Environment and Sustainable Development Integration in the Nordic Structural Funds

An Appraisal of Programming Documents

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Nordregio 2004

Nordic co-operation
takes place among the countries of Denmark, Finland, Iceland, Norway and
Sweden, as well as the autonomous territories of the Faroe Islands, Greenland
and Åland.

The Nordic Council
is a forum for co-operation between the Nordic parliaments and governments.
The Council consists of 87 parliamentarians from the Nordic countries. The
Nordic Council takes policy initiatives and monitors Nordic co-operation.
Founded in 1952.

The Nordic Council of Ministers
is a forum for co-operation between the Nordic governments. The Nordic
Council of Ministers implements Nordic co-operation. The prime ministers have
the overall responsibility. Its activities are co-ordinated by the Nordic ministers
for co-operation, the Nordic Committee for co-operation and portfolio ministers.
Founded in 1971.

Stockholm, Sweden
2004

ployment, the integration of persons excluded from the labour market, the adaptation of workers to industrial change, and the promotion of equal opportunities. In strategic terms, the ESF aims to promote stability and growth in employment, the improvement of education and training systems, and the strengthening of human potential in research, science and technology.

The EAGGF promotes the adjustment of agricultural structures and the strengthening of rural areas. This includes supporting farming income and the maintenance of viable farming, assisting communities in mountainous areas, and conversion, diversification, reorientation and improvement in the quality of agricultural production. In addition, it is available for the development of rural infrastructure, the encouragement of tourism investment, the exploitation of woodland, protection of the environment and countryside and financial engineering, as well as other activities relating to the prevention of natural disasters, village renewal and protection of the rural heritage.

Lastly, the FIFG promotes restructuring measures in the fishing industry, encompassing fleet modernisation, the development of fish farming, the protection of marine areas, the improvement of facilities at fishing ports, support for the processing of fishery products, and the marketing and promotion of those products.

In practice, the separate Funds are combined to differing extents to meet a range of inter-related economic objectives. For the programming period of 2000-2006, there are three priority objectives, comprising two regional objectives and one horizontal human resources objective:

- Objective 1 – to assist lagging or less developed regions.
- Objective 2 – to support the reconversion of regions affected by industrial decline.
- Objective 3 – to combat long-term unemployment and assist the integration into the labour market of young people (under-25s) and the socially excluded.

Regions designated for Objectives 1 and 2 are identified through a mix of economic, labour market and demographic indicators. This process utilises the Nomenclature of Territorial Units for Statistics (NUTS), which subdivides each Member State into a hierarchy of increasingly smaller administrative areas. In comparison, Objective 3 represents the objectives of European cohesion policy, and as such covers the whole of the Community.

In addition to the above three Objectives, complementary cohesion-related activities include four Community Initiatives addressing problems common to a number of EU Member States and regions. Aimed at developing transferable solutions of Community-wide interest, for the 2000-2006 period they include INTERREG III for the development of cross-border, interregional and transnational co-operation; URBAN II to support innovative strategies in cities and urban neighbourhoods; LEADER+ to promote rural development; and EQUAL to combat discrimination in the labour market.

2.2.2 Programme formulation and implementation

Finance made available through the Structural Funds is channelled into region-specific development programmes containing packages of measures. Key characteristics in programme design and implementation include following a philosophy of partnership, production of a development strategy, and a process of project selection, monitoring and evaluation.

Following designation of a region under one of the Objectives, a plan or programming document must be drawn up by an appropriate partnership. A typical consortium in these partnerships might include national ministries, regional and local government, specialist sectoral agencies, higher education establishments, voluntary sector groups and representatives of the European Commission. Partnerships have the option of choosing whether to prepare a Regional Development Plan (RDP) or a Single Programming Document (SPD). The RDP would be the subject of negotiations with the Commission, leading to the production of a Community Support Framework (CSF), which then requires subsequent adoption as an Operational Programme (OP). In comparison, the SPD contains programme proposals from the outset, and these can become operational as soon as the Commission adopts the SPD.

Each programme should provide a structured development strategy articulating specific aims, objectives, priorities, measures and targets, as well as details on the volume of financial assistance available. This establishes the context for project applications. The development strategy distinguishes between strategic objectives and Priorities for action, each Priority being related to programme targets, with the identification of indicators appropriate to measure both activity and output. Programme priorities are subdivided into Measures, presented according to a standard formula.

Applications for projects are normally led by a public sector agency, such as government departments, regional and local authorities, enterprise trusts, local enterprise companies, colleges and universities, and voluntary sector organisations. These projects applications are assessed against specific criteria determined by the partnership for each Priority and Measure,

frequently assisted by the use of a scoring system. Such systems attribute either numerical or qualitative scores to applications, in accordance with each project's relative merit and the degree to which it meets or exceeds programme requirements.

2.3 Environmental integration

In attempts to facilitate environmental integration in the Structural Funds, the European Commission has produced various forms of guidance. In 1996, strategic guidelines for Objective 2 programmes identified environment and sustainable development as new priorities for attention. Acknowledging the complementary nature of environment and regional development, the guidance emphasised the horizontal character of the environment as a principle to be borne in mind in the definition and implementation of Community policies and especially in Structural Funds programmes.

Two main themes were to be pursued more vigorously in new programmes. The first related to the conventional approach of improving the physical environment and infrastructure to increase the attractiveness of a region for business development. In the second theme, new emphasis was given to forward-looking measures as a potential source of future competitive advantage, linking ecological awareness with opportunities for economic growth. Examples include environmental measures for industry, energy-saving projects, advice for industry on technology and improved production processes, green business development and marketing support. The broad aims were to improve the environmental performance of business generally and to encourage and develop specialist environment-related sectors.

In 1998, the Commission published a handbook for programme managers, presenting an overview of the scope for integration between the Structural Fund programming process and the environmental assessment process.[1] In practical terms, rather than representing a legal requirement, it was intended to act as guidance setting out ways in which environmental issues could be more systematically incorporated into the definition and preparation of regional development plans and programming documents.

While recognising that environmental factors arise at all stages of programming from plan formulation to ex-post evaluation, the handbook focuses principally on the ex-ante phase in the Structural Funds process. For each stage, it describes the relevance of strategic environmental assessment (SEA) for inputting to development strategies, Priorities and

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[1] ERM, 1998.

Measures. From basic definitions and the importance of baseline data, it works through sustainability criteria for programme objectives and project selection, to performance indicators, impact indicators and monitoring arrangements. In practice, some European Member States have produced smaller and more accessible versions of this handbook for day-to-day use by Structural Funds partnerships.

In 1999, the European Parliament approved new regulations for the Structural Funds, in which environment and sustainable development, as horizontal factors in programmes, had several new points of emphasis. Scope was identified to differentiate the rates of co-financing on the basis of the regional importance attached to the protection and improvement of the environment. Structural Funds partnerships at all levels (national, regional and local) were to be broadened to include organisations concerned with environmental protection and sustainable development. The ERDF was to be seen to support the clean and efficient utilisation of energy and the development of renewable energy sources, and environmental considerations were to form a greater part of evaluation. Ex-ante evaluations, especially, were to assess the effectiveness of environmental integration and compatibility with national, regional and local environmental management objectives, as well as providing a quantified description of the environmental baseline and an estimate of the expected environmental impact of the strategy.[2]

2.4 Sustainable development integration

The Commission produced two other handbooks during the late-1990s, in this case moving more towards a sustainable development perspective. In the first text, guidance for Objective 2 regions offered a working definition of sustainable development as pursuing three objectives in such a way as to make them mutually compatible for both current and future generations. These comprise:

- Sustainable, non-inflationary economic growth.
- Social cohesion through access for all to employment and a high quality of life.
- Enhancement and maintenance of the environmental capital on which life depends.[3]

Its aim is to help identify and promote those features of programmes that could significantly change regional development towards

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[2] Commission of the European Communities, 1999a and 1999b.
[3] ECOTEC, 1997.

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sustainable patterns. Three successive stages or scenarios for positive action were elaborated:

- *Business as usual*, where appropriate environmental standards and regulations are generally met.
- *Minimisation*, where firms adopt best available (clean) technologies and production patterns that conserve energy and recycle waste materials. As these firms become more resource-efficient, this corresponds to scenarios that secure employment as well as fulfilling environmental objectives.
- *Restructuring for sustainable development*, in which the regional economy encourages sectors that use fewer environmental resources, orients spatial planning or spatial policies to reduce the need to travel, and increases opportunities for firms to share heat or exploit waste.

The guidance suggests means of tracking the region, essentially monitoring and measuring moves towards sustainability through a series of indicators with both top-down and bottom-up characteristics. The resultant statistics of positive and negative outputs are to be measured against the baseline conditions to identify progress. The guidance also identifies possible core project selection criteria according to the three dimensions of economic development, cohesion and environment, with additional environmental criteria that could be used to assist project scoring.

In 1999, another handbook was circulated with further guidance on integrating sustainability into Structural Funds programmes.[4] Supplementing material in the previous publication, the stated purpose of this second volume was to stimulate questions, identify gaps, and suggest where improvements could be made to programmes.

In content, it concentrates on three tools for the programme design stage. They comprise an elaboration of development path analysis, a system for checking the programme against key environmental criteria, and an integrated economic-environment SWOT (strengths, weaknesses, opportunities and threats) analysis. These tools do not require the use of quantified data, but instead rely on qualitative assessments of environmental issues and potential impacts. They are intended to encourage the development of an interactive relationship between programme design and programme evaluation.

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[4] ECOTEC, 1999.

2.5 Sustainable regional development

The concept of sustainable regional development (SRD) refers to the integration of sustainable development principles into regional development practice. Although it represents a relatively new field, substantial knowledge and expertise in SRD already exist. It has advanced sufficiently in theory and practice to become recognised as a specialist field with an emerging body of literature, as well as associated intellectual dilemmas and problems of realisation.[5]

The key documents attempting to rationalise SRD include and *EU Thematic Evaluation on the Contribution of the Structural Funds to Sustainable Development*.[6] This evaluation had three main objectives:

- To develop methods, indicators and approaches for the evaluation of sustainable regional development.
- To identify ways throughout the delivery system for the Structural Funds to generate better projects promoting sustainable development.
- To identify the main policy trade-offs being made in regional development policies either explicitly or implicitly.

The synthesis report provides tools and methodologies to assist regions, Member States and the EU in assessing the sustainability of development plans and to enhance the sustainability of the Structural Funds programmes in the 2000-2006 period. It is also intended to act as guidance in the preparation of Structural Funds policies beyond 2006, with particular relevance for programmes in the new Member States.

In its approach, the study modifies the three pillars (economy, society and environment) conceptualisation of sustainable development into four types of capital that sustain well-being:

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[5] Commission of the European Communities, 1998; ENSURE, 2000; Schleicher-Tappeser et al, 1997 and 1999.
[6] Commission of the European Communities, 2001 & 2002.

- Manufactured (man-made) capital, broadly synonymous with economic infrastructure.
- Natural (environmental) capital, covering all forms of eco-systems and natural resources that provide services for social welfare.
- Human capital, relating to the stock of human productivity potential of individual people based on their health, motivation, talents and skills.
- Social capital, relating to the stocks of social trust, norms and formal and informal networks that people can draw upon to access resources, solve common problems and create social cohesion.

The potential for sustainable or unsustainable development lies in the trade-offs occurring between the different forms of capital, when an increase in one prompts a corresponding increase or decrease in another. With regard to the main trade-offs in regional development, the evaluation indicated that an increase in manufactured capital prompted a decrease in natural capital, and an increase in human and manufactured capital resulted in a decrease in social capital.

The report proposed tools to assess regional sustainability, developing the concept of regional development pathways and designing a sustainability assessment matrix, specifying criteria against which to evaluate policies, programmes or projects. A 'project pipeline checklist' also provides questions for programme managers and monitoring committees designed to generate projects that contribute more effectively to SD.

In parallel with the EU activity, the theoretical and practical development of SRD has been supported by a series of multi-disciplinary conferences and international workshops.[7] This momentum has included comparative research into instruments for SRD, the formation of EN-SURE, the European Network for Sustainable Urban and Regional Development Research, and REGIONET, an EU Thematic Network project aimed at providing an interdisciplinary approach to support the implementation of sustainable regional development in Europe. A key element of this exploratory process has been the identification of differentiated experience between countries and regions, offering scope for researchers and practitioners to learn from each other.

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[7] Gabriel and Narodaslawsky, 1998; Häkkinen, 2000; Larrue, 2002.

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2.6 Conclusions

The EU Structural Funds represent a highly organised and very intricate system of progressing regional development. In operation, this framework relies upon a range of interactive processes, and region-specific programmes form the main policy instruments to co-ordinate European co-financing.

In recent years, the European Commission has introduced a range of initiatives from general guidance to handbooks and targeted regulation to bring environment, and latterly sustainable development, into the implementation of the Funds. In practice, programme partnerships have responded differently to the various suggestions and tools being offered. The reactions have varied according to a range of factors, such as the composition of the partnership, the relative status of environment among regional problems and priorities, the length of time the country has been a Member State, and the number of regional development programmes already produced by the region. For programmes that have attempted to follow the guidance, additional determining factors included whether consultants or other environmental specialists were engaged to assist the process, and what they introduced into the process, from environmental impact assessment and strategic environmental assessment to concepts of sustainable regional development.

In the following sections 3-6, individual programming documents for the Structural Funds instruments of the Nordic countries are reviewed against a number of environmental and sustainable development criteria. How far did they progress towards the ideas and programme tools highlighted by the various Commission documents, and to what extent did they achieve effective integration? Comparative comments are presented in sections 7 and 8.

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Foreword

The horizontal themes of environment and sustainable development feature increasingly in the Structural Funds, especially in the three distinct stages of programme design, implementation and evaluation. Methods to accommodate these themes vary between programmes, but also between countries, as does the level of success in efforts to realise their integration.

This report brings an additional persepective to Nordregio's expertise and information base on the Nordic Structural Funds. Addressing both environment and sustainable development as aspects of programme appraisal, it represents a complementary volume to Nordregio Report 2002:2, *Regional Development in the Nordic Countries 2002*. The insights from the report are expected to form a useful resource for programme partnerships, government officials, researchers and consultants assessing environment and sustainable development in the Structural Funds.

This research was funded independently by Nordregio. The report was written by Senior Research Associate Keith Clement and Research Fellows Karin Bradley and Malin Hansen, with Keith Clement acting as project manager.

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1. Introduction

1.1 Research context

In addressing regional economic imbalance across the EU territory, the Structural Funds represent a major instrument with considerable potential for environmental impact. With the recent expansion of the EU membership, the coverage of the Funds now reaches into even more countries, emphasising the need to secure improved horizontal integration of environment and sustainable development.

In practice, the form of programmes adopted and the methods used to progress regional growth mean that Structural Funds co-financing supports activities such as job creation, infrastructure and the development of new enterprises. With this very targeted economic perspective and the substantial resources allocated to the Funds, it is not surprising that they have a history of negative environmental impact. However, over the past ten years, a culture of environmental integration has evolved within programme implementation, with identifiable progress being made over time as the Commission has encouraged regional partnerships to give greater consideration firstly to environment and latterly to sustainable development (SD).

On a day-to-day basis, the European Commission relies on the individual Member States to protect the environment and choose projects wisely. From a positive perspective, the hierarchy of committees and the range of specialist inputs involved in project assessment and approval offer opportunities for the creative integration of environmental objectives and development of specific environmental measures. However, different countries, regions and partnerships have responded in different ways to the requirement to accommodate environmental factors and the dimensions of sustainable development. In some instances, depending on regional priorities, programme teams have worked independently to develop systems to address and integrate these overarching concerns, while other partnerships have maintained a conventional focus on regional economic development, restricting additional tasks to the minimum necessary when submitting programming documents.

Even in regions willing to address these horizontal themes, there has been divergence in methods. This relates firstly to environmental inclusion, where attempts at integration have varied from creating a separate Priority with high visibility in a programme, to others where environmental support is described as distributed throughout the programme and is consequently less visible either in Measures or in budgetary allocations. Secondly, in adopting a sustainable development perspective, the response has ranged from the one-line, familiar quotation from the

Brundtland Report[1] to the establishment of dedicated project teams to develop core project selection criteria that incorporate sustainable development.[2] Associated activities include SD training for decision-making committees, and the appointment of sustainable development specialists amongst programme management staff.

Against this background, expectations upon the Nordic countries to produce environmentally advanced Structural Funds programmes have been high, given their international reputation for strict regulation and effective systems of environmental protection. Having joined the Community in 1973, Denmark has been familiar with EU working practices for some time, but for Finland and Sweden the later accession has meant recent adjustment to a totally new regime. Adopting the procedures, instruments and evaluation culture of the Structural Funds has necessitated a period of realignment to adapt existing systems or to develop entirely new methods compatible with EU requirements. Whereas it is generally assumed that the Nordic countries will apply innovative methods in integrating environment and sustainable development in the Structural Funds, published information on the effectiveness of Nordic programming partnerships in these issues is limited.

1.2 Objective

The project objective is to review the current round of Structural Funds programmes in the Nordic countries with regard to the integration of environment and sustainable development. The output of this report is intended to contribute to Nordregio's expanding expertise in Nordic Structural Funds, in particular by producing a companion volume to Nordregio Report 2-2002, *Regional Development in the Nordic Countries 2002*.[3] It also updates the environmental perspective presented in Report 3-1999, *When Policy Regimes Meet: Structural Funds in the Nordic Countries 1994-99*, and it addresses the additional dimension of sustainable development as part of programme appraisal.[4]

It is anticipated that this report will form a resource for programme partnerships, government officials, researchers and consultants assessing environment and sustainable development in the Structural Funds. To this end, the text comprises two main formats: appraisals of individual programmes, grouped according to programme type; and a thematic comparison of key characteristics across programmes, highlighting similari-

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[1] World Commission on Environment and Development, 1987.
[2] For example, Eastern Scotland European Partnership, 2000.
[3] Hanell, Aalbu and Neubauer, 2002.
[4] Aalbu, Hallin and Mariussen, 1999.

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ties in performance and innovative attributes considered worthy of replication.

1.3 Methodology

In practical terms, fulfilling the objective meant appraising 26 programming documents encompassing Objective 1, Objective 2, Interreg IIIA and Interreg IIIB.[5] The framework for the document analysis focused on a number of programme attributes. For environment, the features included:

- The regional environmental profile, its thematic coverage, level of detail and relative proportion within regional data.
- The use of environmental goals, objectives or targets.
- The entry level for environment (programme, priority, measure or project) and subsequent continuity and cross-referencing throughout programmes.
- Estimates of environmental impact.
- Awareness of EU environmental policy and legislation.
- Use of environment in project selection criteria.
- Environmental indicators for programme monitoring.
- Involvement of environmental specialists in programme design.
- Budgetary allocations for environmental factors.
- Promotion of environmental gain.
- Effectiveness of environmental integration.

For sustainable development, the categories included:

- Presence of SD strategy within programme rationale.
- Definition of SD.
- Awareness of EU SD policy and legislation.
- Status and continuity from priorities to project assessment.
- Budgetary allocations for SD.
- Methods to assist SD integration.
- Clarity of the hierarchical relationship between SD and environment.
- Effectiveness of SD integration.

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[5] For a full list of programmes surveyed, including dates of publication, see Appendix 1.

The versions of the Single Programming Documents (SPDs) and programme complements (PCs) used in the survey are indicated in Appendix 1, which lists date of publication or receipt, when available. It is acknowledged that during the course of project implementation and report writing, a number of the programmes have produced modified drafts, potentially with enhanced environment and sustainable development integration. However, from a practical research perspective, the survey was conducted within a specific timeframe, and it was not feasible to incorporate each subsequent new draft.

1.4 Report structure

Following this Introduction, the report is divided into a further seven sections.

Section 2 introduces key aspects of the EU Structural Funds, covering the process of regional development programming and reviewing initiatives to integrate environmental factors and sustainable development.

Sections 3, 4, 5 and 6 present the environmental/SD analyses of Nordic programmes for Objective 1, Objective 2, Interreg 3A and Interreg 3B respectively. In each section, the programmes are considered according to a common structure. Following an introduction to the programme area, a section on environment addresses the EU policy context, the regional profile, programme tools and environmental integration. A subsequent section on SD is divided into definition, EU policy context, regional strategy and SD integration.

Section 7 comprises a thematic comparison, commencing with an overview of programme scoring in accordance with the previous chapters. This is followed by a review of selected themes across programmes, seeking to identify similar approaches or innovative features.

Section 8 presents conclusions.

3. Objective 1 programmes

3.1 Eastern Finland

3.1.1 Introduction
The spatial coverage of the Eastern Finland Objective 1 area comprises the Etelä-Savo, Pohjois-Savo Pohjois-Karjala and Kainuu regions. This represents an area of 70,000km^2 with a population 681,000 and a population density of 10 inhabitants per km^2.

The programme has four Priorities: (i) developing business and improving its operating environment; (ii) strengthening expertise and improving labour capabilities; (iii) developing rural areas; and (iv) developing structures and a good environment.

3.1.2 Environment

EU Policy context
The references to EU environmental policy state that the Eastern Finland programme will seek to ensure that funded projects meet the demands of the EU Habitats Directive (92/43/EEC, as amended) and the EU Wild Birds Directive (79/409/EEC, as amended).

Regional profile
The Regional Environmental Profile amounts to 2.5 pages. In comparison, social data amounts to seventeen pages and economic data to sixteen pages.

The Profile presents qualitative information on nature protection areas, waterways, air, forests, waste and built-up areas. It offers some quantitative information, for example on square kilometres of protected areas and the number of industrial waste sites, but this is not extensive. Strengths (such as organic production, healthy forests and lakes) and weaknesses (such as eutrophication and air pollution) are described.

Programme tools
The programme has an overarching qualitative objective that natural resources are exploited in a way that preserves the productive capacity of nature and its diversity. This includes promoting renewable energy and the efficient use of energy, while protecting the region's nature, landscape and culture. No quantified environmental targets appear at programme or Priority level, although the targets for Priority 4 had not yet been set. Measure 3.2 includes the environmental target of increasing the share of organic production to cover 25 % of the production capacity.

Regarding environmental impact, a section of five pages describes the anticipated impact of each of the four Priorities. However, the esti-

mates focus only on positive environmental impacts. Possible negative impacts feature only in the forestry sector, which acknowledges conflicting goals between environmental protection, recreational use and increased timber harvesting.

Environmental criteria are identified as project selection criteria. In order to be eligible all projects must have undergone 'an appraisal of environmental impact and be in accordance with the principles of SD'. There is also a general selection criterion that a project should improve the natural environment or cultural environment, or increase environmental awareness and know-how. Whereas this criterion does not have to be met, it states that projects with a positive environmental impact may be given priority (but there is no reference to a scoring system). There are no Priority- or Measure-specific project selection criteria.

With regard to environmental indicators for programme monitoring, all projects will be classified and monitored according to their environmental impact as (i) positive, (ii) neural or (iii) negative. There is no detail on how the indicators might work, other than the target of 20% of EU funding being allocated to projects with a positive environmental impact – neither is it specified whether the other 80% must be neutral, or if they can have a negative impact. At programme level, there is an indicator on 'water and waste management projects and projects to clean up polluted areas'

Environmental integration
Environment first appears in the programme at Priority level. Environmental issues feature in the descriptions of Priority 1 (emphasis on environmental technology and environmental aspect of business development), Priority 3 (environmentally friendly forestry) and Priority 4 (environmental management, and development of 'the environmental infrastructure').

Thereafter, environmental considerations are carried through the programme by appearing in Measures within those three Priorities. This includes renewable energy and energy saving, and strengthening environmental know-how for business development (1.1), environmental management systems (1.2), bio-energy, organic food production and eco-forestry (3.1), organic production (3.2), fisheries (3.3) and environmental management of energy, water and waste (4.1).

With regard to the programme design process, the introduction to the SPD states that the Regional Environmental Centres (RECs) and the environmental authorities at Ministry level were involved throughout the programme drafting phase.

In budgetary terms, the document states that a target of 20 % of the programme's EU funding has been allocated for projects with a positive environmental impact.

With regard to promotion of environmental gain, Measures 1.1 and 1.2 are primarily focused on economic development but also emphasise environmental know-how and environmental management systems as means to develop the economy. This also applies to Measures within Priority 3, for example related to the promotion of organic food production and renewable energy.

Concerning the effectiveness of environmental integration, little information from the REP is used directly as justification within Measures. For example, neither air pollution nor industrial waste grounds are discussed, although it is acknowledged that the promotion of eco-business could encompass coping with industrial waste. Nevertheless, environmental aspects are well integrated in the programme overall. They appear in several Measures and have in many cases been translated into tangible actions. The section on environmental impacts of the Priorities also assists environmental integration.

3.1.3 Sustainable development

Definition

SD is described as a common principle for the whole programme, and the third chapter of the SPD contains a regional definition of SD, with a strong environmental focus:

> 'In Eastern Finland, SD means that the environmental responsibility of industries and business is increased and that the consumption habits of residents undergo a change towards the direction of sustainability. A high quality of life and a pleasant living environment are to be secured for the area's residents. Efforts must be made to refine the area's own raw materials into high-quality final products in an energy-efficient manner and using sustainable natural resources. The diversity and productive capacity of nature must be safeguarded.'

Sustainable growth is also defined as referring to good maintenance of the environment and control of material flows in businesses, energy-efficient technology and the life-cycle concept.

However, Priority 3 distinguishes between ecological sustainability and social sustainability, suggesting that ecological or environmental concern is interpreted as one component part of SD.

With regard to awareness of relevant EU sustainable development policy and strategy, the programme's success is described as dependent upon 'the co-operation of national regional policy in harmony with EU policies (regional, employment […], sustainable development, etc.)'.

Regional strategy
There is no overall SD strategy as part of the programme.

SD integration
In terms of status, SD is expected to extend to, and be followed by, all sectors and all activities in the development of the region, and the programme's qualitative objective states that development measures are based on the principles of sustainable growth and equality (equal opportunities for men and women).

SD is traceable through the document in individual Priorities and Measures. For example, although the term SD is not used, Priority 4 adopts a holistic approach, integrating aspects of health, environment, employment, local initiatives, self-employment, social exclusion, gender equality and business competitiveness.

A general SD project selection criterion must be met to satisfy eligibility. There is also a general SD criterion that provides guidance for project selection, but which is not mandatory, seeking only that projects should 'promote the principles of SD'.

There is no budgetary allocation specifically linked to SD realisation.

Overall, SD integration is very limited in this programme.

3.2 Northern Finland

3.2.1 Introduction
The Northern Finland Objective 1 area comprises Lappi and parts of Pohjois-Pohjanmaa, Keski-Pohjanmaa and Keski-Soumi. The population of the region amounts to 346,000 and the land area is 128,000km^2, giving an average population density of 3 inhabitants per km^2.

The programme has three Priorities: (i) business activity; (ii) rural development; and (iii) expertise and development.

3.2.2 Environment
EU Policy context
The references to EU environmental policy state that the Eastern Finland programme will seek to ensure that funded projects meet the demands of

the EU Habitats Directive (92/43/EEC, as amended) and the EU Wild Birds Directive (79/409/EEC, as amended).

Regional profile

The Regional Environmental Profile, in the first chapter of the SPD, extends to three pages, compared with eight pages of social data and six pages of economic data.

