



EU Structural Funds in the New EU Member States and the Sustainable Development

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http://www.inforse.org/europe/seminar09_Artefact.htm

Experience with the utilization of Structural Funds for the RE in CEE (until end of 2006)

- Structural funds are by far the biggest means of distributing EU money.
- One third of the whole EU budget is allocated for SF.
- New EU member states from the CEE countries began receiving and using the first EU funds (accession funds ISPA, SAPARD and PHARE) during the period 2000-2003.
- After their accession to the EU in 2004 the SF were followed with cohesion and rural development funds (approximately 30 billion EUR in 2004-2006). The allocation is partly based on population and need. Half of this amount has been allocated to Poland.
- The member states distribute the funding to eligible projects through a government department, ministries or committees at national and local level, usually a mixture of the above.
- Distribution of funds through the Operating Programs (OP).
- Differences between CEE EU member states policies in terms of who is eligible for funding and how the funds can be used.
- The experience so far - no big success for RE and EE.

Experience 2004-2006

- Slovakia: 31 projects supported from the OP infrastructure. Total amount of funds allocated was 40,19 mil. EUR. They have been distributed in the following way :

Biomass	14 projects	343 250 000 SKK (25,1 %)
Geothermal	1 project	31 932 000 SKK (2,3 %)
Emission reduction	7 projects	292 256 000 SKK (21,4%)
Natural gas	7 projects	211 545 000 SKK (15,5%)
Energy efficiency	1 projects	17 555 000 SKK (1,2 %)
Co-firing (coal+biomass)	1 project	470 251 000 SKK (34,5 %)

New programing period 2007-2013

- 2007 preparation and approval of Operational Frameworks and Operational Programs by the EC.
- 2008 first calls presented and first projects being approved.
- RE in Slovakia: OP Competition and economy growth first projects approved in 2008. OP of Ministry of environment : Air protection, Climate protection and RE – 158 mil. EUR (call in April 2009).

New programing period 2007-2013

- The biggest potential in EE area is in isolation of buildings (savings of 30-40 % of energy consumption) - no impact of SF yet.
- Effective way to finance isolation of multi-story apartment buildings (50% of households) through SF is missing. Energy savings would offset the renovation costs.
- Railways and urban public transport will not see less support from SF. Roads (cars and trucks) will be the winner.
- Public sector – no big interest in RE. Risk that old district heating systems (around 40% of households in CEE is connected to them) based on coal or oil boilers will not be converted to modern and efficient boilers.
- Biomass heating (biggest and most cost effective way of RE utilisation) very slow development despite huge potential and various forms of support.

Problems

- Transparency. Commitment of beneficiary and donor to make publicly available the basic data of the project. Information about the projects, which were approved, why they were approved and why the others were rejected.
- Public Awareness. Community leaders do not know much about RE and how they can benefit from it.
- Small vs. big projects. Small decentralised RE projects in rural areas (communities).
- Lack of skilled persons.
- Public (NGO) involvement is missing.

EU 27 Cohesion Policy - Gap between the Rhetoric and the Reality

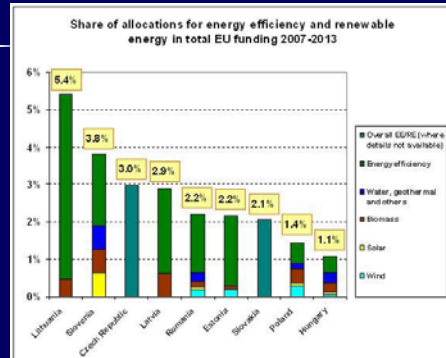
Total of **347.4 billion EUR** allocated.
EE and RE are mentioned among twelve priorities but in reality only **2.6 %** of funds were allocated for them.
 Total EE and RE allocation: 9 billion EUR (4.8 bill. EUR for RE and 4.2 bill EUR for EE (+ support for R&D)).

