

EU Structural Funds Utilisation in new EU Member States vs. Sustainable Development

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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.
- Followed by the SF, cohesion and rural development funds after their accession to the EU in 2004 (approximately 30 billion EUR in 2004-2006). Half of this has been allocated to Poland. The allocation is partly based on population and need.
- 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 %)

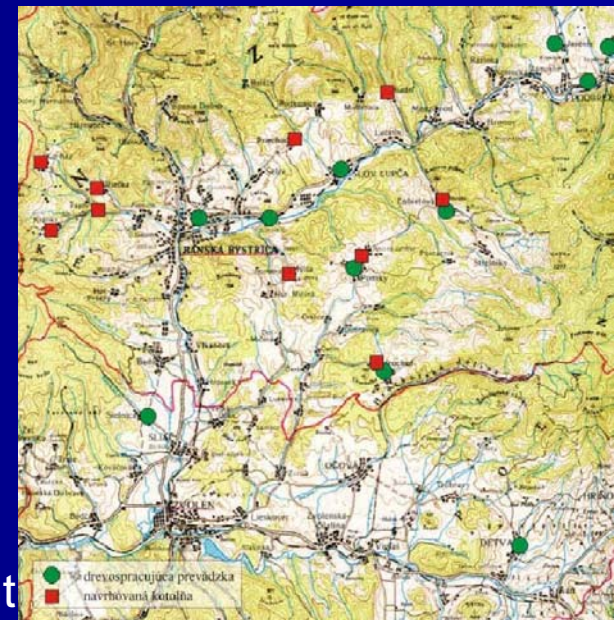
Problems

- **Transparency. Commitment of beneficiary and donor to make open the basic data of the project.**
Information about the projects, which were approved, and why they were approved and others rejected.
- **Public Awareness.**
- **Small vs. big projects. Small decentralised RE projects in rural areas (communities).**
- **Lack of skilled persons.**
- **Public (NGO) involvement.**

Biomass Heating Plants in Central Slovakia - Slovak NGO project

(CEPA/Friends of the Earth Slovakia)

- The aim of the project : To replace the current obsolete heating systems in 32 public buildings in 9 rural villages in Central Slovakia with modern woodchips-based systems.
- To encourage other rural regions with similar renewable energy potential to use their local resources.
- Expected project costs: appr. 1 million EUR



Wood processing plant



Heating plant

Expected impacts

- **Sustainability:** the project will enhance economic self-sufficiency of rural areas through the use of local biomass potential for local energy needs.
- **Savings:** municipal expenses for heating of public buildings will decrease and savings will become available for regional development.
- **Emissions:** the total CO₂ emissions will be reduced by approximately 8.5 thousand tons in 10 years.
- **Modernization:** Public buildings will be equipped with efficient heating systems. Most of the current boilers and heat distribution systems require serious reconstruction anyway.
- **Follow-up:** the project will test opportunities for its broader introduction to other regions

Fuel preparation & storage

Expected total annual consumption: 2,160 tons of wood-chips

Waste wood production facilities:

- 1. Lubietova saw-mill : Wood-chips: 960 tons + Sawdust: 400 tons
- 2. Poniky saw-mill: Wood scraps: 400 tons + Sawdust: 400 tons



Heated municipalities

Basic figures

<i>Municipality</i>	<i>Boiler output (kW)</i>	<i>Annual need of heat (GJ)</i>	<i>Annual need of fuel (tons)</i>
<i>Hiadel</i>	150 + 80	537 + 303	63 + 35
<i>Hrochot</i>	1000	5987	700
<i>Kordiky</i>	150	1383	161
<i>Kraliky</i>	200	1132	132
<i>Lubietova</i>	300 + 200	1388 + 1003	162 + 117
<i>Molca</i>	150	755	88
<i>Poniky</i>	250 + 300	1134 + 1304	132 + 120
<i>Riecka</i>	110 + 150	582 + 722	68 + 77
<i>Tajov</i>	110	674	79
<i>Total (9 villages)</i>	3150	16907	1934



New programming 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).

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 2,5 % of funds were allocated for them.

