

# Role of EU cohesion policy and their actors in implementing the new European energy policy

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The European Parliament adopted by 530 votes to 112, with 29 abstentions, a resolution on the role of EU cohesion policy and its actors in implementing the new European energy policy.

Parliament welcomes the general approach of **linking cohesion policy to the Europe 2020 objectives**. It recalls:

- **the importance of the Structural Funds and the Cohesion Fund in achieving these short- and long-term objectives in combating energy poverty in the less developed regions of the EU and the most vulnerable households;**
- the need for strong EU support for economic, social and territorial cohesion bearing in mind the current crisis' negative effect of increasing local and regional disparities in Europe.

Members believe that European energy projects could contribute to regional development and stronger **cross-border cooperation** by helping regions increase their capacity to manage energy resource. According to them, investment in low-emission and renewable energy sources and energy efficiency can result in **supporting regional growth and jobs**.

The resolution stresses that the European Union should act as quickly as possible to **secure its energy future** and protect its interests in this field, and should at the same time offer substantial financial support for drawing up projects. Stressing that **projected increases in energy pricing** may place citizens in the less developed EU regions at a particular disadvantage, Members ask that this factor be considered within cohesion policy planning.

**1. Capacity building:** the resolution stresses that the current climate and energy targets and any future energy goals beyond 2020 should be based on **fair burden-sharing between European regions** and should allow them the possibility of future development, which is needed.

Parliament:

- supports the **simplification of rules and procedures**, the removal of red tape, and increased flexibility in allocating these funds at both EU and national level;
- stresses the importance of **increasing administrative capacity** at regional and local level in order to make full and effective use of the funding that will be allocated to energy projects under cohesion policy;
- believes, not only that JESSICA, ELENA and IEE-MLEI should be strengthened, but that any **funding allocations for low-emission economy thematic concentrations** within the cohesion policy should be reviewed by 2018 in light of their absorption rate and adjusted as needed;
- 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;
- 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 trans-regional and cross-border projects

- asks for support for initiatives supporting **local and regional capacities** to deal with energy savings, *inter alia* by ERDF and ESF investments;
- 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.

**2. Partnership agreements:** for projects to be properly implemented, Members feel that **regional and local authorities should be consulted** on partnership agreements. They call, therefore, for the **partnership principle to be strengthened**, and support a **multi-level governance** and decentralised approach to energy policy and energy efficiency.

Parliament points out that cohesion policy funding arrangements should ensure that the differing economic, social and territorial features of regions are fully taken into consideration. It highlights, in this connection, the role of the **regions located on the external borders** of the European Union, and single out the need to apply broad criteria for assessing energy projects put forward for cohesion policy funding.

**3. Implementation and policy suggestions:** Parliament considers that all regions still dependent on fossil fuels ought to be encouraged to **use sources of energy compatible with the goals of smart, sustainable and inclusive growth**.

The resolution:

- takes the view that **consistent rules are needed at European level** along with a mechanism for authorities to access information from across the Union in order to fully understand energy market developments;
- supports the use of cohesion and energy policy funds for **cross-border projects with third partner countries and connections between national networks**;
- 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;
- encourages implementation of **cross-border strategies** on efficient energy production, distribution and use;
- calls for full use to be made of synergies between **public and private funds in financing energy projects**;
- 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.
- calls for the cohesion policy to encourage and support the **upgrade and creation of district heating and cogeneration plants** especially in Central and Eastern Europe..

**4. Energy efficiency, renewables and infrastructure:** Parliament 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**. EU measures should support energy efficiency in the energy production, distribution and consumption phases. It 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**.

The resolution also:

- 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; **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;

- emphasises 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; the sustainable production of biogas is supported;
- 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;
- points out that energy efficiency potential remains unrealised in the construction and transport sectors, where **investments in the heating of buildings and energy-efficient public transport represent an opportunity to increase employment** in the sectors concerned;
- notes the imbalance in sustainable resource use between different Member States and stresses the **economies of scale** possible through cross-border cooperation on the sustainable use of resources and energy efficiency.

**5. Competitiveness, jobs and fighting energy poverty:** the resolution stresses that investments in energy infrastructure and energy-efficient construction and transport will lead directly to the creation of new jobs.

Members call 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. They also highlight 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.