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ENERGY 4 COHESION

Sustainable Energy Actions for Europe's Cohesion

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Survey on previous, on-going and future EC Cohesion Policies

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1. EC Cohesion Policy and Priorities after 2006

It has become clear that Structural Funds (SF) is going to be very open for RE and EE during the programming period 2007-2013. The Commission documents make this very clear:

- As a first step in launching the discussion on the priorities for the new generation of cohesion policy programmes, the Commission published on 6 July 2005 draft Community Strategic Guidelines entitled “Cohesion Policy in Support of Growth and Jobs: Community Strategic Guidelines, 2007-2013”. The Guidelines set out a framework for new programmes, which will be supported by the European Regional Development Funds (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF). The Communication of the European Commission from 05.07.2005 (KOM(2005) 299) can be found at http://europa.eu.int/comm/regional_policy/index_de.htm
These Community Strategic Guidelines are setting the context for frameworks at the level of the Member State to be negotiated in partnership (EC and national officials) and taking account of different national and regional needs and circumstances. The National Strategic Research Framework is intended to define clear priorities for Member States and regions, underpinning the synergies between cohesion policy and the Lisbon strategy and increasing the consistency with the Broad Economic Policy Guidelines and the European Employment Strategy.
- While the National Strategic Research Framework has a more general character, the Operational Programmes go much more into detail and the national priority areas for Structural Funds (e.g. transport, energy/renewable, etc.) will be ‘transformed’ into individual Operational Programmes for each area.

All Operational Programmes (OPs) will be approved by the EC by October 2006 at the latest.

So far SF has always been granted through the EC. Now all projects below 25 Mio or 50 Mio Euro can be approved on Member State level, provided they are in line with a specific Operational Programme. Every country sets its own administrative decision process. For this reason there is no real difference between Cohesion Fund and European Regional Development Fund any more regarding projects in the field of RE and EE. Decisive alone is the OP under which they may fall. All SF are linked to the Gothenburg and Lisbon Criteria.

Unfortunately, the Community Strategic Guidelines are far from clear. Instead, the wording is vague, and they have thus not given a clear message to the Member States in the field of RE and EE. However, it must be emphasized that every Member State has to present something in the field of RE as this is a clear priority area of the European Commission for the upcoming programming period.

It has become clear that most responsibilities, especially concerning the planning and the execution of projects, have been passed onto the Member States for the upcoming programming period. However, some ‘checks and balances’ have remained:

- yearly reports have to be submitted to the EC by each Member State

- substantial, large reports have to be submitted on a two-yearly basis to the EC
- at the end of the programming period, final reports have to be submitted to the EC

The main focus of SF during the programming period 2007-2013 lies on the Lisbon Criteria (sustainability, employment and economic growth). In fact 60% of all money (300 billion EUR have been foreseen for 2007-2013) is earmarked for projects in the frame of the Lisbon Criteria.

The Lisbon Summit (23 – 24 March 2000) confirmed the commitment to a new economic and social agenda. The contributions by the Commission, together with the active involvement of the Heads of State and Government, turned out to be the key to success.

The Heads of State and Government agreed on a new strategic goal for the EU for the next decade: to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion. At the same time, an overall strategy was agreed that should allow the EU to achieve this goal as a result of:

- Preparing the transition to the knowledge-based economy and society
- Promoting economic reforms for competitiveness and innovation
- Modernizing the European Social Model by investing in people and combating social exclusion
- Sustaining a macro-economic policy mix for sustainable growth

Some background information on Cohesion Policies:

14 July 2004: Commission adopted its legislative proposal on cohesion policy reform; the proposal included:

- A general regulation laying down a set of rules for the three sources of financing for structural actions during the programming period 2007-2013 (ERDF, SF, CF)
- A regulation for each of these components
- A proposal for a completely new regulation allowing the creation of cross-border cooperation structures

In addition, it included three new priorities:

Convergence (formerly objective 1): support for growth and job creation in the least developed Member States and regions. Regions whose per capita GDP is less than 75% of the EU average will be eligible (mostly regions from the New Member States), but temporary support (until 2013) will be given to regions where per capita DGP is below 75% of the EU-15 (the so-called 'statistical effect')

Competitiveness and employment (formerly objective 2): designed to help the richer Member States deal with economic and social change, globalization and the transition to the knowledge society. Employment initiatives are to be based on the European Employment Strategy (EES) – adaptability of workforce, job creation and accessibility to the labour market for vulnerable persons.

Territorial cooperation: to stimulate cross-border cooperation in order to find joint solutions to problems such as urban, rural and coastal development, the development of economic relations and the networking of SMEs. A new cross-border authority will be set up to manage cooperation programmes.

November 2004: Mid-term review of the Lisbon Process: Commission/Kok report „Facing the Challenge – The Lisbon strategy for growth and employment“
<http://europa.eu.int/growthandjobs/index.htm>

February 2005: Commission proposal for re-launch of Lisbon Agenda - Communication to the Spring European Council - COM (2005) 24
http://europa.eu.int/growthandjobs/pdf/COM2005_024_en.pdf

March 2005: European Council (see Presidency Conclusions, European Council
http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/ec/84335.pdf)

April 2005: Commission publishes Integrated Guidelines for Growth and Jobs
http://europa.eu.int/growthandjobs/pdf/integrated_guidelines_en.pdf

Lisbon National Reform Programmes for Growth and Jobs 2005-2008 online:
http://europa.eu.int/growthandjobs/pdf/nrp_2005_en.pdf

July 2005: Draft Community Strategic Guidelines adopted by Commission; launch of public consultation
http://europa.eu.int/comm/regional_policy/sources/docoffic/2007/osc/index_en.htm
http://europa.eu.int/comm/regional_policy/sources/docoffic/2007/osc/050706osc_en.pdf

January 2006: The new Lisbon Strategy for Growth and Jobs: an estimation of the economic impact of reaching five Lisbon Targets, published by Enterprise and Industry Directorate-General of the European Commission
http://europa.eu.int/comm/enterprise/enterprise_policy/competitiveness/doc/industrial_policy_and_economic_reforms_papers_1.pdf

February 2006: closing of the public consultation (on 17.02.)

March 2006: European Council (see Presidency conclusions, European Council
<http://register.consilium.eu.int/pdf/en/06/st07/st07775.en06.pdf>)

Ongoing: submission of National Strategic Research Frameworks & Operational Programmes to the EC

Sources: EurActiv
<http://www.euractiv.com/en/agenda2004/mixed-reactions-kok-report-european-stakeholders/article-131860>

European Commission, Growth and Jobs website

http://europa.eu.int/growthandjobs/key/index_en.htm

European Commission, Regional Policy website

http://europa.eu.int/comm/regional_policy/sources/docoffic/2007/osc/index_en.htm

2. Strategies and Implementation of Structural and Cohesion Funds in selected countries for 2007 and beyond

2.1. Lithuania

According strategy of EC Structural funds are going to be open for renewable energy and energy efficiency in Lithuania. In 1995, Lithuania signed an Association Agreement with the European Union and formally applied for EU membership. The association agreement obliges Lithuania to approximate its legislation, including the environment sector, with the EU's legal requirements. In order to achieve the EU approximation requirements by the year 2015, it is estimated that over 1 billion Euro shall be allocated for different RE and EE investment projects.

For the period 2004-2006 the Single Programming Document and for the new period 2007-2013 the National General Strategy, also Operational Programmes in Lithuania were prepared.

Programme Vision and Objectives

National Strategy is based on the vision, which was devised in broad partnership with all types of partners and follows the established political consensus in the country. The vision states that:

“By 2015, Lithuania will have achieved parity with the more prosperous EU Member States in terms of key social and economic indicators. Its people will enjoy a high quality of life based on a modern, knowledge-driven economy that exploits the country's many unique strengths.”

The Single Programming Document and new Strategy will involve large-scale joint investment between Lithuania and the European Union (EU). It will play a critical role in helping to create the necessary framework conditions for growth that will enable Lithuania to realize its potential, and will contribute to the realization of the long-term vision set out above. It is estimated that due to the SPD investments real GDP growth in Lithuania can increase by approximately 1.5 percentage points over the baseline scenario. Moreover, macroeconomic forecast estimates that due to the SPD number of employed workers in the economy could increase up to 28 000.

This National general Strategy for period 2007-2013 will be implemented through three operational programmes:

1. The operational programme of the development of human resources.
2. The operational programme of the economic growth.
3. The operational programme of the cohesion promotion.

The operational programme of the development of human resources

This operational programme corresponds to the first priority of the Lithuanian Strategy for the Use of EU Structural Assistance for 2007–2013 “Productive human resources for the knowledge society”. Implementation of this programme will be co-financed from the European Social Fund. When implementing the programme of the development of human resources, efforts will be made to attract and retain people in the labour market, promote more active lifelong learning, develop the labour force of the highest qualification and improve public administration.

18% of the structural funds will be allocated for this programme under the Convergence objective. The programme is co-financed from the European Social Fund.

The operational programme of the economic growth

This operational programme corresponds to the second priority of the Lithuanian Strategy for the Use of EU Structural Assistance for 2007–2013 “Competitive economy”. The operational programme will be co-financed from the funds of the European Regional Development Fund and the Cohesion Fund (for transport). When implementing the operational programme of economic growth, efforts will be made to increase the business comparative share of high added value in the Lithuanian economy, create favorable conditions for small- and medium-sized business and innovations and make the economic infrastructure more effective.

40.8% of the structural funds will be allocated for this programme under the Convergence objective. The programme is financed from the European Regional Development Fund and the Cohesion Fund.

The operational programme of the cohesion promotion

This operational programme corresponds to the third priority of the Lithuanian Strategy for the Use of EU Structural Assistance for 2007–2013 “Life quality and cohesion”. The operational programme will be co-financed from the funds of the European Regional Development Fund and the Cohesion Fund (for environmental protection). When implementing the operational programme of the cohesion promotion, efforts will be made to make better use of the local potential, provide qualitative and accessible public services, preserve and improve the quality of environment.

45.32% of the structural funds will be allocated for this programme under the Convergence objective. The programme is financed from the European Regional Development Fund and the Cohesion Fund.

Financial support for energy sector is involved in Operational programme of the cohesion promotion. This programme in period 2001-2013 will be implemented through 4 priorities:

Priority 1: local and urban development, conservation of cultural heritage and nature and adaptation for tourism development;

Priority 2: quality and accessibility of public services: health, education and social infrastructure;

Priority 3: environment and sustainable development;

Priority 4: technical assistance for programme evaluation and publicity.

Priorities in energy sector are presented in Priority 3.

Priority 3: environment and sustainable development

Priority description

One of the key objectives for efficient use of EU assistance is to ensure that economic development boosted by EU investments complies with the principles of sustainable development. Balancing rapid economic development and protection of healthy environment is a complex task. The public usually gives priority to tackling the economic problems at the expense of environmental quality. At the current stage of development in Lithuania, it is vitally important to timely implement efficient environmental measures and reduce the negative environmental impact of consumption of energy and other natural resources and economic activities as solving old environmental problems costs more than prevention and, sooner or later, starts impeding economic growth.

To ensure better quality of the environment and sustainable development, priority will be given to the following specific objectives:

1. Renovation and development of water supply and waste water treatment systems;
2. Creation of modern waste management system;
3. Improvement of air quality;
4. Increase of energy generation and consumption efficiency and use of renewable energy resources.

Renovation and development of water supply and waste water treatment systems

Development of water supply and waste water management infrastructure lags far behind the development of housing and economy as well the growing need for quality and affordable public water supply and waste water management services. Around 1 million people use underground water from dug wells or individual wells which is usually contaminated and fails to meet the requirements. Currently, the centralised waste water collection and management service is accessible to only 62% of the population. Some portion of waste water collected by municipal waste water collection systems (especially in smaller towns and villages) are treated insufficiently. In order to achieve water protection objectives, in some cases the facilities for deeper treatment of waste water will have to be installed in waste water treatment plants which meet minimum requirements laid down in Urban Waste Water

Treatment Directives due to sensitivity of the recipient water bodies. Surface (rainwater) waste water management infrastructure is poorly developed. As a result, a large share of such waste water enters surface waters untreated and makes a huge impact on the status of water bodies.

Expansion of waste water collection and treatment infrastructure results in the growing amounts of sludge accumulating during waste water treatment. It is necessary to introduce as soon as possible more modern, efficient and eco-friendly sludge management technologies ensuring significant reduction in sludge quantities and utilisation of treated sludge as a renewable energy source. Moreover, it is necessary to dispose of sludge accumulated in sludge storage sites.

It is expected that by 2013 the share of waste water cleaned according to the requirements and discharged into the environment will comprise at least 97% of the total volume of waste water. It is expected that the number of consumers receiving centralised water supply and waste water treatment services will increase 3% in urban areas and 20% in rural areas after implementation of the development plans for water supply and waste water treatment.

After implementation of this Operational Programme, about 80% of sludge throughout Lithuania should be disposed using modern technologies. In addition to tackling the problems of environmental quality, this will facilitate the use of accumulated and new sludge for energy needs.

Key measures aimed at renovation and development of water supply and waste water management systems to be funded under this Operational Programme include modernisation and development of the infrastructure for public water supply and waste water management (waste water collection, transportation, treatment, discharge, record keeping, control and primary disposal of sludge and waste accumulated during treatment), development of the infrastructure for treatment of surface waste water and creation of infrastructure for disposal of sludge generated during waste water treatment. To improve the status of water bodies and achieve water protection targets before EU deadlines, it is intended to finance implementation of measures aimed at improving the treatment efficiency of waste water treatment plants of agglomerations discharging waste water into pollution-sensitive water bodies (in agglomerations where waste water is treated below the minimum requirements set out in Urban Waste Water Directive and such treatment is insufficient to achieve water protection targets (additional treatment is required)). The majority of funds will be invested into completion of implementation of the investment programmes of infrastructure development for basin water management and waste water management, i.e. renovation and development of water supply and waste water management infrastructure intended for public water supply and waste water management services in towns and settlements.