The Profile is brief and not detailed. It covers protected areas, air quality and emissions, quality of forests and wetlands, state of the water systems, and state of the cultural environment. The quantitative information does not convey much information. However, the Profile includes a useful innovation in the form of an environmental SWOT analysis (see Table 3 in section 7).

Programme tools

The programme has a number of quantified overall objectives, but none of them directly concerns environmental aspects, and there are no direct goals at Priority or Measure levels.

References to environmental impact are not included as assessments of individual Measures, but only as comments on the programme as a whole, indicating that positive impacts will reduce emissions and facilitate management of environmental impact. Anticipation of environmental impact is described as extremely important for projects relating to intensification of the use of natural resources, intensified production, tourism and new infrastructure. Evaluation of the environmental impacts was to be considered further in the subsequent programme complement.

With regard to environmental criteria in project selection, one out of fifteen general selection criteria addresses '*improving the natural or cultural environment of the area, reducing adverse environmental impact, or increasing environmental skills and awareness*'. There are four selection criteria that all projects must meet, but the one cited above is not part of this group. However, projects with a beneficial effect on the environment 'can be prioritised'. There are no Priority- or Measure-specific project selection criteria.

Environmental indicators are identified for programme monitoring. All projects will be monitored and evaluated according to an environmental indicator with three impact categories of (i) positive, (ii) neutral/no impact, and (iii) negative environmental impact. There are also Priority-specific indicators, but none of these deals with environmental aspects.

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Environmental integration

Environmental factors are not raised in the Priority descriptions, but first appear in the programme at Measure level. The themes include encouragement of environmental know-how in export production, tourism and product design (1.1), environmental technology as a business area with 'centres of excellence' (1.2), environmental improvement and natural environment quality as a source of competitiveness (1.3), ecological farming, fishery and forestry, renewable and domestic energy sources (2.1), local food production (2.3), environmental management and restoration (2.4), the Sami environment (2.6), and environmental know-how within business, construction, technology and agriculture.

The programme design process involved the Finnish Ministry of the Environment, Regional Environmental Centres (RECs) and environment officials from the Ministry of Interior. Whereas the RECs and Ministry of Interior concentrated on the programming document, the Ministry of Environment focused more on the programme complement

In budgetary terms, the document states that a target of 20% of the programme's EU funding has been allocated for projects with a positive environmental impact.

Environmental gain also features, as the promotion of economic growth is expected to generate environmental improvement. In Measures 1.1-1.3 and 2.1, eco-business, environmental technology, and ecological farming are promoted with the argument that they create a competitive edge that assists economic growth and job creation. Optimistically, the document states that all of the Measures, correctly implemented, will have positive impact on the environment by directly reducing emissions and at the same time making environmental impacts easier to manage.

Regarding the effectiveness of environmental integration, some information from the environmental SWOT has been applied directly in the Measures. For example, in Measure 2.1, renewable and domestic energy is encouraged, and Measures 1.1 and 2.1 acknowledge the opportunity for Finnish organic products. Overall, environmental issues appear in most of the Measures.

3.2.3 Sustainable development

Definition

The programme definition of SD identifies the three basic elements as ecological, economic and social sustainability, then describes the meaning of each for the regional context. Ecological SD comprises the preservation of biological diversity and functioning ecosystems, securing a pleasant and healthy environment while increasing awareness and responsibility among businesses and the population. Economic SD refers to projects

with a long-term effect on regional employment, bringing the regional economy onto a managed growth curve so that the central growth indicators – GNP, employment and unemployment – at least equal the national averages. Social SD promotes balanced regional social groupings, particularly in remote districts, to restore the balance between different age and gender structures, to reduce unemployment and to prevent exclusion.

EU Policy context
The programme shows no awareness of relevant EU sustainable development policy and strategy.

Regional strategy
SD is described as an underlying principle of the regional economic strategy, to be implemented mainly through project selection criteria and project evaluation.

SD integration
In terms of status, SD remains an underlying principle. It is never described as a strategic objective, and there are no SD targets in the programme.

SD is traceable through the document into certain Priorities, Measures, project guidance and assessment. Priority 2 reflects SD in approach through linking environmental improvement, good living conditions, competitiveness, job creation, and diversification of the rural economy. For example, Measure 2.1 encourages sustainable forestry, farming, fishery and energy production, emphasising the interdependencies and roles of economic, social, cultural and environmental aspects of the industries, and Measure 2.4 connects environmental improvement and management, competitiveness, job creation, recreation and quality of life.

There is no budgetary allocation specifically linked to SD realisation.

At present, SD integration is very limited in this programming document. It is anticipated that it will be developed in more detail in the programme complement, through evaluating the impact of projects on each of ecological SD, economic SD and social SD.

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3.3 Norra Norrland

3.3.1 Introduction

The Objective 1 area for Norra Norrland includes the counties of Norr-botten and Västerbotten. The population of the region amounts to some 512,000, and the land area to 154,000km2. This gives an average population density of 3 inhabitants per km2.

The programme has six Priorities: (i) development of infrastructure; (ii) development of trade and industry; (iii) development of skills and employment; (iv) rural development; (v) nature, culture and human environment; and (vi) a Sami programme.

3.3.2 Environment

EU policy context

References to EU environmental policy state that the Swedish authorities will seek to ensure that funded projects meet the demands of the EU Habitats Directive (92/43/EEC, as amended) and the EU Wild Birds Directive (79/409/EEC, as amended). The document also shows awareness of the EU Polluter Pays Principle.

Regional profile

The Regional Environmental Profile forms part of the first chapter of the SPD, consisting of five pages, compared to thirteen pages on economic data and three pages on social data.

The Profile is detailed, presenting information on conditions of the mountains, sea, agricultural land, air, forests, lakes and rivers, wetlands, waste treatment, waste water treatment and groundwater. A brief analysis of strengths and weaknesses is presented for most of these categories. However, environmental factors are not considered within the context of transport, and no information is presented on energy.

Programme tools

Two Priorities have environmental objectives/goals amongst their Measures. These range from qualitative objectives, such as to protect and develop the biodiversity of the forest, to quantitative goals converting 75 companies to ecological animal farming, increasing ecological farming by 3000 hectares, and 40 projects focusing on ecological SD. In other Measures, examples of eligible project characteristics include improving the environment.

No estimates of environmental impact appear in the programme.

With regard to environmental criteria in project selection, one Measure (from a total of 22) had the criterion that projects should con-

tribute to knowledge on environment-friendly forestry, and two other Measures specified that projects should have positive effects on health and environment.

'Environment' appears as a general indicator for programme monitoring, with the alternatives (i) mainly an environment project, (ii) environmentally friendly project, (iii) environmentally neutral project, and (iv) environmentally harmful project. Another indicator, used only in a small number of Measures, is how the project effects protection and development of the natural and cultural heritage (with the three alternatives of positive, neutral and negative).

Environmental integration
Environment first appears in the programme at Priority level. Strengthening the region's environmental profile forms part of Priority 5 on nature, culture and human environment. Thereafter, environmental considerations appear in a number of Measures, as they become more refined, in some cases into environmental goals.

There is no indication that the programme design process involved environmental specialists. However, the text mentions a reference group associated with a EU pilot project on sustainable regional development, which was expected to serve as a discussion forum for the SPD during the programme implementation phase.

No elements of the budget are allocated explicitly for environmental factors.

The programme includes Measures that overtly promote environmental improvement. Priorities 4 and 5 have the aims of enhancing the environment (pasture lands, animal environment, biodiversity, re-creation of hayfields) and developing the local economy, employment and human environment through strengthening the region's environmental profile.

Environmental issues appear well integrated only in two of the six Priorities. Some of the opportunities and weaknesses from the Profile appear in the Measures addressing environmental aspects, but there is no evidence of systematic integration.

3.3.3 Sustainable development
Definition
SD is defined in the programme as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

There is no a clear hierarchical relationship between SD and environment. Environment is initially described as one of the three spheres of SD, but it is subsequently stated that a programme with an environmental

profile means that the three spheres are viewed as having equal status and interdependent. As indicated above, one of the core indicators described in the SPD is sustainable development/effect on the environment, which suggests they are perceived as the same theme. Environment and sustainable development are used interchangeably – it is stated in one chapter that SD is a horizontal objective, but later the document states that ecological sustainable development is the horizontal objective.

EU Policy context
The programme shows some awareness of relevant EU sustainable development policy and strategy. The Maastrict and Amsterdam treaties are referred to as stating the importance of SD for EU, but this theme is not developed further.

Regional strategy
There is no overall SD strategy, but SD is said to be a horizontal objective that influences all Priorities and Measures. The overall objective of the programme is:

> 'to create an economy with at least the same growth as other successful regions in Sweden or the EU, and that full employment is reached within the limits of sustainable development and equality between men and women'.

SD integration
In terms of status, SD is described both as a target and as a horizontal objective (alongside new jobs and equality between men and women), ostensibly influencing all Priorities and Measures. Whereas the other horizontal objectives are integrated into the quantified targets (4000 new jobs to men and 4000 to women, 10050 men and 9950 women have participated in educational programmes, etc.), SD is not quantified.

Nevertheless, it is stated that each Priority should be evaluated according to criteria that will secure SD.

Ecological SD is traceable through the document. There are explicit references to SD in four of the six Priorities, and the criterion that a project should 'contribute to SD' is applied in 16 of the 22 Measures. Areas where SD is not used as a selection criterion mainly concern in-service training, integration and equality between men and women, entrepreneurship, local development and the fisheries sector. In the Priority concerning the development of the Sami areas and culture, a project selection criterion refers to the need to demonstrate a link between economy, environment, culture, tradition and language.

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There is no budgetary allocation specifically linked to SD realisation.

With regard to methods to assist SD integration, the SPD has a collective indicator on sustainable development/effect on the environment, but in the programme complement (PC) the collective indicator only encompasses environment. Whereas the SPD contained a section on SD, the PC makes no references to SD other than as part of the selection criteria. Overall, SD integration is very limited.

3.4 Södra Skogslän

3.4.1 Introduction

The Objective 1 programme area for Södra Skogslän includes the counties of Jämtland and Västernorrland, as well as parts of the counties of Gävleborg, Dalarna and Värmland. The population of the region amounts to 443,000, and the land area is more than 95,000km^2. This gives an average population density of 5 inhabitants per km^2.

The programme has five Priorities: (i) development of trade and industry; (ii) lifelong learning and the development of human resources in working life; (iii) development of rural areas, agriculture, forestry, fishing and aquaculture; (iv) development of human environment and infrastructure; and (v) a Sami programme.

3.4.2 Environment

EU policy context

The programme shows awareness of relevant EU environmental policy and legislation, and the SPD states that regional environmental norms correspond to these standards. Furthermore, the Swedish authorities will demand environmental assessments according to EU Habitats Directive on the conservation of natural habitats and of wild fauna and flora (92/43/EEC, as amended) for all projects situated in sensitive or other special areas.

Regional profile

A Regional Environmental Profile appears in the first chapter of the SPD. The environmental data amounts to eight pages compared to seven pages of social data and twenty-six pages of economic data.

The Environmental Profile contains mostly qualitative but also some quantitative information, linking environmental issues to the regional economy. It presents environmental aspects of regional industries such as forestry, farming, mining, power generation, tourism and fisheries, considering negative impacts as well as environmental strengths and opportunities.

Programme tools

There are no explicit environmental goals, objectives or targets at programme level. However, nine of the twenty-two Measures have qualitative environmental goals related to developing environmental concern, more effective energy and environmental systems, and enhancing the biodiversity of the forest. There is only one quantitative environmental goal, namely that 5000 farmers (of which minimum 2000 should be women) are to be educated in environmental and economic long-term sustainable production methods.

The programme contains no estimates of environmental impact. The SPD states that the Swedish Environmental Protection Agency suggested the use of a matrix to assess the programme environmentally, but it is not clear whether such a matrix was actually employed.

Environmental concern is cited as a horizontal criterion for the whole programme, and five Measures have specific project selection criteria. These criteria relate to the share of ecologically cultivated land, forests with biotopes important for threatened species, and, if financing were low, that investments aimed at improving the environment should be given priority.

Environmental indicators are identified for programme monitoring. Impact on the environment acts as an indicator for monitoring the whole programme, with categories comprising (i) mainly an environmental project, (ii) an environmentally friendly project, (iii) an environmentally neutral project, and (iv) a project that harms the environment. Protection and development of natural and cultural heritage features as an indicator in a number of Measures.

Environmental integration

Environment is cited as a general indicator for the programme, and each Priority has a background section where specific environmental considerations are mentioned. Thereafter, three of the Measures in three different Priorities specify environmental factors for the sector in question (forestry, fisheries and energy), and examples of projects illustrate scope for financing activities with environmental considerations.

With regard to the programme design process, the Country Administrative Boards and the Swedish Environmental Protection Agency contributed to the regional environmental analysis, and the programme was formulated in consultation with the Swedish Society for Nature Conservation.

Specific elements of the budget are allocated for environment-related factors (see Table 7 in section 7). Three of the 22 Measures have a

focus on environmental issues, and together they account for approximately 25 percent of the total budget. However, environmental issues are also integrated into other Measures, so the environmental dimension may in practice be greater than 25 percent.

With regard to environmental gain, several appropriate themes are raised with the Measures. These include creating business opportunities and employment through promoting renewable resources, increasing regional income and employment through ecological farming, and strengthening regional identity and attraction.

The SPD states that environmental aspects are integrated in the whole programme, with a special focus in two Priorities, and the PC integrates environment into three or more Priorities. In particular, the detailed material in the PC reflects the strengths and weaknesses identified in the Regional Environmental Profile. For example, the Measure on environmental action in forestry tries to enhance this resource, protect rare biotopes and use forests for recreation. The Measures concerning the fisheries sector (3.7 and 3.8) promote projects focusing on species that have not been fished before, reflecting diminishing stock of salmon and trout. The potential of increasing ecological farming is also supported in the Measures.

3.4.3 Sustainable development

Definition
SD is not defined in the programme, but there are elements that could collectively amount to a sustainable development approach. These encompass economic development, environmental concerns, promotion of equal opportunities between men and women, representation of ethnic groups, and active participation from different social sectors.

The programme is clear is acknowledging that environment is only one aspect of SD. Nevertheless, the section referring to SD is placed within the chapter on environmental issues.

EU Policy context
The programme shows awareness of EU sustainable development policy and strategy, noting that the public administration is responsible for an assessment based on SD criteria addressing environmental factors, aspects of social and economic development, the promotion of cultural development, and equality between men and women.

Regional strategy
There is no overall SD strategy as part of the programme.

SD Integration

SD does not feature as an objective or target for the whole programme. Instead, ecological sustainable development is given the status of a horizontal criterion. Below programme level, two of the five Priorities (3 and 4) have SD as an explicit objective.

In terms of further traceability throughout the document, SD appears as a specific goal and project selection criterion within Measures of Priority 3 related to competence development, environmental actions in forestry, and rural development. However, SD is not traceable in all the Measures within these two Priorities. In Priority 5 concerning the development of Sami land and culture, one of the project selection criteria refers to links between economy-environment-culture-tradition-language.

There is no budgetary allocation specifically linked to SD realisation, and there is no cross-cutting theme or SD integration chapter. Overall, SD has only very limited integration in this programme.

4. Objective 2 programmes

4.1 Denmark

4.1.1 Introduction
The Denmark Objective 2 programme area comprises the county of Bornholm, the islands of Lolland, Falster and Møn in the county of Storstrøm, parts of the counties of Nordjylland, Viborg, Århus, Ringkøping and Sønderjylland, and Sydfyn, the islands in the county of Fyn, and a additional 27 small islands not included in the regions mentioned above.

The population amounts to 941,000 and the area is 14,900 km2, which results in an average population density of 63 inhabitants per km2.

The programme has three Priorities: (i) development of the region, (ii) business development, and (iii) development of competence and human resources.

4.1.2 Environment

EU policy context
The Introduction to the SPD states that the programme has been developed through a process that has taken account of EU strategy and policy. The Environmental Profile of the SPD contains a section on Natura 2000, which discusses EU directive 92/43/EEC on the conservation of natural habitats and of wild life fauna and flora, and directive 79/409/EEC on the conservation of wild birds.

Regional profile
The Regional Environmental Profile comprises 2.5 pages within a 19-page chapter describing the present situation, primarily through a socio-economic analysis. Environmental weaknesses and advantages and resources are presented in summary form:

- *Weaknesses* include limited groundwater resources, vulnerable nature, limited scope to use open landscapes and coastal areas for urban development, industry or tourism, problems with bathing water quality and algae, and pressure from tourism and transport.
- *Advantages and resources* include recognition of the need to solve environmental problems, knowledge of environmental technology and innovation, and a willingness to meet demands and challenges from Agenda 21 and Destination 21.

A general SWOT analysis identifies several environmental characteristics. Strengths include attractive natural environment and utilisation

of renewable energy sources; opportunities comprise the development of cultural and environmental tourism, and threats include limited ground-water resources and the vulnerability of nature. Thereafter, a specifically environmental SWOT analysis focuses on the different sub-regions within the programme area, with a more detailed consideration of qualities.

Programme tools
In the overall objective of the programme, reference is made to the need to secure a sustainable environment in regions with structural problems. With regard to the different sub-regions, most have objectives related to environment, for example as one within five or six objectives.

Within the ex ante evaluation of the programme, there is a review of likely environmental impacts, amounting to approximately 2.5 pages. For eleven environmental categories, positive and negative impacts have been classified from insignificant to critical in nature (see extract, Table 5 in section 7). Negative impacts are explained as resulting from, for example, higher business activity, globalisation, exporting and road construction; mitigating positive impacts are attributed to cleaner technology, renewable energy investment, and improved public transport, amongst other factors.

With regard to project selection criteria, the programme states that environment is included as an important criterion, and that a high level of environmental sustainability will be secured. Project applicants will be asked to present a qualitative evaluation of expected environmental consequences, and it is presupposed that all projects are in accordance with environmental policy and have obtained any necessary permissions. Under "special selection criteria", most of the sub-regional areas specify environmental factors.

Indicators for programme monitoring appear in the programme complement, divided into input, output, outcome and global indicators. Two of the output indicators have an environmental orientation, related to the number of projects with an environmental impact and overall environmental impact. In total, 367 projects were anticipated to have an environmental impact.

Environmental integration
When describing the objective of the programme, the SPD states that efforts will be made to include environmental factors in activities on all operational levels and in all policy areas. However, the programme has no Priorities or Measures specifically dedicated to environment, and instead there is considered to be a broad scope to fund environmental ac-

tivities, with priority given to projects with such characteristics. Examples of activities that can be supported include investments in infrastructure for environment (P1) and support to SMEs for investment in environmental improvement (P2).

There is no indication that the programme design process involved environmental specialists or environmental authorities, and no specific elements of the budget were allocated for environmental factors.

Environmental integration is more visible in the sub-regional programme complements, as most of these sub-regions have individual environment-related strategies (in each case, amongst several other theme-based strategies).

4.1.3 Sustainable development

Definition
No definition of SD appears in the programme, but SD is described as one of the important factors in securing long-term regional development. In the programme text, terms such sustainable development, sustainable environment, environmental sustainability and sustainability are used in different instances. This suggests that the various contributors to the programme have different perceptions and understandings of the relationship between SD and environment.

EU Policy context
Regarding awareness of relevant EU sustainable development policy and strategy, the document simply states that the programme has been developed within a process that considers EU strategy and policy.

Regional strategy
There is no overall SD strategy as part of the programme rationale.

SD Integration
The strategic themes of the programme include innovation, globalisation, co-ordination, indigenous strengths and development opportunities in the regions, and sustainability. It is stated that sustainability should be understood in economic and social terms, as well as from an environmental perspective.

However, SD is not traceable through the document into the various Priorities and Measures, and there is no budgetary allocation specifically linked to SD realisation. Essentially, there is no integration of SD in this programme.

4.2 Southern Finland

4.2.1 Introduction

The Southern Finland Objective 2 area includes the regions of Etalä-Karjala, Kanta-Häme and Päijät-Häme as a whole, as well as parts of the regions of Varsinais-Suomi, Kymenlaakso, Itä-Uusimaa and Uusimaa.

The population of the regions amounts to 783,000, and the land area is 31,000 km^2. This gives an average population density of 25 inhabitants per km^2.

The programme has three Priorities: (i) increasing the attractiveness of Southern Finland and the competitiveness of business across the region; (ii) raising the standard of competence of human resources; and (iii) securing pleasant and efficient communities.

4.2.2 Environment

EU Policy context

The programme Environmental Profile shows awareness of Natura 2000, as well as the EU Habitats Directive (92/43/EEC, as amended) and the EU Wild Birds Directive (79/409/EEC, as amended). A separate chapter on operating policies of the EU refers to environmental policy and the general environmental principles of the EU.

Regional profile

The Regional Profile forms a chapter of about 25 pages, and the Environmental Profile comprises about 2.5 of these 25 pages, i.e. 10 percent. Uncommonly, this Environmental Profile appears at the beginning of the chapter.

The Environmental Profile has two main sections. The first section addresses the diverse nature and cultural environment of the programme area, including the favourable climatic location, the soil, the extensive island coast, moraine formations, the lake area, the marine nature, oak belt and clay areas. The second section relates to environment under threat, focusing on the affects of industrial activity, migration, transport and emissions on the diversity and quality of nature.

A chapter on the assessment of the environmental impact contains a SWOT analysis related to environmental matters.

Programme tools

The programme does not contain environmental goals or targets. Instead, 'preservation and improvement of the living environment' serves as a broad objective, alongside increasing the attractiveness of rural areas as a location for living and working.

Environmental impact is considered in a 4-page section that includes a SWOT analysis. Each of the Priorities contains a section on environmental impact. It is stated that the programme will improve the state of the general environment, waterways, soil and cultural environment through favouring projects with positive or neutral environmental impacts. The impact on Natura 2000 targets will also be appraised. However, it is acknowledged that there may be negative environmental impacts from projects such as infrastructure investment. Selection criteria for each Measure are intended to steer projects towards saving and improving the environment.

With regard to indicators for programme monitoring, one of the core monitoring indicators for public funding has an environmental focus, identifying projects that specifically aim to improve the environment.

Environmental integration

Environment appears within Priority 3, which includes the improvement of the state of the environment amongst its aims. Thereafter, environmental considerations feature most obviously in three Measures of this Priority: preserving and improving the state of the environment (3.2); developing tourism and culture and enhancing the living environment (3.4); and increasing the expertise of cultural and environmental sector actors (3.5).

The protection and improvement of the environment is described as a horizontal priority, and as such it should be integrated in all development areas.

Environmental specialists were involved in the programme design process. A separate expert group (ELLY) was established to consider environmental matters and to assess environmental impacts. The group members included regional council officials responsible for environmental matters, representatives of regional environmental centres and a representative of the Finnish Environmental Institute. A consultant was engaged to assist the appraisal of selection criteria, eligible activities and monitoring indicators with environmental relevance.

If it is assumed that Measures 3.2, 3.4 and 3.5 are of environmental character, they together amount to approximately 15 percent of the programme budget allocation.

Each of the three Priorities makes reference to environmental gain. In Priority 1, this relates to the benefits of environmental systems, products that do not damage the environment, new environmentally-friendly technology, energy-saving and renewable energy that reduces carbon dioxide emissions and other environmental burdens. In Priority 2, attention is drawn to how distance working and distance learning will reduce the need for travelling, promote energy saving and reduce the environmental damage caused by traffic. Priority 3 refers to nature protection projects and environmental care projects such as renovation of river and lake systems to improve the prerequisites for tourism in these areas.

With regard to the effectiveness of integration, the environmental dimension is described as integrated throughout the programme and strategy, having been considered from the outset.

4.2.3 Sustainable development

Definition
SD is not defined in the programme, but environment is presented as one dimension of SD.

EU Policy context
The programme contains a chapter on operating policies of the EU, but in the section on environment and sustainable development, the text describes environmental policy.

Regional strategy
There is no overall SD strategy as part of the programme rationale.

SD Integration
In terms of status, no SD strategic objectives or targets are contained in the programme. Instead, the SPD states that the needs of sustainable development and environmental assessment were incorporated from the start, and that the strategy and the implementation reflect this early integration.

SD features at the beginning of the document, where the concept is mentioned. However, in the rest of the programme the references are less precise, with terms such as 'balanced regional development' open to interpretation as sustainable regional development.

There was no budgetary allocation specifically linked to SD realisation. Although sustainable development is referred to as a horizontal priority, to be integrated in all development areas, there was no use of cross-cutting themes, collective SD indicators or a specific SD integration chapter. Overall, SD integration is very limited in this programme.

4.3 Western Finland

4.3.1 Introduction

The Western Finland Objective 2 area includes parts of the regions of Satakunta, Keski-Suomi, Pirkanmaa, Etelä-Pohjanmaa, Österbotten, Keski-Pohjanmaa and Pohjois-Pohjanmaa.

The population of the region amounts to 1.2 million, and the land area is 62,000 km^2, which results in an average population density of 20 inhabitants per km^2.

The programme has three Priorities: (i) developing business activity and renewing the industrial sector; (ii) developing an expert workforce and technology; and (iii) developing the area structure and living environment.

4.3.2 Environment

EU Policy context

Concerning awareness of EU environmental policy and legislation, the SPD outlines the requirements to ensure compatibility with EU policies, focusing especially on environmental legislation related to Natura 2000 and environmental protection areas.

Regional profile

Within an area profile chapter of 100 pages, the Environmental Profile amounts to only seven pages, covering the themes of air quality and emissions, forest and wetlands, water systems, soil and groundwater conditions, cultural environment, waste management, and diversity of nature.

The text on the main environmental problems is supplemented by an environmental SWOT analysis, with the following categories:

- *Strengths* – valuable landscapes and historic sites; environmental technology and know-how, especially with regard to rivers; ribbon development and robust housing structure; unique rising land formation on the coast; large lakes and extensive waterways; quality forest; and community waste management.
- *Opportunities* – development and utilisation of diverse nature protection network; use of environmental know-how and technology; development of nature and fishing technology; use of renewable natural resources; improving the cultural environment; and creative production of a clean environment.
- *Weaknesses* – water pollution and deterioration of the waters; groundwater and rock resources unevenly spread; small area

of protected forest; changes to forest and wetlands; and unclean air in large urban areas.

- *Threats* – continued eutrophication of waters; damage to the rural landscape; contamination of soil and groundwater; diversity of nature weakening in the forest, wetlands and cultural/traditional environments; and threats from increased levels of traffic.

When discussing the development requirements of the region, a general SWOT was constructed. This included only three (out of 42) points with environmental character: the state of the environment and its attraction as a strength, environmental know-how and environmental technology as opportunities, and eutrophication of the watercourses as a threat.

Programme tools

Within the Measures, the stated objectives included environmental orientations, such as promoting environmental responsibility, improving employee skills concerning environmental control, using new energy and environmental technology in companies, repairing environmental damage, and reducing environmental loading in nature.

The programme contained no estimates of environmental impact. This was justified by citing the involvement of an EIA group in the programme design process, and stating that evaluations of environmental impact were considered at each phase of drafting. Consequently, the programme is aimed at creating positive environmental impacts, assuming that development and training adheres to the principles already established.

Environmental criteria were identified as project selection criteria. Four Measures under Priority 3 include criteria relating to improving energy efficiency, increasing energy savings, using renewable energy, repairing environmental damage, and protecting the natural and built environment while securing diversity.

