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Amendment 1

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on behalf of the Verts/ALE Group

Report

A7-0437/2012

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Role of EU cohesion policy in implementing the new European energy policy
2012/2099(INI)

Motion for a resolution (Rule 157(4) of the Rules of Procedure) replacing non-legislative motion for a resolution A7-0437/2012

European Parliament resolution on the role of EU cohesion policy and its actors in implementing the new European energy policy

The European Parliament,

- having regard to Article 194 of the Treaty on the Functioning of the European Union,
 - having regard to the communication of 10 November 2010 entitled ‘Energy 2020 – A strategy for competitive, sustainable and secure energy’ (COM(2010)0639),
 - having regard to the communication of 15 December 2011 entitled ‘Energy Roadmap 2050’ (COM(2011)0885),
 - having regard to the proposal for a directive of the European Parliament and of the Council on energy efficiency and repealing Directives 2004/8/EC and 2006/32/EC (COM(2011)0370),
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Regional Development and the opinion of the Committee on Industry, Research and Energy (A7-0437/2012),
- A. whereas the common objectives of European energy policy are security of supply, sustainability and competitiveness;
- B. whereas European energy policy should also ensure the safety of energy resources and affordable prices for end users;
- C. whereas the primary objectives of the EU cohesion policy are the economic, social and territorial cohesion of Europe’s regions through investment in sustainable growth and jobs;
- D. whereas the cohesion policy investments in the area of energy should contribute to the realisation of the objectives of both policies by promoting sustainable growth and local job creation in all regions, while ensuring sustainable sources of energy, and guaranteeing

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security of energy supply across the whole EU;

- E. whereas the European Union's energy markets are increasingly extending beyond national borders and this trend is set to gain considerable pace in the period ahead;
- F. whereas, under the original Commission proposal, at least 80 % of ERDF resources in more developed regions and 50% in less developed regions are to be allocated to a 'low-carbon economy';
- G. whereas, in this thematic area, a minimum of 20 % and 6 % respectively is required to be allocated to energy efficiency and renewables;
- H. whereas the European Commission has earmarked 20% of EU funds to mitigating climate change;
- I. whereas the Energy Roadmap 2050 identifies renewable energy as playing a major part in the future energy policy;

General approach

1. Welcomes the general approach of linking cohesion policy to the Europe 2020 objectives and flagship initiatives in order to move towards smart, sustainable and inclusive growth and to support the shift towards a nearly fully renewables-based, energy-efficient economy in all sectors; recalls, in addition, the importance of the Structural Funds and the Cohesion Fund in achieving these short- and long-term objectives in accordance with the spirit of solidarity between Member States as enshrined in the Lisbon Treaty, and in combating energy poverty;
2. Believes that European energy projects could contribute to regional development and stronger cross-border cooperation by helping regions increase their capacity to manage energy resources; believes that investment in renewable energy sources and energy efficiency can result in supporting sustainable regional growth and jobs;
3. Stresses the need to distinguish between cohesion policy goals that contribute to the Europe 2020 strategy, on the one hand, and the EU's wider energy policy goals, on the other, which also affect the countries eligible for cohesion funding; emphasises that cohesion funds may be used as an additional source of funding for energy projects only if a project contributes to cohesion policy goals;
4. Believes that the regions of Europe should promote smart, sustainable and inclusive growth that takes into account local specificities and conditions, allowing the regions of Europe to focus on those sustainable energy sources which are best suited to local and regional conditions and resources, in order to achieve the EU 2020 targets, and a sustainable and clean renewable energy economy by 2050, and that the EU should start measuring and implementing European energy objectives on an EU-wide scale;
5. Takes the view that the European Union should act as quickly as possible to secure its energy future and protect its interests in this field, which will entail exerting additional pressure on local and regional representatives to comply with EU guidelines; takes the

view that they should at the same time be offered financial support for drawing up projects;

6. Stresses that projected increases in energy pricing may place citizens in the less developed EU regions at a particular disadvantage; asks, therefore, that this be considered within cohesion policy planning and for Member States to take additional measures to diminish the effects, especially on protected consumers;