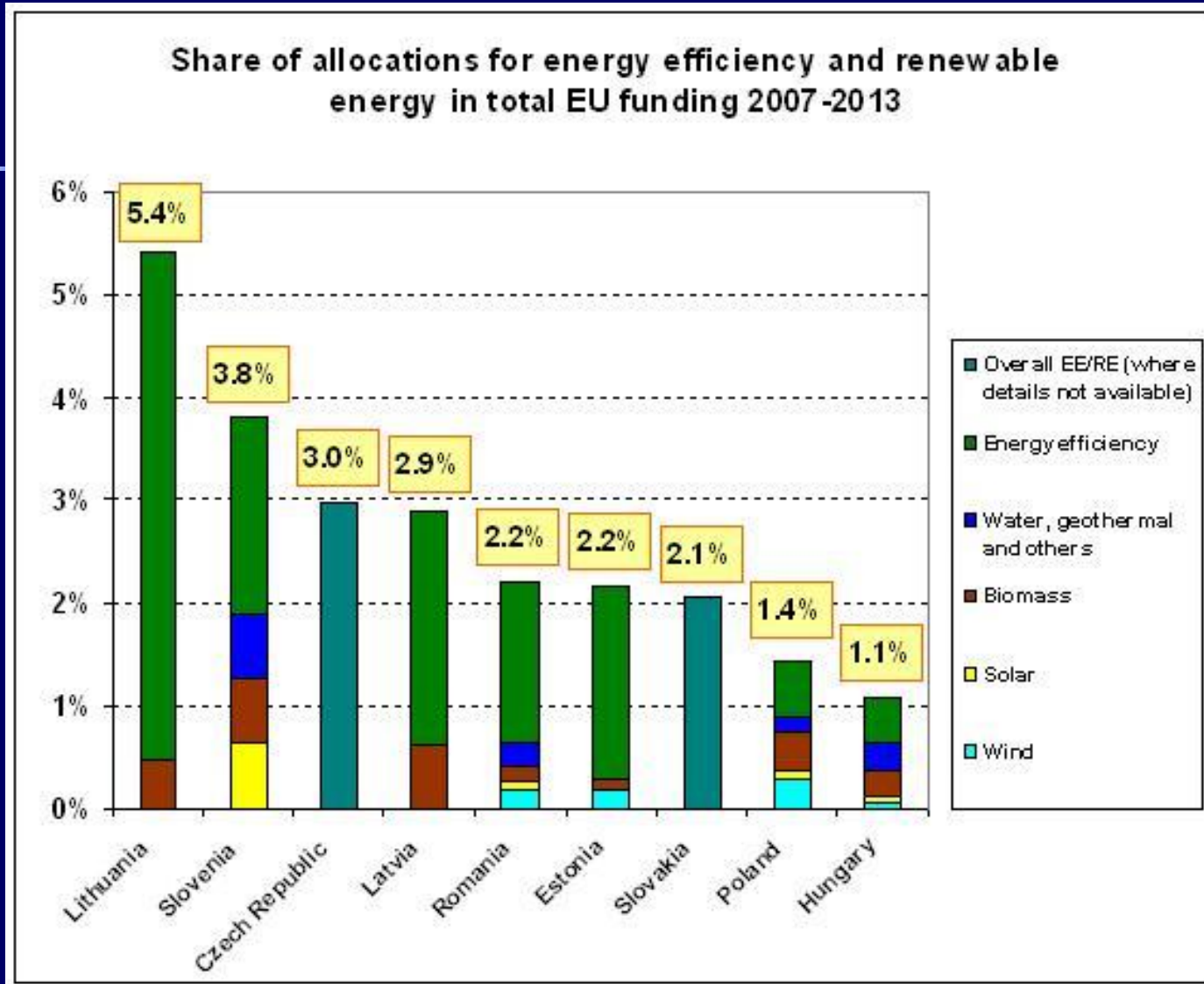
Total EE and RE allocation: 9 billion EUR (4.8 bill. EUR for RE and 4.2 bill EUR for EE (+ support for R&D)).

Priority Themes	Total EU budget allocation in EUR
Accessibility	82.125.556.144
R&D and Innovation	86.307.744.118
Knowledge and service based economy	15.304.872.083
Entrepreneurship and business support (SMEs)	27.406.889.821
Adaptability of companies and workers	14.419.498.800
Human capital	25.995.876.443
Increasing workers' participation	19.362.238.499
Migration	1.248.989.703
Addressing poverty and social exclusion	10.150.041.338
Environment	105.309.714.036
Climate Change	48.143.632.902
Energy Efficiency and Renewable Energies	9.054.213.482
Strengthen capacity of public sector	3.597.882.301
Pacts and networking initiatives for employment and social inclusion	1.269.289.075

Source: SFC2007; as of 21 April 2008

* Commission Regulation (EC) No 1828/2006, Annex 2, Categorisation of Funds Assistance for 2007-2013