A list of nine general indicators is presented for programme monitoring, supplemented by 2-4 indicators for each of the Priorities. However, none of these relates to the environment. In comparison, environment appears as one out of eight core monitoring indicators, described as a means of measuring projects with positive and neutral environmental impacts. Each of the Measures has a set of environmental indicators, ranging from a minimum of two indicators up to twelve indicators in Measure 3.2. In total there are 16 different environmental indicators (see Table 10 in section 7).

Environmental integration
The theme of environment appears within various Measures in Priorities 1 and 3, supporting activities concerning environmental technology, energy savings and quality systems, renewable energy, environmental management systems, nature centres, the preservation of biodiversity, repairing environmental damage and contaminated land, and improving landscape and green areas.

Environmental specialists, including staff from the Regional Environment Centres, were involved in the programme design process. An EIA (environmental impact assessment) group monitored the preparatory work and presented appraisals for each draft.

Elements of the budget are allocated for environmental factors, but since the scope for environmental projects was distributed across the Measures, the scale of the environmental expenditure cannot be estimated.

Environmental gain is reflected only in respect of new energy technology, where project can simultaneously improve economic and ecological dimensions.

Regarding the effectiveness of environmental integration, the material from the regional profile is made use of in the Measures, which support a range of projects of environmental character.

4.3.3 Sustainable development

Definition
SD is defined elsewhere in the programme as on-going and controlled social change taking place globally, regionally and locally, with the objective of safeguarding opportunities for a good life for current and future generations.

Although SD has a low profile in this programme, there is acknowledgement of the hierarchical relationship between SD and environment. Environment is understood as one dimension of SD, for example in references to the Genuine Progress Index, which is described as of SD character and which considers production in environmental, social and economic terms. Similarly, when discussing regional development criteria, projects are to be assessed to see whether they contribute to 'economically, socially and ecologically sustainable development'.

EU Policy context
The only references to EU sustainable development policy and strategy appear in the Environmental Profile. It states that Finland, as a member of the EU and UN, is committed to comply with the aims of sustainable de-

velopment policy through co-ordinating ecological, social and economic factors in interventions and decision-making at all levels.

Regional strategy
The programme does not have an overall SD strategy as part of the programme rationale.

SD Integration
In terms of its status, SD is described as an underlying or horizontal principle in the programme. However, actual references to SD as evidence of this integration in the document are rare. With regard to continuity, SD is mentioned mostly at programme level, and it is less visible at more detailed levels of operation.

There is no budgetary allocation specifically linked to SD realisation, and no methods appear to be used to assist SD integration. For example, there are no general SD indicators, and there is only reference to SD amongst selection criteria, under Measure 3.1, which lists the promotion of a societal structure that supports SD. Overall, SD integration is very limited in this programme.

4.4 Åland Islands

4.4.1 Introduction
The Åland Islands Objective 2 area comprises the islands of the autonomus Åland. Whereas the population of Åland is 25,800, the population in the programme area amounts to 15,300 inhabitants, and the spatial coverage is 6,750 km^2 (78% water and 22% land). The population density is 10 inhabitants per km^2.

The programme has one Priority: trade and industry development, and environment.

4.4.2 Environment

EU Policy context
As with most programmes, EU directives 92/43/EEC on the conservation of natural habitats and of wild life fauna and flora and directive 79/409/EEC on the conservation of wild birds are cited. In addition, this programme shows awareness of a wider range of EU environmental directives related to water and specifically to limiting discharges of nitrates from agricultural sources.

Regional profile
There is a specific Regional Environmental Profile under the title of environmental analysis. This comprises approximately 2 pages out of 14

pages of regional data. The complete environmental analysis, extending to 4.5 pages, is included as an appendix to the SPD.

The main categories for analysis are water resources, natural environment and waste management. Addition material relates to air quality, energy saving, discharge of oil from ships, and land use. Whereas these factors are considered mostly from the perspective of threats, water resources are emphasised as of fundamental ecological importance. This is based on water as a precondition for a variety of species and overall diversity, scope for development in the fishing and tourism trade, and the wellbeing of local inhabitants.

A SWOT analysis raises several environmental points. Strengths include the unique natural and cultural environment that attracts visitors, and the small-scale landscape is perceived as an important asset in the development of trade and industry. A weakness is the initially high cost for micro-companies when making environmental adjustments, and the difficulties of meeting the environmental demands of customers and remaining competitive with companies in other regions. Threats include the possible loss of farming, which supports employment and the cultural landscape, and recognition that decreased local production would mean higher transportation costs.

Programme tools

Whereas the overall objective of the programme is to raise the competitiveness of the companies by stimulating their development, one feature of this process is to increase environmental awareness. More specifically, Measure 1.4 (environmental adjustment of trade and industry and the community) has the objectives of delivering 30 projects, a target that 50 percent of participating companies environmentally adjust their business, decreasing environmental load, and creating 30 new workplaces and five new companies.

For environmental impact, the environmental analysis in the SPD addresses the effects of the programme on the environment, stating that the programme is characterised by small-scale concerns and environmental consideration. However, the subsequent text does not appraise actual impacts, but instead informs that indicators will be used to monitor the programme and that environmental criteria will be prepared for project selection. Programme activities that lead to new establishments or relocations that require the construction of new building will be required to prepare environmental impact assessments or environmental reports prior to development.

Project selection criteria are described in the programme as an important step in supporting environmental aspects of implementation. Two

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kinds of selection criteria are used, those of common and graded. Seven common criteria must be met, and one includes that the project fulfils the horizontal objectives of the programme – sustainable environmental development is a horizontal objective. Applicants must specify whether a project is (i) mainly environmental, (ii) environmentally friendly, or (iii) environmentally neutral. There are ten graded criteria, at least one of which must be met. However, the more graded criteria that a project meets, the greater the likelihood that it will receive funding. One of the graded criteria comprises that the projects lead to increased environmental awareness or decreased negative environmental impacts.

Monitoring is to be carried out at the four levels of projects, Measures, Priorities and programme. The four types of indicators to be used include financial, physical, result and effect indicators. Of the eleven physical indicators for projects, one relates to environment, categorising project as mainly environmental, environmentally friendly, or environmentally neutral. Within each Measure, the projects are divided into groups, and in Measure 1.4 these include, amongst others, 'environmentally friendly technology, clean and economical energy technology', 'investments in renewable energy sources', 'environmental campaigns' and 'environmental management in companies and in the workplace'.

Environmental integration
Environment first appears in the programme at Priority level (trade and industry development, and environment), and then in Measure 1.4 aimed at increasing environmental awareness amongst trade and industry and the community, an issue already identified in the regional profile. For the project level, reference is made to the need for correspondence with the environmental action programme of Åland.

The programme design process involved environmental authorities. The environment department of Åland's government and administrative board conducted the environmental analysis in the profile chapter, and local environmental organisations participated in aspects of programme design.

With regard to budgetary allocations for environmental factors, Measure 1.4 (environmental adjustment of trade and industry and the community) has 25 percent of the budget total. This amounts to approximately 5.5 million Euros.

Scope for environmental gain features within the strategy and prioritised areas in the SPD, which identify how the environmental adjustment of SMEs will meet the environmental demands of the customers and decrease the negative load on the environment. However, information

from the Regional Environmental Profile material is not used overtly to support specific elements of the programme.

4.4.3 Sustainable development

Definition
SD is not defined in the programme, and the relationship between SD and environment is not made clear.

EU policy context
The programme shows no awareness of relevant EU sustainable development policy and strategy.

Regional strategy
There is no overall sustainable development strategy as part of the programme rationale.

SD Integration
Sustainable development is mentioned at the beginning of the SPD, but it does not feature much thereafter. SD is not traceable through the document into Priorities, Measures, project guidance and assessment, no budgetary allocation is specifically linked to SD realisation, and no methods are used to assist SD integration.

      Within this programme, there is no integration of SD.

4.5 Norra Region, Sweden

4.5.1 Introduction
The Swedish Norra (Northern) Region Objective 1 programme area includes parts of the counties of Gävleborg, Dalarna and Västmanland.

      The population of the region amounts to 635,000 and the land area is 32,000km^2, giving an average population density of 20 inhabitants per km^2.

      The programme has two Priorities: (i) development of trade and industry; and (ii) knowledge-driven development.

4.5.2 Environment

EU Policy context
The programme shows awareness of protection related to EU Natura 2000 areas, and it refers to both the EU Habitats Directive (92/43/EEC, as amended) and the EU Wild Birds Directive (79/409/EEC, as amended).

Regional profile
A specific Regional Environmental Profile appears as part of the first chapter of the SPD. The Environmental Profile consists of 3 pages, compared to 14 pages of economic data and 13 pages of social data.

Thematic categories include the state of the region's natural resources (water, air, forests and land), waste handling, and threats to the environment (with sub-categories of acidification, eutrophication and chemicals). Environmental aspects of transportation are covered briefly in a section on infrastructure, but the theme of energy is not addressed. The Environmental Profile is detailed, but it focuses mostly on weaknesses and threats and very little on strengths.

Programme tools
The programme complement states that improvement of the environment is a horizontal goal to be reflected in the whole programme. There are no other qualitative or quantitative environmental goals for the programme or for individual Measures.

No estimates of environmental impact appear within the programme.

At programme level, there are eight general project selection criteria, but none of these has environmental concerns. At Measure level, three of the five Measures have specific environmental project selection criteria. These relate to new environmentally friendly technology (1.1), environmentally friendly products and processes (1.2) and improving infrastructure (with respect to business and accessibility) that reduces environmental harm (1.4).

In the programme complement, environment is cited as a general indicator for the programme, based on whether projects have been environment-specific, contributed to environmental improvement, environmentally neutral or environmentally harmful. The three Measures mentioned above have specific environmental indicators, namely the number of companies participating in projects focused on new environmentally friendly technology, the number of projects focusing on environmentally friendly products and processes, and the number of infrastructure projects that have positive effects on the environment.

Environmental integration
Environment first appears in the programme within the Measures aimed at entrepreneurship (1.1), business development (1.2) and infrastructure (1.4). In these contexts, environmental concerns are emphasised, for example in 1.1 and 1.2, by indicating that EMAS and eco-friendly businesses will be important for future competitiveness, and by citing projects eligible for finance as including those with the aim to develop environmentally friendly products and processes.

There is no indication or statement that the programme design process involved environmental specialists or environmental authorities,

and no specific elements of the budget were allocated for environmental factors.

Environmental gain is approached in Measures 1.1 and 1.2, where encouragement is given towards economic development based on increasing the market share of environmentally friendly products and processes.

With regard to the effectiveness of environmental integration, very little has been used from the Environmental Profile other than the idea of further 'developing the attractive environment' (in Measure 1.3).

4.5.3 Sustainable development

Definition
There is no definition of SD in the SPD, but the PC states that a sustainable society meets the needs of the present without compromising the ability of future generations to meet their own needs.

There is no clear hierarchical relationship between SD and environment. Whereas the SPD initially states that SD is a horizontal goal, the horizontal goal is subsequently described as environment.

In the PC, the horizontal goal is said to be environment, but the term environment is then defined as SD. However, it seems the SD definition of environment is not utilised, because this goal is converted into an indicator dealing only with the effect on the environment

EU Policy context
The programme shows no awareness of relevant EU sustainable development policy and strategy.

Regional strategy
There is no overall sustainable development strategy as part of the programme rationale. It is only briefly stated in the SPD that SD is a horizontal objective that should be reflected in the programme.

SD Integration
In terms of status, SD is said to be a horizontal objective, but the text subsequently interprets SD as environmental concerns and vice versa.

There are no SD targets in the programme, and there is no budgetary allocation specifically linked to SD realisation.

SD is not traceable through the document into the Priorities and Measures. After SD has been described as a horizontal goal, the term does is not used again more than once briefly. However some of the measures do seek appropriate use of economic, social and ecological factors.

No specific methods are used to assist SD integration. For example, there is no SD integration chapter and no SD indicators. The pro-

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gramme has three horizontal indicators addressing environment, gender equality and integration, which constitute component parts of SD, but overall, SD is not integrated in this programme.

4.6 Södra Region, Sweden

4.6.1 Introduction

The eligible areas of the Södra (Southern) region span parts of five counties in southeast Sweden, those of Östergötland, Jönköping, Kalmar, Kronoberg and Blekinge.

The population of the region amounts to 363,000 and the land area is 19,000 km^2, giving an average population density of 19 inhabitants per km^2.

The programme has two Priorities: (i) attractive human environment and development of trade and industry; and (ii) development of human resources.

4.6.2 Environment

EU Policy context

The SPD states that environmentally sensitive rural areas will be protected in accordance with EU directive 1257/99/EEC, and that areas classified under Natura 2000 will be protected according to EU Habitats Directive (92/43/EEC, as amended) and the EU Wild Birds Directive (79/409/EEC, as amended).

Regional profile

A specific Regional Environmental Profile appears as part of the first chapter of the SPD. It comprises 8 pages, alongside 16 pages of economic data and 13 pages of social data.

The REP is informative and detailed. It covers information on the following categories: cultivated land, forests, water, urban areas, recreation areas and wildlife areas. It also contains a section on threats to the environment that include acidification, threats to biodiversity, eutrophication and climate change. The Profile has useful summaries of the different categories outlining strengths and weaknesses. Whereas energy is not covered in the Environmental Profile, the energy part of the SPD considers environmental aspects.

Programme tools

A qualitative environment-related goal is included under Priority 1, where the general goal of increasing the amount of eco-businesses translated into a specific goal for Measure 1.3 on business development and entrepreneurship. Measures 1.1 and 1.2 do not have explicit environ-

mental goals, but the examples of projects suitable for support include development of the natural environment, investments concerning use of small-scale energy production based on renewable resources, and investments or studies with the aim to diminish the adverse environmental impacts of energy consumption.

The programme does not include estimates of environmental impact.

Environmental criteria act as project selection criteria, but this occurs within one of the horizontal project selection criteria that is entitled 'long term SD'. The eight sub-criteria all concern the environment:

- Limits the use of environmentally harmful substances.
- Increases efficiency concerning usage of energy and natural resources.
- Promotes the use of renewable resources.
- Increases reuse and recycling.
- Protects, develops and enhances the natural and cultural heritage.
- Protects and improves the quality of the water and the land.
- Protects the atmosphere.
- Develops knowledge and awareness concerning environmental issues.

Although the programme states that it is important for projects to fulfil one or more of the above criteria, it is not clear whether a better score is achieved if more criteria are met. Instead, it is stated that projects that fulfil both the horizontal criteria (e.g. new/safeguarded jobs, new enterprises, long term SD, gender equality, integration, increased knowledge) and the general criteria will be prioritised in the assessment.

One general environmental indicator is identified for programme monitoring, designed to show whether projects have been environment-focused, improved the environment, environmentally neutral or harmed the environment. Within the programme complement, the indicator appears under each Measure.

Environmental integration
Environment first appears in the programme at Priority level, where Priority 1 has a goal of strengthening the development of eco-businesses.

There is no indication that the programme design process involved environmental specialists or environmental authorities.

No specific elements of the budget are allocated for environmental factors.

The programme includes actions that promote environmental gain. Eco-businesses are promoted as a means of strengthening the local economy in general; and environmental management systems plus energy-efficient and environment-friendly technology as well as are cited as a way of strengthening the economy of local firms.

There is a moderate level of environmental integration in this programme. The Regional Profile contains a SWOT-table, a large part of which concerns links between environmental aspects of the SWOT and environmental aspects of the Measures. Information from the Regional Environmental Profile appears to have been drawn upon when the Measures were formulated. For example, a regional strength described in the Profile is the supply of raw material for eco-products, and this is a feature that Measure 1.3 attempts to build upon.

4.6.3 Sustainable development

Definition
SD is defined in the programme as 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'. SD is further described as containing four different dimensions (social, economic, environmental and cultural) that are interdependent and that need to be integrated and well-balanced to secure SD.

The relationship between SD and environment is not always clear. In the SPD, SD is defined as having environment as one of its aspects, in the same section and in the PC SD is interpreted as ESD expressed as eight regional environmental criteria

EU Policy context
The programme shows no awareness of relevant EU sustainable development policy and strategy.

Regional strategy
There is no overall sustainable development strategy as part of the programme rationale. However, under a section on horizontal aspects, there is a subsection related to 'long-term SD' that focuses on ecological sustainable development (ESD). This relates to the overall goal of the Swedish government concerning ESD and specific environmental goals concerning the region. Accordingly, it could be stated that the programme has an ESD strategy.

SD Integration
There are no specific SD targets in the programme, but the 'vision' of the programme is to create an attractive region with increased public partici-

pation, more competitive industry, higher educational levels and less out-migration. The realisation of this vision is said to imply 'long term sustainable development'.

Although 'long-term SD' is described as a horizontal project selection criterion, SD is translated into a number of ESD sub-criteria. Then it is stated that for each horizontal project selection criterion, there is a compulsory horizontal indicator that should be quantified by the applicant. In effect, long term SD corresponds to the horizontal indicator 'effect on the environment', which can be graded 1-4. The difference between how the horizontal criteria and the indicators are used is a bit unclear, and the concept of SD is not used more than in this rather confusing way.

There is no budgetary allocation specifically linked to SD realisation.

Regarding methods are used to assist SD integration, there is no SD integration chapter or collective SD indicators. Overall, SD integration is very limited in this programme.

4.7 Öarna Region, Sweden

4.7.1 Introduction
The Öarna (Islands) region covers all the islands in a vast area along the eastern and western coasts of Sweden (except the Norrland coast), plus the islands in the four largest lakes. The population of the region amounts to 87,000, two-thirds of which resides on the island of Gotland.

The programme has three Priorities: (i) human environment; (ii) development of human resources; and (iii) economy and infrastructure.

4.7.2 Environment

EU Policy context
The programme states that the Swedish authorities will guarantee compatibility with environmental protection of Natura 2000 areas, based on the EU directive 92/43/EEC on the conservation of natural habitats and of wild life fauna and flora, and directive 79/409/EEC on the conservation of wild birds. The public administration will also carry out appropriate environmental assessments in accordance with EU procedures.

Regional profile
A Regional Environmental Profile appears in the first chapter of the SPD, amounting to 1.5 pages, which compares with 14 pages on social data and 9 pages on economic data.

The Environmental Profile is very basic, and it does not present a useful analysis of strengths and weaknesses. Environmental threats to the

sea, agricultural land and recreational land are described very briefly, and strengths/opportunities are identified as the high biodiversity of the region and the scope to develop environmentally friendly fishery and ecological farming. Transportation, housing and water supply requirements are mentioned as regional issues, but no in-depth environmental information is presented, either in the profile or in other sections related to infrastructure or agriculture.

Programme tools

No qualitative or quantitative environmental goals are set at programme level. At Priority level quantified goals concern only job creation and new businesses. However three Measures have qualitative 'expected effects' with environmental features: a better environment (1.1), an increased number of companies with EMS (3.1), and environmental improvement though co-ordinated transport and new technology (3.2).

The Strategic Environmental Assessment of the SPD provides qualitative estimates of environmental impact. It states that all the Measures have potential to promote ecologically sustainable development, although some are subsequently described as 'environmentally neutral' (1.2, 1.3, 2.1 and 2.2) and two as potentially supporting environmentally destructive projects (3.1 and 3.2).

Environmental criteria are not identified as project selection criteria. Although recommendations were made to include environmental aspects among the project selection criteria in the design of the PC, this was not implemented.

An environmental indicator is identified for programme monitoring. One of the horizontal indicators, to be applied to all projects, is 'effect on the environment'. The four alternative responses are whether the project (i) aims specifically to improve the environment, (ii) indirectly improves the environment, (iii) is environmentally neutral, or (iv) implies a risk to harm the environment. This indicator appears in the sections for each of the Measures.

Environmental integration

Environment first appears in the programme at Measure level. Measure 1.1 on culture and environment is strongly focused on environmental concerns, with examples of eligible projects including green jobs, using environment and cultural factors for economic growth, environment-friendly tourism, protection and enhancement of the open landscape, and protection and restoration of natural and cultural environments.

In comparison, Measures 3.1 and 3.2 partly address environmental aspects, with project examples including the promotion of eco-businesses, the development of processes and information dissemination

relating to energy and environmental systems, and environmentally and energy effective measures and investments.

An expert group relating to 'nature/culture' working within the programme design process. An environmental consultant prepared a Strategic Environmental Assessment (SEA), but it is not clear whether this person was part of the nature/culture group.

No elements of the budget are allocated specifically for environmental factors. However, Measure 1.1 is largely focused on the environment, and its budget share amounts to 12 percent of the programme total.

Environmental integration in the programme is not effective. The Environmental Profile is limited, and the few factors that are described – whether opportunities or threats – are generally not addressed in the Measures. The SEA was intended as a technique to assist environmental integration, and it was applied to the SPD, resulting in various integration recommendations. However, few of these recommendations appear to have been used in the design of the PC.

4.7.3 Sustainable development

Definition

The programme defines sustainable development as meaning that the ecological dimension receives equal status to the economic and social dimensions. However, this definition appears at the end of the SPD within the chapter on Strategic Environmental Assessment, not earlier in the SPD for example in the strategy chapter.

The hierarchical relationship between SD and environment is clearly presented. Environmental aspects or ecological sustainability are described as being one part of SD alongside social and economic factors, and each of the three dimensions is considered to have equal status.

EU Policy context

The programme acknowledges that the principle of sustainable development is part of the official decision-making process of the EU, but no further references are made to EU SD policy or strategy.

Regional strategy

There is no overall sustainable development strategy as part of the programme rationale. The SPD describes SD as a horizontal goal, and the PC repeats this position, adding that the programme will promote SD through supporting environmentally friendly projects (ecological dimension), integration (social dimension), a long-term perspective (economic and social dimensions) and job creation (economic and social dimensions).

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SD Integration

In terms of status, SD is said to be a long term and horizontal goal. However, there are no SD targets in the programme (even though quantified targets exist for two other horizontal goals of job creation and new businesses).

SD is not really traceable through the document. After the (PC) statement that SD is a horizontal goal, it does not appear again in the Priorities or Measures. Nevertheless, efforts are made to integrate aspects of gender and environment into all the Measures in the form of indicators, examples of projects and expected effects. Projects promoted include aims to increase public participation, gender equality, youth culture, social economy, voluntary work and co-operatives.

There is no budgetary allocation specifically linked to SD realisation.

No methods are used directly to assist SD integration, and there are no collective SD indicators. The PC states that horizontal indicators related to impacts on gender equality, the environment, job creation and new businesses are effective in monitoring SD implementation, but SD integration remains very limited in this programme.

4.8 Västra Region, Sweden

4.8.1 Introduction

The Swedish Västra (Western) Region Objective 2 programme area includes parts of the counties of Örebro, Värmland and Västra Götaland.

The area amounts to 25,000km^2 and has a population of 519,000, giving an average population density of 21 inhabitants per km^2.

The programme has two Priorities: (i) development of the business climate; and (ii) co-operation between trade and industry and educational institutions.

4.8.2 Environment

EU Policy context

The Environmental Profile of the SPD contains a section on Natura 2000, identifying areas within the region that are included in the scheme. It also discusses EU directive 92/43/EEC on the conservation of natural habitats and of wild life fauna and flora, and directive 79/409/EEC on the conservation of wild birds, stating that the public administration will carry out environmental assessments in accordance with EU procedures.

Regional profile

The second chapter of the SPD contains a section describing the regional environment (one page) and an 'environmental analysis' (three pages).

These four pages compare with eight pages of economic data and ten pages of social data.

The environmental analysis is the more detailed section, describing the biodiversity of the region, natural reserves, marine life and the quality of the sea/water. It contains information on the condition of the forests, agricultural land, waste, water treatment, and environmental aspects of physical planning, transportation and business. Threats to the environment (eutrophication, acidification, undermining biodiversity, climate change and toxic industrial waste) outnumber the strengths/opportunities (forest recreation, eco-labelling of forests and demand for environment-friendly products).

The sections on transportation and business life also briefly cover environmental aspects, and a SWOT-analysis of the regional situation lists one environmental strength (good environment), one opportunity (enhancement and sustainable use of natural resources) and two threats (acidification and transformation of the landscape).

Programme tools

The programme has one environmental goal, namely that 500 companies participate in environmental projects. When the goals are distributed amongst the individual Measures, this goal of 500 companies is transferred to Measure 1.1 on business development.

Regarding estimates of environmental impact, the closest the programme attains is in the 'environmental analysis' section in the SPD, which states that the programme 'does not directly comprise any measures that effect the conditions of the air, water or waste'.

No environmental criteria are identified as project selection criteria.

Four related environmental indicators should be applied to all Measures:

- A horizontal indicator (sustainable development) that has three alternatives: (i) projects that directly aim at improving the environment, (ii) projects that contribute to environmental improvement, (iii) projects that are environmentally neutral.
- A result indicator, showing companies in environmental projects i.e. companies that have been given support for EMS or have been participating in projects that improve the environment.
- An activity indicator that describes the scope of the project.

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- An effect indicator, to highlight short-term and long-term effects, such as whether the share of companies with EMS is increasing.

Environmental integration

Environment first appears in the programme at Measure level, where it features under business development (1.1). Here it is visible through having an environmental goal, stating that environmental concerns are important for future economic development, especially through development of energy effective and eco-friendly products, and by providing examples of projects that concern environmental management systems and development of eco-friendly technology.

There is no indication that the programme design process involved environmental specialists or environmental authorities, and no specific elements of the budget were allocated for environmental factors.

Environmental gain is approached through the encouragement of projects that concern implementation of EMS and development of eco-friendly technology.

Environmental integration in the programme is not effective. With the exception of the increasing demand for eco-friendly products, which is taken up in Measure 1.1, the information from the environmental analysis is not used, and the environmental threats from the analysis/SWOT-table are not addressed in the Measures.

4.8.3 Sustainable development

Definition

SD is explained by two sentences in the SPD, which are repeated in the PC: A sustainable society shall meet the needs of the present without compromising the ability of future generations to meet their own needs. Economic and social development and protection of the environment are interdependent and mutually strengthening parts of sustainable development.

There seems no clear hierarchical relationship between environment and SD in this programme. Whereas the definition of SD lists protection of the environment as a part of SD, the horizontal goal of SD is translated into a single indicator on how the project effects the environment.

EU Policy context

The programme shows no awareness of relevant EU sustainable development policy and strategy.

Regional strategy

There is no overall sustainable development strategy as part of the programme rationale. In the vision of the programme, the growth in the region is to be ecologically, economically and socially sustainable in the long term.

SD Integration

In terms of status, SD is described as a horizontal goal for the whole programme (alongside other goals of gender equality and integration). All projects are expected to fulfil these goals as much as possible, and the results are to be measured through indicators. However, the indicator linked to the goal of SD is focused on the project's environmental impact. Measure 1.2 on attractiveness and accessibility has an objective to develop and improve sustainable transport and communication infrastructure in the region.

SD is not really traceable through the document. In the PC, after it is stated that SD is a horizontal goal, SD does not appear again in the descriptions of the Priorities or Measures, with the one exception of Measure 1.2 when SD is said to be an objective.

There is no budgetary allocation specifically linked to SD realisation.

With regard to methods used to assist SD integration, the horizontal goal SD has one associated indicator, but this relates only to environmental effects. The PC lists eight general project selection criteria, one of which is 'SD', and each project application should contain an explanation of how the project will contribute to sustainable development. These are the means by which the programme attempts to integrate SD. There is no special SD integration chapter. Overall, SD integration in this programme is very limited.

