GREEN ENERGY FOR ALL

SIX RECOMMENDATIONS FOR THE LAST STAGE OF PROGRAMMING OF EU REGIONAL FUNDS 2014-2020 FOR ENERGY PROJECTS

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SUMMARY

In Poland, we are now at a crucial point in the process of programming the European funds under Cohesion Policy for 2014-2020. As Poland’s 16 voivodeships enter the last phase of negotiating their Regional Operational Programmes (ROPs) with the European Commission, they also prepare to release the implementation by-law documents – the Detailed Descriptions of Priorities and project selection criteria, which will outline exactly who and on what terms will be able to apply for funding from the EU budget. These documents will also determine whether Poland will fully exploit the EU funds’ potential for the country’s sustainable development.

This report is an evaluation of the ROP provisions developed so far with regard to low-carbon economy, with a particular focus on investments in renewable energy and energy retrofit of buildings. It also contains six recommendations for the last, crucial stage of preparing the implementation documents.

Building a low carbon economy will be one of the priorities for the use of the European funds for the years 2014-2020, with more than EUR 9 billion earmarked for this purpose. By participating in the European funds planning process, the Alliance of Associations Polish Green Network and CEE Bankwatch Network seek to ensure that ordinary Polish households benefit from these huge funds, among others through lower energy bills and greater security of energy supply. The findings of this report are however disappointing, indicating that regions plan to spend only to a limited amount of available EU funds with a view to supporting energy retrofit of residential buildings and the development of prosumer energy, areas which are the most important from the point of view of ordinary citizens. Polish regions still have a chance to show ambition, as changes may still be introduced at the stage of preparing the implementation documents.

With energy projects our primary focus, we also strive to ensure regions’ commitment to fully exploiting the potential of funds earmarked for energy projects in order to meet other important social, economic and environmental objectives, such as improving air quality, alleviating energy poverty, stimulating local development or raising ecological awareness. Furthermore, apart from maximizing a positive impact of the investments, their potentially negative impact on the natural environment should also be minimized.

Some of our demands have already found their way into the draft ROPs. However, despite ambitious solutions proposed in many regions, there is still a lot of work ahead of local authorities to fully exploit the potential contained in the funds devoted to low carbon economy. This report contains six recommendations to the Regional Operational Programmes’ implementation documents, which will contribute to the implementation of the above mentioned objectives. We call on Polish regions to invest, instead of simply spending.
INTRODUCTION

In the 2014-2020 period, Poland will be the biggest beneficiary of the European Structural and Investment Funds, receiving more than 80 billion euro in total under the Cohesion Policy of the European Union. Adopting its spending objectives, the EU recognized the benefits associated with improving energy efficiency and the development of renewable energy sources (RES).

Building a low-carbon economy will be one of the top priorities for the use of the EU budget for the 2014-2020 period. In Poland, over 9 billion euro will be allocated for this purpose.

Such measures as low-carbon strategies implemented by local governments, improved energy use by companies, high-efficiency cogeneration of electricity and heat, as well as the implementation of smart grids will be supported from EU funds, in addition to energy retrofit of buildings and renewable energy installations.

Polish regional governments, headed by the Marshalls’ Offices, will bear the responsibility for the allocation of over EUR 4.5 billion under these measures. With the Operational Programmes managed at the national level (Ministry of Infrastructure and Development) financing primarily the biggest enterprises of strategic importance for the whole country, it is on the regional level where the shift to localized sustainable energy system can take place. For smaller investments, such as improving the energy standard in residential buildings or the production of energy from small RES installations, the decisions made by the regional Managing Authorities, as planned in the Regional Operational Programmes (ROPs), will be essential.

Regional Operational Programmes, prepared in the process of an extensive public consultation, are currently being negotiated by the regional governments and the European Commission. PGN and Bankwatch have been involved in the programming process, in the framework of a two-year nationwide project “The EU funds for sustainable development – social participation in the budgetary period programming after 2013”. The analyses and position papers regarding the ROPs, developed within the project in wide CSO partnerships, were used to inform and influence decision-makers at EU, national and regional levels during the programming.

In the area of energy we have been trying to ensure that ordinary households - which on average spend 15% of their income on energy bills due to the generally poor condition of residential buildings in Poland - benefit from the huge allocations for low-carbon economy in regions.

