuant to Rule 45 of the Rules of Procedure on measures to improve the environment in Poland and Hungary

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The European Parliament,

- having regard to the emerging process of democratization in the Eastern Bloc countries,

- having regard to the European Community's intention to grant financial aid to these countries,

- having regard to the serious environmental problems in these countries,

- having regard to the urgent need to ensure from the outset, that, economic development in these countries is compatible with ecological requirements.

1. Calls for environmental protection programmes to be included in all financial aid programmes for these countries;

2. Instructs the relevant parliamentary committee to assess the main aspects of the ecological measures required in these countries.

OPINION

(Rule 120 of the Rules of Procedure)

of the Committee on External Economic Relations
for the Committee on the Environment, Public Health and Consumer Protection

Draftsman: Mr STAVROU

At its meeting of 31 January 1992 the Committee on External Economic Relations appointed Mr Stavrou draftsman.

At its meetings of 17 July and 20 September 1993 it considered the draft opinion.

At the latter meeting it adopted the conclusions as a whole unanimously.

The following took part in the vote: De Clercq; chairman; Cano Pinto, vice-chairman; Stavrou, vice-chairman and rapporteur; Benoît, Lemmer, Mihr, Price, Sainjon, Suárez González and Visser (for Rossetti).

I. THE CURRENT STATE OF THE ENVIRONMENT IN THE COUNTRIES OF EASTERN AND CENTRAL EUROPE

1. As a result of the far-reaching political changes which have taken place in Eastern and Central Europe since 1989, the environment has emerged as one of the priority areas on the agenda for cooperation between the European Community and the countries of Eastern and Central Europe.

As acknowledged by the new Community policy and action programme on the environment and sustainable development, environmental degradation has reached serious proportions in many regions of Central and Eastern Europe, and the damage done in certain regions could prove irreversible. Although the extent and type of degradation vary according to the country and region under consideration, the utter lack of concern shown by the former centrally planned Communist regimes for the environmental consequences of production processes has given rise to extensive and serious environmental deterioration in all the Central and Eastern European countries.

A few figures suffice to indicate the scale and seriousness of the environmental problem in these countries and its impact on public health. It is claimed that 75% of Poland's forests are affected by acid rain; the waters of the Vistula are not even clean enough for industrial use; 30% of the country's population lives in seriously polluted areas; and a mere 1% of Poland's industrial waste is treated. Moreover, there is a permanent risk of serious industrial accidents, particularly in the nuclear and chemical sectors, throughout the countries of Central and Eastern Europe.

Moreover, the impossibility of confining pollution within the borders of a single country (the Danube basin includes most of the countries in the south of the region, and the pollution of the Elbe, Vistula and Danube extends to the Baltic, North and Black Seas) means that it is essential to develop pan-European instruments to control pollution.

2. Current estimates of the amount of investment which would be needed to 'even out environmental protection' between the countries of Eastern and Central Europe and the EC Member States leave no room for doubt as to the immense financial effort which will be needed. The Munich Economic Research Institute estimates that it would cost some DM 211 billion over the next ten years to even out existing disparities in environmental protection between the five new Länder and the rest of the Federal Republic. Other sources estimate that it would cost between US$ 20 000 million and 25 000 million over a decade to reduce the pollution levels of the Vistula far enough to meet Community standards.[1] It has, moreover, been estimated that Poland would need to spend 1.5% of GNP on investment in the environment in order to prevent further environmental deterioration, which represents a financial burden double the existing one.

As the countries of Eastern and Central Europe set off along the path of sustainable economic growth, they will have to assume responsibility themselves for generating the large investments needed to reduce pollution at source. Meanwhile, international aid in the form of the PHARE Programme, the other G-24 programmes and EIB and EBRD loans will continue to play an essential role in the environmental transformation of Eastern Europe.

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[1] Report on the State of the World in 1991, The Worldwatch Institute, Washington, 1992.