5. Interreg 3a programmes

5.1 Kvarken-MittSandia

5.1.1 Introduction

The core area of the Kvarken-Mittskandia programme comprises Öster-botten and Keski-Pohjanmaa on the Finnish side of the border, and Västerbotten in Sweden. Adjoining areas include Helgeland in Norway, Örnsköldsvik municipality in Swedish Västernorrland, and Etalä-Pohjanmaa in Finland.

The population of the region amounts to 830,000 inhabitants, with a land area of 105,000 km^2, giving an average population density of 8 inhabitants per km^2.

The programme has two Priorities: (i) common activities: and (ii) common values.

5.1.2 Environment

EU Policy context

With regard to Natura 2000, the programme states that the implementation is not yet finalised, and accordingly the consequences for the programme cannot be assessed. However, it is guaranteed that the proposed Natura 2000 areas will not be negatively affected by activities financed by the Structural Funds. The EU Directive 92/43/EEC on the conservation of natural habitats and of wild life fauna and flora, and the Directive 79/409/EEC on the conservation of wild birds are cited as the basis for establishing the Natura 2000 areas. Environmental assessments will be requested as appropriate, following to the EU procedures for sensitive areas.

Regional profile

Regional environmental information appears in two sections of the SRD, but in total amounts to approximately two pages within 8.5 pages of regional data.

In addition to a description of the physical features of the landscape in the programme area, the SPD draws attention to different values of the natural surroundings, such as biological, recreational and aesthetic values. In recent years, some areas have begun to function as destinations in ecology-focused nature and cultural tourism. The emphasis is on environmental protection, stating that programme implementation will ensure that landscape values are not destroyed.

An extensive SWOT table divides each of the four areas into three themes: infrastructure and communications, competence and market, and

common values. The environment appears under strengths, citing the archipelago and mountain nature and awareness of the biodiversity in the border regions, Kvarken and the mountains. Opportunities include the demand for archipelago and mountain nature adventures among tourists, and the increased demand for nature and cultural tourism.

Programme tools
A qualitative goal for Measure 2.1 is to increase activities that make use of the common nature and cultural values in the region, and there is a quantitative target to create an additional environmental network (one exists already).

With regard to estimates of environmental impact, the PC contains one page entitled 'environmental impact assessment'. However, this is not an EIA, but rather a description of how the environment will be protected during programme implementation, how environmental activities can be financed, and reference to the co-ordination of nature protection areas. Two expected outputs of the programme are environmental in character: a Kvarken world heritage area, and an improved environment in Kvarken and the mountain area.

Environmental criteria are identified as project selection criteria, but this material appears under socio-economic criteria: firstly, that projects should aim to achieve positive environmental impacts during implementation; and secondly that projects should aim for positive environmental impacts as a result.

One of the programme indicators is to consider its significance for the environment, with the two choices of 'positive effect' or 'no effect'. Another indicator on programme level under the theme 'identity' is the number of environmental networks, which also appears as a Measure-specific indicator.

Environmental integration
Environment first appears in the programme at Priority level, where it is a component of Priority 2 on common values. This is focused on activities that increase the feeling of intra-regional affinity, with environmental co-operation as one possible avenue. This Priority has only one Measure, also named common values, with the goal to make use of the common nature and cultural values and to seek new solutions of benefit to the region and its inhabitants. Examples of eligible project activities include environmental co-operation in the border regions, and efforts to make nature in the border regions accessible for tourism.

There is no indication that the programme design process involved environmental specialists.

Elements of the budget allocated for environmental factors are difficult to isolate, but the programme states that there will only be limited means available for environmental actions.

Regarding environmental integration, regular reference is made to the areas of special importance raised in the environmental profile - the archipelago, coastal and mountain areas – and activities that build on the existing values of these areas can be supported through Measure 2.1.

5.1.3 Sustainable development

Definition
The programme defines SD as a community development that takes places on the global, regional and local level and that secures the scope for future generations to have a good life. Accordingly, it is a community development that satisfies the needs of today without compromising the possibilities of the future generations to satisfy their needs. It is further stated that SD concerns all human activity that affects the public economy, social/cultural systems and ecological systems, and that these three spheres are looked upon as equal and interdependent.

Environment is seen as one part of SD within this programme. Whereas SD is cited as a horizontal objective of the programme and mentioned in connection to the vision, goal and strategy, environment is found more on the Priority and Measure level.

EU Policy context
Under 'vision and goal' in the SPD, it is stated that programme implementation will observe the horizontal objectives of the Structural Funds, which include the promotion of sustainable development.

Regional strategy
The overall strategy of the programme is to create conditions for long-term sustainable structures and arenas that facilitate inter-regional co-operation in Kvarken-MittSkandia, so that the trade and industry, social and cultural prerequisites are strengthened in the region. This seems partly to cover the dimensions of SD, but without an environmental focus – the strategy text simply states that Kvarken-MittSkandia has a good environmental profile.

SD Integration
Under the programme strategy, SD is described as a horizontal objective that should be reflected across the programme. Projects within each Priority are to be assessed with criteria that aim to secure SD in economic, social and environmental respects. However, in the text on project selection in the PC, the 'SD criteria' are essentially environmental criteria.

SD is not traceable through the document into the Priorities and Measures, and there is no budgetary allocation specifically linked to SD realisation. SD integration is very limited in this programme.

5.2 Karelia

5.2.1 Introduction

The Karelia programme area includes Kainuu, Pohjois-Karjala and Pohjois-Pohjanmaa on the Finnish side of the border, and the Republic of Karelia on the Russian side. The city of St Petersburg and Leningrad Oblast, and the oblasts of Murmanskand Arkhangelsk have also recently been included, and the regions of Lappi and Pohjois-Savo are adjoining areas.

The programme area is 255,000 km^2, of which 181,000 km^2 belongs to the Republic of Karelia. The population of the whole programme area is approximately 1.4 million of which 630,000 live in the Finnish Interreg core area and 760,000 live in the Republic of Karelia. With 5 inhabitants per km^2, the programme area is sparsely populated.

The programme has three Priorities: (i) business development; (ii) expertise and regional co-operation; and (iii) transport and communications.

5.2.2 Environment

EU Policy context

The programme shows no awareness of EU environmental policy and legislation.

Regional profile

The Regional Environmental Profile amounts to one page within the 11 pages that make up the area profile chapter in the SPD.

The thematic categories are nature protection areas (conservation of the diversity of nature and the development of nature tourism), environmental loads due to industrial production (effluents and emissions into water and air), ground and surface water (drinking water usage), and the exploitation of forests (use of technology).

There is also a chapter on 'common starting points' where natural assets are described. These include the potential of forest and natural resources, environmental loading in the common watercourses and the danger of an environmental catastrophe, and nature as a marketing asset when advertising tourism opportunities.

Within the SWOT analysis, strengths include diversified nature, abundant natural resources and associated know-how; opportunities comprise co-operation in the processing of natural resources and in tourism;

and threats are perceived as insufficient attention to environmental factors.

Programme tools

The SPD contains a one-page section on the assessment of environmental impacts, but this presents more of a discussion than a structured assessment. Positive results are expected from environmental cross-border co-operation, in the long term through changing environment-related attitudes, and in the short term by improving the state of the environment, nature and utilisation by applying the principles of sustainable development and environmental expertise at the project level. The export of environment-related values and attitudes as well as know-how and technology to Russia is also seen as increasing environmental business development opportunities.

Assessments of environmental impacts are expected to become concrete on the project level. This is to be achieved through attaching a form about environmental impacts to the project application, which may be referred to EIA experts. A target of 80 projects with a positive environmental impact is to be achieved by 2006.

Each Priority and Measure has a section on environmental impacts that includes both positive and negative impacts. Most comprise positive impacts, including increasing environmental awareness, new opportunities for environmental co-operation, improving the state of the environment, reducing the use of private cars, and reducing the need for movement of people and goods. Examples of negative impacts are increased consumption, increased traffic, and environmental nuisances.

With regard to project selection criteria, Priority 1 states that projects having either positive or neutral environmental impacts will be favoured in the project selection. Under Measure 1.2 (cross-border co-operation in the sectors of expertise and culture) one of the selection criteria is 'increases environmental awareness'.

The PC has a section on monitoring that lists general indicators, one of which addresses the number of projects with positive environmental impacts. Thereafter, the Measures identify a range of follow-up indicators. These include:

- The number of projects that launched environmental technology and/or developed environment-friendly products for cross-border co-operation (1.1).
- The number of projects contributing to environmental certification, decreasing environmental load and/or increasing the use of renewable natural resources (1.2).

- Projects improving the living environment in the border region (2.2).
- Number of projects improving treatment of municipal and industrial waste (3.1).
- Number of projects promoting the use of public transport, promoting the use of environment-friendly logistics, and increasing environmental awareness with the help of information network services.

Environmental integration

Under the Horizontal Principles in the SPD, it is stated that environmental questions are considered in all Priorities and in all Measures. Environment first appears at project level, where it is very visible, as it is intended that environmental projects will be funded from all Priorities. Each Measure has examples of supported activities, including environment-related projects. For instance, Measure 1.1 supports the development of environmental know-how and eco-efficiency, environmental innovation in cross-border activities, new energy sources and energy-saving projects in cross-border co-operation. Measure 2.1 supports activities that develop and monitor environment-related projects in the border region and increase environmental awareness. Measure 3.1 supports activities that prevent plant and animal diseases.

The programme design process involved environmental specialists. A separate environment work group participated in drawing up the programme, and the viewpoint of the environmental authorities was taken into consideration in the SWOT analysis, definition of objectives, strategy and priorities. Furthermore, environmental co-operation with the Karelian Republic is described as among the central co-operation sectors in the programme. There were several theme meetings during the preparation of the programme, of which one was on environment.

However, no specific elements of the budget were allocated for environmental factors.

Regarding environmental integration, environment has a high visibility within each Priority and Measure, and most of the material from the Environmental Profile is used in the text. Measures preventing and correcting environmental hazards and damages are to be prioritised in the programme. Nevertheless, the programme does not include Measures that overtly promote environmental gain.

5.2.3 Sustainable development

Definition

The SPD states that sustainable development has three basic elements of ecological, economic and social sustainability. These elements are defined further with statements that:

- Ecologically sustainable development aims at conservation and promotion of biodiversity and a functional ecosystem.
- Economically sustainable development as a horizontal principle signifies that the funded projects shall have influence of long duration on the region's business structure and employment.
- Socially sustainable development aims at promoting the region's socially equal development.

EU Policy context

The programme demonstrates no awareness of EU sustainable development policy and strategy.

Regional strategy

There is no overall sustainable development strategy as part of the programme rationale.

SD Integration

In terms of status, SD is a horizontal principle together with environment, equality and IT. The programme is described as aiming at emphasising the principles of sustainable development and their application in development work.

There is no budgetary allocation specifically linked to SD realisation, and no methods are used to assist SD integration. There is no integration of SD in this programme.

5.3 South-East Finland

5.3.1 Introduction

The programme area consists of the Etelä-Savo, Etelä-Karjala and Kymenlaakso regions in Finland. On the Russian side of the border, the target areas are the city of St Petersburg, Leningrad Oblast and parts of the Republic of Karelia.

The population of the Finnish Interreg region is 492,000, with the total area being about 32,000 km^2 (of which 21% is water). Population density varies between the Finnish regions, the average being 20 inhabitants per km^2. The population in the Russian regions amounts to 7 mil-

lion, the land area is 266,000 km^2, and the population density is 27 inhabitants per km^2.

The programme has three Priorities: (i) development of transport links and the state of the environment; (ii) business development and its operating environment; and (iii) expertise and prerequisites for co-operation.

5.3.2 Environment

EU Policy context

The only references to EU environmental policy and legislation comprise statements that projects under the programme will pose no threat to the conservation objectives of the Natura 2000 Network.

Regional profile

In the 14-page regional profile chapter, a section on nature, natural resources and the state of the environment amounts to one page. This information is very general, describing landscape features (mostly water and forest) and the state of the environment, judged as 'relatively good' compared with other parts of Finland and other countries.

A SWOT analysis includes strengths of diverse living and natural environment and clean foodstuffs, and valuable cultural environment, and one weakness of local environmental problems. Only one opportunity is presented, that of diverse energy sources pursuant to the principles of sustainable development and use of renewable natural resources. Threats include environmental hazards from outside, deterioration of the conditions of the Baltic Sea, and internal environmental hazards. There is no discussion in relation to the SWOT table.

Programme tools

With the development strategy, the programme lists one of the objectives as to develop the programme in an ecologically sustainable manner. This is expanded upon in later sections, attributing priority to improving the condition of the environment in areas close to the border, significant for the attractiveness of the area both for living and working and for tourism. Reference is also made to improving the natural environment through environmental protection and preventive measures, as well as securing cleanness, attractiveness and proper use of the area through land use planning.

There is a separate chapter on environmental impact. For each Priority, environmental impacts are described in the SPD, and for each Measure, impacts are described in the PC. All the environmental impacts are qualitative, and most are positive in nature. More detailed impacts are to be assessed at the application stage and classified as positive, neutral or

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negative. All projects will be assessed to determine whether they are harmful to the environment (scale -, --) or have positive environmental effects (scale +, ++). This assessment will consider nine different factors, such as effects on emissions, effects on consumption, production and energy economy, effects on area structure and community, and effects on nature.

Amongst the general project selection criteria for use across the programme, one is entitled 'environmental impact'. Measure-specific criteria comprise increasing the appeal of the region as a place of work, residence and tourism, protecting the natural environment and safeguarding its diversity, developing air protection in border areas, and generating environmental knowledge or subject expertise.

Environmental indicators for programme monitoring focus on the number of projects that improve environmental technology, expertise or the eco-efficiency of production (number and total cost). Assessment indicators for Measure 1.2 include the number of projects that improve the state of the environment, the number of land-use planning projects, and the surface area of natural areas that have been reconditioned.

Environmental integration

Environment first appears at Priority level, in the first theme development of transport links and the state of the environment, but there are also environmental references in the texts under Priorities 2 and 3. Thereafter, it is developed further in Measure 1.2 on maintaining and improving the state of the environment. Priority 1 describes a clean and pleasant environment as a cornerstone of the development of the programme area, and attention will be given to preserving the high-quality environment, minimising traffic pollution and developing cross-border co-operation in environmental quality research.

There is no indication that the programme design process involved environmental specialists.

Specific elements of the budget are allocated for environmental factors under Measure 1.2, which has a financial allocation of 3.29 million Euros, about 6 percent of the total budget.

Environmental gain is approached through supporting activities that promote energy saving, soil reconditioning and the renovation of damaged cultural and national landscapes.

With regard to integration, the programme raises environment as one of the main issues, with on-going references throughout the document. Material from the environmental profile is used in the programme text and in the different Measures.

5.3.3 Sustainable development

Definition
SD is not defined in the programme. In one brief reference to 'principles of sustainable development', economy and environment are cited, but no mention is made of the social dimension.

EU Policy context
The programme does not demonstrate awareness of EU sustainable development policy and strategy. Instead, this aspect is introduced through the programme requirement to observe the general guidelines of the Structural Funds and Community policies, which include sustainable development considerations. Reference is made to developing the programme in an ecologically sustainable way, which is reflected in the project selection criteria.

Regional strategy
There is no overall sustainable development strategy as part of the programme rationale.

SD Integration
In terms of status, SD appears to have both a low profile and a low engagement, and it is seldom mentioned in the text.

There is no budgetary allocation specifically linked to SD realisation, and no special methods are used to assist SD integration. Overall, there is no integration of SD in this programme.

5.4 Southern Finland coastal zone

5.4.1 Introduction
The programme area consists of the regions of southwest Finland, namely Varsinais-Suomi Uusimaa, Itä-Uusimaa and Kymenlaakso, with the adjoining areas of Kanta-Häme and Päijät-Häme in Finland. The co-operation partner is the whole territory of Estonia.

The population amounts to around 2.4 million on the Finnish side and 1.4 million on the Estonian side. The programme area in Finland is 38,000 km2 (35,000km^2 land area) with a population density of 68 inhabitants per km^2. The corresponding area in Estonia amounts to 45,000 km^2, with a population density of 32 inhabitants per km^2.

The programme has three Priorities: (i) interaction and networks; (ii) employment and competitiveness; and (iii) common environment.

5.4.2 Environment

EU Policy context

The programme makes reference to the Natura 2000 network and protected areas designated under to EU Directive 79/409/EEC on the conservation of wild birds, and Directive 92/43/EEC on the conservation of natural habitats and wild fauna and flora.

Regional profile

A section on environment appears with an area profile chapter, where three out of 11 pages relate to environmental issues.

The thematic categories comprise diversity in nature, diversity in the cultural environment and in evolving landscapes, waste management, air, groundwater, inland water bodies, sea, environmental know-how and environmental awareness. For each category, values and problems are explored. A separate appendix contains further statistics on the programme area, including three pages on the state of the marine environment in the Gulf of Finland.

A SWOT matrix for the programme area contains one strength and two weaknesses of environmental character. The strength comprises multiple living and natural environments (valuable nature reserves and unspoilt areas as well as valuable cultural environment). The weaknesses include local environmental problems such as waste management and waste water treatment, agricultural runoff, contaminated areas, polluted waters, outdated production technology, and oil-shale-based energy production in Estonia. Larger problems of the Baltic Sea relate to water quality and eutrophication in the Gulf of Finland.

Programme tools

Environmental objectives are listed for three levels of operation as global, specified and operational objectives. One of the three global objectives comprises securing and improving the state of the environment to create the basis for long-term development in the programme area. This is followed up with specified objectives (directed at Priority level) of creating a sound living and operating environment and protecting and improving the common environment. Operational objectives (directed at Measure level) comprise co-operation in environmental protection and monitoring and co-operation in improving the environment.

A chapter on evaluation of environmental impact is divided into (i) the process of preparing Joint Programming Document, (ii) integrating environmental aspects into the programme, (iii) the main environmental questions raised, and solutions provided by the programme, and (iv) and implementing and monitoring of the programme.

Within the PC, each Measure is subjected to a qualitative environmental assessment, considering possible positive and negative impacts. For example, Measure 1.2 (social interaction and contacts at the local and regional levels) is assessed positively, as it may improve opportunities and abilities of environmental NGOs to participate. Measure 2.3 (tourism) is assessed to have possible negative impacts, because it aims at developing nature tourism that might generate an increase in the number of tourists, which might lead to negative impacts on the environment.

With regard to project selection criteria, general criteria are specified for the programme, and one relates to environmental impact, namely whether the project has direct or indirect positive impacts on the state of the environment. Within Priority 3, Measure-specific environmental selection criteria relate to the prevention and management of environmental risk, supporting environment monitoring, strengthening environmental awareness and responsibility, updating information for decision-makers and the public, strengthening environmental responsibility and developing environmentally positive methods of operation, increasing environmental know-how, and creating growth potential for enterprises.

With regard to indicators, five different levels are utilised, and these incorporate environmental indicators. Context indicators (programme level) include the state of the environment in the Gulf of Finland, specifically the total phosphorus load and chlorophyll concentrations. Key indicators (programme level) include the number of projects with a primary emphasis on environmental issues and the number of environmental programmes prepared within activities supported by the programme. One result indicator (Priority level) relates to the number of environmental and nature protection projects and projects supporting the realisation of the Natura network. Output indicators (Measure level) focus on the numbers of projects dealing with quality and environmental issues, maritime safety, management of environmental risks, environmental protection and management, environmental monitoring, environmental technology, nature protection, and rehabilitating the water bodies in the programme area. Input indicators (operational level) are to be specified during programme implementation.

Environmental integration
Environment first appears at Priority level, as common environment, and then more specifically within Measures 3.1 on co-operation in environmental protection and monitoring and 3.2 on co-operation on improving the environment.

Environmental specialists were involved in the programme design process in different ways. The draft programme document was made

available on the Internet, and environmental organisations took the opportunity to comment. Environmental authorities are included in the Monitoring Committee, Steering Committee, and the secretariat of the Steering committee. In addition, two expert panels conducted an environmental impact analysis for the programme.

A significant proportion of the budget is allocated for environmental factors. Priority 3 has a funding of over 9 million Euros, which accounts for 29 percent of the total programme budget.

Environmental gain is promoted through encouraging projects on environmental management and quality management systems within companies, perceived as eco-efficiency that increases the competitive advantage of enterprises.

With regard to integration, the material from the environmental profile appears in the programme text supporting the different Priorities and Measures. Accordingly, environmental issues feature across the programme and are not confined to a single Priority or Measure.

5.4.3 Sustainable development

Definition
SD is defined simply as ecological, economic, social and cultural sustainability. In this respect, the programme makes is clear that environment or environmental sustainability is perceived as one dimension of SD.

EU Policy context
The closest reference to EU sustainable development policy and strategy is made with regard to compliance with Community Policies. However, this concerns how the programme deals with environment, not sustainable development. It is stated that progress towards the programme objectives in SD and environmental issues will be reviewed within the general monitoring process.

Regional strategy
There is no overall SD strategy as part of the programme rationale.

SD Integration
SD is described as an integral part of the common environment Priority, and also an essential perspective underlying the two other Priorities. However, the text concerning these Priorities makes little reference to SD.
The general project selection criteria include one on whether the project fulfils the principles of sustainable development. This criterion considers activities and the intended results assessed according to their ecological, economic, social and cultural impact.

There is no budgetary allocation specifically linked to SD realisation, and SD integration is very limited.

5.5 Nord

5.5.1 Introduction

The Nord programme consists of three separate sub-programmes, those of North Calotte, Kolarctic and Sámpi. The programme area consists of Lappi in Finland, Norbotten in Sweden as well as Nordland, Troms and Finnmark in Norway and the oblasts of Murmansk, Arkhangelsk and Nenets autonomous area in Russia.

The programme area is more than one million km^2, with 3.3 million inhabitants and an average population density of less than four persons per km^2.

The North Calotte sub-programme has two Priorities: (i) economic development; and (ii) development of expertise and resource mobilisation at the regional and local levels across borders. The Kolarctic sub-programme has three Priorities: (i) business co-operation; (ii) expertise and welfare; and (iii) functionality of the programme area. The Sámpi sub-programme has one Priority of Sami development.

5.5.2 Environment

EU Policy context
With regard to Natura 2000, the programme states that the implementation is not yet finalised, and accordingly the consequences for the programme cannot be assessed. However, it is guaranteed that the proposed Natura 2000 areas will not be negatively affected by activities financed by the Structural Funds. The EU Directive 92/43/EEC on the conservation of natural habitats and of wild life fauna and flora, and the Directive 79/409/EEC on the conservation of wild birds are cited as the basis for establishing the Natura 2000 areas. Environmental assessments will be requested as appropriate, following to the EU procedures for sensitive areas.

Regional profile
Amongst the sub-programmes, each has a section of environmental data within the profiles extending to about two pages in length.

The North Calotte sub-programme has a section on geography, nature and environment, describing landscape, climate, forestry, waterpower, industry, air quality, water quality, and nature protection areas. A section on environment appraises the environmental situation, the vulnerability of nature, acid depositions, contaminated land, waste, forestry of

past decades, industrial noise and emissions, environment and cultural heritage, environment as a resource for local and regional development.

The Kolarctic sub-programme has a section on nature conditions and nature wealth that describes the special climate and areas of inhabited nature, biological diversity, forests, fishing, mineral, ore, diamond and oil resources. A section on the environmental situation describes nature conservation, environmental loading from industry and fish cultivation, environmental emissions into air and water, unhealthy drinking water and the conservation of biological diversity. This sub-programme also contains a SWOT analysis that lists the region's attractive and untouched nature and abundant nature reserves as strengths, co-operation around refinement of natural wealth as an opportunity, and environmental threats in Russia.

The Sápmi sub-programme addresses environment and reindeer management and cultural environment and tradition. To prevent damage and erosion, the programme seeks a common view among all the partners and a will to create and sustain long-term sustainable development. A SWOT-analysis lists the one-sided use of the nature reserves as a weakness, increasing Sami nature and cultural tourism as an opportunity, and competition concerning nature and cultural reserves, legal conflicts and increased predators as threats.

There is a separate SWOT table in the main Programming Document. Regional strengths include richness in natural resources and diverse natural and cultural environment; and regional threats comprise environmental and security hazards from Russia, and the potential loss of access to natural and pasturage resources.

Programme tools
The Kolarctic sub-programme is the only one that contains an environmental target. This relates to nature reserve areas beside the Russian border, which are to increase by 300 km^2 during the programme period. Qualitative objectives within the sub-programme prioritise projects that improve the environment and promote environmental research in the programme area.

With regard to environmental impact, the main PD discusses the scope for positive and negative outcomes. Although the programme has no Priorities or Measures that directly concern environmental improvement, all sub-programmes prioritise the development of nature and adventure tourism, which means improving traffic conditions through infrastructure investments. Special attention is to be given to assessing and mitigating the environmental impacts of these initiatives.

Information technology projects are expected to have either neutral or positive impacts on the environment, especially by decreasing the de-

mand for physical transportation. Other initiatives within the programme aim to improve the environment over the long-term through research, knowledge dissemination and by changing attitudes.

Judgement of environmental impacts will be concretised at project level, when EIA information in project applications may be supplemented by opinions from experts. Projects for which the environmental impacts cannot be assessed may not be granted support.

With regard to environmental criteria in project selection criteria, the programme states only that initiatives that prevent and repair environmental damage will be given priority, with ecological sustainable development secured through EIA of projects.

An environmental indicator for programme monitoring measures the significance of the programme for the environment, with alternatives of positive, negative or no impact. However, the three sub-programmes mention only positive and no impact.

Environmental integration
In the Kolarctic sub-programme, reference is made to the importance of environmental issues, listing environmental co-operation strategies produced under the Barents Euro-Arctic Council. However, in most cases environment is introduced at project level, as Measures identify eligible themes such as preserving and developing nature, environment and cultural heritage, research into cultural and natural heritage, aesthetic values of the environment in the regional development, environmental co-operation, environmental technology and nature tourism.

Even though the documents contain frequent references to environmental factors, there is no indication that the programme design process involved environmental specialists or environmental authorities.

No specific elements of the budget are allocated for environmental factors.

5.5.3 Sustainable development

Definition
The programme refers to the Brundtland definition of SD, as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It further states that the concept of SD includes all human activity that affects the economy of the society, social/cultural and ecological systems.

Environment is presented as one of the three dimensions of SD. However, the programme at times refers to environment and SD as having the same meaning.

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EU Policy context

The only reference to EU sustainable development policy and strategy appears in connection to other programme and policy areas, where it is stated that the horizontal objectives of the Structural Funds, one being SD, will be followed.

Regional strategy

There is no overall sustainable development strategy as part of the programme rationale, but the Kolarctic and North Calotte sub-programmes include sections on sustainable development, describing it as a horizontal objective to be reflected throughout the programme.

SD Integration

The main Programming Document relates the different dimensions of SD to project requirements. Economic SD refers to long-term consequences on trade and industry, and on employment in the programme area, social SD levels out social imbalances, protects quality of life and distinctive cultural traditions, and ecological SD protects and promotes biodiversity and ecosystem functioning. An overall goal is to secure an attractive and healthy environment, and to promote environmental awareness and responsibility among residents and companies.