Lifting this financial burden is possible, with reducing heat consumption through energy retrofit of buildings and flats, and the installation of less energy-consuming heating systems, lighting and household appliances. Still, too few communities, cooperatives or homeowners decide to make such an effort. A major obstacle is the lack of own financial resources and access to subsidies or loans granted at preferential rates. Adopting measures to bridge this gap remains one of our key postulates.

We also call on regional authorities to use the EU funds to allow for ordinary citizens to be able to own energy installations of renewable energy sources (RES) - such as solar panels, photovoltaic panels or heat pumps. Thus, from energy consumers they could become prosumers, meaning they would both produce and consume green energy generated by their microinstallation. Prosumer energy development would increase the security of energy supply, especially in rural areas, where communities are struggling with increasingly frequent energy shortages. We also believe that large companies, having their own financial resources for the investments in RES, should be excluded from among the possible beneficiaries of EU funds earmarked for energy in Polish regions.

\[1\] Ministry of Infrastructure and Development, Partnership Agreement, 21 May 2014

\[2\] Institute for Sustainable Development, Institute for Structural Research, Low-Emission Poland 2050, July 2013
EU funding for low-carbon economy development can help Polish provinces meet different social, economic and environmental objectives. We highlight the importance of using their potential to improve air quality, alleviate energy poverty and support local sustainable development based on new structures of cooperation and green jobs.

High on the agenda of our recommendations is the need to provide support for ecological education, aiming to raise awareness and capacity of Poles in the field of renewable energy and energy efficiency. While proposing ways to maximise the positive potential of European funds, we also want to minimize the possible negative impacts of the investments on the natural environment, for example the impact of building insulation on birds inhabiting such buildings.

Some of our demands presented in the course of the consultations have already been included in the draft ROPs. Still, many of the key issues (e.g. exactly who and on what terms will be eligible to apply for the funds) will be decided only at the next stage of programming work, namely in the Detailed Description of Priorities and in the project selection criteria – implementation by-law documents which further develop the general framework of the ROPs. Despite good solutions proposed in many regions, there is still a lot of work ahead of local governments to fully exploit the potential contained in the significant funds earmarked for fostering low carbon development in Poland.

This report aims to summarize the provisions of the draft ROPs developed so far and present recommendations for the last, crucial stage of work on defining the way of disbursing the EU Cohesion Policy funds.
# Assessment of Allocations

1. **Śląskie Voivodeship**
   - EUR 745 m
   - 29.73% ERDF

2. **Lubelskie Voivodeship**
   - EUR 396 m
   - 24.63% ERDF

3. **Pomorskie Voivodeship**
   - EUR 296 m
   - 22.00% ERDF

4. **Dolnośląskie Voivodeship**
   - EUR 356 m
   - 21.97% ERDF

5. **Podlaskie Voivodeship**
   - EUR 181 m
   - 20.65% ERDF

6. **Podkarpackie Voivodeship**
   - EUR 311 m
   - 20.42% ERDF

7. **Wielkopolskie Voivodeship**
   - EUR 352 m
   - 19.95% ERDF

8. **Warmińsko-Mazurskie Voivodeship**
   - EUR 247 m
   - 19.82% ERDF

9. **Kujawsko-Pomorskie Voivodeship**
   - EUR 272 m
   - 19.80% ERDF

10. **Świętokrzyskie Voivodeship**
    - EUR 193 m
    - 19.58% ERDF

11. **Małopolskie Voivodeship**
    - EUR 380 m
    - 18.33% ERDF

12. **Łódzkie Voivodeship**
    - EUR 290 m
    - 17.86% ERDF

13. **Zachodniopomorskie Voivodeship**
    - EUR 194 m
    - 16.85% ERDF

14. **Mazowieckie Voivodeship**
    - EUR 255 m
    - 16.51% ERDF

15. **Opolskie Voivodeship**
    - EUR 103 m
    - 15.06% ERDF

16. **Lubuskie Voivodeship**
    - EUR 98 m
    - 15.00% ERDF

Map: Allocation of funds for the thematic objective 4 on low-carbon economy as percentage of the total allocation of the European Regional Development Fund (ERDF) in the Regional Operational Programmes for the period 2014-2020 (for September 2014 r.)

Legend:
- **substantial**
- **medium**
- **close to minimum**
In 2014-2020 a transition towards a low-carbon economy will be a key investment priority supported by the European funds - throughout the European Union. It does not mean that every country or region will allocate the same amount of funds for this purpose. The map above shows which Polish regions have chosen to invest in clean energy to the greatest extent, and which considered it to be of low priority. In relation to the previous allocation assessment which we made on the basis of the March 2014 versions of the ROPs, the allocation for this purpose has increased by a total of EUR 161 million (most of all in Małopolskie, Podkarpackie and Wielkopolskie voivodeships).

