Public funds for people's benefit

EU budget 2014 – 2020: catalyzing the shift to a low carbon economy?

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Video [www.wellspent.eu](http://www.wellspent.eu)
CEE Bankwatch Network is an international NGO with member organisations currently from 11 countries across the CEE and CIS region. Its mission is to prevent the environmentally and socially harmful impacts of international financial institutions and EU funding, and to promote alternative solutions and public participation.

Friends of the Earth Europe unites more than 30 national environmental organisations with thousands of local groups and is part of the world’s largest grassroots environmental network, Friends of the Earth International.
EU budget 2014 – 2020: EURO 960 bn

- 1A “Competitiveness for growth and jobs” (CEF, horizon 2020, COSME, ERASMUS etc.)
- 1B “Economic, social and territorial cohesion” (Cohesion Policy)
- 2 “Sustainable growth: natural resources” (CAP, LIFE, fisheries etc.)
- 3 “Security and citizenship” (Asylum, Migration, consumer protection, creative europe etc.)
- 4 “Global Europe” (pre-accession, neighbourhood, development, etc.)
Cohesion Policy and “low-carbon” investments 2014 – 2020
EU budget and national spending 2011

- GDP EU 27: 12,635 $
- Public spending EU 27: 6,204 $
- EU budget: 127 $
Investment needs for the 2050 transition (EC)

- 2020: $1,000
- 2030: $2,500
- 2050: $7,000

(Billion EURO)
Energy subsidies in Europe

- Fossil Fuels: €26 billion
- Nuclear: €35 billion
- Renewables: €30 billion
- Indirect social & health costs: €40 billion

Source: http://www.sueddeutsche.de/wirtschaft/foerderung-der-energiebranche-oettinger-schoent-subventionsbericht-1.1793957
Structural funds and national co-financing as % of total public investment (average 2009–2011)
Allocation of funding for European regions

Budget allocation (in %)
- More developed regions: 15.8%
- Transition regions: 11.6%
- Less developed regions/MS: 68.7%

Population covered (in millions)
- 307.1
- 72.4
- 119.2

Categories of Regions
- Less developed regions < 75 % of EU average
- Transition regions 75-90 %
- More developed regions > 90 %

Maximum co-financing rates
- 75-85 % in less developed and outermost regions
- 60 % in transition regions
- 50 % in more developed regions

GDP/capita* *index EU27=100

Regional GDP figures: 2006-07-08
© EuroGeographics Association for the administrative boundaries
Thematic objectives

1. Research and innovation
2. Information and Communication Technologies
3. Competitiveness of Small and Medium-Sized Enterprises (SME)
4. Shift to a low-carbon economy
5. Climate change adaptation and risk management & prevention
6. Environmental protection and resource efficiency
7. Promoting sustainable transport & removing bottlenecks in key network infrastructures
8. Employment and support for labour mobility
9. Social inclusion and poverty reduction
10. Education, skills and lifelong learning
11. Increased institutional capacity and effectiveness of public administration
Concentration of ERDF for 2014-2020

- Research and Innovation
- SMEs competitiveness
- ICT
- Low-carbon economy (Energy efficiency and renewable energy)

Developed regions:
- 60% Research and Innovation
- 20% SMEs competitiveness
- 20% ICT

Transition regions:
- 45% Research and Innovation
- 15% SMEs competitiveness
- 38% ICT

Less developed regions:
- 12%/15%

No more ceiling for investing in EE in housing (currently maximum 4% of ERDF)
Investments in the “low carbon economy”

- Promoting the production and distribution of RES
- Promoting EE and RES use in enterprises
- Supporting EE, smart energy management and RES use in public infrastructures, including in public buildings, and in the housing sector
- Developing and implementing smart distribution systems at low and medium voltage levels ("smart grids")
- Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multi-modal urban mobility and mitigation relevant adaptation measures
- Promoting research in, innovation in and adoption of low-carbon technologies (ERDF only)
- Promoting the use of high-efficiency co-generation of heat and power based on useful heat demand
Are Eastern Europe’s EU spending plans climate-friendly?