In project selection, minimum criteria and prioritisation criteria can support SD. The minimum criteria must be met for a project to receive funding, and thereafter prioritisation criteria may be applied, one of which focuses on contribution to SD or environmental considerations.

The only sub-programme to mention SD in its vision, overall goals and objectives is the Kolarctic sub-programme.

The programme complement claims to have a horizontal SD indicator, with the aim of ensuring that initiatives contribute to SD outcomes. However, this is essentially an environmental indicator.

There is no budgetary allocation specifically linked to SD realisation. In this programme, there is no integration of SD.

5.6 Öresund Region

5.6.1 Introduction

The Interreg Öresund area consists of Skåne County in Sweden, the Danish county of Bornholm, and Greater Copenhagen (the municipality of Copenhagen and Frederiksberg and the counties of Copenhagen, Frederiksborg and Roskilde).

The population of the Øresund region is about 3.5 million, the land area is around 20,900 km^2, with an average population density of 170 inhabitants per km^2.

The programme has three Priorities: (i) development and improvement of administrative and physical infrastructures; (ii) development of an economically and socially functional region; and (iii) development of regional identity and attractiveness.

5.6.2 Environment

EU Policy context
With regard to Natura 2000, the programme states that the implementation is not yet finalised in Denmark and Sweden, and accordingly the consequences for the programme cannot be assessed. However, it is guaranteed that the proposed Natura 2000 areas will not be negatively affected by activities financed by the Structural Funds. The EU Directive 92/43/EEC on the conservation of natural habitats and of wild life fauna and flora, and the Directive 79/409/EEC on the conservation of wild birds are cited as the basis for establishing the Natura 2000 areas. Environmental assessments will be requested as appropriate, following to the EU procedures for sensitive areas.

The EU guideline for Structural Funds on promotion of gender equality and environment (1260/99, § 5) is cited, promoting a high level of environmental protection and enhancement, and it is stated that measures financed by the Structural Funds must be in accordance with EU environmental legislation. In addition, there is a section on the environmental impact of the programme, where it is indicated that the EU demands such an assessment (according to the Directive 1260/99) and that a quantitative assessment is preferable.

Regional profile
The Regional Environmental Profile extends to one-and-a-half pages, which compares with seven pages on social data and six pages on economic data. It contains both qualitative and quantitative information on air, groundwater, sea, forests and land. The information is either descriptive, for example quantifying the amount of land is pasture or forests, or it is presented as threats to the environment (eutrophication, acidification, air pollution and poor ground water). Brief information is included on environmental legislation in Denmark and Sweden, and how the two countries can co-ordinate environmental aspects of spatial planning. No attention is given to identifying environmental strengths or opportunities.

Programme tools
Environment appears as a horizontal goal, aspiring towards a high level of protection and enhancement, and an environmental target is that the programme shall include around 10 projects that directly aim at improv-

ing the environment. Also, Measure 1.1 has a goal to strengthen the cross-border co-operation concerning environment and spatial planning.

The SPD contains an extensive section on environmental impacts of the programme. The estimates are qualitative with descriptions of positive and negative environmental impacts. Quantitative estimates are described as too difficult at this stage, without knowledge of possible projects. The impacts are presented in the form of a table reviewing ten categories (see Table 6 in section 7). For most categories, the programme implies both negative and positive consequences. The negative impacts primarily concern indirect effects of increased transportation and tourism, whereas the positive impacts result from better protection of natural environments and cross-border co-operation regarding public transportation and spatial planning.

Seven general project selection criteria – important for securing financial support – include one environmental criterion that the project either contributes to, or is neutral to, ecologically sustainable development. There are several Measure-specific project selection criteria, but none of these concerns environmental aspects.

For programme monitoring, one general indicator on environment relates to how the project will contribute to environmental improvement, to be applied to all Measures and projects.

Environmental integration

Environment first appears in the programme at Measure level, where Measure 1.1 has the goal to strengthen cross-border co-operation concerning environment and spatial planning. Examples of eligible projects include a focus on cross-border co-operation concerning the environment, such as air quality.

During the programme design process, it is indicated that an evaluator consulted environmental organisations and stakeholders for inputs.

No specific elements of the budget were allocated for environmental factors.

With regard to environmental integration, the SPD states that environmental aspects are not pronounced or integrated in the programme vision, goals or strategies, but that environmental concern is an underlying principle. Not much use is made of the information from the Regional Environmental Profile, and this is acknowledged. For the Priorities and Measures, it is evident that environmental concerns can be supported, especially in Measure 1.1, for example in relation to improved co-operation regarding public transportation and environment and spatial planning.

5.6.3 Sustainable development

Definition

SD is not defined in the programme, and there is not a clear hierarchical relationship between SD and environment – the terms SD, ESD and environment are used interchangeably.

EU Policy context

With regard to EU sustainable development policy and strategy, the programme states that measures financed by the Structural Funds shall be in accordance with the goal of sustainable development and of protection and enhancement of the environment. This reflects EU agreements, environmental action programmes and international conventions supported by the EU.

Regional strategy

There is no overall sustainable development strategy as part of the programme rationale. It is once stated that SD is a horizontal goal, but this aspiration is not realised.

SD Integration

Whereas the SPD states that the programme will be carried out according to the principles of sustainable development and that SD is a horizontal goal, the PC states that a high level of protection and enhancement of the environment is the horizontal goal, together with gender equality. The PC also states that ESD is the horizontal goal, but SD is not mentioned in the vision or strategy of the programme.

SD is only traceable in one Measure on development and improvement of administrative and physical structures (1.1), which has the overarching aim of supporting economic, social and environmental SD. Project examples include cross-border projects concerning environment, health and/or spatial planning, or projects supporting Agenda 21. An indicator linked to this Measure is the number of cross-border projects supporting SD. In the other priorities, SD is not mentioned.

No budgetary allocation was specifically linked to SD realisation. SD is very limited in this programme.

5.7 Sweden-Norway

5.7.1 Introduction

The Sweden-Norway Interreg IIIA consists of sub-regions with a long tradition of Nordic cross-border co-operation: the Nordic Green Belt (Jämtland County, Nord-Trøndelag and Sør-Trøndelag Counties and Åarjelsaemien davje (southern Sami area); Inner Scandinavia (Värmland County, parts of Dalarna County, Hedmark County, parts of Østfold

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County and Akershus County); and Borderless Co-operation (Västra Götaland region – FyrBoDal region, parts of Østfold County).

The population of the core programme area is 1.6 million and the land area is 157,000 km^2, rendering an average population density of 10 inhabitants per km^2.

The programme has two Priorities: (i) development of trade, industry and competence; and (ii) living environment and development of society.

5.7.2 Environment

EU Policy context

The SPD makes reference to Natura 2000, stating that the Swedish authorities will guarantee that the Interreg programme will protect these designated areas. It also says that the public administration will demand an environmental assessment for all projects situated in sensitive or special areas, in accordance with EU Directive 92/43/EEC on the conservation of natural habitats and of wild life fauna and flora.

Regional profile

The SPD contains about five pages of information on the regional natural environment and environmental analysis, presented alongside ten pages on social data and ten pages on economic data. The PC contains some supplementary material for each of the four geographical areas in the region.

The section on the regional environment presents a very brief description of the region's forests, lakes, swamps, mountains and climate. The environmental analysis comprises a more detailed description of the same themes, as well as renewable energy sources and environment in the Sami areas. Environmental threats are considered in relation to traffic, acidification, eutrophication, industrial activity, biodiversity and climate change. A subsection on environmental management of the programme makes reference to Natura 2000. No regional environmental strengths or possibilities are listed in the profile; one strength - the natural landscape as a basis for settlement, business and recreation – is included in a SWOT-analysis of the region.

Programme tools

In the SPD and the PC, Priority 2 is attributed the target of securing 35 activities with the main aim of improving the regional environment. An activity is defined as a distinct part of a project with its own partial objective, which contributes to the main objective of the project.

Environmental impact of the programme is considered only through an ex-ante evaluation, which states that for some Measures the

horizontal goal of environmental concern might conflict with other goals. Whereas no guidelines have been provided on how to handle conflicting goals, the programme states that the risk of such an occurrence should not be exaggerated, and that the decision-making group will work to balance different interests.

All projects are to be subjected to seven horizontal criteria, one of which is environmental concern. It has three alternatives: (i) the project contributes to environmental improvement, (ii) the project is environmentally neutral, or (iii) the project harms the environment. More detailed information about the horizontal environmental criterion is not given, only that projects will be evaluated according to how well they meet the horizontal criteria. Measure 2.2 has a project selection criterion related to linkages with EU or national environmental programmes, for example Natura 2000 or Agenda 21.

There are two environmental indicators in the programme focused on the number of activities with the main aim of improving the regional environment (Measures 2.2 and 2.4) and the number of activities aimed at improving the natural or cultural environment (Measures 2.3 and 2.4).

Environmental integration
Environment first appears in the programme at Priority level, in the description of Priority 2 on living environment and development of society, which emphasises increased environmental awareness. Thereafter, environmental considerations are primarily contained within Measures 2.2, with project examples that address waste management, pollution, chemical environmental problems, environmental information and development of environmental technology. Relevant aspects of other Measures in this Priority include developing the regional natural environment and improving the transport system with concern for the environment.

Environmental specialists from central and regional authorities were involved in the programme design process. This is interpreted as the Swedish Environmental Protection Agency, the Norwegian Ministry of Environment, The Norwegian Pollution Control Authority and some of the Swedish Country Administrative Boards and their Norwegian equivalents.

Environmental issues appear to account for approximately ten percent of the programme budget.

With regard to environmental integration, little use is made of the information from the environmental analysis, but some information from the PC on environment and health is taken up in the Measures, including the need for increased environmental awareness and cross-border cooperation concerning waste management and environmental problems.

An ex-ante evaluation concluded that environmental aspects were integrated into the programme, but that there was potential for conflicting goals to arise.

5.7.3 Sustainable development

Definition
SD is not defined in the programme, but there is a definition of ESD, which refers to meeting the needs of the present without compromising the ability of future generations to meet their needs.

There is no clear hierarchical relationship between SD and environment in the programme. In practice, SD, ESD and environment are used interchangeably, ESD is defined in a way that normally denotes SD, and environment is addressed in a broad sense – 'environment is a responsibility of each citizen and organisation and not an isolated sector' – which may relate more to ESD.

EU Policy context
The programme shows no awareness of relevant EU sustainable development policy and strategy.

Regional strategy
There is no overall SD strategy. However, SD is described as part of the vision of the programme, but it is unclear whether it is SD or ESD since the concepts are used interchangeably.

SD Integration
In terms of status, there is no SD target or objective in the programme, but it is referred to in the vision, which seeks to create an attractive and competitive region with a good living environment and sustainable development. However, SD is never explained, and it is more likely ESD that is being supported in the programme.

Elements of SD are traceable in certain parts of the programme. A bottom-up-perspective is apparent through aspirations to integrate the fields of environment and health and form links to other fields, such as business planning, NGO-activity and public participation. This is raised in the PC and suggested in certain Measures that mention sector integration, gender equality, long-term perspectives, Agenda 21 and environment-health aspects.

There is no budgetary allocation specifically linked to SD realisation.

There are no evident methods used for SD integration, and there are no SD indicators, although environmental concern is cited as assisting ESD integration. SD integration is very limited in this programme.

5.8 Sweden-Finland Islands

5.8.1 Introduction

The eligible area of the Sweden-Finland Islands programme includes the coastal parts of the county of Stockholm in Sweden, entire Åland, and the coastal parts of the Finnish regions of Varsinais-Suomi and Uusimaa. Adjoining areas comprise the coastal parts of the Swedish counties of the Swedish counties of Uppsala and Södermanland.

The population of the programme area amounts to 62,500, of which 28,300 (45 percent) are in Finland, 25,800 (41 percent) are in Åland, and 8,400 (13 percent) are in Sweden.

The programme has two Priorities: (i) trade and industry; and (ii) environment and society.

5.8.2 Environment

EU Policy context

The SPD contains a chapter on compliance with EU policy within other areas, stating that in programme implementation will observe the horizontal objectives of the Structural Funds. In a section entitled sustainable development, the text addresses EU environmental policy, guaranteeing that the programme will protect the proposed Natura 2000 areas, and that environmental assessments will be requested for projects in sensitive or designated areas. This is in accordance with the EU directive 92/43/EEC on the conservation of natural habitats and of wild life fauna and flora.

Regional profile

Within the regional description and analysis, one page concerns environment, which briefly mentions factors affecting the archipelago and makes reference to a 10-page environmental analysis included as an appendix to the SPD. However, no baseline data is provided.

In a SWOT analysis chapter, relevant points for environment include strengths of proximity to nature and unique cultural and natural values, the opportunity of trends within tourism and recreation that favour adventure and quality and environmental consciousness, and external environmental threats.

The environmental analysis (and Measure 2.1) lists the most important environmental problems within the area, including eutrophication, destruction of biotopes, dredging, boat traffic, water supply, management of waste and sewage, and environmental contaminants. Priority themes for economic development projects from an environmental perspective include improving environmental awareness and regional environmental conditions, and developing environment-friendly community planning

and ecologically sustainable trade and industry. Sustainable energy supply and oil safety preparedness are also cited as important areas.

Programme tools

Measure 2.1 (Environment) includes a qualitative environmental objective and quantitative environmental targets. The qualitative objective is to reverse the negative environmental development in the archipelago, so decreasing the nutritive salts in the water, reclaiming the cultural landscape and developing common measures to decrease the environmental load. The quantitative targets are one common environmental strategy, five new environmental networks, and ten organisations involved in cross-border environmental co-operation.

Environmental impacts are considered in a one-page section. One Priority and one Measure are aimed at improving the environment. It is anticipated that IT projects will have neutral or even positive impacts on the environment through decreasing the need for transportation, whereas trade and industry development aimed at SMEs generally have no environmental impact, but will nonetheless be subjected to project EIA. Expected impacts are listed under each Measure, with "good environment" the single expected impact of the Measure 2.1. This is the only level of analysis.

The PC lists three project selection criteria for each Measure. Environmental criteria appear under Measure 2.1 only. One criterion states that a project should contribute to a better environment, above all in relation to the water quality in the archipelago. Another criterion divides into three possible areas:

- Contribution to the retention of environmental values, the decrease of emissions or other types of environmental pollution.
- Development of employment quality, accessibility or other factors that promote ecological modernisation and the emergence of socio-economic practices or models that lead to reduced environmental stress.
- Promotion of co-operation, communication and understanding between different actors on the relevance of the environment for the future development of the archipelago.

Examples of project ideas under Measure 2.1 include common projects within environmental protection, development of common environmental standards for companies, and promotion of structures and forms of industry that sustain an ecologically sustainable interplay between man and nature in the archipelago.

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Environmental indicators include for Priority 2 (environment and society) the number of organisations involved in cross-border environmental co-operation and the preparation of a common environmental strategy for the archipelago. For Measure level, a common 'key indicator' relates to the number of projects considered (i) mainly environmental, (ii) environmentally friendly, and (iii) environmentally neutral.

Amongst the Measures, indicators include companies with environmental plans; activities between producers, sales organisations and other actors certifying environmental quality of delivery chains; local producers with environmentally certified delivery agreements with sales; participating organisations, prepared plans and approved strategies for the environment; and practical measures and effective reduction in pollution and emissions.

Within Measure 2.1, several effect indicators have an environmental focus:

- The percentage of companies stating that environmental certificates have been advantageous.
- Comparative emissions reduction after three years in companies supported by the programme.
- Emissions reduction after three years in shipping companies that participated in the programme, compared with other Baltic Sea shipping companies.
- Comparative reduction in various emissions and loads after three years in primary industry participants.

Environmental integration
Environment first appears at programme objective level, and thereafter within the strategy chapter in the PC, including a sub-chapter that assesses the environmental impacts of the programme. There is also considerable environmental material in the passages related to Measure 2.1 (Environment).

There is no indication that the programme design process involved environmental specialists.

With regard to identifying finance allocated for environmental factors, Measure 2.1 has a budget of 3.5 million Euros, which represents about 19 percent of the programme budget.

Environmental gain is approached in Measure 1.2 on trade and industry development, where a number of sub-targets include environmentally adjusted production and an ecologically sustainable archipelago.

Considering environmental integration, the limited material from the environmental profile appears in the text on programme goal and

strategy and in Measure 2.1, which repeats the information on internal and external factors affecting the archipelago and the most significant environmental problems where efforts should be focused. This is then used to create environmental goals.

5.8.3 Sustainable development

Definition
SD is not defined in the programme. Although it is mentioned in the programme vision and overall objective, environment is the concept addressed within Priorities and Measures. Whereas SD appears to be considered as a broader concept, the relationship is not made clear.

EU Policy context
The programme does not show awareness of EU sustainable development policy and strategy. Even though there is a section on SD in the chapter on Compliance with EU Policy, it focuses on compliance with Natura 2000 and environmental assessment for habitats.

Regional strategy
There is no overall sustainable development strategy as part of the programme rationale.

SD Integration
In terms of status, the term SD is mentioned in the vision of the programme, and the three dimensions of SD are visible to some extent in the overall objective, but it is only the environmental aspect that is considered in direct relation to sustainability.

SD appears is as an effect indicator for Measure 2.1, comprising the percentage of regional companies/entrepreneurs (from agriculture to transport operators) that consider SD as an advantage in entrepreneurship.

No budgetary allocation was specifically linked to SD realisation, and SD integration is very limited.

5.9 Fyn-KERN

5.9.1 Introduction

The programme area consists of Fyns Amt in Denmark and the Technologie-Region K.E.R.N. (cities of Kiel and Plön as well as Kreis Rendsburg-Eckernförde) from the German Land of Schleswig-Holstein. The city of Neumünster is an adjoining area.

The population in Fyns Amt is 472,000 and the area is 3,500 km^2, producing an average population density of 135 inhabitants per km^2. The population of the German area is 715,000, with a land area of 3,500 km^2, and a population density of around 207 inhabitants per km^2.

The programme has three Priorities: (i) development of trade and industry; (ii) environment and energy; and (iii) development of human resources.

5.9.2 Environment

EU Policy context

The SPD states that there are areas within the region that are protected according to the EU Directive 92/43/EEC on the conservation of natural habitats and of wild life fauna and flora, and the Directive 79/409/EEC on the conservation of wild birds. Reference is also made in the PC to the EU guideline for Structural Funds, 1260/99, § 5, which seeks to promote a high level of environmental protection and upgrading in order to strengthen economic and social cohesion of the Union.

Regional profile

The programme contains a Regional Environmental Profile, consisting of six pages, which can be compared with six pages on social data and fifteen on economic data. The Profile is detailed and contains both qualitative and quantitative information. It covers the categories of land use and spatial planning (including transportation), eutrophication, wastewater, groundwater, industry, agriculture, waste, air, energy, and natural environment. A separate SWOT-analysis for 'Environment and Energy' presents a useful analysis of strengths, weaknesses, opportunities and threats (see Table 4 in section 7).

Programme tools

At programme level, a horizontal environmental goal is to create a high level of protection and enhancement of the environment, and Priority 2 has overarching goals of securing sustainable development within nature and the environment and supporting eco-friendly energy production and energy use. Both Measures within this Priority have the goal of improving the environment.

There are quantitative targets within the environment and energy Measures, such as ten participating institutions, 10 seminars and workshops, and five implemented management systems, with the assumption that these will have environmental character.

The programme does not include estimates of environmental impact. Even though an ex-ante evaluation was carried out, and the Regional Environmental Profile and the Environment-Energy SWOT are descriptive and analytical respectively, they contain no estimates of the environmental impacts of the programme.

One project selection criterion is that the project needs to support sustainable development within the fields of environment and energy.

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This is one of twelve project selection criteria to be applied to all projects. However, it is unclear how the applicant is supposed to show that the project meets the criteria and what happens if some are not met.

There are no environmental indicators linked to programme monitoring.

Environmental integration

Environment first appears in the programme at priority level, in Priority 2 on environment and energy, and thereafter becomes more refined in the Measures within this Priority. However, the descriptions of the Measures are very brief, with no examples of eligible project types, making it difficult to interpret how well environmental considerations are integrated.

With regard to the programme design process, a consultation draft of the programme was given to environmental departments of five different regional/local authorities in Germany and Denmark for comments. However, the SPD states that these environmental departments made no comments on the programme.

Specific elements of the budget are allocated for environmental factors, and Priority 2, which deals with environmental and energy factors, accounts for 23 percent of the programme finance. It is not specified how this funding is divided between environment and energy.

There is some orientation towards environmental gain in the Measures of Priority 2, as they promote the use of environmental management systems, eco-friendly technology and renewable energy sources such as wind power and biomass.

Environmental integration is effective in the Measures related to environment and energy, where information from the Regional Environmental Profile and environmental SWOT is applied, but environmental integration in the overall programme is ineffective. Other than the example of eco-tourism in the Measure on tourism and culture, environmental concerns are framed into one Priority. Even though the Priority 'Environment and Energy' is strong on integrating environmental factors into fields such as business, spatial planning and agriculture, no evident technique has been used to assist environmental integration and there is no horizontal environmental indicator.

5.9.3 Sustainable development

Definition

SD is not defined in the programme, and the term is seldom used in the text. It is difficult to perceive the relationship between environment and sustainable development, especially since the two concepts appear together. For example, the goal of Measure 2.1 is to secure sustainable de-

velopment within nature and the environment, suggesting that SD is not interpreted as being the integration of environmental, economical and social development, but instead represents ESD.

EU Policy context
The programme shows no awareness of relevant EU sustainable development policy and strategy.

Regional strategy
There is no evident SD strategy. There are parts of the programme focusing on economic development, environmental improvement and social development, but these aspects are not integrated.

SD Integration
In terms of status, SD does not feature as a separate objective, but instead one of the programme goals is to seek sustainable development within the environmental field.

SD is not traceable through the document, and no budgetary allocation is specifically linked to SD realisation. No evident methods have been used to assist SD integration, and there are no SD indicators. Consequently, there is no SD integration in this programme.

5.10 Sønderjylland/Schleswig

5.10.1 Introduction
The Sønderjylland/Schleswig programme area consists of Sønderjyllands Amt in Denmark and the German Schleswig region of Kreis Nordfriesland, Kreis Schleswig-Flensburg and the city of Flansburg. The area is approximately equivalent to the historical Schleswig Duchy area.

The total population of the programme area is 700,000, of which slightly more than a third (36%) is in Denmark. The land area of the region is 8,100 km^2, which renders an average population density of 86 inhabitants per km^2 (64 and 107 in the Danish and German parts respectively).

The programme has four Priorities: (i) business development; (ii) nature, environment and energy; (iii) human resources and the labour market; and (iv) institutional and socio-cultural networks.

5.10.2 Environment

EU Policy context
The SPD has references to the EU Directive on Birds and the EU Directive on Habitats, the 6th EU Environmental Action Programme, and Natura 2000, listing the designated areas in an appendix. Reference is also made to the Helsinki Convention on the Protection of the Marine Environment of the Baltic Sea Area, 1992, to which Denmark, Germany

and the EU are contracting parties. The programme states that, in relation to environmental protection, projects will be implemented in accordance with national and European rules and directives.

Regional profile
The programme contains a 21-page socio-economic analysis of the region, but environmental issues are not addressed in this text. There is also a SWOT-analysis of the co-operation, with one category comprising nature, environment and energy. This section consists of 2.5 pages, which compares 3.5 pages of economic and six pages of social SWOT. At the end of the SPD, there is a SWOT-table for each Measure, with some regional environmental information under Measures 2.1 and 2.2.

The categories described in the nature, environment and energy SWOT include water quality (mostly threats as eutrophication and ground water pollution), biodiversity (mostly threats, but also scope for co-operation concerning protection and area improvement), and energy (opportunities to develop renewable energy). The analysis is limited.

Programme tools
Environmental objectives or targets appear only at Measure-level. Examples include:

- Five concepts and five co-operations in the exchange of research and experience in ecological and other innovative agricultural production.
- Cross-border co-operation on protection of attractive landscapes and natural potentials and lowering pollution in waterways and lakes.
- Improving living conditions for flora and fauna in 4500 hectares of biotopes, including the Natura 2000 sites.
- Improving environmental quality of 600 hectares of waterways and lakes.
- 10 projects to improve the quality of the environment and nature.
- 10 new methods/models within the field of environmental protection.

Environmental expected results and effects include the development of new, environmentally sustainable business sectors, strengthening green tourism, and cross-border co-ordination and planning of environment-friendly energy supply. The programme does not include estimates of environmental impact.

There is one collective environmental project selection criterion addressing a project's long-term impact on the environment, with the alternatives of (i) mainly meets the criterion, (ii) positive and (iii) neutral. This is one of a range of quality criteria, where the scores from the different alternatives are totalled, giving a project assessment (a low average implying that the project cannot be financed).

By contrast, environmental indicators are Measure-specific and linked to the environmental targets:

- Number of concepts developed for ecological/innovative agricultural production.
- Area of biotopes where living conditions for flora and fauna are improved.
- Area of improved environmental quality for waterways and lakes.
- Projects improving the quality of the environment and nature.
- New methods or models in the field of environmental protection.

Environmental integration

Environment first appears in the programme at Priority level, with the aim of protecting nature and environment and supporting environment-friendly energy production. Thereafter, environmental considerations become more refined in the Measures of Priority 2, including examples of projects that can be financed. These include analyses of groundwater supply related to protection and careful use, development of common systems for environmental monitoring, development of energy-saving methods and models, and analyses of opportunities and problems in developing renewable energy sources. Environmental considerations also appear in other Measures.

The SPD states that environmental departments within the Sønderjylland Amt and the Umweltbeirat in Germany were consulted during the programme design process.

Budgetary allocations for energy and environmental factors can be identified through Priority 2 as representing a total of 20 percent of the programme budget (10 percent for each category).

Aspects of environmental gain feature through suggestions of developing ecological production methods, new environmentally sustainable business sectors and eco-tourism.

Without an Environmental Profile, environmental integration is not very effective and no additional techniques were used to assist integra-

tion. Overall, environmental considerations are contained within one Priority and are not integrated into the other Priorities.

5.10.3 Sustainable development

Definition
SD is not defined in the programme, and this makes it difficult to identify the relationship between SD and environment. The relationship appears to be hierarchical, as the terms are not used interchangeably.

EU Policy context
The programme demonstrates no awareness of relevant EU sustainable development policy and strategy.

Regional strategy
There is no overall sustainable development strategy as part of the programme rationale.

SD Integration
The SPD states that one of the overarching aims is to strengthen economic potential while observing criteria for sustainable development, but these criteria are not defined. The various principles and strategies for the programme make no further reference to SD, and the PC does not repeat SD as an overarching theme. The business development Priority cites the aim of reaching balanced and sustainable development in the border region, but otherwise the Priorities and Measures do not include SD aims or targets.

SD is not traceable through the document in an integrated way, as the programme utilises a structure that separates economic, environmental, social and institutional/cultural spheres. This means that economic matters are dealt with in Priority 1, environmental matters in Priority 2, social matters in Priority 3 and socio-cultural matters in Priority 4.

There is no budgetary allocation specifically linked to SD realisation.

The PC lists 'quality criteria' for project selection, designed to secure a positive impact on SD. The themes are wide-ranging, but their form presents individual rather than integrated results (see Table 9 in section 7). Projects can achieve three possible categories in fulfilling the criteria of (i) mainly/to a high degree (ii) positive/supports, and (iii) neutral.