The Śląskie voivodeship remains the “greenest” province, despite a slight decrease in allocation. Almost 30% of available funds from the European Development Fund (ERDF) were earmarked for this purpose.

The above map does not yet give an answer to the question of how much of this money will directly benefit the citizens, being allocated for the retrofit of residential buildings or prosumer energy development. The analysis shows that the needs of local governments will prevail. Firstly, nearly one third of funds earmarked for low-carbon economy in regions, i.e. nearly EUR 1.5 billion, will be spent by local governments on the implementation of low-carbon strategies (including financing expensive public transport vehicle fleet). Secondly, energy retrofit of public buildings will receive two times more funds than energy efficiency measures in the housing sector.

At the moment the allocations for improving energy efficiency in residential buildings are alarmingly low in relation to the entire amount of funds intended to support low-carbon economy, and even more so in relation to the total ERDF allocation in a given region.

The allocations range from 5.15% of ERDF in Podlaskie voivodeship to only 0.58% in Małopolskie. It is still not too late - at the stage of preparing the Detailed Descriptions of Priorities - to increase the amount allocated for this purpose, so that the EU funds actually reach Polish households and help improve their quality of life.

Funds for energy retrofit of residential buildings (in euros and as a percentage of all ERDF funds in a region)
EU funds should be used to support high-quality projects, which create the greatest added value and stimulate the development of the region, so those most ambitious in terms of energy savings, community building and fostering local cooperation, ones that improve air quality, increase environmental awareness and create green jobs. At the same time it is important to reduce the potential negative impact of investments in energy infrastructure on the natural environment. The next part of the report contains six recommendations to the documents providing implementation details to the Regional Operational Programmes. They should contribute to achieving the above objectives and help shift the regional development onto a sustainable path.

1. RETROFIT IS NOT RENOVATION

EU funds should support only ambitious retrofitting projects, which go beyond cost optimization, include the applicable technical standards, provide for depreciation, and lead to the achievement of a significant ecological effect\(^3\). A deep energy retrofit means not only the renovation of the building, but also a significant benefit to the environment – such as the reduction of CO\(_2\) emissions to the lowest possible level.

Determining ambitious requirements with regard to investments supported by EU funds is consistent with the requirements of the European law that Poland is obliged to implement. According to the Energy Performance of Buildings Directive (EPBD) adopted in 2010, all new buildings and buildings undergoing major renovations should have nearly zero energy consumption from 2020 on. The same standard will apply to public buildings two years before that date.

Performing energy audits and achieving at least 30% of energy savings should be the eligibility criteria for funding a project. If such criteria are not met, the application for funding should be rejected. The greatest reduction in energy consumption, up to an energy-efficient building standard with energy consumption of 30-70kWh/m\(^2\) should be one of the project selection criteria applied by the Managing Authorities in regions.

The level of funding awarded to a project should depend on the planned level of improvement in energy efficiency. Project selection criteria should also seek to ensure sustainability of implemented energy efficiency measures, and monitor the achieved environmental effects through the execution and implementation of monitoring systems of energy consumption and management.

It is also worth pointing out that it is possible to achieve the effect of deep energy retrofit of a building by breaking down the process into a number of stages. We propose that such projects be included as possible types of projects in the detailed implementation documents. The key issue that needs to be addressed then, is to ensure that earlier stages neither impede the implementation of later stages, nor increase their costs. Therefore, it is necessary to develop a detailed schedule of energy retrofitting activities for this type of projects.

In addition, support should be provided, via a separate financing path, to the investments in new buildings with the parameters of a passive house (15kWh/m\(^2\)), zero-energy house (passive-house standard combined with energy production) which is energy self-sufficient, or an energy-plus house that can additionally feed the excess produced energy to the grid\(^4\).

Funds for deep energy retrofit and energy-efficient buildings should be accessible to a wide range of beneficiaries, including in particular cooperatives and housing cooperatives, homeowner associations, NGOs, social economy entities and energy service providers - ESCOs (Energy Saving Company or Energy Service Company).

