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**1. Olli Rehn**

Vice-President of the European Commission  
EU Commissioner for Economic and Monetary Affairs  
Directorate General for Economic and Financial Affairs  
B-1049 Brussels  
Belgium

Reference: 164/5-2012

**2. Janez Potočnik**

EU Commissioner for the Environment  
European Commission  
B-1049 Brussels,  
Belgium

15 May 2012

Subject: Reply to your letter of 22.3.2012 on the environmental impact of measures adopted in Greece to tackle the economic crisis

Dear Commissioner Rehn,  
Dear Commissioner Potočnik,

Thank you for your reply of 22<sup>nd</sup> March 2012 to our letter of 6 January 2012, in which the global conservation organization WWF calls for the attention of the Commission to the adverse environmental impacts of the economic and structural adjustment programme for Greece.

Your expressed respect to the environmental acquis and the Commission's commitment to ensure that measures agreed within the context of the adjustment programmes cannot go against the EU regulatory framework is welcome. Indeed, acknowledging the role of the Commission as the Guardian of the Treaties, we raised our concerns. As we are witnessing the rapidly increasing environmental impacts resulting directly or indirectly from the structural adjustment and austerity policies applied in Greece, allow us to respond to a few of the points raised in your letter.

Regarding firstly the Green Fund, the legal provision that allows the diversion of 95% of the funds to the General Budget does not include any mention of the purposes that this will serve. Therefore, the relevant legal provision is not about the deceleration of the allocation of the resources of the Green Fund, but rather facilitates the allocation of its resources to serve other purposes. To further document this point, we have translated the specific legal provision of article 39, par. 6 of Law 4024/2011, which reads as follows:

*“b) The following paragraph 4 is added to article 3 of Law 3889/2010 (Govt Gazette A’ 182):  
“4. During the implementation of the Midterm Fiscal Strategy Framework, the annual allocation of the resources of the Green Fund, as stipulated in article 8, serving its operational expenses and the achievement of its purpose, should not exceed five percent (5%) of its total reserves by the end of the previous year. The remaining reserves above the aforementioned percentage can be transferred to the State Budget by joint decisions of the Ministers of Finance and Environment, Energy and Climate Change”.”*

It is, therefore, clear that the resources of the Green Fund are no longer committed to environmental purposes.

Regarding the simplification of the environmental licensing procedures, WWF has always been a proponent of a concise and precise environmental legal corpus and the need to drastically eliminate unnecessary bureaucracy. In our letter of 6 January, however, we expressed concerns about the exemption from a proper environmental assessment of a series of projects planned within Natura 2000 sites. Indicatively, art. 7 of Law 4014/2011 allows for modifications of authorized projects without a revised environmental impact assessment in accordance with Directive 85/337/EEC. Moreover, the new permitting system excludes from “appropriate assessment” a number of projects occurring within Natura 2000 sites, such as housing, shopping malls of up to 2,000 sq.m., water drilling of up to 25,000 m<sup>3</sup> and irrigation-draining of up to 5 hectares.

At this point, we wish to comment on the European Commission’s continued belief that “Land-use planning and environmental licensing rules are often cited as obstacles to investment. Companies operating in the energy sector, distribution and logistics and transport sectors are the worst affected.”. This statement, which is included in the “Growth for Greece” Communication released by the Commission on April 18<sup>th</sup>, supports the false assertion that environmental legislation in Greece has been an obstacle to development, which should be abolished. Especially as fundamental environmental policies, such as the conservation of natural resources and biodiversity, are notoriously absent from the economic adjustment programme for Greece, such statements can only be interpreted as approval on the part of the Commission for further cuts on the system of environmental permits, even at the expense of environmental safeguards that are of vital significance in the case of Greece.

On the sale of public lands policy, we do realize that this falls beyond the competence of the European Commission. Our concern is that absolutely no environmental safeguards are stipulated by Law 4024/2011 (Chapter B’), whereas the “urgent” character of this particular law implies that its provisions supersede any other legislation that may contravene them.

The above mentioned law also leaves room for legalisation of pre-existing illegal land use changes. We are therefore seriously concerned with the fact that public lands may be sold for development even within protected areas and under fast-track procedures that would not allow for proper impact assessments.

Specifically with regard to the unacceptable policy introduced for the legalisation of illegal buildings, our concerns are echoed by the recent decision of the Council of State (April 2012), which ruled that any extension in the period for the submission of applications is illegal, due to the impending significant environmental impact and the risk of encouraging a new generation of illegal buildings.

Regarding the personnel reductions in public entities, we share your concern about the need for a smarter and more efficient public sector. We do not however share your confidence that the tasks of the environmental authorities, which are at present critically understaffed, will be performed by the remaining personnel that is already overloaded with important work. Although, as you rightly state in your letter, the economic adjustment programme does not explicitly require Greece to proceed with horizontal staff reductions, the urgent character of the measure and the non-availability of time for proper evaluation of the staffing needs and public sector restructuring policy options leaves little room for smart choices. Similar is the case with the recently established National Center for Sustainable Development, following the merger of the Institute for Geological and Mining Research and the National Center for Environment and Sustainable Development, which has not been designed to fulfill the much needed role of a national environmental research and policy institution.

An important point that we feel remains unanswered in your letter concerns the absence of any strategic environmental assessment on the structural adjustment programme as a whole. Given that the programme applied in the case of Greece, is

- co-financed by the EU,
- approved through the national Parliament,
- already having a significant effect on the environment,
- concerns entire sectors as tourism and spatial planning and
- sets the framework for future development consent of projects subject to Directive 85/337/EEC assessments may affect Natura 2000 sites,

WWF insists that the Greek programme and its subsequent revisions fall within the scope of Directive 2001/42/EC and should be subjected to thorough strategic assessments of their expected impacts on the environment. While you do note that the Commission evaluates and monitors the Economic Adjustment Programme, it is not at all clear what methodology, if any, is used in order to integrate the examination of the environmental impact of its components.

For the sake of current and future generations, development in Greece and the EU must be set on a sustainable path. This is the time for European Commission to show visionary leadership, by achieving environmentally and socially sustainable economic reforms when its own house is in crisis. WWF Greece will continue to monitor closely the environmental effects of the Greek economic adjustment programme, issue public statements and advocate for sustainable solutions to Greece's current development impasse.

Yours sincerely,



Demetres Karavellas  
Director WWF Greece

c.c. Jose Manuel Barroso, President, European Commission