Equally important task will be creation of the infrastructure for supply of quality drinking water and adequate waste water management in rural areas and small settlements. Surface waste water management problems will be tackled by funding construction of treatment plants for waste water collected by the existing surface waste water collection systems owned by municipalities (companies controlled by municipalities). More advanced and productive

treatment technologies will be introduced for disposal of sludge. Infrastructure for disposal of sludge will be created in order to use currently accumulated sludge and newly generated sludge for energy needs.

Creation of modern waste management system

Creation of modern waste management system compliant with EU requirements will ensure comfortable and eco-friendly waste management services to the population. This will ensure compliance with the requirements laid down in the EU Directive on Landfills and contribute to achieving the targets of waste recycling set in the Packaging and Packaging Waste Directive as well as Electrical and Electronic Equipment Waste Directive. Development of capacities for collection and management of biodegradable waste from the flow of municipal waste will ensure by 2013 a 50% reduction in the quantities of such waste disposed in landfills as compared with 2000. Adequate management of biodegradable waste will help reduce greenhouse gas emissions and will contribute to compliance with the requirements of the Kyoto Protocol and relevant EU legal acts. Introduction of initial sorting of municipal waste and the use of waste as secondary raw materials will significantly reduce the amount of waste disposed in landfills, environmental pollution and the need and consumption of natural resources. It is expected that by the end of the programming period, the ratio between utilisation and disposal of waste will be 50%.

Creation of a modern waste management system will require finalisation of regional waste management system. The majority of funds will be invested into completion of closure and redevelopment of old landfills. Management of biodegradable waste will include investments into municipal waste incineration, biomass production or composting. The technology for biodegradable waste management will be selected and an appropriate system for biodegradable waste collection will be created according to the specific nature of each region and possibilities of intra-regional co-operation.

Improvement or air quality

To ensure the air quality which is not dangerous for human health and keep up with increasingly stringent standards of ambient air quality according to EU requirements, it is necessary to reduce emissions from energy facilities and vehicles into the ambient air.

After decommissioning of Ignalina nuclear plant, large energy installations will have to operate at a higher capacity and comply with applicable stringent EU requirements on air pollution. Therefore, priority should be given to introducing pollution abatement and monitoring systems in these installations.

More stringent controls of pollution by vehicles will be introduced and, as set out in the National Strategy for Sustainable Development, the “polluter pays” principle will be introduced in the transport sector. Implementation of provisions laid down in transport development strategic documents during the programming period (until 2013) will include further development of cost-effective public transport system, balanced development of all modes of transport with clear preference given to public transport which has a smaller

negative environmental impact. Based on the tasks set out in the National Strategy for Sustainable Development, efforts will be made to ensure that biodiesel and bioethanol comprise about 15% of fuel for transport.

Given the increasingly deteriorating status of air quality due to vehicle emissions, it is necessary to upgrade the fleet of public passenger transport as soon as possible because outdated, polluting and inefficient buses cannot ensure the conditions necessary for reduction of air pollution. These investments will not only ensure reduction of ambient air pollution and improve the quality of urban air but will also reduce greenhouse emissions to the air and contribute to compliance with the Kyoto Protocol and relevant EU legal acts.

Efforts to improve air quality will include financing the introduction of efficient technologies for treatment and monitoring air emissions in energy companies, and particular attention will be paid to installation of abatement equipment for small particulate matter (PM10) and nitrogen and sulphur dioxides. In order to reduce vehicle emissions to the air, more stringent controls will be used for vehicle emissions and support will be provided for clean motor vehicles. Implementation of provisions laid down in transport development strategic documents during the programming period (until 2013) will include further upgrades to the fleet of public transport with clear preference given to public transport which has a smaller negative environmental impact and promotion of energy efficiency measures in the transport sector.

Increase of energy generation and consumption efficiency and use of renewable energy resources

To reduce the dependency on imported organic fuels and contribute to reduction of environmental pollution, it is necessary to improve the efficiency of energy generation and consumption and promote the use of renewable energy resources.

Experience has shown that investments into renovation of public buildings, mainly healthcare, education and social facilities, will ensure that the need for thermal energy will be reduced almost twofold. Moreover, renovation will improve working conditions for the people and the quality of services, facilitate better performance of these institutions and reduce environmental pollution.

Investments into promoting the use of renewable energy resources will enable to fulfill important obligations stipulating that by 2010 renewable energy resources should comprise at least 12% in the total balance of primary energy. Therefore, boiler houses will be modernised shifting to renewable fuels or introducing the possibility of electricity generation in CHP mode. Broader consumption of renewable energy resources will strengthen the demand for these resources as fuel. Development of the use of local renewable resources will have a positive impact on local development and encourage people engaged in agriculture to partially reorganise their activities and start production and supply of biofuel (wood, straw) to energy installations.

Broader consumption of renewable energy resources and higher efficiency of energy generation will contribute to improving the competitiveness of economy.

These interventions will ensure a 10% reduction in energy intensity and a 20% increase in consumption of renewable energy resources (as compared with 2005) by the end of the programming period.

To reduce energy consumption in public buildings, investments will be made into improving energy efficiency of these buildings by repairing and/or reconstructing building envelope and improving thermal characteristics.

Investments will also be made into repair and/or reconstruction of energy systems (engineering and technological-engineering) thus improving energy characteristics of public buildings.

To improve the efficiency of energy generation, i.e. increase electricity and/or heat production with the same fuel input, CHP plants will be renovated increasing their productivity and the development of high-efficiency cogeneration will be carried out. For the same purpose, boiler houses supplying heat into district heating networks will be modernised considering, on the case-by-case basis, the possibility to generate electricity using efficient CHP mode.

Measures will include promotion of the use of renewable energy resources and waste for energy production. Boiler houses and/or CHP power plants supplying heat to district heating networks will be modernised introducing less-polluting and/or renewable fuel types. Investments into construction of new high-efficiency thermal power plants and/or boiler houses using renewable energy resources will be promoted.

Information about synergy between this intervention area and other areas as well as operations under other Operational Programmes will be made available.

Indicative breakdown of Priority 3 expenditure by category

Table 1. Breakdown of expenditure by priority themes

Code	Theme	Financial proportion (%)	Financial proportion (LTL M)
	<i>Energy</i>		
41	Renewable energy sources: biomass energy	2,89	32,610186
43	Energy efficiency, total production, management of energy	23,12	260,768653
	<i>Environmental protection and risk prevention</i>		
44	Management of household and industrial waste	24,73	278,995046
45	Water management and supply (<i>drinkable water</i>)	12,18	137,444500

46	Water treatment (<i>used water</i>)	18,28	206,166750
47	Quality of air	15,20	171,481463
52	Promotion of clean urban transport	3,60	40,652957
	TOTAL	100	1128,119555

Table 2. Breakdown of expenditure by funding method

Code	Funding method		
01	Non-repayable aid	88.49	998,272994
04	Other forms of finance	11.51	129,846561
	TOTAL	100	1128,119555

Table 3. Breakdown of expenditure by type of area

Code	Type of area		
01	Urban	55	620,465755
02	Rural – continental	45	507,653800
	TOTAL	100	1128,119555

Total financing plan of the Operational Programme for Cohesion Promotion by priorities and sources of funding presented in the Table 4.

Table 4. Financing plan of the Operational Programme for Cohesion Promotion by priority and sources of funding

Priority	Community contribution (MEUR)	National public contribution (MEUR)	National private contribution (MEUR)	Total contribution (MEUR)	Co-financing level (%)	For information	
						EIB contribution	Other sources
1. Local and urban development, conservation of culture and nature and adaptation for tourism development	755,127250	110,731952	76,898414	942,757616	19,9		
Local development	252,091219	44,486686	0,000000	296,577905	15,0		
Housing	58,875311	10,389761	0,000000	69,265072	15,0		
Heritage/tourism	264,095563	24,079301	76,898414	365,073278	27,7		
Environment (ERDF contribution)	180,065157	31,776204	0,000000	211,841361	15		
2. Quality and accessibility of public services: healthcare, education and social infrastructure	720,260971	127,104877	0,000000	847,365848	15,0		
Healthcare institutions	240,086875	42,368272	0,000000	282,455148	15,0		
Education and study institutions	240,087220	42,368333	0,000000	282,455553	15,0		
Infrastructure for vocational training and social infrastructure	240,086875	42,368272	0,000000	282,455148	15,0		
3. Environment and sustainable development	1128,119555	151,285243	59,599271	1339,004069	15,7		
Development of water supply, sewerage and waste-disposal and improvement of air quality	794,087759	98,093194	42,039940	934,220893	15,0		
Energy efficiency	293,378839	46,017998	17,559331	356,956168	17,8		
Clean transport	40,652957	7,174051	0,000000	47,827008	15,0		
4. Technical assistance	16,938732	2,989188	0,000000	19,927920	15,0		
TOTAL	2620,446508	392,111260	136,497685	3149,055453	16,8		
TOTAL	6775	951	552	8279	18,2		

Implementation Provisions

Framework of the system for management and control of the Lithuanian strategy (and its operational Programmes) for the use of EU structural Assistance for 2007-2013 under the convergence objective

Joint principles of the EU structural assistance received under the Convergence Objective have been endorsed in Resolution No 252 of the Government of the Republic of Lithuania of 14 March 2006 On Sharing Responsibilities for Administration of the EU Structural Assistance for 2007–2013 Received Under the Convergence Objective of the European Cohesion Policy and Establishment of the European Union Structural Assistance Committee of the Government of the Republic of Lithuania for Consideration of the European Union Structural Assistance Issues of 2004–2006 and 2007–2013.

It was defined that the Ministry of Finance shall ensure execution of functions of the Managing Authority, Certifying Authority and Audit Authority for all Operational Programmes of the Convergence Objective. The Ministry of Finance will also be responsible for receipt of funds from the European Commission and disbursement of funds to successful applicants.

It is envisaged that line ministries responsible for the strategy of development of certain economy sectors will take active part in planning, co-ordination and selection of projects financed from the programme funds, whereas agencies established by ministries will be responsible for project evaluation and supervision. In view of better co-ordination of actions in planning and implementing common objectives of the programme, it is anticipated to establish a Steering Committee to involve all institutions responsible for programme implementation.

In terms of implementation of the partnership principle, it is envisaged to involve, apart of competent representatives of public and municipal authorities, the representatives of socio-economic and other relevant partners in the activities for supervision of programme implementation. To that end it is intended to establish a Monitoring Committee. Implementation of the Operational Programme will be organised on the basis of programming or tendering procedures.

In case of programming, projects will be selected referring to the national and sectoral strategies and programmes. For the above projects, the authorities responsible for the development of relevant economy sectors or regional development (line ministries and regional development councils, or first level intermediate bodies) will establish long-term investment plans pursuant to objectives and tasks of Operational Programmes. Project eligibility for financing from funds of the Operational Programme will be ensured by programme administering institutions.

In case of tendering procedures, project selection will be carried out using calls for proposals. A line ministry responsible for a relevant economic sector will have to elaborate the terms of the call for proposals. Programme administering institutions will ensure the compliance of the terms of the call for proposals with the objectives of the Operational Programme and EU rules.

Managing Authority

Managing Authority of the Operational Programme for Cohesion Promotion shall be responsible for managing and implementing the Operational Programme in accordance with the principle of sound financial management and, in particular for functions specified in Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999 (“the General Regulation”):

- (a) ensuring that operations are selected for funding in accordance with the criteria applicable to the operational programme and that they comply with applicable Community and national rules for the whole of their implementation period;
- (b) verifying that co-financed products and services are delivered and that the expenditure declared by the beneficiaries for operations has actually been incurred and complies with Community and national rules; verifications on-the-spot of individual operations may be carried out on a sample basis in accordance with the detailed to be adopted by the Commission in accordance with the procedure referred to in Article 104(3) of the General Regulation;
- (c) ensuring that there is a system for recording and storing in computerised form accounting records for each operation under the operational programme and that the data on implementation necessary for financial management, monitoring, verifications, audit and evaluations are collected;
- (d) ensuring that beneficiaries and other bodies involved in the implementation of operations maintain either a separate accounting system or an adequate recording code for all transactions relating to the operation without prejudice to national accounting rules;
- (e) ensuring that evaluations of operational programmes are carried out in accordance with Article 45 of the General Regulation;
- (f) setting up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are held in accordance with the requirements of Article 88 of the General Regulation;
- (g) ensuring that the Certifying Authority receives all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification;
- (h) guiding the work of the Monitoring Committee and providing it with the documents required to permit the quality of implementation of the operational programme to be monitored in the light of its specific goals;
- (i) drawing up and, by the approval by the Monitoring Committee, submitting to the Commission the annual and final reports on implementation;
- (j) ensuring compliance with the information and publicity requirements, laid down in Article 68 of the General Regulation;
- (k) providing the Commission with information to allow it to appraise major projects.

Implementation of the Operational Programme for Cohesion Promotion shall be carried out by the Managing Authority without delegating the responsibility for the attributed functions as required by Article 58(2) of the General Regulation sharing these functions with the following authorities:

The ministries involved:

Priority: Local and urban development, conservation of cultural heritage and nature and adaptation for tourism development – Ministry of the Interior, Ministry of Economy and Ministry of Environment.

