Quantitative analysis of planned EU funds allocations 2014 -2020 in Central and Eastern Europe:
Ensuring the shift towards sustainability?

“Is the catching up of Central and Eastern Europe (CEE) Member States a mirage?”

ECAS – European Citizen Action Service
Open Society Institute

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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.
“Billions for Sustainability”?

• Analysis of EU funds’ investment plans for 2014-2020: EURO 350 billion
• CZ, HR, EE, HU, LV, LT, PL, SK
• Negotiations (EC – MS) ongoing, adoption end of 2014 – into 2015;

The EU budget 2014 – 2020: EURO 960 billion

1. Competitiveness for growth and jobs” (CEF, horizon 2020, COSME, ERASMUS etc.)
2. Economic, social and territorial cohesion” (Cohesion Policy)
3. Sustainable growth: natural resources” (CAP, LIFE, fisheries etc.)
4. “Security and citizenship” (Asylum, Migration, consumer protection, creative europe etc.)
5. “Global Europe” (pre-accession, neighbourhood, development, etc.)

- 37.4%
- 6.7%
- 6.5%
- 15.7%
- 31.8%
Figure 2  Part of Cohesion Policy in public investment, average 2010-2012

Source: Eurostat and DG REGIO

- EU funds allocated to Energy Efficiency significantly increased compared to the last funding period
- Overall allocations for Renewables increase slightly
Share of sustainable energy (energy efficiency, renewables, smart grids) of total ERDF + CF

- Overall share of sustainable energy infrastructure increases, but remains small relative to overall investment needs towards a decarbonization target
Energy infrastructure 2014-2020, (€)

- Energy efficiency main area of energy infrastructure investments
Share of fossil fuels in energy infrastructure

- Gas, co-generation (co-burning coal and biomass) still receive EU funding
Allocations to Energy Efficiency (€), 2007-2013 and 2014-2020

- CZ, PL and SK show the highest increase
Energy Efficiency beneficiaries

- Private housing sector receives a good part of funds; now it is important to ensure accessibility of those funds for socially vulnerable groups who don’t have own capital/capacity to implement EE measures
- Large enterprises still receive EU funds for EE measures whereas LE should have capital stock/long-term financing to cover the costs by themselves

• CZ literally withdraws from RES funding, so does LV .... but ...
Renewable energy according to source

- .... but in most of the countries the majority of RES support is planned for biomass. This raises concerns about the sustainability of biomass sourcing, and requires sustainability criteria to be applied to each project.
Transport investments according to mode (%), 2007-2013 and 2014-2020

- 2007-2013:
  - Road: 53%
  - Rail: 30%
  - Urban public: 10%
  - Other: 1%
  - Air: 1%
  - Inland waterways: 1%
  - Ports: 2%
  - Regional public: 1%

- 2014-2020:
  - Roads: 52%
  - Railways: 27%
  - Multimodal: 2%
  - Clean urban: 15%
  - Airports: 1%
  - Water ways, ports: 3%

FoEE & Bankwatch:
CEE-10, without ROPs (PL, CZ, HU)
EUR 47 billion for transport

- Same pattern 2007-2013 and 2014 – 2020, no change in transport funding, more than the half goes to roads, rail around ¼, sustainable mobility remains marginal
Transport investments according to mode

- Hunger for roads (exception HR and HU) is prevailing in CEE
nature protection: environmental measures, climate change adaptation, waste and water

• Funding for the “heavy investment acquis” (water + waste) dominates ...
• … large polluters get bailed out ...

• Eco-system, biodiversity and Natura2000 support is marginal
• “risk prevention” not eco-system based, but dikes and dams
Waste management

• The “waste hierarchy” (prevention, reuse, reduction, recycling BEFORE waste incineration and landfilling) is turned upside-down
• no certainty and leverage for investors to commit to renewables or other low-carbon technologies;
• no signal to kick-start a process of transitioning to the circular economy;
• fossil fuel subsidies still part of EU’s regional development funding;
• EU transport sector’s long-term challenge to substantially reduce GHG emission remains ignored;

➢ EU funding in central and eastern member states does not make economies cleaner, leaner, and lighter;
➢ Instead of catalysing the transition to decarbonized, renewables based and resources saving economies which respect the planet’s boundaries CEE countries pursue an investment approach that maintains the fossil fuel based, resource intensive dinosaur economy, causing a threat to the long-term sustainability of European societies.
You questions and comments please!

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