The ‘climate spending’ index shows the amount of EU funds allocated for climate action and what this represents as a share of the total funding for Regional Development and Cohesion, as indicated by the draft Partnership Agreements or Operational Programmes available as of April 2014.

- **Hungary:** 20% (4.9 bn €)
- **Latvia:** 17.4% (0.77 bn €)
- **Poland:** 21% (16 bn €)
- **Croatia:** 18.6%
- **Estonia:** 20.5% (0.87 bn €)
- **Bulgaria:** 26.4% (0.96 bn €)
- **Slovakia:** 25.5% (3.7 bn €)
- **Czech Rep:** 24.3% (6 bn €)
“promoting the use of high-efficiency co-generation of heat and power”

Poland

- OP, smaller ones in Regional Infrastructure and Environment at national level and in Regional OP’s
- co-generation plants with and without RES, as well as district heating lines.
- plants over 1MW are eligible in OP Infrastructure & Environment OP’s.
“promoting the use of high-efficiency co-generation of heat and power”

Slovakia:

- OP Quality of Environment, priority axis 4 „Energy efficient low-carbon economy“, 1.5bn EUR
- Separate investment priority “co-generation and distance centralized heating systems”, 16.185 mio EUR
- No biomass support in CHP
- Old facilities and industry is going to be targeted – industrial waste heat, usable heat from electricity production
“promoting the use of high-efficiency cogeneration of heat and power”

Hungary

- no concrete info in the EEOP or in other OPs
- Probably there will be funds for smaller CHP projects in energy efficiency or competitiveness calls
“promoting the use of high-efficiency co-generation of heat and power”

Bulgaria:

- No EU funding
- EED directive now replacing the Co_gen directive
- Preferential FiT are provided individually for every power plant (negotiated between operator and the Nat. Electric Company)
- Experts contest limited impact of proposed incentives, the investments were probably going to happen anyway
“promoting the use of high-efficiency co-generation of heat and power”

Czech Republic

- **OP Enterprise and Innovation for competitiveness**
  - Installation of cogeneration units in district heating systems
  - Reconstruction of existing facilities with cogeneration
  - Building new and development of existing heat distribution systems
  - Reconstruction of existing heat networks including transfer stations in order to reduce heat losses
    - Beneficiaries: large enterprises, SMEs, including businesses owned by cities and towns

- **OP Environment**: Improving air quality in human settlements
  - Renovation, modernization and replacement of stationary sources (incl. CHP),
  - Widening and reconstruction of systems of centralized thermal energy supply
    - Beneficiaries: municipalities, local governments, businesses, charities, public research institutions, foundations and endowment funds, charitable organizations, civic associations and churches, government departments
  - This measures is unfortunately not aimed at using RES, the boiler exchanges will be primarily to gas (the synergy between air quality and RES is not used here)
“promoting the use of high-efficiency co-generation of heat and power”

Estonia

- Cohesion Policy OP under 2 thematic objectives - no 4 ("Supporting the shift towards a low-carbon economy in all sectors" and no 6 ("Protecting environment and promoting resources efficiency"))
- TO 4 -4.3 (higher resource and energy efficiency of enterprises):
  - reuse of waste - 20 mio €
  - preparatory activities for reusing the waste - 5 mio €

- TO6: (energy efficiency)
  - renovation of district heating systems and fuel exchange - 43 mio €
  - renovation of depreciated and ineffective heat energy pipelines - 27,5 mio €
“promoting the use of high-efficiency co-generation of heat and power”

Latvia

- ‘Transfer to the Economy That Produces Low Carbon Emission in All Sectors’
- Reduction of primary energy consumption by improving energy efficiency in ... manufactures and district heating networks ...
- Energy efficient co-generation and district heating: 106 mio EUR
The EU budget 2014 – 2020: for climate and people's benefit?
No strategic approach towards climate protection
Deficient stakeholder involvement
Big installations before small scale projects and citizens initiatives
Biased on transport modes
Biodiversity and eco-system protection neglected
Air protection: big polluter doesn’t pay
Your questions and comments please!

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