Priority: Quality and accessibility of public services: healthcare, education and social infrastructure – Ministry of Health, Ministry of Education and Science, Ministry of Social Security and Labour.

Priority: Environment and sustainable development – Ministry of Environment and Ministry of Economy.

All priorities in cases of regional competence projects – Regional Development Boards.

Agencies involved:

Priority: Local and urban development, conservation of cultural heritage and nature and adaptation for tourism development – Central Project Management Agency, Lithuanian Business Development Agency and Environmental Projects Management Agency.

Priority: Quality and accessibility of public services: healthcare, education and social infrastructure – Central Project Management Agency.

Priority: Environment and Sustainable Development – Environmental Projects Management Agency, Central Project Management Agency and Lithuanian Business Support Agency.

Certifying Authority

Certifying Authority shall be responsible for the following functions:

1. Drawing up and submitting to the Commission certified statements of expenditure and applications for payment.
2. Certifying that:
 - the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents;
 - the expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding according to the criteria applicable to the programme and complying with Community and national rules;
3. Ensuring for the purposes of certification that it has received adequate information from the Managing Authority on the procedures and verifications carried out in relation to the expenditure included in statements of expenditure.
4. Taking account for certification purposes of the results of all audits carried out by or under responsibility of the Audit Authority.
5. Maintaining accounting records in computerised form of expenditure declared to the Commission.
6. Keeping an account on amounts recoverable and on amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the general budget of the European Union prior to the closure of an operational programme by deducting them from the next statement of expenditure.

The authority responsible for receipt of funds from the European Commission and for payment of funds to successful applicants

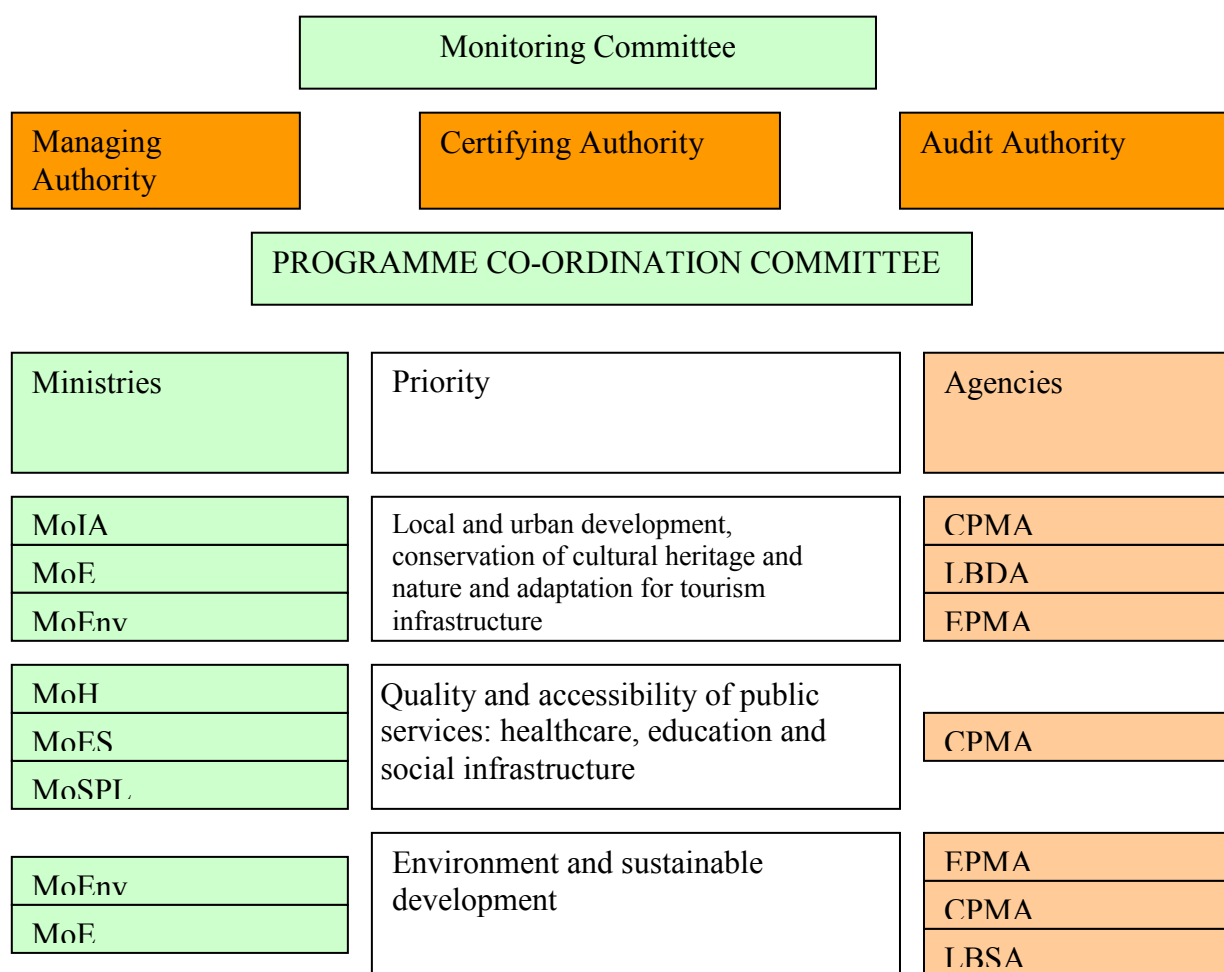
The Ministry of Finance shall be the authority responsible for receipt of funds from the European Commission and for payment of funds to successful applicants.

Audit Authority

Audit Authority shall have the following functions:

1. Ensuring that audits are carried out to verify the effective functioning of the management and control system of the operational programme.
2. Ensuring that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared.
3. Presenting to the Commission within nine months of the approval of the operational programme and audit strategy covering the bodies which will perform the audits referred to in (a) and (b) above, the methods to be used, the sampling method for audits on operations and the indicative planning of audits to ensure that the main bodies are audited and that audits are spread evenly throughout the programming period.
4. Submitting to the Commission, by 31 December each year from 2008 to 2015, an annual control report setting out the findings of the audits carried out during the previous twelve-month period ending on 30 June of the year concerned in accordance with the audit strategy of the operational programme and reporting on any shortcoming found in the systems for the management and control of the programme:
 - issuing an opinion, on the basis of the controls and audits to have been carried out under its responsibility, as to whether the management and control system functions efficiently, so as to provide a reasonable assurance that statements of expenditure presented to the Commission are correct and as a consequence reasonable assurance that the underlying transactions are legal and regular;
 - submitting, where applicable under Article 86(a) of the General Regulation, a declaration for partial closure assessing the legality and regularity of the expenditure concerned.
5. Submitting to the Commission at the latest by 31 March 2017 a closure declaration assessing the validity of the application for payment of the final balance and the legality and regularity of the underlying transactions covered by the final statement of expenditure which shall be supported by a final control report.
6. Ensuring that the audit work takes account of internationally accepted audit standards.
7. Audit Authority shall also be responsible for ex-ante evaluation on the management and control system's compliance with provisions of Articles 57–61 of the General Regulation (according to Article 70(2) and (3) of the General Regulation). To that end, services of independent auditors will be procured.

Figure 1. Administration scheme of the Operational Programme for Cohesion Promotion



Co-ordination of implementation

Managing Authority and intermediate bodies of both levels will set up the Steering Committee of the programme. The main purpose of the Steering Committee is to co-ordinate activities of major authorities related to the promotion of cohesion and EU cohesion policy. Major objectives of the Steering Committee are as follows:

- to co-ordinate planning of operations financed under different priorities in view of their compatibility and more effective pursuit of general objectives of the programme;
- to discuss and evaluate results and outcomes of priorities;
- to supervise the process of implementation of measures supported by the European Regional Development Fund and the Cohesion Fund, to consider arising problems; to submit to the Managing Authority and Monitoring Committee co-ordinated proposals on programme amendments, allocation or re-allocation of financial resources, improvement of administrative system, project selection and evaluation criteria, etc.

Monitoring of implementation

As endorsed by Article 65 of the Council Regulation (EC) No 1083/2006, the Managing Authority and Monitoring Committee must ensure high quality of the implemented operational programme.

Overall monitoring of the programme will be performed by the Managing Authority which will collect information from Intermediate Bodies and computerised EU Structural Funds Management and Control Information System (SFMIS). Other relevant institutions and agencies as well as representatives of socioeconomic and regional partners will also be involved in the monitoring of programme implementation. To that end it is intended to set up a Monitoring Committee.

Monitoring Committee

Pursuant to Article 62(1) of Council Regulation (EC) No 1083/2006, the Member State shall set up a Monitoring Committee for each operational programme in agreement with the Managing Authority, within three months from the date of the notification to the Member State of the decision approving the operational programme.

The Monitoring Committee will be chaired by Managing Authority. Its composition shall be decided in agreement with Managing Authority and approved by the Government of the Republic of Lithuania. At its own initiative or at the request of the Monitoring Committee, representatives of the European Commission might participate in the work of Monitoring Committee in an advisory capacity.

Monitoring Committee shall draw up its rules of procedure within the institutional, legal and financial framework of the Republic of Lithuania and adopt them in agreement with the Managing Authority in order to exercise its mission as set out in Article 64 of Council Regulation (EC) No 1083/2006:

1. Shall consider and approve the criteria for selecting the operations financed within 6 months of the approval of the operational programme and approve any revision of those criteria in accordance with programming needs.
2. Shall periodically review the progress made towards achieving the specific targets of the operational programme on the basis of documents submitted by the Managing Authority.
3. Shall examine the results of implementation, particularly the achievement of the targets set for each priority axis and the evaluation referred to in Article 46(3) of Council Regulation (EC) No 1083/2006.
4. Shall consider and approve the annual and final reports on implementation referred to in Article 66 of the General Regulation.
5. Shall be informed of the annual control report or of the part of the report referring to the operational programme concerned, and of any relevant comments the Commission may make after examining that report or relating to that part of the report.
6. May propose to the Managing Authority any revision or examination of the operational programme likely to make possible the attainment of the Funds' objectives referred to in Article 3 or to improve its management, including its financial management.

7. Shall consider and approve any proposal to amend the content of the Commission decision on the contribution from the funds.

Monitoring indicators

The preconditions for monitoring and evaluation of quality and success of the operational programme shall consist of the following:

- financial indicators of the programme which will form the basis for the evaluation of the speed of absorption of funds, implementation of the rule N+2/N+3 and the need to revise or amend the operational programme;
- physical indicators of the operational programme according to which the level of success of implementation of the quantitative programme objectives will be established.

The system of indicators during the planning stage will be established using the “top-down” approach according to macroeconomic forecasts, conclusions of ex-ante evaluation of operational programmes, the National Programme Implementing the Lisbon Strategy, other national strategic documents and long-term programmes. Indicators are chosen referring to the working document of the European Commission Indicators for Monitoring and Evaluation taking into accounts the specifics and nature of planned operations, available data of the starting point as well as the mechanisms for collection of the existing data and sources of data.

It is intended to specify “context“ indicators which will be influenced not only by implementation of operational programmes but also by other factors and “implementation“ indicators depending only on implementation of operations financed and measuring progress and success of operational programmes.

Indicators applied in the NSRF will be based on the indicators used in operational programmes and, therefore, the progress of implementation of the NSRF will be monitored and measured at the same time.

During the implementation period, financial and physical (result and outcome indicators) data will be collected using the „bottom-up“ approach according to the project level information. Where possible, the data will be provided by indicating involvement of men and women and the size of enterprises receiving assistance.

Financial indicators (application of annual and general programme obligations, distribution of expenditure under intervention codes, established in Article 11 and Annex II of the Implementing Regulation) will be forecasted on the basis of the data of project applications. Implementation of forecasts will be monitored in accordance with the data provided in requests for payment and reports.

Monitoring will basically consist of the project application data and, therefore, each application shall contain the reference to result and outcome indicators predetermining the success of project implementation. Some of these indicators must comply with the main result and outcome indicators of a relevant priority of the operational programme. Authorities responsible for implementation of specific priorities (second level intermediate bodies) will continually collect the project related data on specified indicators.

If needed, the data sources can be supplemented by research and external statistics. The progress and results of the priority and the entire operational programme will be evaluated on a yearly basis drawing up the annual implementation report to be discussed in the meetings of the Monitoring Committee. This will provide for an opportunity for the Monitoring Committee to regularly review the progress of implementation of programme and priority objectives and to submit recommendations in terms of further programme implementation.

Impact indicators will be supervised on a regular basis through current thematic evaluations.

Impact of implementation of operational programmes on the horizontal areas (information society, sustainable development and equal opportunities) will be monitored by establishing relevant indicators.

The data of indicators will be entered, accumulated and processed in the computer information system for management and supervision of the Structural Funds, which will facilitate generation of forecasts and reports; the data will also be provided to the computerised Structural Funds Common (SFC) System of the European Commission.

Evaluation

The common goal of evaluation within the EU Cohesion Policy is to improve the efficiency and coherency of the EU Structural Funds, the strategy of operational programmes and their implementation so as to increase the added value of interventions financed by the EU Funds. Evaluation of the EU structural assistance is an important part of the decision-making process used for improving the management of programmes financed by the EU.

General Regulation establishes that evaluation can be carried out before the programming period (ex-ante evaluation), during the programming period (running evaluation) and upon its completion (ex-post evaluation). Evaluation shall be executed by experts or bodies (internal or external) functionally independent from the Certifying Authority and the Audit Authority.

