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**Subject: Environmental impact of measures adopted in Greece to tackle the economic crisis**

Dear Mr Leape,

Thank you for your letter of 6 January 2012 drawing our attention to possible adverse environmental impacts that the economic adjustment programme for Greece may entail, and to your analysis of specific points.

We are aware of the efforts that Greece has made for the full implementation of the environmental acquis and we have monitored the steady progress of recent years. We are also all aware that the current financial crisis requires a quick response and that all the necessary support has been made available to Greece to fix unsustainable macroeconomic imbalances. The necessary fiscal consolidation measures, privatisation and a wide-ranging set of structural reforms, have been agreed with the Greek Government and their implementation is being closely monitored by the Commission. To help Greece, the euro-area Member States and the IMF are providing Greece with a large scale financial support. Moreover, the Commission's Task Force is providing technical assistance, as needed.

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We share your concerns about safeguards and principles that should govern the adjustment programme. As a Guardian of the Treaties, the Commission ensures that the acquis is being complied with and implemented. This role implies that no measure agreed in the context of the adjustment programme can go against the EU regulatory framework. Every effort is made so that the economic adjustment programme respects the environmental acquis. Legislation and appropriate processes are available for this, either through consultation of programmes in the context of the Strategic Environmental Assessment Directive or in the context of the Environmental Impact Assessment Directive needed for the various development projects.

The Commission already provides all the necessary information on evaluation and monitoring the Economic Adjustment Programme, providing therefore evidence of its impact, promoting transparency and governance.

Taking on board the value of natural capital in decision-making and in measure-design is needed, not only for Greece, but for all EU Member States, as well as the appropriate efforts to manage natural capital and resources in a sustainable way. For this, the Commission is already helping Member States to progress with mapping of their biological and ecosystem resources and to progress with environmental accounts, in the context of the recently adopted EU Biodiversity Strategy to 2020.

Allow us now to refer to some of your specific concerns. Undoubtedly, there is a need for sufficient resources to be made available for the support of Greece's environmental objectives. We are discussing this with the Greek authorities, trying to find the best possible way supporting them with the implementation of environmental projects on priority areas, such as waste management (e.g. rehabilitation of illegal dumping sites and construction of new waste management installations), urban waste water (e.g. collection and treatment systems in all agglomerations), nature protection (e.g. functioning of management bodies), etc., which are supported by EU funds. With regards to the Green Fund, its resources have not been diverted to service other needs: we understand instead that the use of the Green Fund resources has decelerated to be compatible with the deficit reduction objective, thus allowing the Green Fund resources to be extended over a longer period.

On the simplification and acceleration of licensing procedures, the experience of other Member States is that the appropriate scrutiny of the environmental implications of projects is not incompatible with fast licensing procedures. The recently adopted amendments structured the consultation process and introduced additional safeguards for the quality of the process.

In your letter, you also refer to the hasty and uncontrolled sale of public land and to the legalisation of illegal developments within public land. It should be recalled that the Commission has no competence in this field, as according to Article 345 of the Treaty on the Functioning of the European Union, "*the Treaties shall in no way prejudice the rules in Member States governing the system of property ownership*". In any case, no public land has been sold so far, and both the sale of land and its use thereafter will have to comply with the relevant environmental conditions.

You also present concerns about the Helios project. Undoubtedly, Helios is a large scale project involving the development of solar energy and its development requires significant resources, both financial and physical. As such, Helios is subject to all appropriate permitting and licensing procedures scrutinising its design and its operation, including an Environmental Impact Assessment. Through these processes, it is expected that all stakeholders will have access to information on the project and time to discuss it and express their comments.

We understand that Greece is looking to a restructuring of its public sector. This requires the downsizing, merging and closure of public or public-supported entities that are redundant or have outlived their original role. We rest assured that the useful tasks of the services that are closed will be performed by those ones remaining, so we believe that there will be a sufficient number of staff continuing business as usual, while more efforts will be made in making a more efficient use of the staff remaining. Moreover, the economic adjustment programme does not require Greece to cut staff across the board, but to identify redundancies in the different units or departments and make any necessary adjustments.

On the lignite case, it has been agreed with the Greek authorities that the lignite market needs further opening and has to start implementing those measures ensuring the access by third parties to lignite-fired electricity generation. Throughout this process, quality improvement of lignite production and environmental concerns are duly considered.

We assure you that the issues you have raised in your letter are, and will remain, under the attention of each of the Commission departments involved in the Greek adjustment programme. We will continue closely monitoring progress on all related reforms and will ensure that environmental aspects are duly integrated in policy-making.

Yours sincerely,



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Commissioner