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To: Christine Lagarde,
Managing Director IMF
700 19th Street, NW
Washington D.C. 20431

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Athens, June 12th 2014

Dear Ms. Lagarde,

WWF is writing to you again (original letter January 2012) to emphasise the critical environmental dimension of the commitments agreed between the Troika and the Greek Government in the framework of the programmes of economic adjustment.

Since 2010, when the first Economic Adjustment Programme (herewith "Programme") was agreed, we have witnessed an important loss of legal and political safeguards for the protection of the environment and a diminution of the overall quality of life. Greece is now embarked on an even deeper crisis to come: ecological, social and economic. The elimination of legal provisions for the protection of the environment, the intensified legal uncertainty and lack of transparency about the costs on nature and citizens of this country from the austerity measures, the constant weakening of the already feeble environmental governance system and the absence of a coherent framework for a truly living economy, - these are the incalculable costs of the measures imposed to date.

Using the austerity measures as legitimisation, you are no doubt aware that different ministries in our country have launched a concerted legislative barrage which results in:

- constantly undermining the environmental impact assessment and licensing system;
- undermining the conservation framework for protected natural habitats (such as national parks and the Natura 2000 sites) with provisions favoring specific types of investments, primarily holiday resorts and new tourist villages;
- declassification from protection status of ecologically precious forest and coastal areas;
- endless environmentally destructive legalisation of illegal construction, even within legally protected areas;
- continued refusal by the state to collect financial penalties of unaccounted millions of euros for illegal constructions along the coastal zone and on forested land;
- privatisation through the Hellenic Republic Asset Development Fund of ecologically significant and legally protected areas, many of which have been designated as Natura 2000 sites, under the guise of easing the path for development of vacation homes and tourism resorts;



- the overhaul of the spatial planning framework in order to allow the rapid approval of large investments, primarily in the area of tourism, contrary to specific or local land use and nature protection rules.

The recent announcement by the Ministry of Finance of a draft law on coasts has fueled an already heated state of unease and anger over the continued loss of environmental acquis. This draft law, which is included in the Programme as a commitment by Greece, would allow for the degradation of important parts of the coastal zone and promote a tourism development model based on the construction of large resorts and tourist villages. In the case of Spain, this has proven to be an environmentally and economically unsustainable development model.

WWF believes that there is a shared responsibility between the members of the Troika and the Greek Government for the environmentally dramatic consequences of the policies and measures agreed under the Programme. The Greek Government, under the threat of sinking deeper into the crisis, is overseeing measures that deregulate and undermine the prospects for the genuine development of a truly living and sustainable Greek economy. The members of the Troika are equally responsible for promoting and formulating measures of a development model based on narrowly defined economic objectives that will lead ineluctably towards a profound ecological deficit.

WWF urges you to rethink Greece's unsustainable development model that you are supporting and even insisting upon. We believe it is essential for the short, medium and long-term prosperity and stability of this country that you undertake a vital and urgent revision of the policies and conditions of the Programme. You must realize that it is necessary to incorporate urgently ecological and social sustainability indicators and safeguards in order to:

1. Respect the environmental acquis and reinforce the protective measures for Greece's natural capital, through clear and comprehensible legislation.
2. Require the submission of all Programme updates to comply with strategic environmental assessment, in compliance with Directive 2001/42/EC (including the public consultation procedure), using ecological indicators to assess the impact on natural ecosystems and services;
3. Formulate a national framework for the development of a living and long-term sustainable economy.

The policies which are included in the Programme and implemented by the Greek Government are often presented as the only way to prosperity. They are not. As we have demonstrated in our report "A living economy for Greece"¹, Greece is endowed with a huge potential for truly sustainable development in ecological, social and economic terms.

The Economic Adjustment Programme for Greece needs to be brought into line with contemporary thinking and action on sustainable development in developed and developing economies alike. As a country we must be able to respond to the international, regional and national environmental challenges as reflected in the global agenda for sustainable development. Greece cannot remain a passive spectator in these developments, sacrificing its institutional framework and rules for protecting its natural capital in the name of an environmentally crippling programme for economic adjustment.

¹<http://www.wwf.gr/images/pdfs/Living-Economy-Vision-in-Greece-EN.pdf> (October 2013).



Given the enormous public attention and alarm about the issues raised in this letter, and believing that an urgent response is required from the public institutions responsible for devising and enforcing the joint Euro area/IMF bailout package, WWF intends to make this letter a matter of the public record. We look forward to receiving a reply from you to the issues raised here. We have sent a similar letter to Mr. J.M. Barroso at the European Commission and Mr. M. Draghi at the European Central Bank.

Yours sincerely,

Tony Long
Director WWF European Policy Office

Demetres Karavellas
Director WWF Greece

Copies to:

- Antonis Samaras, Prime Minister
- Gikas Chardouvelis, Minister of Finance
- Yiannis Maniatis, Minister of Environment, Energy and Climate Change
- Olga Kefalogianni, Minister of Tourism