Ex-ante evaluation of operational programmes shall be obligatory for Member States receiving EU structural assistance under the Convergence Objective. Ex-ante evaluation of operational programmes for the EU structural assistance in 2007–2013 shall be carried out in Lithuania externally and simultaneously for all operational programmes for the EU structural assistance. This type of evaluation shall also include strategic environmental impact assessment.

General Regulation stipulates that Member States shall execute the running evaluation when existing or potential problems in implementing operational programmes are identified during the monitoring period or upon submitting the request to the European Commission to revise operational programmes. In these cases, the evaluation results shall be submitted to the Monitoring Committee of operational programmes for 2007–2013 (in case of a common monitoring committee for all operational programmes) and to the European Commission.

Ex-post evaluation of operational programmes or their groups shall be co-ordinated by the European Commission. The evaluation process shall be carried out in co-operation with the Managing Authority and other responsible bodies.

Managing Authority will be responsible for evaluation of operational programmes during the programming period of 2007–2013. This function will be carried out by the Evaluation Division of the EU Programme Management Department of the Ministry of Finance (“the Evaluation Division”). The Evaluation Division, which was set up in April 2006, will be functionally independent of the future Certifying Authority and Audit Authority.

The Evaluation Division of the Ministry of Finance has elaborated the National Evaluation Plan for 2007–2013 which will be approved by the authority responsible for programming (Ministry of Finance) and by the Commission for Preparing the Lithuanian National Strategic Reference Framework 2007–2013 and Operational Programmes. The National Evaluation Plan for 2007–2013 will be evaluated by the Monitoring Committee of the operational programmes for 2007–2013. It is envisaged that the National Evaluation Plan for 2007–2013 will be reviewed and updated as needed during the implementation period. Detailed short-term evaluation plans will be drawn up in accordance with the proposals of the Managing Authority and Intermediate Bodies as well as the Monitoring Committee of operational programmes for 2007–2013 for the purposes of implementing the National Evaluation Plan.

The National Evaluation Plan for 2007–2013 includes all evaluation projects of operational programmes for 2007–2013 as well as capacity building projects for evaluation of this assistance designed both to employees of the Evaluation Division and units of Intermediate Bodies responsible for evaluation of structural assistance.

The Evaluation Division, in co-operation with units of the Managing Authority responsible for supervision and implementation of operational programmes financed by the EU structural assistance as well as with Intermediate Bodies, will organise in a centralised manner running evaluations of operations at the operational programme level (under priorities or measures). These evaluations will be executed in particular where monitoring reveals a significant departure from the goals initially set or where proposals are made for the revision of operational programmes (evaluation is not needed for minor technical revisions).

According to the strategic needs (with a view to evaluating the contribution of operational programmes or their parts to national and Community priorities/goals and the likely impact of the EU structural assistance etc.), it is intended to organise running strategic evaluations which would be initiated not only by the Evaluation Division but also by the Intermediate Bodies (especially for evaluation of vertical themes (e.g. lifelong learning, improvement of business environment, etc.)

Intermediate Bodies will also be able to carry out ex-ante, interim or ex-post evaluations of projects from technical assistance funds envisaged for evaluation activities.

As a rule, evaluations will be carried out externally procuring evaluation services from independent experts. However, certain running evaluations will also be carried out by the Evaluation Division itself.

Evaluation reports will be submitted for discussions to the Evaluation Management Group of the EU structural assistance for 2007–2013, and, as stipulated in the General Regulation, to the Monitoring Committee and the European Commission.

Taking into account that active role of Intermediate Bodies is vital for efficient co-ordination of evaluation, it is envisaged to establish the Evaluation Management Group for the EU structural assistance for 2007–2013 which would include representatives of the Managing Authority and Interim Bodies and co-ordinate evaluation of operational programmes. If needed, representatives of the European Commission, social and economic partners and evaluation experts may be invited to the meetings of the Evaluation Management Group.

Paying authority

The Ministry of Finance will be the single Paying Authority (PA)
Ministry of Finance of the Republic of Lithuania
Tumo-Vaizganto 8a/2, Vilnius
LT 2600

The National Fund Department will undertake the functions of PAYING Authority. The PA will be responsible for the functions that are mentioned in the Regulation 1260/1999, Article 32 and Article 9 of Regulation 438/2001. The unit performing the functions of Paying Authority will be functionally separate from the unit performing those of the Managing Authority and units performing tasks on the latter's behalf.

Eligible applicants for receiving financial support in energy sector

Eligible applicants for receiving financial support are:

- State institutions;
- Municipalities and their institutions;
- Public bodies;
- Private companies (large);
- Small and medium size enterprises (SME's);
- Oth.

Eligible projects

Priorities:

1. The reduction of negative impact on environment;
2. Increase of reliability of energy supply;
3. Usage or promotion use RES;
4. Increase of energy use efficiency;
5. Implementation of advanced technologies.

Size of financial support depends at type of organization. For state institutions, municipalities or their institutions financial support can be 100% (public projects), for

SME's up 65% and for large industrial companies – up 50% from total budget of the Project.

Estimation of the projects proposals is underway according second criteria's:

- Quality of the proposal;
- Activities and results of project;
- Profitability of project;
- Possibility to estimate quantitative analysis;
- Boucle of the project (can be supported only not started projects);
- Budget of the project;
- Size of the own part of budget.

2.2. Latvia

The National Development Plan (NDP) for the period 2003 – 2006 was completed at the end of year 2001. The main goals of this planning document were identified in:

- Stimulating Latvian sustainable development, by increasing welfare and social security of each Latvian resident;
- Stimulating regional development, by decreasing and preventing unwanted regional differences and by developing advantageous differences.

The following priorities were set upfront:

- Stimulation of economical development and competitiveness including :
 - improvement of power sector infrastructure and increase of energy efficiency and power supply security
 - creation, development of a stable and qualitative environment protection infrastructure to prevent negative sector influence on environmental situation and human health
- Development of human resources and stimulation of employment;
- Balanced and sustainable development of national territory including
 - stimulation of balanced development of town and country.

Following, the allocation of investments in Latvia has been based on NDP. Also, starting from year 2003 this plan has been the framework for receiving financial aid from the European Union accession instrument – PHARE (part of economical and social cohesion). The plan was also used for preparing ISPA and SAPARD programmes.

After Latvia joined the European Union, the NDP was turned and modify into the United Programme Document (UPD), which was then ratified by the European Commission on December 18th 2003. The plan defines Latvian strategy and priorities for the period 2004 – 2006 for levelling socioeconomic condition using EU structural funds financing. The following medium-term objectives are defined in UPD:

- Encouragement of competitiveness and employment;
- Human resource development;
- Infrastructure development.

The priorities set in the UPD comply both with the priorities defined in the NDP and with EU policy.

Amendment to the program was proposed in June 2004, where clearly were explained actions, activities project selection criteria, expected results and performance indicators.

The preparation of the new NDP started in the middle of year 2004. The NDP for the period 2007 – 2013 is a medium-term planning document, which aims to stimulate balanced and sustainable development of the country and to ensure increasing Latvian competitiveness. The document addresses the following tasks regarding effective use of energy sources:

- To stimulate use of renewable sources and alternative energy sources for heat supply and energy generation needs, including stimulation of biomass use in cogeneration (the indicative aim for Latvia is to achieve 49.3% of renewable energy sources specific volume in power generation of total power consumption volume by year 2010);

- To preserve agricultural lands for agricultural product generation, and to increase contribution of agricultural industry into fuel and transport fuel generation.
- Modern infrastructure and services are necessary conditions for regional development. The following relevant actions were identified concerning new energy generation capacity and for stimulating sustainable development:
- Diversification of primary energy sources and increase of power energy self-sufficiency;
- Support of investments into energy generation from renewable sources;
- Promotion of biofuel generation and its wider application.

Then, an important indication, for supporting regional public services development, has been the supportive investments proposed for energy efficiency increase in buildings connected to district heating systems.

Concerning environmental protection the NDP defined the following priorities:

- Promotion of intelligent use and preservation of biodiversity and protected areas;
- Promotion of society involvement into environment protection and preservation by providing opportune information to the residents about environment quality and natural resources;
- Support of environmental education development, to promote education for sustainable development, and to increase environmental consciousness in society;
- Promotion of society awareness about economical use of water and energy sources and about household waste.

The project of NDP for the period 2007 – 2013 went to public discussion in February 2006. The final version were prepared and approved by the Cabinet of Ministers in July 2006.

Based on the goals and action identified in the NDP, the National Strategic Reference Framework (NSRF) for the period 2007 – 2013 was prepared. This represents the main planning document for Structural Funds (SF) and Cohesion Fund (CF) in Latvia, which ensures coordination of cohesion policy with national priorities. This document also determines fund implementation strategy, management framework, and ensures coordination between operational programs and other financial instruments.

The emphasis of NSRF, concerning of SF and CF investments is placed on activities that develop knowledge as main growth resource and promote advantageous living conditions for people as the resource holder. SF and CF investments are planned according to three subject axes in order to achieve this goal:

1. Development of effective human resource use;
2. Increase of competitiveness and orientation towards inclusive knowledge based economy;
3. Improvement of public services and infrastructure as a precondition for balanced development of the country and its territory.
4. Balanced territory development, macroeconomic stability, equal opportunities, sustainable development, and informed society are defined as horizontal priorities.

The Cabinet of Ministers has ratified NSFR project on January 31st 2006. It is planned to complete talks with European Commission on NSFR project by March 2007.

Operational Programmes

It is planned to manage and achieve the objective of the NSFR about SF and CF investments using three operational programmes (OP):

- Human resources and employment (ESF OP);
- Entrepreneurship and innovations (ERDF OP);
- Infrastructure and services (ERDF and CF joint OP).

The last two OP's relate to E4C project.

1) "Entrepreneurship and innovations" OP

OP goal – the funds provides support for the development of enterprises using available resources in Latvia with the aim to reach ES average welfare indicators. The support is focused to research and development projects for strengthening infrastructure, promoting cooperation between entrepreneurs and researchers, forming new enterprises, and facilitating availability of financial sources.

OP will operate in two directions:

- Innovation and scientific potential development;
- Promotion of enterprises.

OP is co-financed by European Regional Development Fund. The available financing is 20% of total available financing in the framework of NSFR. The managing authority is the Ministry of Finance, the Ministry of Education and Science and the Ministry of Economics, according to sectors.

2) "Infrastructure and services" OP

OP goal – the funds provides support to investments for public infrastructure and service quality and availability improvement in order to ensure the necessary base for fast, sustainable, and balanced development. This OP works through investments into transport, environment, information, communication technologies, culture, tourism, social infrastructure and through any project aimed to improvement of infrastructure and services that significantly complicate Latvian and EU regional development.

This OP includes the following investments types:

- Transport;
- Environment;
- Information and communication technologies;
- Social infrastructure;
- Economical potential of cultural and historic heritage;
- The most important infrastructural elements of polycentric development.

OP is co-financed by European Regional Development Fund and The Cohesion Fund. The available financing is 70% of total structural funds and The Cohesion Fund allotment. The managing authority is the Ministry of Finance. Then, the Ministry of Transport, the Ministry of Environment, the Ministry of Economics, the Ministry of Culture, the Secretariat of the Special Assignments, the Minister of Electronic Government Affairs, the Ministry of Welfare, the Ministry of Health, the Ministry of Science and Education, the Ministry of Regional Development and Local Governments are involved in the implementation as intermediate bodies.

OP projects were passed for public discussions in April - May 2006 and in August 2006 the Cabinet of Ministers ratified them. After then the consultation process with European Commission started and in November 2006 OP were approved by EC.

The above-described NSFR OP's are not related to ERDF financing, which will be available for Latvia according to the third EU Cohesion policy aim „Territorial cooperation”. Territorial cooperation will be implemented by the following OP's:

1. Cross-border cooperation (direct cross-border cooperation within internal and external borders);
2. Transnational cooperation (Baltic sea region programme);
3. Interregional cooperation (cooperation within all EU territory).

Managing authority for territorial cooperation in Latvia is the Ministry of Regional Development and Local Governments.

Pre-selection for concrete projects

Initially structural funds do not have any particular projects for support except than in several special projects. Example of such specific project is the safety improvement of the cascade system installation at Daugava hydroelectric power stations, where a specific company – “Latvenergo” - is defined as the recipient of the financing. This exception was made because the project contains potentially dangerous objects. The project is implemented in order to reduce the risk of dam break and possible irreversible losses that may be caused to people, environment and infrastructure, especially in the capital of the country. The current population of the territory affected by the project is 151 000 people. Part of the projects for programming period 2007 – 2013 for The Cohesion Funds has already been confirmed.

The projects confirmed in environmental sector are related to water industry development, municipal waste management, and rehabilitation of polluted territories. Planned co-financing of The Cohesion Fund is 159,3 millions EUR.

Administrative and legislative structure

Legislation for Structural and the Cohesion Funds in Latvia

The legal system of the Structural Funds for planning period 2004 – 2006 is following:

Latvian SF management is regulated by the regulations issued by the Cabinet of Ministers Nr. 200 of April 13th, 2004 “Regulations on management of European Union Structural Funds.” The regulations define European Union SF management procedure and rights and duties of the parties involved in the management procedure.

Operation of CF is regulated by regulations issued by the Cabinet of Ministers Nr. 298 of April 13th, 2004 “Regulations on preparation, confirmation, implementation, and supervision of the projects financed by European Union Cohesion Fund.” The regulations define preparation, confirmation, implementation, and supervision procedures of the projects financed from European Union CF funds. These projects must be related to environmental infrastructure, transport infrastructure, and technical support projects related to project implementation and management. These regulations also define rights and duties of the parties involved in preparation, confirmation, implementation, and supervision of the project.