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\(3\) Marek Zaborowski, Institute for Environmental Economics, Definition of deep thermo--modernization, www.renowacja2050.pl, July 2013

\(4\) Institute for Sustainable Development, Institute for Structural Research, Low-Emission Poland 2050, II Energy Efficiency, July 2013
The analysis of the ROP provisions shows that the authorities of ten voivodeships declare support for deep energy retrofit in buildings. The ROP of Mazowieckie expresses this preference in the strongest terms, by stressing the need to attain high thermo-insulation parameters that result in significant energy savings of more than 30%. The government of the region noticed that a standard thermo-modernization may exclude or delay deep energy retrofit of a building, raising its costs due to creating the need for double investment in a single facility. Therefore, the activities bringing the most improvement in energy efficiency should be particularly supported, either as single investments or investments divided into stages resulting in a deep energy retrofit.

The ROPs of Dolnośląskie, Lubelskie, Podlaskie and Warmińsko-Mazurskie voivodeships only mention the need for deep energy retrofitting. In Łódzkie and Zachodniopomorskie only those projects that satisfy significant needs in terms of energy retrofit will be eligible to receive support. It means that as a result of a supported investment, in the foreseeable future further retrofit would not be necessary. Retrofits bringing high energy savings are referred to in the RPOs of the Lubuskie and Opolskie voivodeships. Podkarpackie wants, in turn, to retrofit buildings to the level of energy efficiency.

### Table: Assessment of the ROPs in terms of their recognition of the need to carry out a deep energy retrofit in the activities related to the improvement of energy efficiency of buildings

<table>
<thead>
<tr>
<th>Voivodeship</th>
<th>Dolnośląskie</th>
<th>Kujawsko-pomorskie</th>
<th>Lubelskie</th>
<th>Lubuskie</th>
<th>Łódzkie</th>
<th>Małopolskie</th>
<th>Mazowieckie</th>
<th>Opolskie</th>
<th>Podkarpackie</th>
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<th>Pomorskie</th>
<th>Śląskie</th>
<th>Świętokrzyskie</th>
<th>Warmińsko-mazurskie</th>
<th>Wielkopolskie</th>
<th>Zachodniopomorskie</th>
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<tbody>
<tr>
<td>Deep energy retrofit</td>
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<td>+</td>
<td>+</td>
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</tbody>
</table>

#### 2. RELEASE THE ENERGY OF POLES

In terms of investments in renewable energy financed from EU funds under the Regional Operational Programmes for the years 2014-2020, special support should be extended for prosumer energy projects. Prosumers are at the same time producers and consumers of green energy. EU funds should support the construction and modernization of microinstallations for the production of electricity and heat from renewable energy sources for the prosumers’ own needs, with the possibility of selling the surplus of generated power to the grid.

At present, Poland still lacks stable legal regulations that would enable a dynamic development of prosumer energy on a large scale. Moreover, at the current stage of implementation and development, microinstallations require more support than the bigger and more cost efficient RES installations. Therefore, it is so important that microinstallations are awarded priority financing from EU funds.

The investment priority concerning support for the development of RES in the region should include a separate path of funding for the smallest installations of RES projects, with installed capacity of up to 40 kW in electricity production and 120 kW of heat production.
Managing authorities should plan a separate call for proposals targeted at potential prosumers, where the purchase and installation of micro-generation and micro-cogeneration from RES would be covered by EU funding. Ecological effect achieved through the supported investment should be one of the selection criteria, whereas an indicator to be used could be, for example, a DGC (Dynamic Generation Cost) indicator of a dynamic unit cost expressed in euro, as previously applied by the National Fund for Environmental Protection and Water Management (NGOŚiGW). The indicator defines the cost efficiency of an investment with regard to the achieved ecological effect.5

At the stage of project selection, priority should be given to those projects that make the most efficient use of the produced energy i.e. cogeneration (and tri-generation) micro-installations, as well as to projects providing for the application of energy storage technologies.

In addition, projects that increase local energy security by implementing hybrid systems using more than one source of renewable energy should receive additional points. An important selection criterion should also be a degree of compliance of the RES technologies specified in the project proposal with local low-carbon strategies and the identified local potential for renewable energy development, in terms of raw materials, geography and environment.

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Residents and entrepreneurs benefiting from support through local government units, cooperatives, communities, associations or other beneficiaries of EU funds should be the addressees of interventions and the owners of micro-installations. It is therefore necessary to establish an efficient and transparent system ensuring access to finance for both individuals and legal entities. Such a system could be based on the solutions used by the National Fund for Environmental Protection and Water Management (NGOŚiGW) in the Prosumer programme6 or on the best practices developed in the course of implementing the 2007-2013 ROPs, for example the ‘solar municipalities’ projects. Voivodeships should further adopt appropriate indicators, illustrating their desire to support the largest number of microinstallations in the region.