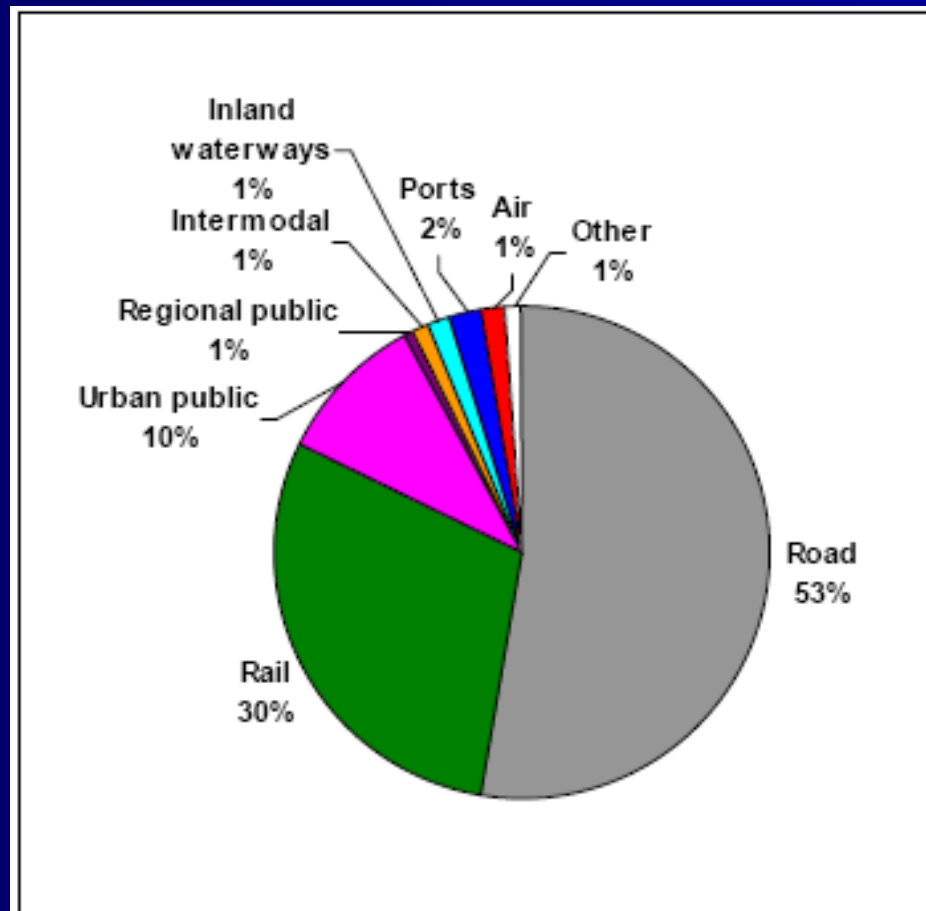
Total 3.1 – 3.2 billion EUR - only 2% of the overall SF allocation for CEE-10 countries - is to be invested in EE and RE in 2007-2013.



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

Aproved RE projects in 2008



**Zoznam žiadateľov, ktorých žiadosti o NFP boli Výberovou 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	772 748,26
Confal, a.s.	Využitie odpadového tepla spalín	3 639 388,37
ŠKORPION, spol.s.r.o	Úspora energie vo firme ŠKORPION	4 155 572,54
Ján Babič-Stolárstvo	Prístavba novej kotolne na spaľovanie biomasy	2 998 729,99
Glass LPS, s.r.o.	Efektívne využívanie energie	4 239 471,20
TYRAPOL, spol. s r.o.	Vykurovanie objektu Tyrapol tepelnými čerpadlami	1 991 003,65
D. A. H., s. r. o.	Rekonštrukcia stavebnej časti objektu	1 863 483,65
Kúpele Nimnica, a. s.	Rekonštrukcia energetického systému	6 056 000,00
František Záruba ELZAR	Rekonštrukcia MVE – Boboty, Dolný Harmanec	4 347 006,07
ENERGO - AQUA a.s.	MVE Trenčianske Biskupice	6 200 000,00
Adam Novák - ADAM	Rekonštrukcia haly v Bardejove	4 882 567,50

