

Romania can access EUR 30.6 billion in 2014-2020 through five European funds initiatives, and authorities are interested in a high level of absorption, though complementary programs developed by the government are practically non-existent, a Bankwatch Romania press release announces.

The statement comes as the CEE Bankwatch Network has released its "Climate's Enfants Terribles" Report.

Romania has access to EU funds through the European Regional Development Fund, the Cohesion Fund, the European Social Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund. The investments will follow a series of priority themes, which are divided into nine operational programs, with various priority axes. A basic requirement applicable to all funds is that 20 percent of the amounts allocated to each program help reduce the impact of climate change through actions to reduce emissions.

The National Strategy on Climate Change published in December 2015 shows there are three scenarios our country can take: keeping the status quo and targets for 2020, a 'green version' - reducing greenhouse gas emissions by 40 percent compared to 1990 levels and a 'super green scenario', with an 80 percent reduction.

However, Romania shows no indication of plans to reduce use of fossil fuels or nuclear energy, the report shows. On the contrary, the government plans further investments in coal based energy, leading experts to conclude that "a profound transformation of the energy system to a cleaner one is not part of long term strategy."

Even funds directed straight to energy do not show a 'super green' script path. No funding for solar or wind energy is planned, while 90 percent of funds are for investment in biomass, without providing regulations that guarantee the sustainability of this energy source.

"Supporting co-generation units does not indicate a long-term strategic vision, as this type of source deepens dependence on fossil fuels," Bankwatch Romania warns.

Almost half of large infrastructure program funds go towards transport infrastructure (48.2 percent), almost a third to environmental infrastructure (30.7 percent) and the rest is divided between the environment (9.9 percent), sustainable transportation (5, 8 percent) and Energy Infrastructure (5.5 percent). Allocations for "transition to low carbon economy" are just 4.7 percent.

Since more than half of the funds for transport (52 percent) are allocated to road infrastructure, that leaves 29 percent for rail and 11 percent for clean urban transport. The infrastructure investment approach focuses on improving the existing transport network and not on the financing of more sustainable alternatives, says Bankwatch.

Most of the energy funds are earmarked for renovation of public buildings and improving energy efficiency and to comply with European law. EUR 94.8 million are allocated for renewable energy infrastructure, of which 90 percent to biomass and 10 percent to hydropower and other renewable sources.

Measures to reduce climate change impacts are created in Romania based on EU targets and supported by EU funds, complementary programs developed by the government lacking completely, the report conclusion shows. About 19.1 percent of total funds allocated to Romania by the Regional and Cohesion Funds are allocated to development goals related to climate, while a third of them (6.27 percent) are directed toward clean energy.

source: business-review.eu