Priority Themes	Total EU budget allocation in EUR
Accessibility	82 126 556 144
R&D and innovation	86 307 744 118
Knowledge and service based economy	15 304 872 083
Entrepreneurship and business support (SMEs)	27 406 869 601
Adaptability of companies and workers	14 419 458 800
Human capital	25 995 876 443
Increasing workers' participation	19 382 238 452
Migration	1 248 589 723
Addressing poverty and social exclusion	10 150 041 338
Environment	105 309 714 036
Climate Change	48 143 632 962
Energy Efficiency and Renewable Energies	9 054 218 445
Strengthen capacity of public sector	3 597 882 301
Pacts and networking initiatives for employment and social inclusion	1 289 289 079

Source: SFC2007, as of 31 April 2008
 * Commission Regulation (EC) No 1628/2006, Annex 2, Categorisation of Funds Assistance for 2007-2013

CEE-10 countries: The reality is even worse.

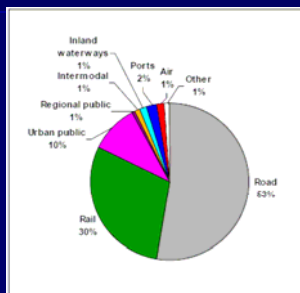
Total 3.1 – 3.2 billion EUR (only 2% of the overall SF allocation) to be invested in EE and RE in 2007-2013.



Source: Channelling EU funds into efficient and renewable energy, FOE Europe, 2007

Almost 50 billion EUR, i.e. appr. 30% of the total for CEE countries, is planned to be invested in transport.

Breakdown of EU funds for transport in CEE-10 countries in 2007-2013



Source: EU funds for public and environment-friendly transport, FOE Europe

Slovakia: Approved RE Projects in 2008

Zoznam žiadateľov, ktorých žiadosti o NFP boli Vyberovou komisiou schválené dňa 4. septembra 2008 v rámci výzvy kód KaHR - 21DM - 0801:

Názov žiadateľa	Názov projektu	Schválený NFP v SK
MANOMER SK, a. s.	Energetická efektívnosť MANOMER SK	772 745,26
Confal, a.s.	Vývozná odpadového tepla spalin	3 639 385,37
SKORPIO, spol.s r.o.	Výroba energie vo firme SKORPIO	4 155 974,54
Ján Babič-Stolčivko	Prístavba novej kotlárne na spaľovanie biomasy	2 998 729,99
Glass LPS, s.r.o.	Efektívne využívanie energie	4 239 471,20
TYRAPON, spol. s r.o.	Výskovanie objektu Trnavol tepelnými čerpadlami	1 991 003,65
D. A. H. s. r. o.	Rekonštrukcia stavby Čisti objektu	1 863 483,05
Dobrá Námica, a. s.	Rekonštrukcia energetického systému	6 056 000,00
František Zárba ELZAR	Rekonštrukcia MVE – Bobory, Dolný Harmanec	4 347 006,07
ENERGO – AQUA, a.s.	MVE Trenčianske Biskupce	6 200 000,00
Adam Novák – ADAM	Rekonštrukcia haly v Bardejove	4 882 567,50

Total for RE: appr. 40,81 mil. Sk= 1,35 mil. EUR

Approved projects in section competition and economy growth

Zoznam žiadateľov, ktorých žiadosti o NFP boli Vyberovou komisiou schválené dňa 13.októbra v rámci výzvy kód KaHR-31SP-0801

Názov žiadateľa	Názov projektu	Výška schváleného NFP
EZEK, s.r.o.	Zvýšenie konkurencieschopnosti hotela AMBASSADOR, jeho modernizácia a skorizmodernizácia okolitých služieb	18 345 926,00
HERMANIA, spol. s r.o.	Modernizácia a rekonštrukcia vodovodnej siete v lokalite KALČOVIČOVA v mestskom obvode Bratislava 1	15 075 752,00
TEMIS CENTRUM, s.r.o.	Modernizácia analýzy hotela Temis	45 914 468,62
Hotel a penzióny, a.s.	Prístavba wellness centra a prestavba hotela Bystrá	134 250 362,50
ACEORN TOUR, s.r.o.	City Hotel - Rekonštrukcia hotela	46 949 986,47
Z. Tereza, akciová spoločnosť	Zdokonalenie služieb pre zotročkov v zariadení osobitnej starostlivosti Pavol Slovák v Bratislave	136 952 389,01
Cyral, s.r.o.	Hotel Biele Vlny - prístavba bazénovej časti	28 064 146,00
THEPAPARK, spol. s r.o.	Aquapark Nováky	280 756 000,00
Elovač s.r.o.	Rekonštrukcia hotela Skalský Dom	351 082 333,25
SONAL, s.r.o.	Aquapark Deňa	129 523 401,35
BBBS, s.r.o.	Výstavovanie komplexného strediska osobitnej starostlivosti Čapkov Záhrad	280 756 000,00
S. L. HOTELY, a.s.	BUSINESS CENTER HOTELA POLOANA	179 444 289,00
PRIMOVAL, s.r.o.	Modernizácia lyžiarskeho strediska Ski centrum - Bachtárske dielne	124 186 052,43

Competition and economy growth projects cont.