II. COMMERCIAL POLICY AND THE ENVIRONMENT IN RELATIONS BETWEEN THE COMMUNITY AND THE COUNTRIES OF EASTERN AND CENTRAL EUROPE

3. The draftsman's aim is to analyse the extent to which commercial relations between the EC and the countries of Eastern and Central Europe may be affected by the existing disparity in levels of environmental protection. For a deeper analysis of the complex interaction between the environment and international commerce (should environmental standards be allowed to form a barrier to international trade and be incorporated in the multilateral trading system GATT?) the draftsman refers the reader to the report by the REX Committee adopted by Parliament a few months ago (Spencer report, A3-0329/92).

4. The countries of Eastern Europe which have signed Europe Association Agreements with the Community ('associate countries') have undertaken to bring their environmental laws into line with those of the Community.

Clearly, the completion of the internal market, accompanied by the gradual approximation and/or harmonization of national environmental legislation, will have significant repercussions on economic and commercial relations between the associate countries and the Community. The main effects include the following:

A. Impact on industrial trade

(a) Stricter laws on emissions, treatment of industrial waste and other technical controls on production could encourage investment flows and the relocation of industry to the countries of Eastern and Central Europe, where technical standards are less stringent and fixed investment costs lower, or at least will be during the transitional period until the approximation of legislation is complete.

In the draftsman's view, environmental standards, like differences in wages, are among the factors which determine the phenomenon of relocation now affecting industry on a global scale. The growing importance of intra-industrial trade in a number of products between the Community and the countries of Central and Eastern Europe - over half of Community exports of textile products are re-exported to the Community after processing in Central and Eastern European countries - reveals the growing scale of industrial relocation from the European Community to Eastern Europe.

In view of the above, everything seems to suggest that industrial relocation to the countries of Eastern and Central Europe could be taking place in sectors subject to stringent environmental restrictions, such as minerals and metal processing, paper and the leather and tanning industry.

(b) Community legislation to promote the collection and recycling of packaging will affect the costs of exports of manufactures and semi-manufactures from Eastern and Central European countries.

B. Impact on trade in energy

5. Your draftsman takes the view that the countries of Central and Eastern Europe, which are faced in a European context with the universal need to cut CO_2 emissions, should take urgent measures to reduce their energy consumption per unit of product, by pursuing realistic pricing policies. It seems clear from a pan-European environmental viewpoint that a significant proportion of anti-pollution investment should be focused on these countries, which are large

consumers of coal. Europe would thus ensure maximum environmental efficiency in converting to anti-pollution equipment.

Parliament's proposal for linking up the electrical supply grids of the Community and the countries of Eastern and Central Europe is part of this strategy. It would both step up trade in energy and encourage the creation of a large pan-European energy network of great strategic importance.

C. Impact on agricultural trade

6. Since Eastern and Central Europe account for 16% of Community imports, agricultural produce already occupies a important place in trade between the two regions. Furthermore, most of the countries of Central and Eastern Europe have great agricultural potential, which may result in surpluses once productivity improves, as is likely, and threaten to swamp the Community's already saturated markets.

The EC's experiences have shown us the environmental damage caused by the intensive use in farming of chemicals and pesticides. 70% of worldwide exports of pesticides originate in the Community; indeed, the Community has already supplied pesticides to the value of ECU 50 million to Poland, within the framework of the PHARE Programme. The Court of Auditors questioned the effectiveness of this pesticide supply project in its 1990 Annual Report (see paragraphs 12.28 to 12.32), in view of fact that a proportion of the products supplied free of charge were re-exported by Poland.

In the draftsman's view, however, what this project showed was the lack of a coherent aid strategy taking into account the programme's environmental repercussions and its impact on external trade.

Under present circumstances, the countries of Central and Eastern Europe would be likely to prosper more through high-quality agriculture (the production of hormone-free beef being an important example) than by increasing yields at all costs through intensive use of subsidized pesticides.

III. TOWARDS A NEW PAN-EUROPEAN APPROACH TO ENVIRONMENTAL PROTECTION

7. The recent public hearing organized by the REX Committee and the Committee on Budgetary Control on the effectiveness of the PHARE and TACIS Programmes revealed the inadequacy of the resources earmarked for cooperation in the field of the environment and nuclear safety, given the vast scale of environmental degradation and the need for investment. Slightly over 20% of PHARE's 1990 budget was earmarked for environmental projects. Unfortunately, this proportion fell to 10% in 1991 and to 6.3% in 1992. Although the figures improve considerably if we include the appropriations earmarked for projects to enhance safety in the nuclear sector, the European Parliament maintains that Community assistance to the environment must be increased in both absolute and relative terms, so as to make it a priority sector for cooperation within the framework of the PHARE Programme.