Issued on March 2nd, 2004 regulations of the Cabinet of Ministers “Regulations on criteria for national budget subsidy assignment to local governments and planned region development agencies for implementation of co-financed from European Union Structural

Funds” define criteria for national budget subsidy assignment to local governments and planned region development agencies for implementation of co-financed from European Union SF’s. The regulations foresee that national budget subsidies are assigned to local governments and planned region development agencies taking into consideration development index of local, region, and planned region governments.

In January 2006 preparation of draft law on Structural Funds and Cohesion Fund management for the following planning period started. At the moment the draft law is under public discussions and it is expected that the draft law will be ratified by the beginning of year 2007.

It is also expected to prepare other secondary normative acts regulations issued by the Cabinet of Ministers related to SF and CF, in particular:

- on management of European Union Structural Funds and Cohesion Fund;
- on the procedure to follow when planning national budget aids implementation of projects that are co-financed from European Union Structural Funds and Cohesion Fund, and during proceeding of payments;
- on standard application form for Structural Funds and Cohesion Fund open project tender;
- on preparation of national programme for Structural Funds and Cohesion Fund;
- on main requirements for standard contracts;
- on supervision and evaluation of Structural Funds and Cohesion Fund activities;
- on main requirements on monitoring of expenditure adequacy and monitoring of project implementation on-site.

The preparation of these regulations started in May 2006 and their finalisation for ratification by the Cabinet of Ministers is planned by November 1st. The draft law on Structural Funds and Cohesion Fund indicated that these regulations should have been approved by the 15th of November 2006, however they are not available yet.

Involved sectors of the national and regional government

For the period 2004 – 2006 the SF and CF management of planning period is organized as follows:

- The leading institution of SF is the Ministry of Finance;
- The head of the leading institution is the deputy state secretary of foreign finance and coordination issues (currently deputy state secretary on foreign finance and coordination issues is Andzs Ubelis).

The functions of first level intermediate body are implemented by the following state administration institutions:

- Ministry of Economy;
- Ministry of Science and Education;
- Ministry of Culture;
- Ministry of Welfare;
- Ministry of Regional Development and Local Governments;
- Ministry of Transport;
- State Chancellery;
- Ministry of Health;

- Ministry of Environment;
- Ministry of Agriculture.

The managing authority has stipulated contracts with:

- Paying authority – The Treasury, and
- Second level intermediate bodies – Central Finance and Contract Agency (for activities financed by ERDF), Rural Support Service (for activities financed from ELVGF un ZVFI), State Employment Agency and Agency for Vocational Education Development (for projects financed from ESF).

In the allocation of CF financing is similar to the case of SF, the functions of the managing authority is on the Ministry of Finance and the functions of paying authority are taken by the Treasury. For CF projects there are intermediate bodies of one level only.

The following intermediate bodies implement project management:

- Ministry of Environment – for environmental infrastructure projects;
- Ministry of Transport – for transport infrastructure projects.

According to the Conception of planning and management system of European Union Structural Funds and Cohesion Fund for the period 2007 – 2013, ratified by the Cabinet of Ministers on October 18th, 2005, a concentrated model is chosen for the planning period of years 2007 – 2013 for SF and CF management. The model envisages succession of SF management system for the planning period 2004 – 2006, retaining one managing authority, one paying authority, one supervision committee. In contrast to the previous planning period, this time there is an optimized number of intermediate bodies and refusal from two level intermediate bodies. Thus, for planning period 2004 – 2006 significant defects and constrains of the managing systems were improved.

The following institutions are involved in the SF and CF management in the above-mentioned period:

- Ministry of Finance as coordinating authority of NSRF and managing authority of OP;
- The Treasury as paying authority;
- Ministries and other governmental institutions:
 - Ministry of Economy;
 - Ministry of Science and Education;
 - Secretariat of the Special Assignments Minister of Electronic Government Affairs;
 - Ministry of Culture;
 - Ministry of Welfare;
 - Ministry of Regional Development and Local Governments;
 - Ministry of Transport;
 - State Chancellery;
 - Ministry of Health;
 - Ministry of Environment

as intermediate bodies according to the political fields.

- Ministry of Finance as a certificate authority;
- Ministry of Finance as an auditing authority

General management framework of SF and CF for the period 2017 – 2013 is shown in the Table 1, from where is as well as possible to note that regional partners can also be

involved in SF and CF management participating in operational programmes supervision committee.

Table 1: General management framework of Structural Funds and Cohesion Fund

National Strategic Reference Framework coordinating authority Ministry of Finance [Department of EU Funds]						
Operational program	Infrastructure and Services		Enterprises and Innovations		Human Resources and Employment	
Fund	ERDF, CF		ERDF		ESF	
Managing authority	Ministry of Finance		Ministry of Finance		Ministry of Finance	
Supervision committee	Operational program supervision committee [VI, SI, MI, SEI, implementation agencies, regions, Latvian Association of Local and Regional Governments, social partners, NGO]					
	Intermediate body	Directions of Investments	Intermediate body	Directions of Investments	Intermediate body	Directions of Investments
Intermediate bodies and the related basic directions of operational program	Ministry of Transport	Infrastructure of transport and telecommunications	Ministry of Economics	Enterprises and Innovations	Ministry of Welfare	Employment, social involvement
	Ministry of Science and Education	Infrastructure of Science and Education	Ministry of Science and Education	Science, research	Ministry of Science and Education	Education, training, lifelong education, availability of education
	Ministry of Environment	Environmental Infrastructure	Secretariat of the Special Assignments Minister of Electronic Government Affairs	Information society	State Chancellery	Administrative capacity
	Ministry of Welfare	Social Infrastructure				
	Ministry of Health	Infrastructure of Health				
	Ministry of Economy	Power industry, tourism				
	Ministry of Culture	Historical and cultural heritage				
	MRDLG	Development of regions and territories				
Secretariat of the Special Assignments Minister of Electronic Government Affairs	E-administration					
Certificate authority	Ministry of Finance		Ministry of Finance		Ministry of Finance	
Auditing authority	Ministry of Finance [internal audit department]		Ministry of Finance [internal audit department]		Ministry of Finance [internal audit department]	
Paying authority	The Treasury		The Treasury		The Treasury	

Involved-independent administrative units

Together with state and regional institutions there are also other institutions that are involved in SF and CF management. Participation is possible in two ways.

The first way is when institutions, which are subordinated to different sector ministries and fulfilled functions of second level intermediate bodies in the previous planning period, can be involved into implementation of functions of separate intermediate bodies. The possible agencies that can be delegated to fulfill functions of intermediate bodies are:

- Central Finance and Contract Agency;
- State Employment Agency;
- Agency for Vocational Education Development;
- Latvian Investment and Development Agency;
- State Regional Development Agency;
- Society Integration Foundation;
- Social Assistance Board.

The second way is when other institutions are involved as a part of supervision committee. Participants of the supervision committee are representatives of the managing authority, of intermediate bodies and payment authority, of certificate authority, of implementing agencies, as well as representatives of social partners, non-government sector partners, and regional partners.

Decision makers

The Ministry of Regional Development and Local Government and National Regional Development board coordinate the process of NDP project development for the period 2007 – 2013. Different sector ministries and state institution specialists, scientists and academic staff, representatives of the planned regions and local governments, social partners, NGO's, and entrepreneurs also participate in the process of development. Any person can participate in public discussion of the plan project. The Regional Development Board performs the primary evaluation, while the Cabinet of Ministers performs the ratification.

The managing authority (Ministry of Finance) develops NSFR and OP in cooperation with social partners, non-government sector partners, and regional partners. The development of OP in the framework of sector competence (analysis, strategy, priorities, criteria and others) is performed by an intermediate body of the related industry (an appropriate Ministry, see Table 1). The Cabinet of Ministers ratifies the NSFR.

Intermediate bodies are responsible for project approval. In the frameworks of their competences the bodies will perform development of implementation conditions (of criteria, of applicable costs, of related activities, and others), financial planning, supervision on priority level, selection and approval of projects, project implementation management, implementation supervision, monitoring, and other activities.

If necessary, the intermediate body may delegate evaluation and approval of projects to an institution (agency) under its subordination.

In the year 2004 a non-government organization (NGO) consultative work group has been created. Representatives from 12 NGO's were included in this group. The main responsibilities of a NGO work group participant are:

- To summarize and to represent interests and opinions in horizontal priorities of NGO in EU SF managing committees;
- If necessary, to reflect differing opinions of work group participants in managing committees;
- To inform NGO sector and civil society about the decisions made by the managing committees on a regular basis.
- Participant of a NGO work group has a right to get familiar with and to use all work information of the managing committee.

One representative has been designated from the work group into each of managing committee. NGO representatives participate in managing committee in a status of observers and have rights to express their opinions about consideration of transparency principle in the managing committee decisions making.

NGO participate in NDP and NSFR preparation process and take part in operational programmes monitoring committee. This committee:

- performs regular OP monitoring according to the defined indicators,
- approves project selection criteria and their amendments,
- evaluates the progress achieved,
- reviews implementation results, achievement of set objectives for each priority, as well as reviews the results of evaluation,
- reviews and approves reports of implementation, control, and strategy implementation,
- reviews and proposes OP amendments,
- reviews and approves proposals for amendments in European Commission decisions about fund investments,
- provide timely and qualitative OP implementation,
- provide coordination of information among funds.

The Cabinet of Ministers performs supervision of fund use at political level, by reviewing the annual and final reports. Once a quarter the managing authority prepares an informational report for the Cabinet of Ministers about the current situation in acquisition of Structural Funds and Cohesion Fund.

Decision making procedure

Project application and approval procedure for period 2004 – 2006 differ for SF and CF. The scheme development, application, and approval of CF projects is shown in Figure 1.

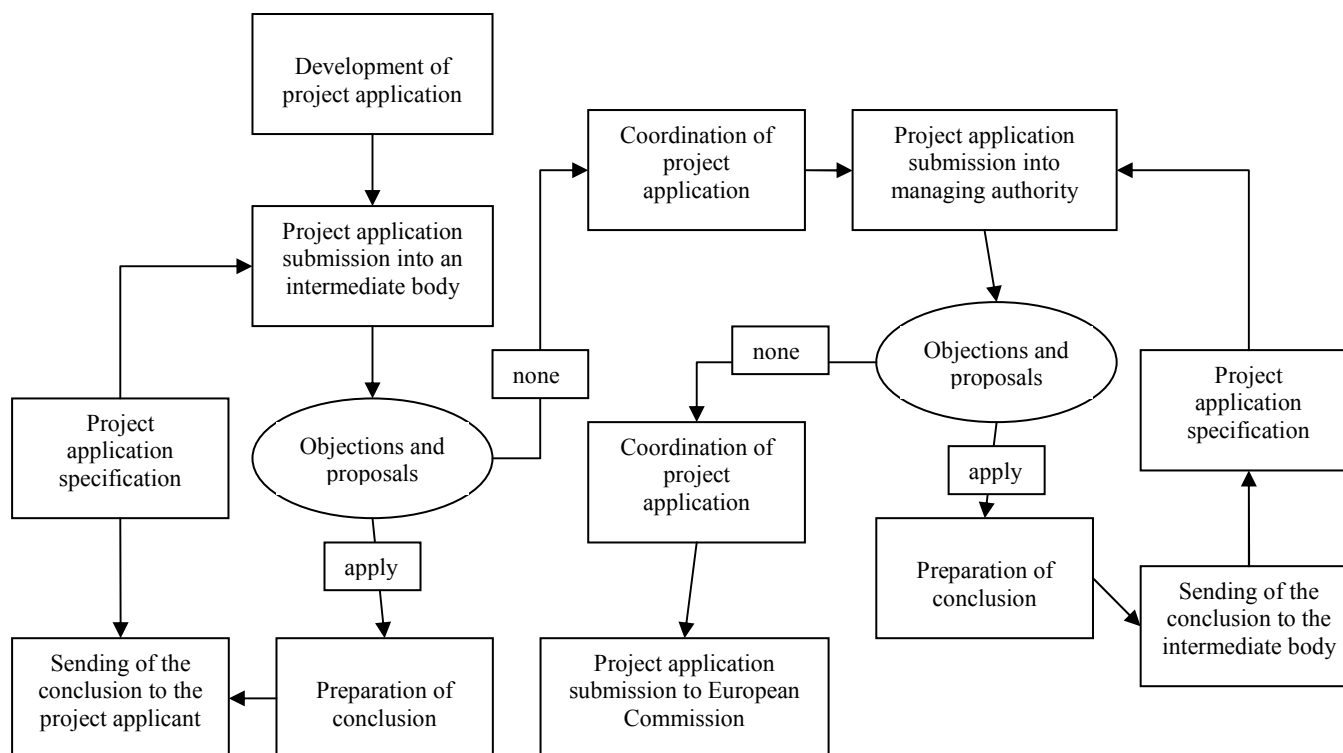


Figure 1. Procedure of Cohesion Fund financed project development, submission, and approval for the planning period of years 2004 – 2006.

Approval procedure of SF projects is much more complicated compared to CF because for the planning period 2004 – 2006 the management of Structural Fund is performed using two level intermediate bodies. This system is not reviewed since it is not planned to use this system for the period 2007 – 2013.

The procedure of project submission and approval for the new planning period will be determined by the regulation on management of European Union Structural Funds and Cohesion Fund.