The analysis of the ROP provisions shows that only six voivodeships decided to meet the needs of Polish prosumers and take advantage of EU funds to support the smallest installations for electricity and heat production from renewable sources. The ROP of the Podlaskie voivodeship provides for priority support for micro-generation from RES. The regional government rightly notes that Podlaskie will face an “energy revolution”, in which the local residents and entrepreneurs will become owners of installations and producers of renewable energy.

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5 National Fund for the Environmental Protection and Water Management, Green Investment Scheme, GIS
6 National Fund for the Environmental Protection and Water Management, Prosumer – co-financing of RES micro-installations
The authorities of Małopolskie and Podkarpackie also plan special support for prosumer energy development. Three other ROPs recognize the need to earmark funds for the development of distributed energy, including micro-generation, from which there is only a small step to the specific plans aiming to support energy prosumption.

3. TIME TO TAKE A BREATH

Air quality in Poland is one the worst across Europe. Infringement proceedings against Poland were initiated by the European Commission for the breach of the law regarding pollution by particulate matter in the air. Apart from transport, industry and energy sectors, it is individual households who are greatly responsible for air pollution in Polish cities, due to their using coal, and sometimes even waste, for heating. Considering the scale of the problem in Poland, each region should actively support activities aiming to reduce air pollution by replacing individual heat sources. Such activities should belong to a separate type of funded enterprises under the low-carbon development priority.

Preference should be given to comprehensive projects, where, if possible, the replacement of a heat source is an element of a deep energy retrofit of the entire building, also in the case where a retrofit was carried out earlier.

<table>
<thead>
<tr>
<th>Voivodeship</th>
<th>Dolnośląskie</th>
<th>Kujawsko-pomorskie</th>
<th>Łódzkie</th>
<th>Małopolskie</th>
<th>Mazowieckie</th>
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<th>Świętokrzyskie</th>
<th>Warmińsko-mazurskie</th>
<th>Wielkopolskie</th>
<th>Zielona Góra</th>
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<tbody>
<tr>
<td>Air quality</td>
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Table: Assessment of the ROPs in terms of the anticipated support for the reduction of air pollution by replacing high-emission heat sources

The beneficiaries should then demonstrate energy savings and sustainability of the effects achieved as a result of the retrofit, in line with the Partnership Agreement, which reads: “the actions in the field of efficiency distribution and the production of heat and cooling will be conducted as part of low-carbon development strategies and in coordination with the energy retrofitting of buildings, and jointly they will lead to the reduction of demand for heating and cooling.” Reducing a building’s energy demand, retrofitting can thus enable the installation of a less powerful heating equipment, and brings about energy savings.

The Partnership Agreement unfortunately excludes the possibility of financing the retrofit of single-family houses from EU funds. Considering the lack of resources, combining the replacement of a heat source in those buildings with their simultaneous retrofit may not be financially feasible for many households. It is therefore necessary to enable the replacement of a heat source even without retrofit, so as not to block urgent actions aiming to protect the air.

All work carried out directly by individual end-users of the project should be settled on the basis of invoices issued to them, as third party. In such cases end users of the project, not the beneficiaries of EU funds, would own the purchased items (stoves, heating systems) from the very beginning. The Małopolskie regional authorities proposed such an innovative mechanism in their ROP.

Any installations combusting solid fuels, even those highly efficient, should be excluded from the catalogue of projects. The project selection criteria should include the expected effect of reducing air pollution as well as the achieved environmental effect in the form of CO₂ reduction level, so as to provide
a preference for RES installations. The investments located in the areas with the highest exceedances of air quality standards, and ones complying with air protection programmes in a given region should also be favoured.

In addition, biomass-based electricity generation projects in the areas with high air pollution, especially PM10 dust, should be excluded from support under the investment priority on renewable energy, as wood-burning may result in further deterioration of air quality in the area.

The analysis of the ROPs shows that only six regions, i.a.: Kujawsko-Pomorskie, Lubelskie, Małopolskie and Świętokrzyskie are planning a separate type of an operation concerning heat source replacement. Małopolskie voivodeship is performing the best in the group, by proposing a special mechanism for financing the exchange of heat sources by individual households.