Capacity building

7. Stresses that like the current climate and energy targets, ambitious future energy targets beyond 2020 should be based on fair burden sharing between European regions;
8. Emphasises that bureaucracy and lack of procedural clarity have made access to the Structural Funds and the Cohesion Fund difficult and discouraged those actors most in need of such funding from applying; supports, therefore, the simplification of rules and procedures, the removal of red tape, and increased flexibility in allocating these funds at both EU and national level; believes that simplification will contribute to the efficient allocation of funds, higher absorption rates, fewer errors and reduced payment periods and allow the poorest Member States and regions to take full advantage of the financial instruments intended to reduce regional and inter-state disparities; considers that a balance needs to be struck between simplification and the stability of rules and procedures;
9. Stresses the importance of increasing administrative capacity – but without increasing the administrative burden – in the Member States, at regional and local level and among stakeholders in order to make full and effective use of the funding that will be allocated to energy projects (including in the areas of energy efficiency and renewable energy) under cohesion policy, to overcome barriers to effective synergies between the Structural Funds and other funds and to support effective policy design and implementation; calls on the Member States to make further efforts to attract and retain qualified staff to manage EU funds;
10. Points out, with regard to large-scale energy projects, the possible capacity deficiencies of various regional and local authorities, which might seriously hamper implementation; believes, therefore, that JESSICA, ELENA and IEE-MLEI should be strengthened;
11. Welcomes the launch of the Smart Cities and Communities European Innovation Partnership and calls on the relevant partners involved in planning processes for sustainable urban development to do more to promote, and take fuller advantage of, the benefits available under the JESSICA and ELENA initiatives for sustainable energy investment at local level, with a view to helping cities and regions embark on viable investment projects in the fields of energy efficiency, renewable energy sources and sustainable urban transport;
12. Stresses the importance of regularly reviewing the allocation of cohesion funding for energy projects, in order to increase the absorption rate and channel the funds into programmes which have a proven record of absorption, added value and effectiveness;
13. Draws the attention of the Member States and the Commission to the fact that towns,

especially small and medium-sized towns and rural communities, should be eligible for direct funding aid for energy efficiency and building renovation projects, as well as transregional and cross-border projects, as they are likely to lack the necessary administrative capacity to use other financial instruments fully; suggests to the Commission, in this regard, that an energy-efficiency strategy needs to be drawn up for small communities;

14. Believes that initiatives supporting local and regional capacities to deal with energy savings should be supported, inter alia by ERDF and ESF investments;
15. Calls on the Commission to establish an EU-wide cooperation programme, based on the experience of the twinning programme, in order to improve cooperation between regions with high rates of absorption of EU funds and those with low absorption rates and to facilitate the dissemination of best practices;

Partnership agreements

16. Notes that, for projects to be properly implemented, regional and local authorities should be consulted on partnership agreements in such a way as to give them a real opportunity to influence their goals, the content of expenditure and their implementation; calls, therefore, for the partnership principle to be strengthened;
17. Supports, therefore, a multi-level governance and decentralised approach to energy policy and energy efficiency, including, among other things, the Covenant of Mayors and the further development of the Smart Cities initiative, as well as the promotion of the best solutions at regional and local level by means of information campaigns;
18. Points out that cohesion policy funding arrangements should ensure that the differing economic, social and territorial features of regions are taken fully into consideration; highlights, in this connection, the role of the regions located on the external borders of the European Union;
19. Believes that, while the Common Provisions Regulation provides for general earmarking and other thematic targets, these measures should be applied in a flexible manner within partnership agreements to allow Member States and their regions to pursue their most effective path towards achieving the EU 2020 goals and cohesion policy objectives;

Implementation and policy suggestions

20. Notes that, while Member States are changing their energy mixes in accordance with the EU's climate goals, many regions are still dependent on fossil fuels; believes, therefore, that the transition to a sustainable economy ought to be encouraged through measures to improve the efficiency and environmental sustainability of energy production, transport and consumption and by promoting renewable energy sources;
21. Supports the use of cohesion and energy policy funds for cross-border projects with third partner countries and connections between national networks; stresses that bordering regions should be incorporated into the EU system as much as possible to ensure sustainable development on both sides of the border; stresses that such funding should be

subject to the application of the EU energy market rules, including the third energy package;