No other methods are used to assist SD integration. There are no collective SD indicators, and only one Measure has an SD indicator related to development of models and concepts of sustainable energy administration. There is only limited integration of SD in this programme.

5.10 Storstrøms Amt – Kreis Ostholstein/Hansestadt Lübeck

5.10.1 Introduction

The programme area consists of Storstrøms Amt in Denmark and Kreis Ostholstein and Hansestadt Lübeck in Germany.

The total population of the programme area is 7675,000, of which 38 percent is in Denmark and 62 percent is in Germany. The land area of the region is 5,000 km^2, which renders an average population density of 135 inhabitants per km^2 (76 and 259 in the Danish and German areas respectively).

The programme has two Priorities: (i) strengthening of economic structures while securing sustainable development; and (ii) strengthening of human resources.

5.10.2 Environment

EU Policy Context

The programme shows awareness of EU environmental policy and legislation with references to the EU Directive 92/43/EEC on the conservation of natural habitats and of wild life fauna and flora, and the Directive 79/409/EEC on the conservation of wild birds.

Regional profile

The programme has a specific Regional Environmental Profile, amounting to just over five pages compared with eight pages of social data and thirteen pages of economic data. The Profile addresses the categories of air quality (concentrations of pollutants including quantitative information), waste (industrial and household), forests (mostly threats), nature parks and reserves (amount of and recreation possibilities), environmental stress due to transit traffic, and environmental stress due to increased land use.

The SPD also has an environmental SWOT where some information is linked to possible fields of co-operation, such as dealing with catastrophes, waste management systems, renewable energy, and forest management. Overall, this comprises a useful analysis of the region's strengths and weaknesses.

Programme tools

Measure 1.2 contains a number of environmental targets comprising 4 new co-operations, 7 participating partners, 10 workshops/seminars, 50 participants, 3 new concepts, 3 new products/technologies/methods, 20 publications, 20 new jobs and 2 safeguarded jobs. It also lists expected results and effects, including increased environmental awareness among

residents, increased awareness of the importance of saving energy, and increased use of renewable energy.

However, the programme has no estimates of environmental impact.

The PC presents a list of project selection criteria that applies to the whole programme. One of these eleven criteria is that projects should support sustainable development within the fields of energy and environment. For the project to be considered eligible, only one of these 'content criteria' needs to be met, but no indication is given whether priority increases if more are met.

Measure-specific indicators are divided into output, result and effect indicators, although without clarification of the differences. The output indicators comprise co-operation between institutions, development of common concepts, exchange of knowledge/experience, and development of new products or innovations. The result indicators mirror the targets mentioned above for Measure 1.2, and the effect indicators are formulated to match the expected results and effects.

Environmental integration

Environment first appears in the programme at Measure level, with environmental issues found in Measure 1.2. Examples of eligible projects/actions in Measure 1.2 all concern environmental issues such as co-operation within the fields of water protection, renewable energy, the disposal of waste and sewage to the Baltic Sea, and the exchange of information/experience in the field of waste recycling.

There is no indication that the programme design process involved environmental specialists.

Specific budgetary allocations for environmental factors can be identified through Measure 1.2, which receives 15 percent of the programme funds.

Nevertheless, environmental integration in the programme is limited. Very little of the material in the Environmental Profile is taken up in Measure 1.2, and none of the information is applied within the other Measures. Rather than being further developed, the information from the environmental SWOT is mostly repeated in the Measures.

5.10.3 Sustainable development

Definition

SD is not defined in the programme. With regard to the hierarchical relationship between SD and environment, it appears that SD is interpreted as mainly dealing with environmental concerns.

EU Policy context

The programme shows no awareness of EU sustainable development policy and strategy.

Regional strategy

There is no overall sustainable development strategy as part of the programme rationale.

SD Integration

In terms of status, SD does not feature as an objective of the programme as a whole, and there are no SD targets. Although one of the Priorities has a title referring to strengthening economic structures while securing SD, the two associated Measures address economic concerns and environmental concerns respectively, and little attention is given to SD.

Overall, SD is not traceable through the document. Economic issues, social issues and environmental issues are treated individually and not in an integrated way. The title of Priority 1 suggests an approach that embraces SD, and Measure 1.2 does emphasise Agenda 21, public participation and integration of environmental issues into related sectors, but such concerns are not apparent in Measure 1.1. A general project selection criterion that captures the approach of the programme is that projects should support sustainable development within the fields of energy and environment.

There is no budgetary allocation specifically linked to SD realisation.

Regarding methods to assist SD integration, the general project selection criterion that projects should support sustainable development within the fields of energy and environment is the only step in this direction. Overall, SD is not at all integrated into this programme.

6. Interreg 3b programmes

6.1 Baltic Sea Region

6.1.1 Introduction

The programme area consists of the whole of Denmark, Finland, Sweden, Estonia, Latvia, Lithuania and Poland. In Germany, it encompasses the Länder of Berlin, Brandenburg, Bremen, Hamburg, Mecklenburg-Vorpommern, Schleswig-Holstein, and the Regierungsbezirk Lüneburg in Land Niedersachsen. The entire territory of Norway is also included. The Belarussian area covers the four Oblasts of Minsk, Grodno, Brest and Vitebsk. The Russian areas cover St Petersburg City and the surrounding Leningrad Oblast, the Republic of Karelia, and the Oblasts of Kalingrad, Murmansk, Novgorod and Pskov. Projects concerning the Barents Region envisage co-operation with both Arkhangelsk Oblast and Nenets Autonomous Okrug.

The population of the area (excluding the Arkhangelsk and Nenets Okrug) is 102.7 million or 33.4 percent of the total population of the 11 participating states. The programme area is 2.3 million km^2, rendering an average density of 45 inhabitants per km^2.

The programme has three Priorities: (i) promotion of spatial development approaches and actions for specific territories and sectors; (ii) promotion of territorial structures supporting sustainable BSR development; and (iii) transnational promotion of institution building, strengthening the capacity for spatial development activities.

6.1.2 Environment

EU Policy context

With regard to awareness of EU environmental policy and legislation, the SPD has a chapter on its relation to other EU policies and programmes. It states that the programme will support the objectives of Structural Funds programmes concerning environmental protection for the Natura 2000-sites, following the Council Directives 92/43EEC and 79/409/EEC concerning conservation of natural habitats, fauna and flora or wild birds respectively.

Regional profile

The programme contains 27 pages of description and analysis of the Baltic Sea Region. Within this text, 7.5 pages relate to natural heritage, tourism, coastal zones, islands and other specific inland areas. The themes include conflicts between social and economic benefits and environment, sustainable tourism and nature tourism. Large unspoiled areas are de-

scribed as having a high level of biodiversity, relatively clean bodies of fresh water, and forest that acts as a valuable natural asset. Reference is made to the Baltic Sea problems of eutrophication, the disposal of radioactive waste as an environmental threat, and the important role of fishery and tourism.

A SWOT analysis highlights strengths of nature of European interest, high quality environment, important cultural heritage, and a large natural resource to be exploited, especially in the Arctic region. The weaknesses comprise the heavily polluted Baltic Sea, harsh climate in the northern parts of the region, and the absence of a pan-Baltic inter-modal sustainable infrastructure strategy. Opportunities are foreseen in the existing co-operation of the BSR regions and cities, aiming for sustainable development and strengthening competitiveness, and potential for land recycling. The threats comprise unsustainable development due to a focus on short-term benefits that lack cross-sectoral, integrated approaches, and pressure from human activities on valuable landscapes and nature, including the coastal zones and the Baltic Sea.

Programme tools
Environmental aims in the programme include the development of planning tools to overcome threats against biodiversity, while pursuing integrated spatial development within the natural and cultural landscapes and natural resources. Related objectives listed under Measure 2.3 refer to strengthening the main assets of natural and cultural heritage, developing a continuum of natural landscapes in a BSR ecological network, and strengthening sustainable forestry and energy production, amongst other factors.

The programme Measures include expectations of environmental impact. Examples include a better use of natural resources and territorial structures for sustainable energy supply, enhancing sustainable urban structures through combining transport, environment and business, developing and promoting natural and cultural heritage as an asset for regional development, and fostering an increased public awareness of limited resources. The associated text on assessment of impacts is qualitative, related to reducing risks and harmful effects and improving the quality of the environment. The SPD states that project applications will be asked to apply environmental and spatial impact assessment.

No environmental criteria are identified as project selection criteria.

With regard to environmental indicators for programme monitoring, context indicators for 'sustainable natural environment' include:

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- Protected areas in the BSR in km2 and share of protected areas in total land area.
- Direct and riverine inputs of phosphorus and organic matter into the Baltic marine area.
- Riverine inputs of nitrogen to the Baltic marine area.
- Land area where depositions are above critical loads for acidification and eutrophication.
- Number of threatened marine and coastal biotopes in the BSR.
- Renewable energy/total energy supply in the BSR.
- Number, location and concentration of HELCOM Hot Spots.
- Passenger car density.

Environmental integration

The thematic focus of action is described as including a spatial development concept for the energy and tourism sectors, Baltic green networks, nature corridors and cultural landscapes to attract business development, wise management of natural resources, and integrated management of coastal zones and islands. Environment first appears in the programme at Measure level, where Measure 2.3 concentrates on the use, preservation, maintenance and enrichment of the natural and cultural heritage, and on sustainable use of natural resources. Activities eligible for support include promoting integrated sustainable management of water resources alongside rivers.

There is no indication that the programme design process involved environmental specialists.

In terms of budgetary allocation, Measure 2.3 on enhancing the management of cultural and natural heritage and natural resources has 10 percent of the programme funding.

Environmental gain is approached through rehabilitating landscapes degraded by human activities, focusing on derelict industrial land areas, arms conversion areas, and areas threatened by agricultural abandonment.

Regarding the effectiveness of environmental integration in the programme, a considerable amount of material from the Environmental Profile is used in the programme text and in supporting individual Measures.

6.1.3 Sustainable development

Definition

Sustainable development is defined in the programme as respecting the right of future generations to change the path of development, i.e. to fur-

ther access resources that are difficult to renew or non-renewable and to maintain the elementary natural preconditions for life.

Environment is perceived as one dimension of SD. This is based on the SPD statement that projects will be asked to follow the principles of sustainability in its economic, social, ecological and cultural dimensions and to apply environmental and spatial impact assessment.

EU Policy context

Reference to EU sustainable development policy and strategy appears in the Introduction of the SPD, in the form of guiding principles for sustainable development of the European continent.

Regional strategy

There is no overall sustainable development strategy as part of the programme rationale.

SD Integration

Frequent references are made to the concepts of SD and sustainability in the programme text, while supporting earlier visions for the BSR, such as VASAB 2010, VASAB 2010 PLUS and Baltic 21, which also contain elements of SD and sustainability. The overarching strategic objective of the programme is to strengthen economic, social and spatial cohesion, reaching an increased level of BSR integration and forming a sustainable part of Europe. In this process, special attention is to be paid to the use, protection and improvement of the natural and cultural landscapes.

Priority 2 is dedicated to promoting territorial structures that support sustainable development in the BSR, and Measures in other Priorities also encompass aspects of SD. More specifically, the Measures contain objectives relevant for SD. These include using spatial planning tools within sectoral planning to strengthen sustainable development, contributing to SD in Baltic Sea islands with an emphasis on tourism and environment, and supporting sustainable development of the settlement system through urban-rural co-operation and regional networking. Other objectives combine the development of transport corridors with sustainable spatial/regional development, deliver sustainable development policies in all parts of the BSR, and exchange information on methods for sustainable regional development. Quantitative targets of relevance to SD include five new sustainable tourism products with cross-border character, three of which should focus on thematic tourism routes (Measure 1.2).

Project selection criteria within the Measures include that eligibility will require that projects contribute towards sustainable development of the region.

In terms of budgetary allocations, a substantial percentage of the funds have potential to be linked to SD realisation. The SD terminology and aspirations appear in the titles of four Measures within two Priorities, identifying concentrations on sustainable spatial development, sustainable integrated development, balanced settlement structures, and sustainable communication links.

SD is well integrated into this programme.

6.2 Northern Periphery

6.2.1 Introduction

The Interreg IIIB Northern Periphery programme involves regions in Finland (Objective 1 regions and adjacent areas in Keski-Soumi, Pohjois-Pohjanmaa and Keski-Pohjanmaa), Sweden (Objective 1 regions and adjacent coastal areas in Norrbotten, Västerbotten, Västernorrland and Gälveborg), and Scotland (Highlands and Islands Special Transitional Programme area) in co-operation with the Faroe Islands, Greenland and Norway (counties of Nord-Trøndlag, Nordland, Troms and Finnmark). Iceland and Northwest Russia can participate on a project-by-project basis.

The population in this large and geographically diverse Northern Periphery area amounts to around 3.3 million inhabitants, with the total area being about 2.8 million km^2. As wide areas of the region are sparsely inhabited or totally uninhabited, population density is very low, with an average of one inhabitant per km^2.

The programme has three Priorities: (i) communications; (ii) strengthening sustainable economic development; and (iii) community development.

6.2.2 Environment

EU Policy context

The SPD states that Finland, Sweden and the UK will ensure that the programme conforms to the protection of the Natura 2000 sites, and that necessary environmental assessments will be carried out in accordance with the EU Habitats Directive (92/43/EEC). The PC includes references to the EC Water Framework Directive and the draft EC Integrated Coastal Zone Management Directive.

Regional profile

A Regional Environmental Profile, entitled 'natural resources and environmental factors' amounts to a half-page, alongside five pages of social and economic data. In terms of detail, the profile states that the economy is very dependent on natural resources such as fish, minerals and oil, and

the diminishing fish stock is thus a threat to the economy. The region is described as having a high-quality, but vulnerable, environment.

A SWOT-analysis of the region identifies a strength in the diversity of natural resources, opportunities of adding value to natural resources and development of a green economy that includes eco-tourism and eco-business, and a threat in the vulnerability of sea, highlands and forest areas.

Programme tools
The programme has a quantitative environmental goal to support 28 (out of 114) 'main projects' that directly and mainly improve the environment. Thereafter, amongst the qualitative expected results within Measures, those related to the environment include:

- Linking environmental protection and commercial development of natural resources.
- Diversification in agriculture and fishing.
- Development of potential within the distinctive cultural and natural heritage
- Improved management of natural resources.

The programme does not include any estimates of environmental impact.

Environmental criteria are identified as project selection criteria. For Measure 2.1 on the sustainable use of nature and natural resources, priority will be given to projects that:

- Provide evidence that the proposed use of natural resources is sustainable.
- Derive positive economic and social benefits from the natural environment.
- Relate to the high quality of the Northern periphery environment, including EU sites within the Natura 2000 suite or similarly nationally protected sites in non-EU countries.
- Lead to higher value uses of the natural resource and/or enhance the economic value of products created from natural resources.
- Lead to the enhancement of the region's natural resources through improved management.

For Measures related to community development, priority will be given to projects that enable communities to make better use of the en-

ergy resources and waste products, or which improve resource management or reduce pollution through more integrated planning.

Environmental indicators are identified for monitoring. A horizontal indicator related to environment in all projects has three alternatives, that a project (i) directly and mainly improves the environment, (ii) indirectly contributes to improving the environment, or (iii) is environment neutral. Three Measures also have specific environmental indicators. These relate to projects concerning natural protection and/or cultural heritage, SMEs undertaking environmental management (reducing environmental impacts/increasing efficiency in resource use), trans-boundary pollution initiatives, and studies/demonstration projects concerning new methods to minimise, recycle and dispose of waste or minimise pollution.

Environmental integration
Environment first appears at Priority level, with Priority 2 strengthening sustainable economic development in relation to environmental protection, the use of natural resources and their relation to the regional economy. This is refined in Measure 2.1, where appropriate suggested projects include diversification efforts within traditional agriculture and fishing. Environmental considerations also appear in Measures in Priority 3, with suggested projects including methods for lowering waste production, increasing recycling and dealing with trans-boundary pollution.

There is no indication that the programme design process involved environmental specialists or environmental authorities. However, the text states that National Regional Advisory Groups that assess all project applications will include representatives of environmental authorities.

Even though environmental factors feature in several of the Measures, there are no specific budget allocations for environmental factors, precluding an estimate of the effective level of support.

Environmental gain is approached at the household level, where the emphasis on waste minimisation and recycling implies both economic and environmental benefits. However, in the Measure on sustainable use of nature and natural resources, the orientation appear more towards securing economic development without harming the environment.

With regard to environmental integration, material from the Regional Environmental Profile and the SWOT analysis is utilised in the Measures. Although the opportunity of eco-tourism is never fully elaborated in Measure 2.1, environmental considerations are well integrated overall in the programme.

6.2.3 Sustainable development

Definition

The definition of SD in the programme is brief, describing an integrated approach that optimises economic, social and environmental interests. With regard to the relationship between SD and environment, it seems clear that environment is one aspect of SD. Nevertheless, there is an environmental bias in the interpretation of SD, as it is translated into an indicator regarding the effect on the environment.

EU Policy context

The programme shows awareness of relevant EU sustainable development policy and strategy. The SPD cites the guidelines for Interreg programmes, specifically the aim of trans-national co-operation to promote a higher degree of territorial integration across European regions with a view to achieving sustainable, harmonious and balanced development (C (2000) 1101, § 12). There are also references to § 14 of the Guidelines for Interreg 3, stating that programmes shall promote SD in general as well as sustainable transport systems.

Regional strategy

The vision of the programme foresees people of the Northern Periphery working together to secure prosperous and sustainable development of their communities, with wise management of distinctive cultural and natural resources, in a manner that contributes to the attainment of joint European objectives.

SD Integration

With regard to status, SD is described as a horizontal aim is the SPD and as a horizontal objective in the PC, with these terms apparently used interchangeably. Overall, the SD perspective has a large role in the programme, appearing as a central part of the vision and as a project eligibility criterion in the form of supporting SD. However, there are no SD targets in the programme, even though some approximations appear amongst the Measures.

SD is traceable through the document in four out of six Measures. Priority 1 makes reference to improved communication through sustainable methods, whereas Priority 2 addresses the use of the unique cultural and natural resources for the economic benefit of communities. Priority 3 has emphases on bottom-up-perspectives, public participation in decision-making, household waste management, social exclusion and empowerment, promoting a well-balanced integration of environmental, social and economic concerns.

There is no budgetary allocation identifiably linked to SD realisation, since elements of SD are distributed between several Measures.

With regard to methods used to assist SD integration, the PC states that projects must take SD into account, including economic, social and environmental perspectives. However, it does not specify how an applicant should demonstrate that this has been achieved, and in practice the SD eligibility criterion may correspond to the horizontal environment indicator described above. For example, the PC indicates that projects should present the impacts on sustainable development, particularly the environmental impacts, citing the environment indicator. Nevertheless, SD appears well integrated into this programme.

6.3 North Sea

6.3.1 Introduction

The spatial coverage of the Interreg IIIB North Sea consists of the whole of Denmark, the region of Antwerp as well as the regions of Oost- and West-Vlaanderen in Belgium, a number of regions in Northern Germany (Lower Saxony, Schleswig-Holstein, Hamburg and Bremen) and from the Netherlands (Friesland, Groningen, Drenthe, Overijssel, Flevoland, Noord-Holland, Zuid-Holland, and Zeeland) and from Sweden (Halland, Kronoberg, Skåne, Värmland, Västra Götaland) and from the UK (North East Scotland, Eastern Scotland, parts of the Highlands & Islands, Tees Valley and Durham, Northumberland and Tyne & Wear, Humberside, North Yorkshire, South Yorkshire, West Yorkshire, Derbyshire & Nottinghamshire, Lincolnshire, Leicestershire, Rutland & Northamptonshire, East of England and Essex). From Norway, the counties of Akerhus, Østfold, Oslo, Hedmark, Oppland, Buskerud, Vestfold, Telemark, Aust-Agder, Vest-Agder, Rogaland, Hordaland, Sogn og Fjordane, Møre og Romsdal, Sør-Trøndelag are included.

The population in the programme area is approximately 61 million. Differences in population density are substantial, varying from very sparsely populated areas such as Sogn og Fjordane (6 inhabitants per km^2) in Norway to very densely populated areas such as Hamburg (2262 inhabitants per km^2). The average population density in the programme area is 117 inhabitants per km^2.

The programme has four Priorities: (i) transnational spatial development strategies and actions for urban, rural and maritime systems in the North Sea Region; (ii) efficient and sustainable transport and communications and improved access to the information society; (iii) sustainable management and development of the environment, natural resources and cultural heritage; and (iv) water management.

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6.3.2 Environment

EU Policy context

The programme shows considerable awareness of relevant EU environmental policy and legislation. In the SPD, there are references to the EU Sixth Environmental Action Programme, 'Environment 2010: Our Future, Our Choice', and attention is drawn to how the European Council's Gothenburg meeting added an environmental dimension to the Lisbon process for employment, economic reform and social cohesion. There are also references to the Directive on Habitats, the Directive on Birds and Natura 2000, especially that participating Member States will ensure projects comply with the protection of Natura 2000 sites and environmental assessment will be required for projects in sensitive areas.

In addition, the Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment is described as relevant for trans-national spatial development. Although Interreg IIIB programmes are excluded from this directive, it still applies to plans and programmes in the Member States.

Regional profile

A section on natural resources and cultural heritage serves as a Regional Environmental Profile. The environmental information amounts to five pages, which compares with eleven pages of social and economic data. The thematic coverage provides information on water, agriculture, waste, climate change, energy, oil and gas, and coastal zone management. Some subsections are detailed (coastal zone management and water), some contain quantitative information (concerning emissions of green house gases, electricity consumption and gas and oil consumption), while other subsections are very brief.

The SPD also contains four regional SWOT-tables, one for each Priority. Environmental aspects are mainly raised in Priorities 3 and 4, presenting a useful analysis of the region's environmental strengths and weaknesses.

Programme tools

An overall environmental objective at programme level is to achieve measurable improvements in environmental quality by reducing the pollution levels in water, air and soil. At Measure level, examples of environmental objectives include:

- Raise awareness and interest in the natural assets in the North Sea region.
- Protect natural resources and improve the sustainable management of waste.

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- Reduce the demand for fresh water.

More specific environmental targets include:

- 10 sites should directly benefit from the establishment and improvement of protected natural, cultural and historical land-scapes and sites.
- Increase employment in (environmentally friendly) cultural tourism in 20 regions of the North Sea programme area.
- Improve the quality of water in 20 areas.

The programme does not include estimates of environmental impact. Although each Measure lists possible impacts that may include environmental issues, they are all considered from a positive perspective as examples of how the programme could benefit the region.

The SPD states that projects should fulfil at least one Measure-specific project selection criterion. Of the two or three criteria linked to each Measure, several concern environmental aspects:

- Protecting and developing valuable landscapes.
- Improving opportunities for environmentally friendly cultural tourism in the North Sea Region.
- Protecting natural resources and improving the sustainable management of waste.
- Improving the quality of water.
- Reducing the demand for fresh water.
- Reducing harmful effects of disasters, especially on coastal areas.

For programme monitoring, there is one collective environmental indicator to identify whether projects are mainly environment-focused, environment-friendly, or environment-neutral. It also monitors the number of joint projects or networks regarding protected areas, water pollution abatement and air pollution abatement. There are also Measure-specific environmental indicators related to wasteland sites restored, landscapes enhanced, new eco-tourism products, strategies for sustainable management of resources and measures to improve the drinking water quality.

Environmental integration
Environment first appears in the programme at Priority level, particularly in Priorities 3 and 4. The aim of Priority 3 is to establish new ways to

manage, use and develop the resources and cultural heritage of the region in an environmentally sustainable way, whereas Priority 4 concerns development of water management with emphasis on water quality and flooding. The environmental considerations become more refined in the Measures through objectives and indicators. Even in Priorities 1 and 2, environmental concerns appear within the Measures, for example through suggested impacts or activities related to better ecosystems, more environmentally friendly production methods, decreased car dependency, and promoting emission-free transport modes.

During the programme design process, the SPD states that environmental associations (among others) were consulted in Germany and the UK. A number of NGOs and official bodies were consulted in the other Member States, but no indication is given whether these included environmental specialists.

With regard to financial allocations for environmental factors, Priorities 3 and 4 mostly deal with environmental themes, and they have been allocated more than 50 percent of the programme budget.

In addition to the focus on environmental improvement in Priorities 3 and 4, the programme promotes environmental gain. Within Priority 1, developing more environmentally friendly production methods is encouraged as part of co-operation on R&D matters and access to innovation support. Similarly, introducing water elements into urban and rural design is expected to increase competitiveness and tourism, while creating a better ecosystem for plants and animals.

Environment is effectively integrated into this programme. Of the four SWOT-tables, those linked to Priorities 3 and 4 contain substantial environmental information, and in Priority 4 in particular most of the strengths, weaknesses, opportunities and threats are linked to a specific Measure that is considered to deal with this feature. This system is further supported in the PC with examples of eligible project activities.

6.3.3 Sustainable development

Definition

The SPD describes SD as development that fulfils present needs without jeopardising the possibilities for future generations to fulfil their needs. Furthermore it says that, at the level of the North Sea region, the concept of sustainability should be regarded in the same way as in the European Spatial Development Perspective. Throughout the programme, it is made clear that environmental concerns are one aspect of SD, the other two dimensions being economic and social concerns.

EU Policy context
The programme shows awareness of relevant EU sustainable development policy and strategy. In the Regional Environmental Profile, reference is made to the EU Council agreement to give considerable attention to the integration of environmental and sector policies and sustainable development, as well as the EU SD strategy agreed in Gothenburg in June 2001.

Regional strategy
SD appears to be a vital part of the programme as a whole, but there is no overall SD strategy.

SD Integration
The SPD states that the overall aim of the Interreg initiative is that national borders should not be a barrier to the balanced sustainable development and integration of the European territory. In the PC, the three central aims include sustainable development for the region as a whole, which is linked to qualitative targets such as:

- Improved sustainability of spatial development policies and actions at regional, national and trans-national levels through common approaches.
- Economic, social and environmental development of the region, with an emphasis on areas that are lagging behind.

SD is reflected in a number of Measure-specific objectives:

- Improve knowledge on effective and sustainable transport policies and systems.
- Integrate remote and peripheral areas into sustainable international transport networks.
- Improve the opportunities for environmentally friendly tourism in the North Sea Region, incorporating the target of increasing employment in cultural tourism in 20 regions.
- Promote sustainable energy production, with the target that 20 regions will co-operate in this field.
- Integrate water quality management into spatial strategies.

SD is included in the core selection criteria that all projects must meet. Applicants are expected to demonstrate the co-ordination of economic, social and environmental aspects of the issue being addressed. Amongst the Measures, project themes are encouraged in sustainable

transport networks, policies and systems, the sustainable management of waste, and promotion of sustainable energy production. Aspects of SD are also apparent in the indicators suggested for monitoring. Examples include the share of people using sustainable modes of transport and the share of sustainable energy production.

There is no budgetary allocation specifically linked to SD realisation. Nevertheless, SD is well integrated in this programme.

7. Thematic comparison

7.1 Introduction

In this section, the comparative approach borrows on the structure used in the previous sections, but is selective in the features examined. It commences with an overview of programmes using a scoring system in which each document has been given points based on its environmental attributes as identified in the previous four sections.[1] This allows a broad grouping of programmes according to scores achieved, and a comparison of relative merits, highlighting elements of programmes that show positive or innovative characteristics.