Funding Criteria

Table 2

OP	Entrepreneurship and innovation
Financing fund	ERDF
Activity	Entrepreneurship activities and un increase of competitiveness
Group of activities	Development of industrial premises used for commercial activities
Eligible for support activities	<ul style="list-style-type: none"> Support for decontamination and readjustment of industrial premises for entrepreneurship needs.
Eligible for support costs	<ul style="list-style-type: none"> Connection establishment; Costs for construction plan development.
Target group	Enterprises outside Riga municipality, Riga district and Jurmala municipality
Financing beneficiary	Municipalities, enterprises
Minimum investment	500 000 LVL

size	
Maximum investment size	2 000 000 LVL
Minimum equity funding percentage	No information available
State of project development	Activity will be implemented in form of open tender. The projects will be evaluated using the following criteria: budget efficiency, projects economical importance, collaboration with partners and involvement of representatives from target groups (local government support, etc.), project applicants co-financing intensity.

OP	Infrastructure un services
Financing fund	ERDF, CF
Activity	Energy sector
Group of activities	Measures Regarding the Increase of Efficiency of Centralised Heat Supply Systems
Eligible for support activities	<ul style="list-style-type: none"> • Investments into renovation of heat generation plant in order to increase energy efficiency and to reduce environmental impact or to substitute imported fossil fuel with renewable or any other type of local fuel; • Investments into renovation of district heating network in order to reduce heat losses;
Eligible for support costs	<ul style="list-style-type: none"> • Technical project development; • Technology equipment and materials necessary for renovation of heat generation plant and installation; • Technology equipment and materials necessary for renovation of district heating network; • Building costs for heat generation plant and district heating networks, including digging works, civil engineering works for premises and fuel storages, flue gas cleaning equipment, connection to existing infrastructure (electricity, gas, water and sewerage); • Heat substation in building; • Building supervision.
Target group	Licensed public service providers, municipal institutions and local decentralised heat sources (in case of fuel conversion projects).
Financing beneficiary	Licensed public service providers – centralised heat supply entrepreneurs regardless of the form of ownership and municipal institutions providing public services. The target group of fuel conversion projects are also local and heat sources (boiler houses that are not connected to centralized heat supply system and built in boiler equipment) regardless of the form of ownership, if heating capacity is under 500 kW and the aim of project is to replace fossil fuel with renewable or some other locally available fuel.
Minimum investment size	50 000 LVL
Maximum investment	3 000 000 LVL

size	
Minimum equity funding percentage	No information available
State of project development	<p>Activity will be implemented in form of open tender. The projects will be evaluated using eligibility criteria and specific criteria.</p> <p>Eligibility criteria include:</p> <ul style="list-style-type: none"> • Project application eligibility – term of submission, calculations, technical performance, correspondence to funding volume. • Project owner eligibility – eligibility to definition of beneficiary, project managing capability etc. <p>Specific criteria include:</p> <ul style="list-style-type: none"> • Project accordance with aim of activity, • Project accordance with District heating development plan; • Financial and economical parameters • RES using • Project results for energy and fuel savings and environmental impact minimisation.

OP	Infrastructure un services
Financing fund	ERDF, CF
Activity	Energy sector
Group of activities	Development of Combined Power Plants (CHP) using Renewable Energy Sources
Eligible for support activities	<ul style="list-style-type: none"> • Technical planning and construction of biomass fired cogeneration plants
Eligible for support costs	<ul style="list-style-type: none"> • Technical project development; • Technology, equipment and material; • Installation; • Building costs including digging work, civil engineering work, fuel storages, flue gas cleaning equipment, connection to existing infrastructure (electricity, gas, water and sewerage); • Building supervision.
Financing beneficiary	Licensed public service providers – centralised heat supply entrepreneurs regardless of the form of ownership and municipal institutions providing public services.
Minimum investment size	200 000 LVL
Maximum investment size	7 000 000 LVL
Minimum equity funding percentage	No information available
State of project development	<p>Activity will be implemented in form of open tender. The projects will be evaluated using eligibility criteria and specific criteria.</p> <p>Eligibility criteria include:</p> <ul style="list-style-type: none"> • Project application eligibility – term of submission, calculations, technical performance, correspondence to

	<p>funding volume.</p> <ul style="list-style-type: none"> • Project owner eligibility – eligibility to definition of beneficiary, project managing capability etc. <p>Specific criteria include:</p> <ul style="list-style-type: none"> • Biomass as fuel used, • Project accordance with aim of activity, • Project accordance with DH development plan; • Financial and economical parameters.
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OP	Infrastructure un services
Financing fund	ERDF, CF
Activity	Energy Efficiency in building
Group of activities	Promotion of availability, sustainability and efficiency of rented housing and reduction of social tension in the territories of municipalities through investments in measures of building renovation, energy efficiency and communications
Eligible for support activities	<ul style="list-style-type: none"> • Energy efficiency measures – heat insulation and renovation • Renewable energy resources • Renovation of the heating system • As additional measures renovation may include: the roof, the facade, windows, doors, staircases, entrances, and elevators.
Eligible for support costs	<ul style="list-style-type: none"> • Energy efficiency measures in multifamily apartment houses, including thermal insulation of facades, basements, attics and establishing heat substations, replacing windows and doors, etc. • Support could be provided only to projects where inhabitant debts do not exceed 20% from calculated public service fee; • Support could not be provided to projects in houses where more than 20% from total area are engaged by commercial objects. • Support for projects in territory of one municipality are not able to have more than 1/3 from all funding available for this activity.
Financing beneficiary	Apartment owners, managing authorities and associations
Minimum investment size	90 000 EUR
Maximum investment size	120 000 EUR
Minimum equity funding percentage	No information available
State of project development	<p>The projects will be evaluated using eligibility criteria and specific criteria.</p> <p>Eligibility criteria includes:</p> <ol style="list-style-type: none"> 1. Project application eligibility to Latvia National Development plan for the period 2007 – 2013; <p>Specific criteria – the project will receive higher evaluation if:</p> <ol style="list-style-type: none"> 2. It is developed in 7 major cities;

	<p>3. It is implemented in a municipality with a long-term housing development plan and with previously supported energy efficiency measures in the housing sector – i.e. with experience.</p> <p>4. It clearly represents a connection between other projects in energy efficiency.</p>
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There are two defined priorities regarding environment protection:

1. Large-scale infrastructure – development of water management industry and development of waste management system are planned as main investment directions;
2. Accessibility – the main investment directions are development of water management, environmental protection, rehabilitation of historically contaminated areas, diminishing of environmental risks, and development of environmental monitoring and control system.

It is planned that OP will be approved by European Commission by March 2007.

National Funds

There are two funds that support the use of renewable energy sources in Latvia:

1) Latvian Environmental Protection Foundation Administration (LEPFA)

LEPFA is a direct administration institution subordinated to the Ministry of Environment. LEPFA announces different tenders and organizes project evaluation for fund financing allotment according to decisions of fund council.

The aim of LEPFA activities is to encourage sustainable development in Latvia according to nationally and internationally acknowledged priorities of environmental politics.

Project tenders are announced in the following categories:

- Environmental education;
- Protection of nature and biodiversity;
- Air protection and climate changes;
- Research, evaluation, and renovation of environmental and natural sources;
- Water protection;
- Soil and ground protection and renovation;
- Waste management;
- Multisectoral projects.

According to the “Air protection and climate changes” tender issued in 2006, the following activities are set as priority:

- Collection, storage, regeneration, and elimination of ozone layer depletion substances and fluorine containing substances;
- Reduction of air polluting emissions, including:
 - Pilot projects and innovative projects on efficiency improvement in heat supply systems and energy efficiency increase;
 - Increase of renewable energy sources share in total primary energy balance;
 - Reduction of air polluting emissions from combustion and industrial equipment;

- Substitution of fuel in combustion equipment with renewable energy sources
- Reduction and elimination of odor complaints.
- Reduction and elimination of volatile organic compound emissions;
- Researches on climate changes influence and on adaptation activities in Latvia;

Support is not provided for:

- Projects for which application for European Union financing is prepared or is being prepared. Projects that are fully financed from other financing sources;
- Projects, the aim of which is profit – making.

Project applicants can be both private persons and legal persons under the public law. The projects eligible for support can have a maximum support from the Fund up to 20 000 LVL. The applicant needs to provide co-financing not less than 25% of total eligible expenses. For projects that require building or renovation of an infrastructure object or capital asset purchase co-financing need to be not less than 60 % of total eligible expenses.

2) Latvian Environmental Investment Fund (LEIF)

LEIF is a property of the Ministry of Environment. The goal of LEIF is to reduce environmental pollution by encouraging implementation of environment protection projects and to increase capacity of local governments and capital corporations to prepare and implement qualitative and effective environment protection projects from the very idea of the project till its implementation.

Direction of activities:

- Financial services- support of environmentally friendly projects prepared by local governments and private sector by combining local and foreign financial sources and granting loans;
- Project management;
- Consultations.

The Fund grants loans to those projects the implementation of which will provide considerable qualitative and quantitative environmental improvement and which are sustainable. The Fund provides financing for environmentally friendly projects both for local governments and private sector in the following fields:

- Drinking water quality improvement;
- Waste water treatment;
- Environmentally friendly heat supply;
- Cleaner generation;
- Heat insulation of buildings;
- Waste recycling;
- Others.

The following loan terms are in force for local governments and local government agencies:

- fixed interest rate – starting from 3.75%,
- loan terms – up to 15 years,

- loan currency – LVL,
- grace period – up to 12 months,
- loan size – starting from 5, 000 LVL,
- commission fee – 0%,
- loan – up to 100% of the total project expenses,
- loan security – guarantee provided by a local government.

The following loan terms are in force for capital corporations with guarantee provided by a local government:

- fixed interest rate – starting from 4%,
- loan terms – up to 15 years,
- loan currency – LVL,
- grace period – up to 12 months,
- loan size – starting from 10, 000 LVL,
- commission fee – up to 1%,
- loan – up to 100% of the total project expenses,
- own investment – at least 10% of total project expenses,
- loan security – up to 100% of loan size.

Regarding to E4C project activities, it is possible to use LEIF only because LEPFA does not provide financing for projects where an application has been prepared for European Union financing.

LEIF grants the soft loans to be returned depending on terms.

2.3. Estonia

At the present moment public and institutional consultations of the draft version of National Strategy Reference Framework and Operational Programmes have been finalised. and both documents were adopted by the Government in January 11, 2007.. During the period June 2006 – autumn 2006 consultations with the European Commission and national discussions of the Operational Programmes took place. The National Strategy Reference Framework is based on the National Sustainable Development Strategy *Sustainable Estonia 21* setting the national development goals till 2030, the *Estonian Action Plan for Economic Growth and Employment 2005 – 2007*, *Knowledge-Based Estonia –R&D Strategy for 2002 – 2006*, and is closely connected to currently developed R&D Strategy for 2007 – 2013 – *Knowledge-Based Estonia II Estonian Higher Education Strategy 2006-2015*, *Estonian Rural Development Strategy 2007-2013* and *Estonian Fisheries Development Strategy 2007-2013*. In addition in energy and environmental issues the documents reflect the priorities fixed in *National Environmental Strategy until 2030*, *Long-term Public Fuel and Energy Sector Development Plan*, *Development Plan of the Estonian Electricity Sector 2005 - 2015*, *Development Strategy for Estonian Energy Technologies (to be officially adopted late March or early April)*, *Action plan for Promotion of the Use of Biomass and Bioenergy*, *Estonian Housing Development Plan for 2003 – 2008*, *Estonian Housing Sector Development Plan for 2007 - 2013*, *Target Programme on Energy Conservation*

The goal of the National Strategy Reference Framework is fast, socially and regionally balanced sustainable economic development. Six identified priorities are:

1. educated and operational nation
2. growth of R&D capacity and innovativeness and productivity of enterprises
3. better communication possibilities
4. decreased environmental load
5. comprehensive and balanced development of regions
6. enhanced administrative capacity

The energy related issues concerning the present project are included in Operational Programme for Living Environment, priority 3 – development of energy sector. Here the main activities are:

- development of housing sector towards higher quality and sustainability through enhanced energy efficiency
- increasing of the share of renewable energy sources in energy balance
- increasing of the share of alternative motor fuels
- protection of ambient air and prevention of climate change
- development of energy production towards enhanced environmental sustainability

For the protection of ambient air energy companies will be stimulated to invest into improvement of production technologies, reconstruction of district heating distribution networks, innovative pilot units and decentralised technological solutions and purchase of purification and filtering equipment through pollution permits and environmental taxes. For prevention of climate changes emission trading and Joint Implementation facilities will be used.

To facilitate energy saving the main focus is on modernisation of district heating systems and implementation of energy saving measures at the energy consumer. The importance of energy audits is highlighted. Special attention will be paid to the part of housing sector built before 1990 where complex reconstruction and renovation works will be supported including main construction elements as well as electricity and heating systems and gas installations.

Estonia has committed itself to the target of 5,1% of renewable electricity by the year 2010, 8% by the year 2015 and 10% by the year 2020. Support will be given to investments into construction of cogeneration plants (big scale) needed for supporting RES based power- and/or boilerplants, stabilising peak loads in energy network and the energy supply from wind farms. Support will not be given to hydropower plants, RES based electricity production developers may apply for investment support to cover the expenses of connecting the equipment to the grid.