22. Welcomes the new proposal on the Connecting Europe Facility, especially in relation to project bonds for renewables, as an additional and complementary instrument to cohesion policy, aimed at addressing the extensive need for investment in modernising and expanding Europe's energy infrastructure, thereby contributing to the Europe 2020 strategy targets; urges the Commission to maximise the degree of coordination between the Structural Funds and the Cohesion Fund, on the one hand, and the Connecting Europe Facility, on the other;
23. Encourages use of the European territorial cooperation objective and the Connecting Europe Facility to implement cross-border strategies on efficient energy production, distribution and use; emphasises the importance of adapting EU rules on energy infrastructure managers to the cross-border context;
24. Believes that cohesion policy funds should be available to properly inform local and regional authorities, SMEs and individuals on national renewable energy schemes in a structured way; notes that this is needed, in particular, in those Member States where a 'certificate of origin' system has been adopted;
25. Calls for full use to be made of synergies between public and private funds in financing energy projects;
26. Supports the revision of the EU VAT Regulation (2006/112/EC) to allow for a reduction of the VAT rate applied to regional, local and cross-border projects seeking to increase energy efficiency and to the purchase of products in the highest energy efficiency class under Directive 2010/30/EU;
27. Believes that only greenhouse gas reduction projects targeting the installations listed in Annex 1 to Directive 2003/87/EC should be excluded from the ERDF and the CF, so as not to engender a disproportionate effect on less developed regions and delay their transition to low-emission regions; asks the Commission to further clarify and define which energy sectors would not be eligible for cohesion policy funding and to withdraw this exclusion from projects located in convergence regions;
28. Notes that district heating and cogeneration plants are widely present in Central and Eastern Europe in particular; believes that the upgrade of such plants and of their distribution network, and where necessary the creation of high-efficiency new plants, would have a positive environmental impact and should therefore be encouraged and supported by the cohesion policy;

Energy efficiency, renewables and infrastructure

29. Agrees that energy efficiency is vital to the EU's energy goals and should be promoted above all within the thematic concentration structure and Operational Programmes; believes that EU measures should support energy efficiency in the energy production, distribution and consumption phases;

30. Considers it to be of paramount importance for investments to be made in energy efficiency and renewable energy use, in particular in the housing sector;
31. Takes the view that, by making intelligent use of Community funds for the forthcoming programming period 2014-2020, it will be possible to achieve the 20 % target for energy efficiency and thus the sustainability and competitiveness objectives in the European Union; stresses that cutting consumption by means of energy efficiency is the most sustainable way of reducing dependence on fossil fuels, leading to a reduction in imports of around 25 %;
32. Stresses the importance of cohesion policy, and of the financial resources allocated to it, for the full development of energy storage and transmission infrastructure and networks (with particular reference to smart grids and distribution) between the Member States and all regions of the EU, including the outermost regions, for the completion and functioning of the internal energy market, for the provision of an affordable, secure and sustainable energy supply and for achieving the goal of convergence among EU regions, taking into the account the needs of EU citizens in every Member State; stresses that no region of the Member States should remain isolated from European gas and electricity networks after 2015 or suffer from inadequate connection to energy networks;
33. Stresses the need to develop an integrated and interconnected energy system, and local and regional smart distribution and transmission networks for electricity and gas, together with storage facilities; believes that the energy thematic concentration should support grid creation and renovation for renewable sources of energy;
34. Points out that the cohesion policy should contribute to balancing energy flows across borders of Member States in order to avoid possible threats of black-outs (e.g. by means of transformers);
35. Notes the need for energy efficiency and development of renewable energy in rural areas; stresses the increasing energy saving potential in rural households, which might require innovative funding schemes, as these communities lack the necessary financial institutions with the ability to support such projects; supports steps to facilitate access to new technologies for rural areas, for example in the area of microgeneration;
36. Asks the Commission to ensure that energy policy is ‘rural proof’ by addressing in a more comprehensive and coordinated way the challenges and opportunities that rural areas face when it comes to energy use and production;
37. Points out that energy efficiency potential remains unrealised in the construction and transport sectors, where investments in the energy efficiency of buildings and energy-efficient public transport represent an opportunity to increase employment in the sectors concerned; believes that multiannual objectives should be set in this regard;
38. Notes the imbalance in sustainable resource use between different Member States; stresses the economies of scales possible through cross-border cooperation on sustainable use of resources and energy efficiency; takes the view that measures to support the development of renewable sources of energy, resource efficiency and the recycling of materials should be stepped up;

39. Stresses the significant advantage of using the Structural Funds and the Cohesion Fund for the implementation of the information and communication networks needed in order to develop a secure and robust smart EU energy grid;

Competitiveness, jobs and fighting energy poverty

40. Stresses that investments in energy infrastructure and energy-efficient construction and transport will lead directly to the creation of new jobs;
41. Calls for the EU-wide exchange of best practices so that the impact on energy poverty of policies adopted in the area of energy may be monitored;
42. Highlights the need to address the fragmentation of the EU energy market by removing barriers and bottlenecks in the relevant legislative frameworks and in the system of access to public and private funds for project development and implementation;
43. Instructs its President to forward this resolution to the Council, the Commission and the Committee of the Regions.

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