Thereafter, using the overview as a reference point, the subsequent sections combine aspects of qualitative and quantitative analysis in looking at particular themes, identifying elements of practice in environment and SD integration that are considered interesting or worthy of replication.

The themes examined are as follows:

- The quality of environmental baseline data.
- The identification of regional environmental strengths and weaknesses.
- The incidence of environmental objectives or targets.
- The entry level at which environment first appears, and the degree of continuity in reference to environmental factors.
- Environmental consultations carried out during programme formulation.
- Whether programmes were subjected to environmental impact assessments.
- Whether an environmental budget is identifiable.
- The extent to which programming documents accommodated environmental gain.
- The degree of awareness regarding EU policy and legislation for environment and sustainable development.
- The use of environment and SD in project selection criteria.
- The identification of indicators related to environment and sustainable development.

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[1] A complete list of the questions and associated scoring options used in compiling the rankings is presented in Appendix 2.

7.2 Overview of programme scoring

Four groups of programmes can be distinguished within the overall scores, for which the possible maximum would have been 42 points (see Tables 1 & 2). In the first group, the documents for the North Sea Interreg 3B and Eastern Finland Objective 1 accumulated 33 and 32 points respectively. They each scored the maximum points in eight of the 14 categories, namely baseline data, identification of strengths and weakness, setting environmental objectives and targets, environment entry level, continuity, identifiable environmental budget, project selection criteria, and effective environmental integration. The North Sea programme proved the better of the two in terms of demonstrating environment/SD policy awareness and in effective SD integration. Areas in which both these programmes were weaker included environmental impact assessment and environmental indicators.

Table 1: Programme scores in ranked order[2]

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	T
North Sea (3B)	3	3	3	3	3	0	3	1	3	3	1	1	3	3	**33**
Eastern Finland (O1)	3	3	3	3	3	1	3	2	1	3	1	2	3	1	**32**
Southern Finland (O2)	1	3	2	3	3	1	3	2	1	1	1	3	3	1	**28**
Southern Finland Coastal Zone (3A)	1	3	2	3	3	1	3	1	1	3	1	3	2	1	**28**
Södra Skogslän, Sweden (O1)	3	3	2	2	3	0	3	2	3	1	1	2	2	1	**27**
Northern Finland (O1)	3	3	0	2	3	1	3	2	1	1	1	2	3	1	**26**
Northern Periphery (3B)	1	3	3	3	3	0	1	1	3	1	1	0	3	3	**26**
Norra Norrland, Sweden (O1)	1	3	3	3	3	0	1	2	3	2	1	0	1	1	**24**
Sweden/Finland Islands (3A)	1	3	3	3	3	1	3	1	1	1	1	0	2	1	**24**
Sønderjylland/ Schleswig (3A)	0	3	3	3	3	0	3	1	1	3	1	1	1	1	**24**
Baltic Sea Region (3B)	1	3	2	2	3	1	2	1	3	0	1	0	2	3	**24**

[2] In this table, the different categories represented in the numbered columns are as follows: (1) baseline data, (2) strengths and weakness, (3) objectives/targets, (4) entry level, (5) continuity, (6) impact assessment, (7) environmental budget, (8) environmental gain, (9) policy awareness, (10) project selection criteria, (11) indicators, (12) consultation, (13) environmental integration, (14) sustainable development integration, and (T) total score.

Western Finland (O2)	1	3	2	3	3	0	2	0	1	1	1	3	2	1	**23**
Öresund Region (3A)	3	1	3	3	2	1	0	1	3	1	1	2	1	1	**23**
Fyn-KERN (3A)	3	3	3	3	3	0	3	1	1	1	0	1	1	0	**23**
Åland islands (O2)	1	3	3	3	2	0	3	1	1	1	1	1	2	0	**22**
Södra Region, Sweden (O2)	3	3	2	3	3	0	1	1	1	1	1	0	2	1	**22**
Sweden-Norway (3A)	1	3	1	3	3	0	2	1	1	1	1	2	2	1	**22**
Storstrøms Amt – Kreis Ostholstein-Hansestadt Lübeck (3A)	3	3	3	2	3	0	3	1	1	1	1	0	1	0	**22**
South-East Finland (3A)	1	3	2	3	3	1	2	1	1	1	1	0	2	0	**21**
Karelia (3A)	1	3	1	2	3	1	0	1	0	1	1	3	2	0	**19**
Öarna Region, Sweden (O2)	1	3	0	2	3	1	1	0	1	0	1	3	1	1	**18**
Denmark (O2)	1	3	2	1	3	1	1	0	1	1	1	0	2	0	**17**
Västra Region, Sweden (O2)	1	3	1	2	3	0	0	1	1	2	1	0	1	1	**17**
Kvarken-MittSkandia (3A)	1	1	2	3	2	1	1	1	1	1	1	0	1	1	**17**
Nord (3A)	1	3	3	1	2	1	0	1	1	1	1	0	1	0	**16**
Norra Region, Sweden (O2)	1	1	2	2	2	0	1	1	1	1	1	0	1	0	**14**
Total Score	**41**	**72**	**56**	**66**	**73**	**13**	**48**	**28**	**37**	**34**	**25**	**29**	**47**	**24**	

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Table 2: Scores by programme type[3]

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	T
Objective 1 programmes															
Eastern Finland	3	3	3	3	3	1	3	2	1	3	1	2	3	1	**32**
Northern Finland	3	3	0	2	3	1	3	2	1	1	1	2	3	1	**26**
Norra Norrland, Sweden	1	3	3	3	3	0	1	2	3	2	1	0	1	1	**24**
Södra Skogslän, Sweden	3	3	2	2	3	0	3	2	3	1	1	2	2	1	**27**
Objective 2 programmes															
Denmark	1	3	2	1	3	1	1	0	1	1	1	0	2	0	**17**
Southern Finland	1	3	2	3	3	1	3	2	1	1	1	3	3	1	**28**
Western Finland	1	3	2	3	3	0	2	0	1	1	1	3	2	1	**23**
Åland islands	1	3	3	3	2	0	3	1	1	1	1	1	2	0	**22**
Norra Region, Sweden	1	1	2	2	2	0	1	1	1	1	1	0	1	0	**14**
Södra Region, Sweden	3	3	2	3	3	0	1	1	1	1	1	0	2	1	**22**
Öarna Region, Sweden – Islands	1	3	0	2	3	1	1	0	1	0	1	3	1	1	**18**

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[3] In this table, the different categories represented in the numbered columns are as follows: (1) baseline data, (2) strengths and weakness, (3) objectives/targets, (4) entry level, (5) continuity, (6) impact assessment, (7) environmental budget, (8) environmental gain, (9) policy awareness, (10) project selection criteria, (11) indicators, (12) consultation, (13) environmental integration, (14) sustainable development integration, and (T) total score.

Västra Region, Sweden	1	3	1	2	3	0	0	1	1	2	1	0	1	1	**17**
Interreg 3A programmes															
Kvarken-MittSkandia	1	1	2	3	2	1	1	1	1	1	1	0	1	1	**17**
Karelia	1	3	1	2	3	1	0	1	0	1	1	3	2	0	**19**
South-East Finland	1	3	2	3	3	1	2	1	1	1	1	0	2	0	**20**
Southern Finland Coastal Zone	1	3	2	3	3	1	3	1	1	3	1	3	2	1	**28**
Nord	1	3	3	1	2	1	0	1	1	1	1	0	1	0	**16**
Öresund Region	3	1	3	3	2	1	0	1	3	1	1	2	1	1	**23**
Sweden-Norway	1	3	1	3	3	0	2	1	1	1	1	2	2	1	**22**
Sweden/Finland Islands	1	3	3	3	3	1	3	1	1	1	1	0	2	1	**24**
Fyn-K.E.R.N	3	3	3	3	3	0	3	1	1	1	0	1	1	0	**23**
Sønderjylland-Schleswig	0	3	3	3	3	0	3	1	1	3	1	1	1	1	**24**
Storstrøms Amt – Kreis Ostholstein-Hansestadt Lübeck	3	3	3	2	3	0	3	1	1	1	1	0	1	0	**22**
Interreg 3B programmes															
Baltic Sea Region	1	3	2	2	3	1	2	1	3	0	1	0	2	3	**24**
Northern Periphery	1	3	3	3	3	0	1	1	3	1	1	0	3	3	**26**
North Sea	3	3	3	3	3	0	3	1	3	3	1	1	3	3	**33**
Total Score	**41**	**72**	**56**	**66**	**73**	**13**	**48**	**28**	**36**	**34**	**25**	**29**	**47**	**24**	

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The second group consists of 5 programmes that scored within the range of 26-28 points. These comprised SPDs for Southern Finland, Southern Finland Coastal Zone, Södra Skogslän, Northern Finland and the Northern Periphery. Common positive features in this group included effectiveness in identifying regional strengths and weaknesses, environmental continuity, setting objectives or targets, a high entry level for environmental factors, an identifiable environmental budget and, for most programmes, carrying out environmental consultations during programme design. Areas in which they did not perform so well included programme impact assessment, selection criteria, environmental indicators and SD integration.

The third group, which formed the largest cluster with 12 programmes, attained scores in the range from 21-24. These included Objective 1 for Norra Norrland, Objective 2 programmes for Western Finland, Åland Islands and Södra Region, Interreg 3A programmes for Sweden/Finland Islands, Sønderjylland/Schleswig, Öresund Region, South East Finland, Fyn-KERN, Sweden-Norway and Storstrøms Amt – Kreis Ostholstein/Hansastadt Lübeck, and the Interreg 3B programme for the Baltic Sea Region. Common positive characteristics included the analysis of environmental strengths and weaknesses, a high entry level for environment, and continuity, as well as an identifiable environmental budget and environmental integration. The Baltic Sea Region was unusual amongst this group with its high integration of SD. With regard to less positive features, low scores were registered on environmental gain, project selection criteria, indicators, consultations, SD integration, and especially on environmental impact assessment.

The fourth group encompasses seven programmes scoring from 14-19 points. These comprise Objective 2 for Öarna Region, Denmark, Västra Region and Norra Region, and Interreg 3A for Karelia, Kvarken-MittSkandia and Nord. In this case, the commonalities were primarily negative attributes, such as very limited content and utilisation of baseline data, no environmental impact estimates or overt environmental gain, an absence of environmental project selection criteria and environmental indicators, and a low level of consultations and SD integration. The only areas where these programmes appeared effective were in identifying regional environmental strengths and weaknesses and in environmental continuity.

7.3 Environmental baseline data

Detailed environmental baseline data is essential to assess change over time, and in the Structural Funds context this focuses on regional conditions before and after programme implementation. The categories chosen

for data gathering should reflect the environmental problems in the programme area, and be designed to gather sufficient information for a practical appraisal. This should also allow identification of regional environmental strengths, weaknesses, opportunities and threats, and be directly linked to the programme design phase. To gain maximum effectiveness, the information should be both qualitative and, insofar as possible, quantitative.

Within the reviewed programming documents, the amount of regional environmental information provided ranged from less than one page (Northern Periphery) to eight pages (Södra Skogslän, Öresund Region and the Baltic Sea Region). An average for the regional environmental profiles would have been approximately 3.5 pages. This differed little between the type of programme, but among the countries Sweden produced lengthier profiles, and Finland (and programmes with which Finland was associated) mostly incorporated smaller profiles. In practical terms, limited profiles preclude effective analysis, problem targeting and monitoring. It is assumed that greater amounts of data may have been available, but not all were published in the documents, even though this would have assisted the justification or concentration of Measures.

In terms of the proportion of data provision (social, economic and environmental dimensions), the environmental content ranged from seven percent (East Finland, Åland Islands and Southeast Finland) to 31 percent (North Sea) and 28 percent (Baltic Sea Region). On average, programmes allocated 15 percent of a data profile to environment.

With regard to the type of information provided, most programmes restricted the coverage to qualitative information only. Those programmes also delivering quantitative material included three Objective 1 programmes (Eastern and Northern Finland and Södra Skogslän), one Objective 2 programme (Södra Region), three Interreg 3A programmes (Öresund Region, Fyn-KERN and Strostrøms Amt-Kreis Ostholstein/Hansestadt Lübeck), and one Interreg 3B (North Sea).

7.4 Regional environmental strengths and weaknesses

Identifying the environmental strengths and weaknesses is an important step in the programming process, allowing interpretation of how the environment may support or undermine the programme measures. It facilitates the creation of targets to encourage projects that develop the strengths and address the weaknesses.

Amongst the 14 questions posed, this was the second highest scoring category. Programmes from all four groups (23 or 88%) identified both strengths and weaknesses, often through some form of SWOT analysis that encompassed social, economic and environmental attributes

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of the region. The status of the SWOT varied, for example, including the following types of approach:

- A dedicated environmental SWOT for the whole programme, as in the Northern Finland Objective 1 programme (see Table 3).
- A general SWOT for the whole programme followed by an environmental SWOT for sub-regions in the programme area, as in Denmark Objective 2.
- A SWOT analysis for each Priority, as in the North Sea Interreg 3B.
- A separate SWOT for an environmental theme, such as environment and energy, as in the Interreg 3A programmes for Sonderjylland/Schleswig and Fyn KERN (see Table 4).

When an environmental SWOT was used to supplement a general programme SWOT, only 2-4 selected environmental characteristics might typically appear in the broader SWOT. There is often no discussion in relation to the SWOT tables.

In those few cases where the programmes did not use the SWOT technique, the documents generally described environmental weaknesses but identified no environmental strengths, such as for Norra Region and the Kavarken-MittSkandia Inrerreg 3A.

Table 3: Environmental SWOT Analysis

	Northern Finland Objective 1 Programme, 2000-2006
Strengths	• rugged wilderness, untouched open spaces, clean water systems • marked seasonal variations • opportunities for peace and quiet • valuable landscape and cultural attractions • cultural centres along river courses • extensive network of conservation areas
Weaknesses	• sensitivity of the northern environment (e.g. to pollution and overuse) • uneven distribution of ground water • random loading • extreme seasonal variations • barren landscape • long distances (e.g. adding to the cost of waste treatment) • lack of cohesion between populated areas • old, poorly constructed and controlled water systems
Opportunities	• development of nature tourism • attraction of conservation area status in tourism • increasingly widespread understanding of the importance of co-ordinated development between natural areas, rural and urban areas (eco-image) • Finnish organic produce • renewal of environmental management methods • development of traditional livelihoods related to the natural environment • use of renewable energy resources • development of environmental knowledge and technology
Threats	• weakening of rural life • loss of traditional landscapes and deterioration of built-up areas • construction of holiday accommodation with no overall planning perspective • problems of overuse around tourist centres

7.5 Environmental objectives and environmental targets

Environmental objectives and targets are important for defining the direction and intention of programme measures. The objectives are typically qualitative, indicating a preferred end-state gained through environmental improvement, whereas the targets should be quantitative to guide project

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design and assessment and allow measurability in programme perform-ance. Objectives and targets are a useful means of securing a higher pro-file and clear contributory role for environment within a programme.

Eleven programmes (42%) identified both environmental objec-tives and targets. This combination proved to be more a feature of Inter-reg programmes, as six of the 3A programmes and two 3B programmes were identified in this category. In comparison, most of the Objective 2 programmes identified environment objectives, but without taking the further step of forming associated targets.

Table 4: Environment and energy SWOT analysis

FYN-KERN Interreg 3A Programme, 2000-2006	
Strengths	• Relatively clean environment • Good groundwater resources • Increasing use of combined heat and power stations • Coastal areas and swamps of international importance covered by the Ramsar Conven-tion and EU directives on birds and habitats
Weaknesses	• Intensive agriculture, especially the use of fertilisers and pesticides, create environ-mental stress • Heavy metals in sewage from towns • Very few and small wetlands and forests
Opportunities	• restoration of natural environments can im-prove conditions • new technology in intensive agriculture can lower pollution • environmental management can lower or limit industrial pollution • physical planning can facilitate sustainable development
Threats	• Intensive agriculture stresses the environment and cultural heritage • Groundwater is threatened by percolation from industry and agriculture • Increased commuter traffic may bring envi-ronmental problems in the long term

With regard to the form adopted, there was a considerable variety amongst programmes. At programme level, environmental objectives and targets featured as overarching and qualitative, for example to develop

the programme in an ecologically sustainable manner (South East Finland), or quantitative, such as aiming for ten projects that would improve the environment (Öresund Region). At Priority level, quantitative targets included converting 75 companies to ecological animal farming and increasing ecological farming by 3000 hectares (Norra Norrland) or securing 80 projects with a positive environmental impact by 2006 (Karelia). At Measure level, qualitative objectives included promoting environmental responsibility and using environmental technology (Western Finland) and securing environmental improvement through co-ordinated transport (Öarna region). Examples of Measure-level targets include 15 projects where companies would environmentally adjust their businesses (Åland Islands) and that 500 companies would participate in environmental projects (Västra Region). In the Denmark Objective 2 programme, it was stated that 367 projects were expected to have an environmental impact.

7.6 Level of environmental intervention and environmental continuity

The level at which environment first appears within a programme is significant for its status and for the scope to make an impact on the programme design and outcome. In this sense, the higher the entry level, the greater the feasibility for positive impact. In the scoring of programmes, this factor was the third highest scoring theme amongst the criteria. Sixteen programmes (61%) introduced environment at Priority level (mostly Interreg programmes), and eight programmes introduced it at Measure level. Only two programmes brought environment in only at project level, either as examples of types of projects eligible for funding or of expected affects or results, such as a better environment or an increased number of companies with environmental management systems.

Environmental continuity refers to the extent to which environmental considerations are carried through programmes, so that a structure is identifiable from programme level down to project examples. Once introduced, the theme of environment should be supported through cross-referencing between categories and direct links. Amongst the various criteria, this was the highest scoring category. Twenty-one programmes (80%) made frequent cross-references to environment after its introduction, making connections between different aspects of the programme and raising the scope for environmental themes in non-environmental Measures.

7.7 Consultation in the programme design process

Including environmental authorities and other specialists in the programme design process is a Structural Funds requirement designed to facilitate environmental integration. In practice, this can take various forms, ranging from statutory consultations with environmental ministries on draft programmes to employing environmental experts (for example to estimate programme environmental impacts) and appointing a specialist committee of environment and SD officials and practitioners.

There was considerable differentiation amongst the programmes on this theme. Twelve programmes (46%) appeared to have carried out no consultations during programme design (i.e. no reference was made to any such contribution in terms of its role within programme formulation).

The 14 other programmes appear to have performed the statutory consultations with environmental authorities. Of this number, five programmes (Eastern Finland, Northern Finland, and Södra Skogslän Objective 1 programmes, Öresund Region and Sweden-Norway Interreg 3A) had consulted environmental experts for specific tasks. In the Finnish programmes, the regional environment centres (RECs) were involved alongside the Ministry of Environment and Ministry of Interior, in the case of Northern Finland dividing the tasks so that the Interior Ministry and REC worked on the SPD, while the Environment Ministry concentrated on the programme complement. In the Swedish programmes, the Swedish Environmental Protection Agency and the county administrative boards performed these roles, while in Norway these tasks were completed by the Norwegian Ministry of the Environment, the Norwegian Pollution Control Authority and local/county government administration.

Another five of the 14 programmes progressed further to establish a specialist SD/environment committee to oversee the environmental aspects of the programme design process. These comprised the Objective 2 programmes for Southern Finland, Western Finland and Öarna Region, and the Interreg 3A programmes for Southern Finland Coastal Zone and Karelia. This was a high representation from Finland, with a total of six out of the ten highest-scoring programmes. In the additional activities, consultants were engaged in preparing a strategic environmental assessment of the programme and assisting in the appraisal of eligible activities, selection criteria, and indicators. Expert panels on environment and nature/culture or EIA groups were also formed to monitor programme preparation and conduct environmental appraisals of drafts.

7.8 Estimating environmental impact

Structural Funds programmes are expected to incorporate estimates of the likely environmental impacts resulting from programme implementation.

This can act as a form of programme tool to identify the scale of desired impacts, to set targets for environmental impact, and to attract projects that meet these demands. Depending upon the approach adopted, the estimates may range from qualitative descriptions to quantitative assessments or the use of techniques such as environment-economy matrices. This was the lowest-scoring category in the survey, and there was no differentiation of this result between programme types. Half of the programmes incorporated no estimates of environmental impact, and the other 13 had only qualitative descriptions of likely impact.

For those that omitted environmental impact assessment, some programmes justified this action by stating in that such considerations should be left until the programme complement was prepared or until project selection criteria were identified. In another case, the inclusion of an EIA group in the programme design process, which had conducted evaluations of environmental impact at each drafting stage, was seen as sufficient input (Western Finland).

In comparison, most cases where environmental impact was included were either very general or entirely positive in their assessment of likely outcomes. Examples of the former case from Kvarken-MittSkandia and Karelia comprised descriptions of how the environment would be protected, activities to be financed, and co-ordination of nature protection areas. Eastern Finland and the North Sea programmes adopted an exclusively positive approach.

Denmark drew material from an ex ante evaluation of the programme, opting for a summary approach, classifying positive and negative impacts from insignificant to critical in nature. The negative impacts were explained as resulting from higher business activity, globalisation, exporting and road construction. The expected mitigating positive impacts were attributed to cleaner technology, renewable energy investment, and improved public transport, amongst other factors.

Several programmes used assessments that incorporated a range of possible outcomes, from positive to neutral and negative. The Denmark Objective 2 programme and the Öresund Interreg 3A programme used a similar structure for impact assessment, with 11 environmental categories (see Tables 5 and 6), but differing slightly in the way they presented the analysis.

Table 5: Ex Ante evaluation of environmental impacts

Denmark Objective 2 Programme, 2000-2006		
	Possible positive impacts	*Possible negative impacts*
1. Surface water	Less significant	Less significant
2. Groundwater	Less significant	Significant
3. Air	Less significant	Significant
4. Climate	Insignificant	Insignificant
5. Erosion	Less significant	Less significant
6. Animal and plant life	Insignificant	Less significant
7. Landscapes	Significant	Critical
8. Other resources	Insignificant	Insignificant
9. Waste	Significant	Significant
10. Historic buildings	Insignificant	Insignificant
11. Health & welfare of population	Less significant	Less significant

In the Öresund EIA, the material was presented in more detail in the table, illustrating how for most categories the programme implies both negative and positive outcomes. In this case, the negative impacts primarily concerned indirect effects of increased transportation and tourism, whereas the positive impacts resulted from better protection of natural environments and cross-border co-operation regarding public transportation and spatial planning.

Table 6: Environmental Impact Assessment

Öresund Region Interreg 3A Programme, 2000-2006		
	Possible positive effects	*Possible negative effects*
1. Surface water	Co-ordination and co-operation on sewage treatment, environmental regulation, planning or research in these fields; changes in attitudes and behaviour of residents, companies or tourists; increased knowledge in natural science and technology at universities and colleges.	Increased sewage discharge as an indirect effect of increased economic growth
2. Groundwater	See entry under surface water	Increased use and discharge of water as an indirect effect of increased economic growth
3. Air	Cleaner technology, greater use of renewable energy, and increased environmental concern; expansion and co-ordination public transport, changed traffic habits of residents, companies and tourists; decreased demand for transport through electronic communication systems and labour market regulations	Increased transportation, car and freight traffic and public transportation including fast ferry boats
4. Climate	See entry under surface water	Indirect effects from increased mobility and increased economic activity
5. Ground/soil, erosion	No effects	Marginal effects of increased tourism on shoreline

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6. Wildlife	Regulation and protection of nature areas, for example through Natura 2000	Impacts of more dispersed tourism on nature areas
7. Landscape	Reduced stress on vulnerable areas through co-operation and regulation of nature area management	Impacts from expansion in infrastructure, businesses, settlements and tourism
8. Other resources	No effects	No effects
9 Waste	*See entry under surface water*	Effects from increased economic activity
10. Historic buildings	Improved status and protection through cultural heritage sector	No effects
11. Public health and welfare	Improved use of resources and public investments in health and welfare	Increased commuting stress and noise as a result of increased mobility

7.9 Environmental budget

Within programme funding, parts of the budget may be allocated specifically to support environmental activity. Depending upon the scale of allocation, this can signify the importance of environment to the region, that financial provision exists for its support, and that projects addressing environmental themes are anticipated and encouraged. It may relate to individual Measures, parts of Measures or may support a full Priority, contingent upon the identified regional problems and orientation of the economic development strategy.

In the survey, 15 percent or more of the budget was taken to represent a significant allocation for environment. On this basis, eleven programmes (42%) had made significant financial allocations for environment, and four other programmes had made identifiable allocations that were not considered significant. The remaining eleven programmes had either made no specific environmental allocation, or none was easily identifiable from the SPD or programme complement. It is recognised that, in those cases, environmental support may have been distributed across the Measures.

In Södra Skogslän, for example, three of the 22 Measures have a focus on environmental issues, and together they account for approximately 25 percent of the total budget (see Table 7). Environmental issues

are also integrated into other Measures in this SPD, so in practice the environmental dimension may extend beyond 25 percent.

Table 7: Environmental budget

Södra Skogslän Objective 1 Programme		
	EUR 000s	
Energy & environment	208,736	20.9%
Forestry & environment	2,744	0.3%
Environmental improvement & Protection	35,671	3.6%
Sum	247,151	25%
Total programme budget (with Technical assistance)	1,000,596	100%

7.10 Promoting environmental gain

Regional economic programmes offer practical opportunities to derive environmental gain, defined as the attainment of environmental benefit as a direct or indirect result of economic development activity.[4] Good design can allow such benefit at no additional costs to environmental protection budgets, and instead they emerge from actions that remove obstacles to development or promote employment and enhanced competitiveness. Examples would include treating contaminated land or refurbishing derelict buildings to be viable for business activity, or in the latter case stimulating the market for environmental products or supporting accreditation for environmental management systems.

This was one of the lowest-scoring categories in the survey. No programmes overtly pursued environmental gain within a clear SD framework. However, five programmes (19%) – comprising all four Objective 1 programmes and Southern Finland Objective 2 – had a distinct orientation towards environmental gain, and 18 programmes (69%) were considered to have a modest orientation towards environmental gain. This second group included all Interreg programmes and four Objective 2 programmes.

The effectiveness of the Objective 1 programmes in this theme was based on their inclusion of a range of factors such as environmental know-how and EMS as means to develop the economy, support for or-

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[4] For a discussion of environmental gain in Structural Funds programmes, see Clement, 2000.

ganic food production, ecological farming and renewable energy, and seeking a competitive edge through environmental technology. Other factors included improving the regional environmental profile to develop the local economy, creating employment through the strengthened regional identity.

Amongst the second group, other themes of interest included increasing market share of environment-friendly products and processes, renovating damaged cultural and national landscapes (Karelia), setting sub-targets for environmentally adjusted production and an ecologically sustainable archipelago (Sweden-Finland Islands), waste minimisation and recycling, eco-tourism, and rehabilitating derelict industrial land, arms conversion areas and areas of agricultural abandonment (Baltic Sea Region).

