

Billions of euros worth of EU public funds intended to create a fossil fuel-free, renewables-based and resource efficient economy are being mis-spent, according to a report released today by the NGOs CEE Bankwatch Network and Friends of the Earth Europe.

Just 7% of the €178bn in European Regional Development and Cohesion Funds will be invested into renewables, energy efficiency and SMART grids in central and eastern European (CEE) countries, the report reveals.

It adds that the integration of climate considerations into all plans and projects – as required under EU law – remains superficial.

“Whatever happened at the climate talks in Paris, Poland is still all about coal,” says Markus Trilling, EU funds campaigner for CEE Bankwatch Network and Friends of the Earth Europe. “We’re seeing EU funds being spent across central and eastern Europe for coal, gas and dated transport systems – locking countries into fossil fuel dependency at the expense of renewables and energy efficiency.”

The insufficient spending plans and absent climate commitments of the countries receiving the money are to blame, says the report. Although the Commission asked member states to concentrate EU funding on climate action and climate mainstreaming within its seven-year, €1 trillion budget for 2014-2020, this has not been the case. The report notes as an example Poland and the Czech Republic, which will both offer financial support for the replacement of ‘old coal boilers’ with ‘modern coal boilers’ under the heading of environmental protection.

The authors explain that Estonia will retain carbon-intensive oil shale as its major energy source, Croatia and Estonia have received support for airport extensions – usually excluded from EU funds – and in Romania, one-third of all the money received will be spent on the transport sector, without any integral climate considerations.

“This is really ‘close your eyes and drive’ spending,” adds Trilling. “CEE countries are prioritising energy-intensive transport and fossil fuels over solutions to climate change. Energy efficiency goals have been reduced to footnotes, and the potential for citizens to shape the energy sector – through innovative community-owned and managed renewables – has been side-lined.”

The report includes a comprehensive set of recommendations for ensuring that EU funds contribute to Europe’s energy transition in a meaningful way. This includes the use of the upcoming EU budget midterm review as an opportunity to align funding in CEE countries with European efforts to tackle climate change.

source: paneuropeannetworks.com