This opinion is consistent with its 'pan-European conception of environmental policy' and the need to develop pan-European networks linking European transport, energy, communications and environmental protection systems.

8. In this connection, the decisions adopted at the Copenhagen European Council include important innovations which may have a favourable impact on environmental protection in the pan-European region:

- The decision to step up the multilateral dialogue in areas of common pan-European interest, such as the environment.

- The decision to improve access to the EC market for associate countries by reducing sectoral periods of trade liberalization. By helping to increase the international means of payment of the countries of Eastern and Central Europe, this decision should also provide incentives for the transformation of their industry so as to take better account of the environment.

- The option of funding capital investments of up to 15% of PHARE's annual commitments provides a new source of resources for environmental projects.

- Finally, the decision to move towards greater economic integration through the approximation of legislation offers associate countries the opportunity of receiving technical assistance from the Community in the environmental field and participating in Community programmes in line with the practical guidelines which are to be adopted by the end of 1993. In this context, the scope of horizontal measures for technical assistance is extremely broad, including fixing correct prices; internalizing external costs; providing economic and fiscal incentives, information, education and training for all economic actors; waste prevention and management; environmental auditing; evaluation and management of industrial risk, nuclear safety and protection against radiation.

IV. CONCLUSIONS

9. The REX Committee calls on the Committee on the Environment, Public Health and Consumer Protection to take the following conclusions into account in its report:

1. Considers that, in view of the scale and gravity of environmental degradation in the countries of Eastern and Central Europe and the impossibility of confining its effects within the borders of a single country, pan-European instruments must be developed to control pollution;

2. Is convinced that, given the magnitude of the financial effort which needs to be made to even out environmental protection between the Community and the countries of Central and Eastern Europe, external assistance, especially from the Community, is the only way to obtain substantial progress in the short and medium term with the state of the environment in Central and Eastern Europe;

3. Considers that Community aid in the environmental field must be stepped up in both absolute and relative terms, making it a priority sector for cooperation within the framework of the PHARE Programme;

4. Recalls that the associate countries have undertaken to bring their environmental legislation into line with the Community's; points out, in this connection, that the gradual approximation of national laws is vital if commercial relations between the EC and the countries of Central and Eastern Europe are not to be adversely affected by the disparity in environmental protection levels;

5. Considers that, in order to ensure adequate environmental protection on a pan-European scale, Community assistance to the countries of Central and Eastern Europe should be matched by compliance on their part with Community rules in this field;

6. Underlines the importance of closer coordination between environmental projects and other areas of activity within the framework of the PHARE Programme, with particular reference to projects for agricultural modernization and industrial and energy conversion;

7. Stresses the need for a coherent strategy between the Community's commercial policy vis-à-vis the countries of Central and Eastern Europe and programmes of technical assistance and support for investment in the agricultural, industrial and environmental sectors;

8. Where a particular production sector in the countries of Central and Eastern Europe enjoys a cost advantage owing to the total or partial absence of effective environmental laws or environmental management, the EC may impose an extra import levy which may not exceed the cost advantage enjoyed by that sector in the countries of Central and Eastern Europe. Income from such levies should be fed back into the appropriate sector in the country concerned in the form of technical assistance and hardware in the environmental field, with a view to filling gaps in environmental management;

9. Welcomes the decisions taken by the recent European Council at Copenhagen with a view to facilitating the future accession of the associate countries to the European Union. In this context, calls on the Commission, in the context of the new approach to cooperation with the countries of Central and Eastern Europe, to:

   * improve the quality of technical assistance and training in the environmental sector,

   * promote the transfer of clean technologies and investment in environmental protection equipment,

   * integrate the environmental aspect fully into the other areas of cooperation,

   * and give priority to the approximation of environmental legislation.

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