7.11 Awareness of appropriate EU policy and legislation

In the context of the Structural Funds, partnerships are expected to demonstrate that they are conversant with EU policy and legislation for environment and sustainable development, and that they appreciate its significance for regional development programming. With the exception of the Interreg 3A programme for Karelia – which made no reference to either environmental or SD policies – all programmes in the survey cited EU environment policy. The EU directives on the conservation of natural habitats and of wild life fauna and flora (92/43/EEC) and on the conservation of wild birds (79/409/EEC) were regularly raised, forming a minimum acknowledgement. Programmes that went beyond this drew attention to the relevance of the 6th Environmental Action Programme, the water framework directive, the Polluter Pays Process, the integrated coastal zone management directive, and Structural Funds guidelines on impact assessment.

Six programmes (35%) went further, demonstrating awareness of both SD and environmental policy. These comprised all Interreg 3B programmes, two Objective 1 programmes and one Interreg 3A programme. The 3B programmes showed a broad awareness of the EU SD momentum, referring to Interreg SD guidelines, the Gothenburg agreement and Lisbon process, whereas the Objective 1 programmes incorporated brief discussion of the Amsterdam and Maastricht Treaties. Objective 2 and Interreg 3A programmes tended to acknowledge the existence of SD, but they did not place the concept in an EU policy context. In some instances, such as the Sweden/Finland Islands programme, it was apparent that environment and SD were assumed to be the same issue.

7.12 Environment and SD as project selection criteria

As part of securing effective integration, including the themes of environment and SD within project selection criteria is a significant step. Making these themes apparent both to project applicants and to project evaluators means that they are much more likely to be built into the process from the outset.

In the survey, 22 programmes (85%) specified environmental criteria to be used as project selection criteria, and four of these programmes (across categories) also cited SD criteria (Eastern Finland, Southern Finland Coastal Zone, Sønderjylland-Schleswig and North Sea). Two programmes listed only SD criteria (Norra Norrland and Västra Region), and two programmes included neither environmental nor SD criteria (Öarna Region and the Baltic Sea Region).

Regarding the status of environmental project selection criteria, a distinction can be made between general/horizontal use and Measure-specific application. General and horizontal application across a programme would typically look for environmental improvement (Eastern Finland and Northern Finland) or sustainable environmental development (Åland Islands) as a feature of projects. In this role, a range of general selection criteria may include one environmental impact criterion, for example that a project either positively contributes to, or is neutral to, ecologically sustainable development (Öresund Region). Programmes differ on the options offered, in some cases anticipating negative environmental impact (Sweden-Norway).

At Measure level, project selection criteria are more attuned to the objectives of the Measures. For instance, in the Northern Periphery programme, for Measures related to community development, priority will be given to projects that enable communities to make better use of the energy resources and waste products, or which improve resource management or reduce pollution through more integrated planning.

In terms of how they are used, these criteria are usually optional, in the sense that only a certain number (of which environment is only one) must be met to confirm project eligibility. Detailed information on how the horizontal environmental criterion is applied does not often appear. In some cases, it is simply stated that projects with positive or no impacts will be favoured (Karelia), and in others that priority is to be given to projects that prevent and repair environmental damage (Nord). Other SPDs state that where financing is low, the environmental criterion may be drawn upon to prioritise investments aimed at improving the environment (Södra Skogslän), or that within 10 graded criteria, increasing environmental awareness or decreasing negative environmental impacts can in-

crease the likelihood of funding (Åland Islands). Table 8 illustrates the range of Measure-specific environmental criteria introduced across programmes to support project selection.

Table 8: Cross-Programme selection of measure-specific environmental project selection criteria

- Protects, develops and enhances the natural and cultural heritage.
- Improves opportunities for environmentally friendly cultural tourism.
- Develops knowledge, awareness and a sense of responsibility concerning environmental issues.
- Increases share of ecologically cultivated land or forests with biotopes important for threatened species.
- Introduces new environment-friendly technology, products or processes, and improves infrastructure that reduces environmental harm.
- Increases efficiency in use of energy and natural resources, promote the use of renewable resources.
- Lead to higher value uses of the natural resource and/or enhance the economic value of products created from natural resources.
- Improves prevention and management of environmental risk, and limits the use of environmentally harmful substances.
- Increases reuse and recycling, and improves the sustainable management of waste.
- Supports environment monitoring.
- Provide evidence that the proposed use of natural resources is sustainable.
- Creates growth potential for enterprises by developing environmentally positive methods of operation.
- Links with EU or national environmental programmes, for example Natura 2000 or Agenda 21.

As a general observation, even though programmes state that it is important for projects to fulfil one or more of the criteria, it is not clear whether a better score is achieved if more criteria are met (for example, in Södra Region).

Sustainable development criteria are also used in some programmes to support project selection. For example, the Sønderjylland-Schleswig Programme lists quality criteria for project selection, intended to secure a positive impact on SD. For a number of wide-ranging themes

(see Table 9), projects can be categorised as (i) mainly fulfilling the criteria (ii) supporting the criteria, and (iii) having no adverse impact.

In comparison, the North Sea programme includes SD in the core selection criteria that all projects must meet. Applicants are expected to demonstrate the co-ordination of economic, social and environmental aspects of the issue being addressed. Amongst the Measures, project themes are encouraged in sustainable transport networks, policies and systems, the sustainable management of waste, and promotion of sustainable energy production. Other programmes, such as Eastern Finland and Norra Norrland, indicate that projects should contribute to SD, but this is not always a mandatory requirement.

Table 9: Quality criteria for project selection

Sønderjylland/Schleswig Interreg 3A Programme
• Project strengthens the regional business sector • Project will have positive effects on the labour market • Project is of innovative character • Project will positively influence educational qualifications • Projects supports equality between men and women • Project has a long-term positive effect on the environment • Project supports cross-border knowledge and understanding • Project supports bi-lingualism • Project gives new impulses to co-operation • Specific further effects of the project

In another example, the Södra Region programme describes long-term SD as a horizontal project selection criterion, but SD is then translated into a number of ecologically sustainable development (ESD) sub-criteria. In practice, long-term SD corresponds to the horizontal indicator 'effect on the environment', and the concept of SD is used only in this restricted manner. A similar outcome occurs in the Northern Periphery programme, which states that projects must take SD into account, including economic, social and environmental perspectives, but it does not specify how an applicant should demonstrate that this has been achieved. In practice, the SD criterion appears again to correspond with the horizontal environment indicator: in the PC, project applicants presenting impacts on sustainable development are encouraged to consider environmental impacts and are referred to the environment indicator.

7.13 Indicators for programme monitoring

Indicators are required to assist the evaluation of change, both to confirm that change is occurring and also to ascertain that the change is in the desired direction. The selected indicators should be accessible and measurable. The majority of programmes in the survey (25 or 96%) incorporated environmental indicators.

However, in contrast to the attempts to utilise SD project selection criteria, no programmes opted to prepare SD indicators or devise a collective SD indicator. In the Norra Norrland Objective 1 and Nord Interreg 3A programmes, SD/environment is described as a collective indicator, but the accompanying programme complement reduces this to environment. Similarly, in Västra Region, SD is cited as a horizontal indicator, but its three alternative ratings are exclusively environmental.

In other cases, although no reference is made to SD indicators, the component parts in addition to environment are visible, such as gender equality, integration (Norra Region), job-creation and new businesses (Öarna Region), sustainable modes of transport and the share of sustainable energy production (North Sea).

Indicators are applied mostly at programme level, as horizontal instruments, where the format frequently adopted is to consider the total cumulative effect of the programme on the environment. This basic approach usually has two, three or four options comprising positive, neutral or negative, with positive at times divided into dedicated environmental projects and environment-friendly projects, as for example in the Norra Norrland programme. However, some programmes adopt more detailed classifications. In the Southern Finland Coastal Zone SPD, five different levels are utilised, each incorporating environmental indicators:

- Context indicators (programme level), such as the state of the environment in the Gulf of Finland.
- Key indicators (programme level), including projects with a primary emphasis on environmental issues.
- Result indicators (Priority level), such as the number projects supporting the realisation of the Natura 2000 network.
- Output indicators (Measure level), for example the numbers of projects dealing with management of environmental risks, environmental management, and environmental technology.
- Input indicators (operational level), which were to be specified during programme implementation.

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Other approaches used combinations of terminology and classifications for indicators grouped as activities, results and effects (Västra Region and Storstrøms Amt – Kreis Ostholstein/Hansestadt Lübeck), financial, physical, result and effects (Åland Islands), and global, input, output and outcome (Denmark Objective 2).

In terms of the themes covered, the selections vary according to regional scale and associated problems and priorities. In the Western Finland programme, each Measure has a set of environmental indicators, ranging from a minimum of two indicators up to a maximum of twelve. In total, this programme uses 16 different environmental indicators (see Table 10). In comparison, Measure-level indicators in the Sweden-Finland Islands programme have a greater focus on impacts on the private sector (see Table 11).

Table 10: Measure-level environmental indicators

Western Finland Objective 2 Programme, 2000-2006

- Projects with positive environmental consequences.
- Projects that launches new environmental systems in companies.
- Projects that uses environment-friendly products or production methods.
- Projects that develops environment-friendly products or production methods.
- Projects that promotes the usage of renewable energy sources.
- Water supply projects.
- Waste management projects.
- Projects that repair contaminated pieces of land.
- Projects that repair culturally valuable building or environment.
- Projects within which protection plans or measures for groundwater areas have been formulated or carried out.
- Environment and area projects.
- Projects within which watercourses/drainage areas have been repaired
- Environmental training projects.
- Projects that connects to environmental recreation and nature protection.
- Projects for nature tourism.
- Projects that support Natura 2000 areas.

Table 11: Measure-level environmental indicators

Sweden-Finland Islands Interreg 3A Programme
- Activities between producers, sales organisations and other actors certifying environmental quality of delivery chains.   - Local producers with environmentally certified delivery agreements with sales.   - Number of companies with environmental plans.   - The percentage of companies stating that environmental certificates have been advantageous.   - Comparative emissions reduction after three years in companies supported by the programme.   - Emissions reduction after three years in shipping companies that participated in the programme, compared with other Baltic Sea shipping companies.   - Comparative reduction in various emissions and loads after three years in primary industry participants.

8. Conclusions

8.1 Introduction

This final section of the report considers the two main themes of environment and sustainable development.

Environmental integration is becoming a more familiar theme and measurable task for Nordic programme designers and evaluators. Techniques for integration are relatively advanced, and the exercise is less complex than the demands made by SD integration, yet the two terms are still mistaken as being synonymous. A range of tools has been used to assist integration, as identified in the previous sections, encompassing environmental SWOT analyses, environmental impact assessment, strategic environmental assessment, environmental indicators and environmental project selection criteria. Associated procedural steps used to facilitate integration have included consultations with environmental authorities, engaging environmental consultants, and establishing specialist working groups to co-ordinate the environmental dimension of programme design.

Sustainable development integration represents a new and greater challenge for Nordic regional development practitioners. Various methods have been recommended as means to facilitate this integration, from sustainability strategies within programmes to SD project selection criteria, SD indicators, and specific chapters of programming documents devoted to this cross-cutting or horizontal theme. However, this is an area of the Nordic Structural Funds where there is still considerable scope for improvement and incorporation of new approaches.

8.2 Environmental integration

In the survey, environment was assessed as well-integrated in five programmes (19%), all of which were amongst the top seven in Table 1. They comprised the Eastern Finland and Northern Finland Objective 1 programmes, the Southern Finland Objective 2 programme, and the Northern Periphery and North Sea Interreg 3B programmes. A further 11 programmes (42%) were considered to have a moderate level of integration, meaning that most of the essential elements were incorporated, but they were not linked together effectively. The remaining 10 programmes were characterised by limited use of environmental integration tools and procedures, and they were assessed as having achieved only basic integration.

The three Finnish programmes had a very good combination of features. These included broad consultation during the programme design process, good baseline data, and use of environmental SWOT with results

applied directly in Measures, most of which incorporated environmental issues. This was enhanced by a high entry level for environment and effective continuity, a substantial environmental budget (defined as 15% or more of programme total), and a distinct orientation towards environmental gain. In comparison, the two Interreg 3B programmes had similar features, and an apparently higher level of policy awareness, but they were less effective in harnessing environmental gain and in conducting external consultation.

Overall, most of the reviewed programmes performed well in terms of introducing environment into the programme structure at a high level, identifying environmental strengths and weaknesses, and then ensuring continuity of environmental concerns throughout the documents. This represents a good framework from which to secure integration.

However, this promising start was frequently not supported with essential factors such as detailed regional environmental baseline data, which varied in quality and which was often not quantified, even though this is a Structural Funds requirement. Budgetary allocations offer another area where environment can be given greater visibility through dedicated funding. For comparative purposes, where exact figures were not available, assumptions were made in the survey about the relative proportions of finance for environment, based on titles of Priorities/Measures and indicative examples of projects. Whereas this may underestimate the actual total made available for environmental investment, it illustrates the low profile that most programmes presented for this theme. However, even in cases where high percentage budgets were identified, there is no certainty that this expenditure will be focused on environment during the implementation phase.[1]

Other areas where integrational features were less effective included setting environmental objectives and targets alongside social and economic ones, which would have greatly strengthened the environmental focus of programmes, and the use of environmental project selection criteria. Even in programmes where such criteria were listed, it was generally unclear what level of significance they held for the decision process. In some cases, negative impacts could be registered, apparently without undermining a project, but the likely weighting to be attributed

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[1] Mid-term evaluations in Finland have stated that, for projects with environmental objectives, different practices have been followed in terms of weighting and financial awards. Moreover, environmentally beneficial projects have generally been small-scale, which means that even though they have been large in number, their target share of the finance (20-30% depending on individual programmes) has not been realised (Berninger, 2003).

was not specified. In other instances, positive environmental impacts were described as affording a project greater priority, but no further insight was provided on how this might operate in practice.

Indications of policy awareness were limited within programmes, in particular regarding EU environmental and sustainable development resolutions, regulations and similar documentation. If programmes do not demonstrate a contextual understanding of such responsibilities and opportunities, project applicants will be less likely to identify with a European cultural framework that seeks to generate sustainable projects. In addition to supporting an improved living and working environment, the Structural Funds also contribute towards broader European ideals and aspirations.

The areas where the surveyed programmes were especially ineffective comprised the assessment of environmental impact and incorporation of principles of environmental gain. Even though estimating the likely impact of programmes is a regulatory requirement, it has not been developed in practice. A number of programmes considered this task unfeasible and took the decision not to attempt an estimate. Of those that made modest efforts in this direction, the outcomes were qualitative rather than quantitative, and potential benefits were limited. Rather than perceiving it as a hindrance, programmes could approach this task as an opportunity, with the impact assessment used as a means of targeting and securing environmental impact. In other words, regional development programmes may have an environmental impact, but in the form of a directed and positive impact. Constructing various levels of impact tables or matrices can form part of an interactive process to clarify the type and scale of environmental impact sought. In this way, it becomes a major element in programme design and provides a source from which to establish environmental targets, project selection criteria and linked indicators.

The process of conducting environmental consultations appeared under-represented in programme documentation. Whereas this may reflect the reality, it is also possible that programme teams did not acknowledge the full extent of authorities and agencies that were involved, nor the parallel processes where specialist consultants or committees might have made interventions during the design phase.

In general, programmes demonstrated recognition of the complementary nature of economy and environment, but this ensures no more than superficial integration. To achieve greater integration, tools and techniques already in existence could usefully be applied in programme appraisal, either at formative stages or to draft programmes. For instance, the technique of development path analysis identifies six paths ranging

from the option to increase growth in economic activity and make no real change in environmental impact to improving resource efficiency and fostering economic activity that reduces demands on environmental resources.[2] The analysis is performed by attributing elements of the financial plan to each path, providing an impression of the conditions that the programme might generate in the region. This involves a number of assumptions about the outcome of measures, prior to the submission of project proposals. However, if used in conjunction with a pro-active environmental impact assessment, this technique could be an instructive *ex ante* methodology to determine programme orientation.

Another technique that may be used at the design stage is the formation of an environment-economy matrix (EEM).[3] The matrix is designed to illustrate the scope within a programme to realise environmental opportunities already highlighted in regional environmental profiles and environmental SWOT analyses. It involves assessing each Measure within each Priority against selected themes, producing an overview of a programme's potential for environmental investment. In the completed matrix, if most boxes or columns are empty, this indicates a low level of integration and may prompt programme designers to reconsider individual Measures, create environmental targets or revise project selection criteria.[4]

8.3 Sustainable development integration

For the Nordic Structural Funds programmes reviewed, effectiveness in environmental integration was not mirrored by effectiveness in sustainable development integration. This category received one of the lowest scores in the survey. Only three programmes – for Interreg 3B – were assessed as having performed well in integrating SD into the documents. Thereafter, 15 programmes (58%) had a basic integration of SD, comprising all four Objective 1 programmes, five Objective 2 programmes, and six Interreg 3A programmes. With regard to the eight remaining programmes, SD may have been mentioned, but it was isolated with no identifiable integration.

This comparatively poor performance reflects the reality that environmental protection is a familiar concept, it has a long and identifiable

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[2] This interpretation of development path analysis is drawn from ECOTEC, 1997.

[3] This description of the environment-economy matrix is taken from Clement, 2001.

[4] An example of an EEM prepared for an English SPD is presented in Appendix 3.

history as a policy issue in the Nordic countries, and its integration is more manageable through use of conventional tools and measurable targets. However, the high profile of environment has also contributed to undermining progress in SD, in the sense that SD has been interpreted either as environment under a different name or as ecological sustainable development (ESD), which concentrates on the environmental dimension of SD. Within certain programmes, this resulted in no clear hierarchy between environment and sustainable development, with the terms used interchangeably. Through this tendency, Nordic environmental expertise has delayed the transition to a sustainable development perspective within Structural Funds programming documents.

In some instances, the lack of conceptual clarity and absence of any regional definition of SD within programmes was compounded by conflicting usage of the term between programmes and programme complements. In such cases, one of the documents would reduce SD to an exclusively environmental perspective. To resolve this issue, greater cognisance of EU policy initiatives related to SD would support a higher degree of uniformity not just between programmes, but also between programming documents for the same region.

In terms of the Commission guidance on sustainable development in the Structural Funds, the Interreg 3B programmes, with well-integrated SD, appear to have moved beyond the 'minimisation' stage, characterised by energy conservation, recycling waste and double-dividend development measures, to reach the 'restructuring for sustainable development' scenario. In this implementation, the environmental dimension of SD within a regional economy is described as directly reducing the use of environmental resources, orienting spatial policies to reduce travel, and increasing opportunities for industrial ecology, for example with firms sharing heat or exploiting waste. To encompass the broader dimensions of SD there is scope for still further achievement through refining tools such as collective SD indicators and elaborated scoring techniques for projects.

As the EU Thematic Evaluation on the contribution of the Structural Funds to sustainable development was published after the reviewed programmes were submitted, its approach and experimental methods could not influence the programme design process. Nevertheless, in future regional development programmes, it is anticipated that programme teams will utilise or adapt some of the recommended techniques, such as regional development pathways and the sustainability assessment matrix, and in the implementation phase steer the Nordic countries closer towards realising sustainable regional development in practice.

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World Commission on Environment and Development (1987) *Our Common Future,* Oxford University Press.

APPENDIX 1

Dates of programming documents publication and receipt

	Single Programming Documents	Programme Complements
Objective 1 programmes		
Eastern Finland	Received June 2002	n.a.
Northern Finland	Received June 2002	n.a.
Norra Norrland, Sweden	May 2000	February 2002
Södra Skogslän, Sweden	Undated	June 2001
Objective 2 programmes		
Denmark	22 September 2000	June 2001 (5 summaries) April 2000 (Egebjerg et al), September 2000 (Ringkøbing et al), rest undated
Southern Finland	Received May 2002	n.a.
Western Finland	Undated	Undated
Åland islands	June 2001	August 2001
Norra Region, Sweden	Undated	May 2001
Södra Region, Sweden	December 2000	October 2001
Öarna Region, Sweden – Islands	Received July 2002	Received July 2002
Västra Region, Sweden	December 2000	September 2001
Interreg 3A programmes		
Kvarken-MittSkandia	February 2001	November 2001
Karelia	Undated	January 2002
South-East Finland	October 2001	December 2001
Southern Finland Coastal Zone	August 2001	November 2001

Nord	SPD undated, September 2000 (North Calotte PD), August 2000 (Sámpi PD), Kolarctic undated	March 2002
Öresund Region	November 2001	February 2002
Sweden-Norway	August 2001	February 2002
Sweden/Finland Islands	February 2001	June 2001
Fyn-KERN	Received March 2002	Received July 2002
Sønderjylland/Schleswig	Received March 2002	Received August 2002
Storstrøms Amt – Kreis Ostholstein/Hansestadt Lübeck	July 2001	Undated
Interreg 3B programmes		
Baltic Sea Region	September 2001	December 2002
Northern Periphery	October 2001	December 2002
North Sea	September 2001	March 2002

APPENDIX 2

Scoring system for programme analysis

1.   In what form is the regional environmental baseline information?

Qualitative & quantitative information   *= 3*
Quantitative information only   = 2
Qualitative information only   = 1
No information   = 0

2. Does the programme describe the region's environmental strengths and weaknesses?

Both strengths and weaknesses   = 3
Environmental strengths   = 2
Environmental weaknesses   = 1
Neither strengths nor weaknesses   = 0

3.   Does the programme contain environmental objectives or targets?

Qualitative objectives and quantitative targets   *= 3*
Quantitative targets   = 2
Qualitative objectives   = 1
Neither targets nor objectives   = 0

4.   At what levels does environment appear in the programme?

Priority, measure and project level   *= 3*
Measure and project level   = 2
Project level only   = 1
Never appears   = 0

5.   To what extent are environmental considerations carried through the programme after first appearing?

Frequent cross-references   *= 3*
Occasional cross-references   = 2

Mentioned only in one section   = 1
Appears only in appendix/complement   = 0

6. What form do estimates of environmental impact take in the programme?

Matrices   *= 3*
Quantitative   = 2
Qualitative   = 1
No estimates   = 0

7. What percentage of the budget is allocated to environmental factors?

High percentage (15% and above)   = 3
Low percentage (below 15%)   = 2
Unclear   = 1
Nothing   = 0

8. Does the programme include measures that promote environmental gain?

Substantial environmental gain orientation   *= 3*

Distinct orientation towards environmental gain   *= 2*
Modest orientation towards environmental gain   = 1
No promotion of environmental gain   = 0

9. Is there evidence that the programme team is aware of relevant EU policy and legislation?

References to EU SD and environment policy   = 3
References to EU SD policy only   = 2
References to EU environment policy only   = 1
No references to EU policy   = 0

10. To what extent are environmental and SD criteria identified as part of project selection criteria?

Environment and SD criteria cited   = 3
SD criteria cited   = 2
Environment criteria cited   = 1
No environment or SD criteria   = 0

11. Are indicators identified for use in programme monitoring?

SD and environment indicators   *= 3*
SD indicators   = 2
Environment indicators   = 1
No indicators   = 0

12. Is there evidence of consultation with environmental authorities or specialists in programme formulation?

Interdepartmental SD/Environment Committee established   = 3

Central/local authorities or external experts involved   *= 2*
Consultation with environmental authorities   = 1
No consultations   = 0

13. **How effective is environmental integration in the programme?**

Well integrated   = 3
Moderate   = 2
Basic   = 1
Isolated/no integration = 0

14. How effective is SD integration in the programme?

Well integrated   = 3
Moderate   = 2
Basic   = 1
Isolated/no integration = 0

APPENDIX 3

Environment-economy matrix for south-west England objective 2 programme (extract)

Environmental Opportunities	Priority 1	Priority 2	Priority 3	Priority 4
Improve the management of designated sites		2.4	3.3	4.2, 4.5
Promote appropriate management and restoration of wildlife habitats and species		2.4	3.3	4.2, 4.5
Enhance landscape character, including historic landscape and historic buildings	1.2	2.3		4.5
Re-use historic buildings and heritage areas	1.2	2.3	3.2	4.1, 4.2, 4.4
Reduce waste stream with materials re-use		2.2	3.1	
Provide advice and support for environmental resource economy in business	1.1	2.1, 2.2	3.1, 3.3	4.6
Inter-business trade in environmental resources		2.1		
Development of renewable energy capacity		2.2	3.1	
Recycling and energy projects as community business activities	1.1, 1.2, 1.4	2.2		
Support sustainable and integrated local public transport	1.2	2.3		4.1, 4.2
Encourage alternative modes of freight transfer		2.1, 2.2		
Extend cycle and footpath networks	1.2			4.1, 4.2
Integrate agriculture and tourism initiatives	1.4		3.1	4.1, 4.2, 4.3, 4.5
New specialist products through farm diversification		2.2, 2.4	3.1	4.5
Promotion of organic farming and local food links	1.4	2.4		4.5
Promotion of working woodlands, coppicing and energy crops		2.4		4.5
Reclamation of derelict land	1.2	2.3	3.2	4.4
Restoration of redundant sites and buildings	1.2	2.3	3.2	4.1, 4.2
Develop the environment industry sector and support uptake of environmental technology	1.3	2.1, 2.2, 2.3, 2.4	3.1, 3.2, 3.3	4.6

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Develop existing and new environmental skills, increase environmental awareness	1.1, 1.3, 1.4	2.1, 2.2, 2.4	3.3	4.6
Greening of local produce	1.3, 1.4		3.1	4.5
Promote business in environmental land management		2.1, 2.2	3.1	4.5, 4.6
Develop sustainable/green/eco-tourism	1.1, 1.3, 1.4	2.1, 2.2	3.1, 3.2	4.1, 4.2, 4.3, 4.5, 4.6
Improve environmental infrastructure for tourism		2.3	3.2	4.1, 4.2, 4.5
Support for environmental management systems		2.1, 2.2	3.1	
Encourage ICT and e-commerce	1.1, 1.3, 1.4	2.1, 2.2, 2.3	3.1, 3.2, 3.3	4.1, 4.2, 4.4
Support local sourcing of goods and materials	1.2, 1.3, 1.4	2.2, 2.3	3.2	4.5
KEY 　　Priority 1 – Community Regeneration, 　　Priority 2 – Enterprise and SME Competitiveness 　　Priority 3 – Technology, Knowledge-Based Industries and Innovation 　　Priority 4 – Sectors in Transition				

Source: Government Office for the South West, 2000

APPENDIX 4

List of abbreviations

CSF – Community Support Framework
DG – Directorate-General
EAGGF – European Agricultural Guidance and Guarantee Fund
EIA – Environmental Impact Assessment
ENSURE – European Network for Sustainable Urban & Regional Development Research
ERDF – European Regional Development Fund
ESD – Ecologically Sustainable Development
ESF – European Social Fund
EU – European Union
FIFG – Financial Instrument for Fisheries Guidance
OP- Operational Programme
PC – Programme Complement
RDP – Regional Development Plan
REC – Regional Environmental Centre
SD – Sustainable Development
SEA – Strategic Environmental Assessment
SPD – Single Programming Document
SRD – Sustainable Regional Development
SWOT – Strengths, Weaknesses, Opportunities and Threats

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6. Environmental Impact Assessment, Øresund Region Interreg 3A Programme, 2000-2006

7. Environmental Budget, Södra Skogslän Objective 1 Programme Cross-Programme Selection of Measure-Specific Environmental Project Selection Criteria Quality Criteria for Project Selection, Sønderjylland/Schleswig Interreg 3A Programme Measure-level Environmental Indicators, Western Finland Objective 2 Programme, 2000-2006

8. Measure-level Environmental Indicators, Sweden-Finland Islands Interreg 3A Programme

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