4. THE TORCH OF KNOWLEDGE

One of the EU funds’ spending priorities should be environmental education, including, among others, informing the public about energy saving and the use of renewables as well as, in a broader sense, environmental and social impacts of energy production from different sources and the effects and ways to mitigate climate change. Without this element the infrastructure investments financed by EU funds may prove ineffective as their demonstrative and model potential will be lost, and the objectives of an intervention may not be fully met.

**Educational, information and promotional measures should constitute an integral part of the projects of energy retrofitting of buildings, energy efficiency improvement of enterprises, RES installations or low-carbon strategies for cities, and their costs should be eligible for funding.**

Those activities should be addressed to the users and visitors of the place where the investment was made, or to the residents of the area. They are to be used, among others, to inform about environmental and economic effects of the investment: the amount of energy and cost savings or the number of jobs created. These activities may also include, for example, trainings for people operating the infrastructure built or purchased as part of an intervention, or for energy experts in the beneficiary’s institution. They should be funded by the European Social Fund via the cross-financing mechanism.

**Information and education campaigns targeting the residents of a region should also be supported from EU funds under “building a low-carbon economy” objective, independently from investments in infrastructure.**

Such campaigns would serve to increase people’s awareness and their accountability for the quality of the natural environment and climate protection. They would promote low-carbon growth, economical and efficient use of natural resources and increase public awareness of RES as well as prosumer energy, energy saving in buildings and energy-efficient, ecological and self-sufficient buildings. Non-governmental organizations, which have the most experience in carrying out such projects, are indispensable and cannot be excluded from among the beneficiaries of these funds.

The analysis of the draft ROPs showed that nine voivodeships plan to finance information and promotion campaigns as separate activities, unrelated to specific projects. Podlaskie region makes it clear that the implementation of the above actions will be entrusted to the entities that have experience in this respect (including e.g. NGOs).

It is encouraging that 11 ROPs recognize the need to support environmental education complementing infrastructural projects (Dolnośląskie, Lubelskie, Opolskie, Podkarpackie and Świętokrzyskie...
Voivodeships are the only regions that do not plan to use the cross-financing mechanism in energy projects. Some ROPs also indicate that through the cross-financing mechanism it will be possible to finance capacity building of people operating the new infrastructure as part of intervention in the field of renewable energy sources and energy efficiency (Lubuskie and Zachodniopomorskie). In Małopolskie such support will be directed to the development of an integrated energy system planning in the region, in particular through actions to improve and stimulate energy planning in municipalities involving, among others, building capacity of energy experts, developing methodology and municipal energy plans.

5. IN HARMONY WITH NATURE

All low-carbon development projects financed from EU funds for the years 2014-2020 under the ROPs should take into account the current standards for biodiversity protection and should at least not contribute to the deterioration of the natural environment.

At the stage of assessing the eligibility of projects to receive funding, it is necessary to take into account the possibility of conflict between specific RES installation technologies and the conservation of nature in a given territory, in particular due to spatial conditions and species protection. Similarly, energy retrofit projects can potentially adversely affect the local ecosystem, both in rural areas and in cities.

Project eligibility criteria should therefore include a provision obligating the investor to conduct necessary expertise in order to evaluate the impact of a project on the environment, as well as account for the beneficiary’s actions aimed to protect nature.

For example, in case of energy efficiency projects in buildings, it should be necessary for the potential investor to meet the requirements concerning the protection of birds and bats, particularly with regard to projects aimed to insulate and seal buildings or the works in attics and flat roofs. RES projects must take into account the exclusions and limitations of the planned project location established by local conservation plans, especially with regard to wind, hydro and geothermal energy. The costs incurred by a beneficiary to conduct such analyses and take actions aiming to minimize negative impact on the environment should account for eligible costs. Funding hydro-energy projects should be possible only in the case of modernisation or when an installation uses an existing damming.

Projects that use local natural resources, including in particular waste, in an effective and sustainable way, should be favoured and prioritised.

In case of biomass energy projects, priority should be given to the enterprises that involve using the waste from agricultural production and processing, food industry, maintenance operations in protected areas and sanitary cuts, instead of from special energy crops plantations that can pose an additional burden for the environment. The assessment criteria should also take into account comprehensiveness of waste heat and digestate utilization.
To maximize the ecological effect of energy retrofit projects, additional points should be awarded to those endeavours involving the use of natural, local materials such as e.g. straw, and those in line with the standards of a green building, such as efficient use of resources and the reduction of emissions and waste.