Názov žiadateľa	Názov projektu	Výška schváleného NFP
BEF akciová s.r.o.	Návrh hotela v prostredí obecných služieb v Rekreačnom stredisku "Uštev" - Poráčska dolina	32 953 396,18
DMOSS spol. s r.o.	Stavba a modernizácia a prístavba hotela Radu v Novej priekope - oblasť komplexných služieb CR	58 090 301,42
Generál Administratívny s.r.o.	Hotel KARAT - výhľad Ružomberk	180 756 000,00
ZAMOK VIGAS s.r.o.	ZAMOK VIGAS	180 742 147,76
IP Slovakia, a.s.	Rekonštrukcia hotela v Opinciach	93 527 386,05
HOTEL PARTIZAN, s.r.o.	Hotel Partizan - TlačModernizácia, dostavba a stavba časti 2, 3, 4, 5 etáží	103 309 030,95
DODDY spol. s r.o.	RELAX CENTRUM Modula - Hlieme	180 756 000,00
VP TRAVEL, spol. s r.o.	Dokonalenie komplexného strediska osobitnej starostlivosti v Starom Smokovci a osobitným vyšetrením a hotela v Bratislave	82 734 475,00
SKLIFT, s.r.o.	Modernizácia a dostavba lyžiarskeho areálu Ski Koliba, Koliba	111 713 426,62
MUD. Jozef Sotányi - INTERSPORT	Výstavba kongresového centra hotela Deon	133 946 528,65
MFT, s.r.o.	Prestavba hotela Mestál Dužica	143 074 273,80
TERMAL DS, s.r.o.	Prestavba, rekonštrukcia a rozšírenie termálneho kúpeľa "PRAMEN", Dolná Stropčava	155 975 865,00
THEPNO - AQUA, s.r.o.	Rekonštrukcia komplexu Záhorský nová diera	102 986 522,52
Magnolia, a.s.	Realizácia komplexného strediska osobitnej starostlivosti Magnolia, a.s. v prostredí komplexných služieb v Bratislave	82 948 941,06
DORICA KOMPLEX, s.r.o.	Rekonštrukcia oddychového areálu Dorica	19 989 979,80
Bismontgroup s.r.o.	Hotel Bismont ***	94 989 924,50

Total for holiday resorts etc: 104 mil. EUR

Conclusion

- The share of RE on electricity consumption in new EU MS is 6 % (15 % in the EU-15) but recent funding proposals (OPs) for decentralised wind, solar or biomass energy projects through SF is not adequate to even slightly narrow this gap.
- The reduction of greenhouse gas emissions can be achieved but the opportunity to finance this approach through SF is wasted (so far). This applies equally to the old and new member states.
- Recent development partially supported by the allocation of SF will likely result in increasing greenhouse gas emissions in new MS. Situation is similar to that previously seen in South European EU MS and Ireland .
- Revision of SF funding allocations with respect to economic crisis would be appropriate. RE and EE have far higher potential of domestic job and wealth creation in comparison to many other development projects supported by SF.

Feed-in tariffs - rules are changing. Pressure from fossil/nuclear lobby

	PV tariffs	Guarantee
Czech Republic	0,488 EUR/kWh	20 years
Bulgaria	0,38 EUR/kWh	25 years
Slovakia	0,365- 041 EUR/kWh	15 years

CZ , SK 10% decrease of tariffs - trying to stop the huge PV development

CZ – September 2009: 103 MW installed (3,4 MW in 2007)

another 200 MW planned in rest of 2009

SK – 50 kW from PV

Wind stopped already (SK). Less capacity in 2009 than in 2008.