For better utilisation of biomass, especially felling residues, in energy production support will be given to the activities focussed on collection of biomass/residues and transportation from the forest. To promote small scale distributed energy production meeting the local needs, innovative solutions based demonstration units and utilisation of biodegradable waste for energy production will be supported. Introduction of alternative fuels to transport sector will be encouraged paying attention among other things to changes in consumer behaviour through dissemination of information about the usage of alternative motor fuels. Support can be applied for reconstruction of fuelling system of conventional means of transportation for being able to drive with biofuels, hydrogen etc. Estonian targets for the share of (liquid) biofuels in transport are 2% by Dec. 31, 2005, 5,75% by Dec. 31, 2010 and 8% by 2015. Support will be also given to investigation of sequestration of carbon emitted during energy production.

Energy related themes can be found also under other priorities:

- Capacity of innovation and growth of enterprises – including technology development and transfer, science parks and research and development centres, business consultancy and loan guarantees)
- Development of educational infrastructure (upgrading the infrastructure of professional schools, development of special infrastructure for disabled children, foundation of youth centres, consultation and information points and hobby schools.
- Enhancement of R&D capacity and modernisation of higher educational infrastructure (modernisation of research infrastructure and equipment, support for centres of excellence, participation in international R&D cooperation programmes etc
- Development of R&D and educational human resources (higher level of doctoral training, ensuring higher quality and sustainability of specialities in sciences and technical research, training schemes and e-learning
- Environmental investments from ERDF
- Comprehensive and balanced development of regions (development of local public services (investments into infrastructure), development of urban areas (investments into infrastructure), enhancement of competitiveness of regions (investments into infrastructure))

All aspects of regional development on all possible levels are covered by priority 5 - comprehensive and balanced development of regions. Special attention is paid to the quality of infrastructure, availability and competitiveness of public services and competitiveness of regions. Support to investments into the improvement of employment possibilities may turn into the support of development of enterprises forming the supply chain of renewable energy sources.

First drafts of Operational Programmes were made public in July 2006. In November revised programmes were publicised. In January 11 both the National Strategy Reference Framework and Operational Programme were adopted by the Government and forwarded to the European Commission for approval. During the development phase with its Decree No 589 of October 25, 2006 the Government decided continue with 3 Operational Programmes instead of initially planned 4, which were:

1. development of human resource
2. development of living environment
3. development of educational and R&D infrastructure
4. development of entrepreneurship, information society and transport infrastructure

Development of educational and R&D infrastructure was merged partly into the Operational Programme dealing with entrepreneurship and partly (infrastructure of health care and social care) into development of living environment. The activities focussed on development of energy sector are now together with environmental investments – covered by the Operational Programme for the development of living environment.

The present list of Operational Programmes is as follows:

1. development of human resource – prepared by the Ministry of Education and Research
2. development of living environment – prepared by the Ministry of the Environment
3. development of economic environment – prepared by the Ministry of Economic Affairs and Communications

Operational Programme for the development of living environment is divided into 6 priorities, from which energy issues are addressed in the following:

Priority 1: Development of infrastructure of water economy and waste management – supporting the closure of disposal sites of waste from oil-shale industry for bringing them into accordance with environmental requirements.

Priority 3: Development of energy sector - development of housing sector towards higher quality and sustainability through enhanced energy efficiency, increasing of the share of renewable energy sources in energy balance, increasing of the share of alternative motor fuels, protection of ambient air and prevention of climate change, development of energy production towards enhanced environmental sustainability

Priority 4: Comprehensive and balanced development of the regions – investments into infrastructure of the public sector, improvement of quality and availability of public services, support to the development of local and regional entrepreneurship and regional industries.

Priority 5: Development of educational infrastructure – investments into the infrastructure of professional and vocational education, purchase of equipment.

Operational Programme for the development of economic environment is divided into 5 priorities from which energy issues are partly addressed in the following:

Priority 1: Innovativeness and potential of growth of entrepreneurship – support for the development of new prototypes in close cooperation between R&D institutions and industry, support for technological spin-off companies, support for development and commercialisation of new technologies with special focus on environmental technologies, support to international technology transfer and introduction of new environmentally friendly technologies

Priority 2: Strengthening the Estonian R&D competitiveness through research programmes and modernisation of universities and R&D institutions – where according to the Estonian National R&D and innovation strategy *Knowledge-based Estonia 2007 – 2013* energy is among those fields where new competence and new technologies are needed.

Administrative and legislative structure

The following national legal documents have been adopted so far:

1. The rules and conditions for determining eligibility and ineligibility of expenditure with structural support during the period 2007-2013, Government of the Republic of Estonia Regulation No 26 of January 31, 2007
2. Monitoring and evaluation of structural funding during the period 2007-2013 and rules of formation of monitoring commission, Government of the Republic of Estonia Regulation No 276 of December 22, 2006
3. Rules and conditions for accreditation of institutions managing the payment of structural support during the period 2007-2013, Government of the Republic of Estonia Regulation No 275 of December 22, 2006
4. Structural Aid Act, passed on December 07, 2006, entered into force January 1, 2007

This law determines the rules for document management, accreditation, application for funding, evaluation and funding of applications, requirements set for applicants and applications and applicants' obligations, rules for implementation of funded projects and reporting. It also specifies the institutions for managing, financing, and auditing for implementation of the structural funding scheme.

Involved sectors of national government:

- Ministry of Education and Research
- Ministry of Environment
- Ministry of Culture
- Ministry of Economic Affairs and Communications
- Ministry of the Interior
- Ministry of Social Affairs
- Ministry of Finance

Partly involved:

- State Chancellery
- Ministry of Agriculture

Involved sectors of regional government:

- Associations of local and regional governments are involved (see attachment for the list)

Involved will be implementing agencies for different priorities. Decisions for the next programming period have not been made yet. Concrete selection will be made by the ministries responsible for respective operational programme.

Ministry of Finance is responsible for developing, drafting and finalising the National Strategy Reference Framework as well as the Operational Programmes including general coordination of consultations and cooperation between the involved ministries, processing of submitted suggestions and communication with partners and public. Consultations on national level and work with the draft versions of the strategy have been finalised by now. Before the consultations with the European Commission the document has to be approved by the Government. This procedure was completed in January 11, 2007.

There are actually no restrictions for any institution to be involved in the preparation work. It is recommended that very small groups and individuals communicate their ideas to the Ministry of Finance via umbrella or representative organisations, who have to collect feed-backs from all institutions using them as intermediary. The list of involved NGOs is attached to the present questionnaire.

The decision making system will probably remain more or less the same also during the next programming period.

Applicants of Structural Fund support always submit their applications to the Final Beneficiary of the respective measure. The Final Beneficiary proceeds the received applications, elaborates specific application criteria, makes funding decisions, monitors the progress of projects and checks implementation of projects.

The conditions for each measure include:

- Purpose of application and activities to be supported;
- Requirements to applicant and application;
- Deadline for application submission and agency or person to whom it will be submitted;
- Time for application processing;
- Basis and procedure for declaring applicant and application compliant;
- Application assessment criteria and procedure;
- Basis for accepting or rejecting applications;
- Conditions for payment of funds.

In addition, the procedure and criteria for the assessment of project applications are established, as well as the conditions under which the funds paid to the applicant are subject to return.

In order to check the eligibility of the applicants, the Final Beneficiary may request information about:

- Their solvency;
- Absence of tax arrears;
- Existence of resources needed to implement the project;

- Qualification and experience and other information foreseen by measure conditions.
- Applications shall be declared as meeting the requirements if all the requirements for applications specified in measure conditions are met.

The final Beneficiary shall take only those applications received under an open project tender into consideration that are filled out according to the requirements, are signed and submitted at the latest by the specified deadline.

Funding Criteria

The funding criteria should include:

- Eligible applicants (public, private, public – private partnership)
- Minimum investment size, maximum investment size
- Minimum equity funding percentage
- Required state of project development (e.g. is a building permission required? Is a binding equity commitment necessary?)
- Which kind of expenses are eligible (project preparation, land purchase, hardware implementation, R&D work, operation and maintenance etc.)

For the most relevant programmes please indicate where additional information can be obtained (homepage, information desk in the administration, newsletters etc.)

Priority 4 of the Estonian National Development Plan “Infrastructure and Local Development” finance from ERDF. Budget for 2004–2006, 181 M€ (138 M€ from ERDF, 43 M€ the Estonian match funding). Energy issues are under Measure 4.2: Development of Environmental Infrastructure.

Energy related projects have to deal with renewable energy, more precisely with introducing renewable energy, with special emphasis is on increasing the share of electric power produced from renewable sources; or preparatory studies.

During the funding period 2004–2006, 12.8 M€ will be allocated under this Measure, of which the co-funding of ERDF will amount to 9.6 M€ and the Estonian match funding to 3.2 M€.

Applications may be submitted by

- Enterprises (general partnerships, limited partnerships, private limited companies, public limited companies, commercial associations);
- Local municipalities, state agencies dealing with environmental protection, enterprises under the control of the state, local government or other public entity;
- NGOs and foundations
- Ministry of Economic Affairs and Communications
- Ministry of the Environment

A single grant applied for must be at least 12,782 € and no more than 319,558 € (200,000 – 5,000,000 kroons). Maximum support that can be received from Structural funds is 75% (of eligible costs). Normally the share of own contribution is 25% for local municipalities, agencies, other public entities, foundations, NGOs etc, 55% for enterprises

if they are located outside the capital region and 65%, if they are located in Harjumaa, which is the county surrounding the national capital.

Criteria for Ranking for Selection

General evaluation criteria

1. Compliance with a local government development plan
2. Availability of co-financiers
3. Partnership between public and private sector
4. Project impact on fulfillment of measure objectives
5. Project sustainability

Criteria for renewable energy projects

1. The reduced level of air pollutants (t/y) (sulphur dioxide, nitrogen oxides, particulates, carbon dioxide, carbon monoxide)
2. Calculated annual output of equipment connected to the grid
3. The objective of the project

The development stage if the idea formulated into a project proposal depends on the target of investment. If the applicant plans to build or reconstruct something, he should normally have a building permit, sometimes also a detailed plan of the location, feasibility study, environmental impact assessment, design criteria, preliminary building design documentation, certificate of ownership or authorisation for use of land or building or rental agreement etc. Final list of necessary documents depends on the project and planned activities

As for eligible costs, then there are no 'national deviations'. The same rules are applied to all member States. All expenses must be directly related to project activities and included in the budget. If they have been approved during the evaluation of the project proposal, they are eligible also during the implementation phase.

Additional information is available on the web sites of the Ministry of Finance: www.fin.ee, Ministry of Economic Affairs and Communications: www.mkm.ee, Ministry of Environment: www.envir.ee and Environmental Investment Centre: www.kik.ee. A special web site on Structural Funds can be found at www.strukturifondid.ee

The expectations are high, the ministries work hard to disseminate information about the project possibilities and to receive competitive proposals.

Investments into RES and RUE are growing quickly. Especially interesting are wind parks, fuel switch to biofuels in the district heating sector and investments into energy saving measures and energy efficiency. New fields of interest are biomass based co-generation and waste incineration. Unfortunately in the current programming period, energy was but a marginal topic among others related to environmental investments.

Activities planned in Energy 4 Cohesion are at least in the Estonian context very timely and very topical. It is a small country and energy production capacity is small as the local municipalities are small and the number of population limited. The idea of clustering the projects has been so far accepted here with great interest. Recent discussions with the Ministry of economic Affairs have revealed that Estonia has decided to waive the minimum cost of investment in case of district heating projects, which enables to use

project clusters only for more efficient management and not as a prerequisite for being eligible for Structural funding.

If we look at the results of the first three call of ERDF, then projects in renewable energy were supported as follows (table 1):

Table 1

	No of projects	ERDF	Narional co-funding	Total (EEK)	Total (EUR)
I call	3	9 594 500,00	1 531 500,00	11 126 000,00	711081,00
II call	2	7 837 629,75	0	7 837 629,75	500915,84
III call	4	6 579 211,50	1 772 070,50	8 351 282,00	533744,20

2.4. Greece

For the period 2007 – 2013, the strategic planning for Greece will be realized through eight (8) Sectoral Operational Programs, five (5) Regional Operational Programs and twelve (12) Territorial Cooperation Operational Programs.

Furthermore, the accessibility infrastructures will be implemented in the framework of one sole OP, while the sectors of health and culture will not have distinct OPs, since the relevant actions will form part of other Regional and Sectoral OPs.

Basic element of the new architecture is the different role of the five Regions of transitional support and more specifically, of the two Regions that enter gradually in Target 2, in relation with the eight regions of Target 1.

The five regions that reached a certain, predefined development level are entering a regime of gradual independence by the Community funds. Their support by the Structural Funds is gradually reducing, in order to enable them to stand independently among the developed European regions.

The development planning in these regions will be implemented through the relative Regional OPs. On the other hand, the needs of the Target 1 Regions will be covered through both Sectoral and Regional OPs, with absolutely distinct credits.

Sectoral operational programs

For the implementation of the development planning of Greece, during the period 2007 – 2013, on national level, eight (8) sectoral Operational Programs are planned:

a) OP “Environment – Sustainable Development”

The OP “Environment – Sustainable Development” aims mainly to the protection, improvement and sustainable management of the environment, so as to form an appropriate background for the protection of public health and the improvement of the citizens’ quality of life, as well as an important factor of the economy competitiveness enhancement.

This OP is formed by five priority axes:

1st Axis: Waste management and soil systems protection

2nd Axis: Water resources management

3rd Axis: Biodiversity protection

4th Axis: Political protection

5th Axis: Legislation, mechanisms and means of efficient environmental policy.

Some of the main interventions that will be realized in the framework of the OP are: the integrated management of solid and dangerous waste and the protection of the soils, the integrated implementation of the Directive 2000/60 and the wastewater management, the formation of measurement and control systems for the air pollution sources and the implementation of action plans for the reduction of air pollution.