Analysing the current provisions of the ROPs, it can be concluded that some of the Polish regions pay particular attention to the relationship between investments in renewable energy and energy efficiency, and environmental protection. The ROPs of Podlaskie and Warmińsko-Mazurskie voivodeships contain detailed requirements for the financed projects, introducing provisions concerning the obligation to respect the environment and protect the local landscape. In Kujawsko-Pomorskie an expert report on protected species of birds will be required for energy retrofit projects. Pomorskie gives priority to the construction of installations that use organic waste to produce energy.

6. COMMUNITY ENERGY

EU funds within the ROPs should be used to support building social capital and local structures of cooperation for the development of renewable energy in Polish regions. Supporting development at the level of local communities is a key element that will enable the creation of structures for the implementation of prosumer and community energy projects, such as energy cooperatives or collective energy retrofit projects in Polish municipalities. On the other hand, using the potential of green energy will result in tangible benefits to the local community, stimulate the economic development of the region and increase social cohesion.

It is particularly important to ensure access of local communities to EU funds, not only to those earmarked for investments in energy infrastructure but also dedicated to building social capital and creating local structures of cooperation.

An evaluation criterion for all energy projects should be the type of a beneficiary. Community-led projects should be preferred, especially those implemented in long-term partnerships, aimed at the development of a given area and involving, apart from local governments, the representatives of local communities and businesses, e.g. Local Action Groups (LAGs), i.e. specific territorial partnerships, whose task is to implement a local development strategy.7 Priority should be given to projects conducted in the form of public-private partnership, including ESCOs in the area of energy efficiency, as well as projects implemented jointly with NGOs which would be responsible for information and promotion activities – complementary to investment-funded via cross-financing.

Moreover, grassroots initiatives aimed at creating local structures of cooperation that could implement RES and energy efficiency projects should be encouraged and supported under other investment priorities, not directly related to energy. Such projects could be financed under the new instrument for territorial development, the Community-Led Local

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<tr>
<th>Voivodeship</th>
<th>Dolnośląskie</th>
<th>Kujawsko-pomorskie</th>
<th>Łużyckie</th>
<th>Łódzkie</th>
<th>Małopolskie</th>
<th>Mazowieckie</th>
<th>Opolskie</th>
<th>Podkarpackie</th>
<th>Podlaskie</th>
<th>Pomorskie</th>
<th>Śląskie</th>
<th>Świętokrzyskie</th>
<th>Warmińsko-mazurskie</th>
<th>Wielkopolskie</th>
<th>Zachodniopomorskie</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature conservation</td>
<td>-</td>
<td>+</td>
<td>-</td>
<td>+</td>
<td>-</td>
<td>-</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
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</tr>
</tbody>
</table>

Table: Assessment of the ROPs in terms of their readiness to take into account the requirements of nature conservation in energy-related actions

7 Regulation of the European Parliament and of the Council (EU) No 1303/2013 of 17 December 2013., Art. 34
Development (CLLD). This mechanism, proposed by the European Commission, aims to create and implement local development strategies by supporting community participation and cooperation between local government, residents and SMEs.

In the case of investments in renewable energy, the selection criteria - relevant from the point of view of sustainable local development, strengthening socio-economic links and creating green jobs in production, maintenance and servicing of the equipment and systems for the production of energy from renewable sources – should allow for favouring the projects that lead to the formation of local clusters of production, distribution and sales.

**Preference should be given to projects creating local jobs and using the natural resources available locally, as well as projects that provide for cooperation and building links between different types of entities in the region.**

With regard to energy efficiency, regions should favour investments limiting energy poverty, e.g. in the regions with the highest rates of social exclusion.

The catalogue of beneficiaries eligible to obtain support with regard to RES and energy efficiency projects should be broad and include, inter alia, Local Action Groups, local governments, cooperatives, housing cooperatives and homeowner associations, NGOs, social economy entities and public-private partnerships.

Some ROPs show that the benefits of stimulating local cooperation have been noticed by the programming authorities in the regions. Some include the declaration of favouring projects implemented in a partnership under energy-related investment priorities. The ROPs of Mazowieckie and Dolnośląskie have such clauses. Łódzkie voivodeship decided to exploit the potential of the existing Local Action Groups for local development, adding those groups to the catalogue of the beneficiaries of financial support. Such promise should be made reality at the stage of preparing the Detailed Description of Priorities and project selection criteria, allowing LAGs to apply for RES-related project funding as well.

Only three Polish regions - Podlaskie, Śląskie and Kujawsko-Pomorskie - recognize the potential of the Community-Led Local Development instrument and provide for funding of the activities carried out in this form. In order to effectively take advantage of the potential of this mechanism for the development of community energy, it is necessary to specify and promote local energy projects as a form of actions supported by CLLD.

