Press release from Friends of the Earth Europe:

CLIMATE-FRIENDLY ENERGY NEGLECTED IN EU SPENDING PLANS FOR NEW MEMBER STATES

NGO research reveals EU is missing opportunity to back up climate commitments with financial support

Brussels, 16 November 2006 - The plans for spending future EU funds in the new member states give alarmingly insufficient financial support to energy efficiency and renewable energy, new research by Friends of the Earth Europe and CEE Bankwatch Network revealed today [1]. The member states' Operational Programmes, proposed for the 2007-2013 period, make a mockery of the EU's commitments to use regional aid to tackle climate change and promote sustainable energy.

Poland and Hungary are the worst culprits, planning to spend less than one percent of their billions of euros from the Structural and Cohesion funds on energy efficiency and renewable energy projects between 2007 and 2013 [2]. In contrast, Lithuania is planning to invest six percent of its future EU money in them [3].

Magda Stoczkiewicz, Policy Coordinator at CEE Bankwatch Network, said: "Central and Eastern Europe has grossly wasteful energy usage and vast, unexploited potential for renewable energy. The EU has claimed that energy efficiency and renewables will be among the top priorities for EU financial aid for the region. But, disappointingly, they are now given only paltry support in the proposed funding plans. Poland, the biggest country, is most off course, proposing only token spending on sustainable energy projects."

Member states are currently submitting to the European Commission their Operational Programmes, which define how exactly they will use EU funds between 2007 and 2013, for appraisal [4].

The spending plans of the new member states ridicule the EU's newly reformed cohesion policy, which emphasises energy efficiency and renewable energy as one of the top investment priorities for the Structural and Cohesion funds [5], as well as the new EU Action Plan for Energy Efficiency, which demands that the funds are mobilised to spur energy efficiency in the new member states [6].

Overall, only around 3 billion Euros out of the total EU funding allocation of 157 billion Euros for the new member states and acceding countries in 2007-2013 is likely to be invested in sustainable energy projects, while more than 20 billion Euros is to be invested in roads and motorways, which greatly contribute to climate-damaging greenhouse gas emissions [7].

Emissions dropped significantly in Central and Eastern European countries in the 1990s due to economic restructuring, but they are now rapidly rising again and are set to increase by 11 percent by 2010 [8].

Martin Konecny, EU Funds Campaigner at Friends of the Earth Europe, said: "To avoid catastrophic climate change, Europe needs to drastically cut its greenhouse gas emissions. The EU must take this opportunity to use financial aid to steer the new member states towards energy efficiency and renewable energy, rather than watch them pump out more and more emissions as they develop."

Friends of the Earth Europe and CEE Bankwatch Network are urging the Commission and the member states to revise the plans before they are finalised in the next few months so that at least five percent of all EU funds in each member state is allocated for necessary energy efficiency and renewable investments. Examples include the renovation of public buildings and decaying prefabricated blocks of flats, the modernisation of municipal district heating systems, the combined generation of heat and power and investments in wind, solar and small-scale biomass energy projects.

The call is supported by associations of European cities promoting sustainable energy, the renewable energy industry and Europe's leading companies manufacturing energy saving products [9].

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NOTES:
[1] "Channelling EU funds into efficient and renewable energy":
http://www.foeeurope.org/publications/2006/EUfunds4energy.pdf
The paper compares measures and allocations for sustainable energy in the latest available versions of the draft Operational Programmes for the 2007-2013 period.

[2] Poland and Hungary are also planning to use the lowest shares of the Cohesion fund for environmental investments and the highest for transport of all the new member states and acceding countries. Up to now member states have always used half of the Cohesion fund for environmental projects and half for transport.

[3] Shares of total amounts of Structural and Cohesion funding that is to be allocated for energy efficiency and renewable energy projects in the new member states of Central and Eastern Europe in 2007-2013:

Lithuania 6.1%
Slovenia 3.8%
Czech Republic 3.0%
Latvia 2.9%
Estonia 2.3%
Hungary 1.0%
Poland 0.9%
Slovakia, Bulgaria and Romania have not yet made the energy allocations clear in their draft programmes.

[4] Member states have to submit the Operational Programmes between October 2006 and March 2007. The Commission has four months to approve each submitted programme and can request modifications within two months of the submission. Although it has to appraise all the programmes, the Commission is not making any similar comparative assessment of the allocations planned by the different member states.

[5] Energy efficiency and renewable energy are emphasised as one of the twelve priority areas for EU funded investments in The Community Strategic Guidelines on Cohesion 2007-2013.
http://ec.europa.eu/regional_policy/sources/docoffic/2007/osc/index_en.htm

[6] http://ec.europa.eu/energy/action_plan_energy_efficiency/index_en.htm

[7] The record of Structural and Cohesion funds on climate change up until now has been an unequivocal failure. The four countries that have so far received the most EU money - Spain, Portugal, Greece and Ireland - have also witnessed by far the greatest increases in greenhouse gas emissions in the EU.

[8] European Environment Agency:
http://reports.eea.europa.eu/eea_report_2006_9/en

[9] Energie-cites, representing more than 500 towns and cities promoting local sustainable energy; EREC, the European Renewable Energy Council; and EuroACE, the European Alliance of Companies for Energy Efficiency in Buildings