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

Approved projects in section competition and economy growth 2008



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

Názov žiadateľa	Názov projektu	Výška schváleného NFP
EZEX s.r.o.	Zvýšenie konkurencieschopnosti hotela AMBASSADOR jeho modernizáciou a komplexnosťou poskytovaných služieb	18 345 926,00
HARMANIAK spol. s r.o.	Výstavba a interiérové vybavenie "PENZIÓNU KRÁLIKY" s poskytovaním ubytovacích, reštauračných a doplnkových služieb	13 075 751,00
TENIS CENTRUM, s.r.o.	Modernizácia areálu Hotela Tenis	65 974 469,62
Hotely a penzióny, a.s.	Prístavba wellness centra a prestavba hotela Bystrá	114 255 761,10
OCEAN TOUR, s.r.o.	City Hotel - Rekonštrukcia hotela	46 949 998,47
I. Tatranská, akciová spoločnosť	Zlepšenie služieb pre zákazníkov v stredisku cestovného ruchu Park Snow Vysoké Tatry	158 952 389,01
Crystal, s.r.o.	Hotel Biele Vody - prístavba bazénovej časti	18 064 746,00
THERMALPARK, spol. s r.o.	Aquapark Novolandia	180 756 000,00
Elevation s.r.o.	Rekonštrukcia hotela Silezsky Dom	161 081 333,26
ŠOVAR, s.r.o.	Aquapark Delňa	129 523 457,35
WEBIS, s.r.o.	Vybudovanie komplexného strediska cestovného ruchu Chopok Západ	180 756 000,00
G. L. HOTELY, a.s.	BUSINESS CENTER HOTELA POĽANA	179 444 289,00
IMMOBAU s.r.o.	Modernizácia lyžiarskeho strediska Ski J ezersko - Bachledova dolina	124 186 052,43

**Competition
and economy
growth
projects cont.**

Názov žiadateľa	Názov projektu	Výška schváleného NFP
BBF elektro s.r.o.	Nová kvalita v poskytovaní celoročných služieb v Rekreačnom stredisku "Úsmev" Poráčska dolina	32 953 366,16
OMOSS spol. s.r.o.	Stavebné úpravy, nadstavba a prístavba hotela Radar v Nižnej pre dobudovanie komplexných služieb CR	58 090 391,42
General Administration s.r.o.	Hotel KARAT - Vyšné Ružbachy	180 756 000,00
ZÁMOK VÍGLAŠ s.r.o.	ZÁMOK VÍGLAŠ	180 742 147,76
I&P Slovakia, a.s.	"Rekonštrukcia kaštiela v Oponiciach"	93 527 388,05
HOTEL PARTIZÁN, s.r.o.	Hotel Partizán - Tále, Modernizácia, dostavba a stavebné úpravy 2., 3., 4., 5. etapa	103 300 638,95
DODDY spol. s.r.o.	RELAX CENTRUM Hodruša- Hármre	180 756 000,00
VIP travel, spol. s.r.o.	Dobudovanie komplexného strediska cestovného ruchu v Starom Smokovci s celoročným využitím a kvalitnými službami	82 734 475,00
SKI LIFT, s.r.o.	Modernizácia a dostavba lyžiarskeho areálu SKI Králiky, Králiky	111 313 419,62
MUDr. Juraj Sninský - VIVATEX ŠPORT	Výstavba kongresového centra hotela Dixon	133 946 528,65
HVT, s.r.o.	Prestavba Hotela Minerál Dudince	143 074 273,30
TERMAL DS, s.r.o.	Prestavba, revitalizácia a inovácia termálneho kúpaliska "PRAMENŇ", Dolná Strehová	155 975 865,00
THERMO - AQUA, s.r.o.	Rekreačný komplex Zábiedovo - nové dimenzie	102 606 512,52
Magnólia, a.s.	Rast konkurencieschopnosti spoločnosti Magnólia, a.s. prostredníctvom modernizácie hotela Magnólia v Piešťanoch	82 948 941,06
DOMICA KOMPLEX, s.r.o.	Rekreačno- oddychový areál Domica	19 998 979,89
Bjornson group s.r.o.	Hotel Bjornson ****	94 999 924,50

Total appr. 3,132,000,000 mil. Sk = 104 mil. EUR

New programing period 2007-2013

- The biggest potential in EE area is in isolation of buldings (savings of 30-40 % of energy consumption) - no impact of SF yet.
- No effective way to finance isolation of multi-story apartment buildings (50% of households) through SF in present. Energy savings would offset the renovation costs.
- Railways and urban public transport will not see much support from SF. Motorways (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.

Conclusion

- The share of RE in electricity consumption in new EU MS is 6 % (15 percent 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 development and minimising greenhouse gas emissions can be reconciled but the opportunity to finance this approach through SF was wasted (so far). This applies equally to the old and new member states.
- Recent development partially supported by SF will likely result in increasing greenhouse gas emissions in new MS as seen previously at South European countries 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.