<table>
<thead>
<tr>
<th>Voivodeship</th>
<th>Dolnośląskie</th>
<th>Kujawsko-Pomorskie</th>
<th>Lubańskie</th>
<th>Lubuskie</th>
<th>Łódzkie</th>
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<th>Świętokrzyskie</th>
<th>Warmińsko-mazurskie</th>
<th>Wielkopolskie</th>
<th>Zachodniopomorskie</th>
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<tr>
<td>Community cooperation</td>
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<td>-</td>
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</tr>
</tbody>
</table>

Table: Assessment of ROP in terms of the declared support for local structures of cooperation and partnership, including through the CLLD instrument, in energy-related activities.
The analysis is based on the draft ROPs for the 2014-2020 period, in the versions submitted to the European Commission in April 2014:

- Projekt Regionalnego Programu Operacyjnego Województwa Dolnośląskiego 2014 2020, 08.04.2014. [draft of the Regional Operational Programme for the Dolnośląskie Voivodship for the years 2014-2020, 08 April 2014]
- Regionalny Program Operacyjny Województwa Kujawsko-Pomorskiego na lata 2014-2020, projekt 4.0, 08.04.2014. [the Regional Operational Programme for the Kujawsko-Pomorskie Voivodship for the years 2014-2020, 4.0. draft, 08 April 2014]
- Regionalny Program Operacyjny Województwa Lubelskiego na lata 2014-2020, projekt, 08.04.2014 r. [the Regional Operational Programme for the Lubelskie Voivodship for the years 2014-2020, draft, 08 April 2014]
- Projekt Regionalnego Programu Operacyjnego – Lubuskie 2020, wersja 5, kwiecień 2014 r., [draft of the Regional Operational Programme for the Lubuskie Voivodship 2020, version 5, 08 April 2014]
- Regionalny Program Operacyjny Województwa Łódzkiego, projekt - wersja 4.0, 10.04.2014 r. [the Regional Operational Programme for the Łódzkie Voivodship, draft - 4.0 version, 10 April 2014]
- Wstępny Projekt Małopolskiego Regionalnego Programu Operacyjnego, wersja 4.0, kwiecień 2014. [Preliminary Draft of the Regional Operational Programme for the Małopolskie Voivodship, version 4.0, April 2014]
- Regionalny Program Operacyjny Województwa Opolskiego na lata 2014-2020, kwiecień 2014, [the Regional Operational Programme for the Opolskie Voivodship for the years 2014-2020, April 2014]
- Regionalny Program Operacyjny Województwa Podlaskiego, projekt, 08.04.2014, [the Regional Operational Programme for the Podlaskie Voivodship, 08 April 2014]
- Regionalny Program Operacyjny dla Województwa Pomorskiego na lata 2014-2020, 27.03.2014, [the Regional Operational Programme for the Pomorskie Voivodship for the years 2014-2020, 27 March 2014]
- Projekt Regionalnego Programu Operacyjnego Województwa Śląskiego 2014-2020, wersja 5.1, 10.04.2014 r., [draft of the Regional Operational Programme for the Śląskie Voivodship for the years 2014-2020, version 5.1, 10 April 2014]
- Regionalny Program Operacyjny Województwa Świętokrzyskiego na lata 2014-2020, wersja 4.0, marzec 2014 r. [the Regional Operational Programme for the Świętokrzyskie Voivodship for the years 2014-2020, version 4.0. March 2014]
- Regionalny Program Operacyjny Województwa Zachodniopomorskiego 2014-2020, projekt, 08.04.2014, [the Regional Operational Programme for the Zachodniopomorskie Voivodship for the years 2014-2020, draft, 08 April 2014]
Związek Stowarzyszenie Polska Zielona Sieć (Alliance of Associations Polish Green Network) is a nationwide public benefit organization. We are an association of non-governmental organizations acting for sustainable development and building civil society. Our goal is to develop in harmony with nature. We counteract climate change, promote civic energy and sustainable use of natural resources; we monitor public funds spending, including European funds, for environmental purposes and support sustainable development of the Global South countries.

CEE Bankwatch Network is a network of NGOs from Central and Eastern Europe, monitoring the activities of international financial institutions and EU funds spending in terms of their impact on the environment.

www.ekoprojekty.pl  
www.bankwatch.org  
www.zielonasiecz.pl