Additionally, there will be interventions in the creation of tools for the planning and the implementation of zoning arrangements for the promotion of RES, the integrated reserves’ protection and management, the large – scale infrastructure for flood protection, the prevention and the efficient treatment of natural and technological disasters through mechanisms and good practices and the awareness raising among the citizens.

b) OP “Accessibility”

The main target of this OP is the development and the modernization of the natural infrastructure and the relative services of the Greek transports system.

This OP is formed by the following priority axes:

- ERDF Funding

- 1st Axis: Road transports – Road network
- 2nd Axis: Railway and combined transports
- 3rd Axis: Marine transports and ports
- 4th Axis: Air transports
- 5th Axis: Horizontal actions
- 6th Axis: Technical support of the OP

- CF Funding

The first four axes are common to the ERDF, followed by two more axes: urban development – metro construction, urban transports.

c) OP “Competitiveness and Entrepreneurship”

The main objective of the OP “Competitiveness and Entrepreneurship” is to improve the competitiveness and the extroversion of the Greek business sector and the Greek production system, placing special focus on the dimension of innovation.

This OP is formed by five priority axes:

- 1st Axis: transition to the economy of knowledge
- 2nd Axis: upgrading and reinforcement of the productive staff of Greece, focusing on the entrepreneurship with extrovert characteristics.
- 3rd Axis: improvement of human resources
- 4th Axis: improvement of the business environment and the protection of the consumers
- 5th Axis: reassurance of the energy supply, the introduction of Greece to the international networks of electricity, petroleum and natural gas transfer, supporting of the deregulation of the energy market and the promotion of renewable energy sources.

The interventions that will be realized through this OP intend to promote the system of Research, Development and Innovation of Greece and its connection to the country’s productive staff. Additionally, these interventions aim to reinforce the business area and to improve the products quality, to achieve synergy with other funded interventions such as mobility support, link to the job market e.t.c. Finally, they have as objectives the reinforcement of entrepreneurship support structures, the improvement of market supervision mechanisms, the support of business and innovative actions support structures and the reassurance of energy sufficiency of Greece, including the RES.

d) OP “Digital Convergence”

This OP focuses on the strategic objective “Digital Leap in productivity, Digital Leap in the quality of life”.

Two axes are formed:

The 1st axis concerns the improvement of productivity, using Information and Communication Technologies.

The 2nd axis regards the improvement of the quality of life.

The interventions that will be implemented through this OP aim to promote the Information and Communication Technologies in the companies, the reengineering of Public Sector processes, the promotion of entrepreneurship in the sectors that use Information and Communication Technologies, the development of digital services in the Public Authorities and the improvement of everyday life through the Information and Communication Technologies.

e) OP “Improvement of Management Competency in Public Administration”

The OP “Improvement of Management Competency in Public Administration” intends to create a citizen – focused, effective, open and flexible governance for the transition from the management of responsibilities and processes to the management of policies, results and services.

The development priorities cover the two basic fields of public action, i.e. the field of public policies and programs creation and the field of policies and programs implementation.

The OP is formed by four priority Axes:

The 1st Axis seeks the public policies quality improvement and the reinforcement of the open management.

The 2nd Axis aims to modernize the legal framework regarding the regulation of the public activity and of the public services functioning structures and procedures.

The 3rd Axis concerns the development of the Public Administration human resources.

The 4th Axis concerns the creation of management change support mechanisms and technical support.

Some of the most important interventions are the assessment and monitoring of public policies implementation, the simplification of administrative procedures, the organizational and functional reengineering and administrative reconstruction, the covering of educational needs in the Public Administration and the quality improvement of the provided education.

f) OP “Human Resources Development”

The OP “Human Resources Development” sets as strategic objectives the creation of full time occupation conditions, the improvement of the labour and productivity quality, the reinforcement of the businesses and human resources adaptability to the changing conditions of international competition and of the technological and productive evolution. Furthermore, it aims to support the employment of women, of young people, of older people and of vulnerable groups and to promote the equal access to the job market, as well as to reduce the social exclusion and to reinforce the social cohesion.

This OP is specialized in 4 basic priority axes:

1st Axis: Support of Human Resources and Businesses adaptability

2nd Axis: Facilitation of the access to employment

3rd Axis: Full integration of the entire workforce in a society of equal opportunities

4th Axis: Promotion of de-institutionalization and completion of the psychiatric reformation.

Some of the main OP interventions include the implementation of the National System of Linking Occupational Education and Training to the Employment, the modernization of the job market structures and systems, active employment policies, measures of battling unregistered labour, the personalized support to the unemployed people and the support of the women and young people’s employment. This OP funds also the promotion of

modern techniques of lifelong learning, measures for the active ageing of the workforce, targeted and integrated interventions for the labour and social integration of vulnerable groups, the development of Social Economy, the Program “Psychargos”.

g) OP “Education and Lifelong Learning”

The OP “Education and Lifelong Learning” is focused on three strategic targets: investing on the future – improvement of the basic capacities level, reformations in the educational system in order to make feasible lifelong learning for everybody and quality improvement and attractiveness increase of the occupational education and training.

The OP is structured in four thematic priority axes:

The 1st axis concerns the quality improvement of education and the modernization of the educational system.

The 2nd axis aims to upgrade the systems of initial occupational education and training and the linking of education to the job market.

The 3rd axis regards the enhancement of lifelong learning, facilitation of access and reduction of social exclusion from the education.

The 4th axis seeks for the promotion of the knowledge society, by reinforcing the human capital in postgraduate studies, in research and in innovation.

Indicative suggested intervention include the reformation of the studies curricula, the acceleration of the new technologies introduction rates, the restructuring of occupational training, the expansion of the Second Chance Schools, the Adults Educational Centers and the Hellenic Open University and the support of the Lifelong Learning Institutes, the education of the instructors and the enhanced teaching of minorities.

h) OP “Technical Assistance”

The OP “Technical Assistance” intends to cover the funding of activities related to the preparation, management, monitoring, assessment, publicity and control of the Ops, as well as of activities for the support of administrative competence for the implementation of the Funds’ actions.

The OP “Technical Assistance” is co-financed by the ERDF and includes one priority axis “Support of Executive Structures and Functions”, which is subdivided in two categories of actions falling in the following two fields of intervention:

1st Field: Support to the Executive Bodies of the Administration and Coordination System of the OPs for the preparation, implementation, monitoring and control.

2nd Field: Support to the Executive Bodies of the Administration and Coordination System of the OPs for the preparation of studies and assessments, as well as for publicity.

Regional operational programs

The National Development Plan of Greece for the period 2007 – 2013 includes five Regional Operational Programs (as follows):

- i. Regional Operational Program of Macedonia – Thrace
- ii. Regional Operational Program of Western Greece – Peloponnesus – Ionian Islands
- iii. Regional Operational Program of Crete and Aegean Islands
- iv. Regional Operational Program of Thessaly – Central Greece – Epirus
- v. Regional Operational Program of Attica

The Regional Operational Programs will contribute in the achievement of the national strategic targets, together with the Sectoral Operational Programs, specially focusing on the special characteristics and needs of every region. Additionally, the Regional Operational Programs will serve the regional priorities.

Due to the fact that those five Regional Operational Programs address regions belonging in different categories (phasing out, phasing in, convergence), there will be a differentiation in the range of the realized interventions in every category.

In any case, the Regional Operational Programs for all the regions will cover a common set of interventions as follows:

- Social infrastructures and services
- Health and social solidarity (hospital and social care infrastructure, special structures, medical and open care centers specialized equipment)
- Culture (support of the basic cultural infrastructure, protection and eminence of the cultural heritage)
- Accessibility and local scale environmental works
- Sustainable urban development policies
- Mountainous, disadvantaged, insular areas support policies.

Table 1: Indicative application of funds per OP (Community Contribution – amounts in €, current prices)

	PROGRAM	FUND	2007	2008	2009	2010	2011	2012	2013	TOTAL
1	OP Environment – Sustainable Development	ERDF	29,592,630	30,184,482	30,788,172	31,403,936	32,032,014	32,672,655	33,326,111	220,000,000
1	OP Environment – Sustainable Development	CF	212,528,891	216,779,468	221,115,057	225,537,358	230,048,107	234,649,069	239,342,050	1,580,000,000
1	<i>OP Environment – Sustainable Development</i>	<i>TOTAL</i>	<i>242,121,521</i>	<i>246,936,950</i>	<i>251,903,229</i>	<i>256,941,294</i>	<i>262,090,121</i>	<i>267,321,724</i>	<i>272,668,161</i>	<i>1,800,000,000</i>
2	OP Accessibility	ERDF	212,932,426	217,191,075	221,534,896	225,965,594	230,484,906	235,094,604	239,796,499	1,583,000,000
2	OP Accessibility	CF	284,783,449	290,479,119	296,288,701	302,214,475	308,258,763	314,423,939	320,712,418	2,117,160,864
2	<i>OP Accessibility</i>	<i>TOTAL</i>	<i>497,715,875</i>	<i>507,670,194</i>	<i>517,823,597</i>	<i>528,180,069</i>	<i>538,743,669</i>	<i>549,518,543</i>	<i>560,508,917</i>	<i>3,700,160,864</i>
3	OP Competitiveness – Entrepreneurship	ERDF	173,654,935	177,128,034	180,670,594	184,284,008	187,969,686	191,729,080	195,563,663	1,291,000,000
4	OP Digital Convergence	ERDF	115,680,282	117,993,887	120,353,765	122,760,840	125,216,060	127,720,380	130,274,786	860,000,000
5	OP Human Resources Development	ESF	348,650,828	340,015,809	330,895,935	321,275,253	311,137,390	306,490,830	301,533,955	2,260,000,000
6	OP Education and Lifelong Learning	ESF	222,149,202	216,647,243	210,836,346	204,706,354	198,246,830	195,286,194	192,127,831	1,440,000,000
7	OP Improvement of Management Competency in Public Administration	ESF	77,906,490	75,976,984	73,939,135	71,789,380	69,524,064	68,485,786	67,378,161	505,000,000
8	OP Technical Assistance	ERDF	25,826,295	26,342,821	26,869,677	27,407,075	27,955,212	28,514,317	29,084,603	192,000,000
9	OP Macedonia – Thrace	ERDF	430,161,700	415,463,615	400,005,543	383,762,961	366,710,676	348,822,792	330,072,713	2,675,000,000
10	OP Western Greece – Peloponnesus – Ionian Islands	ERDF	122,943,932	125,402,806	127,910	130,469,081	133,078,461	135,740,029	138,454,831	914,000,000
11	OP Crete and Aegean Islands	ERDF	146,446,064	138,022,627	129,203,671	119,976,747	110,329,064	112,535,646	114,786,359	871,300,178
12	OP Thessaly – Central Greece – Epirus	ERDF	225,137,389	19,944,406	173,653,649	146,231,279	117,642,556	119,995,406	122,395,315	1,105,000,000
13	OP Attica	ERDF	406,069,681	388,310,157	369,677,825	350,144,875	329,682,735	308,262,057	285,852,670	2,438,000,000
14	OP Territorial Cooperation	ERDF	27,574,653	28,224,118	28,988,463	29,874,024	30,873,410	31,611,174	32,459,737	209,515,579
15	National Reserve Fund	ERDF	23,429,288	23,212,596	22,977,857	22,724,447	22,451,706	22,158,968	21,845,541	158,800,403
FUNDS TOTAL		ERDF	1,939,449,275	1,887,420,624	1,832,634,972	1,775,004,867	1,714,336,486	1,694,857,108	1,673,912,828	12,517,616,160
		ESF	648,706,520	632,640,036	615,671,416	597,770,987	578,908,284	570,262,810	561,039,947	4,205,000,000
		CF	497,312,340	507,258,587	517,403,758	527,751,833	538,306,870	549,073,008	560,054,468	3,697,160,864
NRDP 2007 – 2013 TOTAL										
		EADF	461,376,206	463,470,078	453,393,090	452,018,509	631,768,186	626,030,398	619,247,957	3,707,304,424
		EFF	NOT KNOWN YET							184,795,381 (€2004)

Table 2: Indicative application of funds per OP for the target “Convergence” (Community Contribution – amounts in €, current prices)

	PROGRAM	FUND	2007	2008	2009	2010	2011	2012	2013	TOTAL
1	OP Environment – Sustainable Development	ERDF	29,592,630	30,184,482	30,788,172	31,403,936	32,032,014	32,672,655	33,326,111	220,000,000
1	OP Environment – Sustainable Development	CF	212,528,891	216,779,468	221,115,057	225,537,358	230,048,107	234,649,069	239,342,050	1,580,000,000
1	<i>OP Environment – Sustainable Development</i>	<i>TOTAL</i>	<i>242,121,521</i>	<i>246,936,950</i>	<i>251,903,229</i>	<i>256,941,294</i>	<i>262,090,121</i>	<i>267,321,724</i>	<i>272,668,161</i>	<i>1,800,000,000</i>
2	OP Accessibility	ERDF	212,932,426	217,191,075	221,534,896	225,965,594	230,484,906	235,094,604	239,796,499	1,583,000,000
2	OP Accessibility	CF	284,783,449	290,479,119	296,288,701	302,214,475	308,258,763	314,423,939	320,712,418	2,117,160,864
2	<i>OP Accessibility</i>	<i>TOTAL</i>	<i>497,715,875</i>	<i>507,670,194</i>	<i>517,823,597</i>	<i>528,180,069</i>	<i>538,743,669</i>	<i>549,518,543</i>	<i>560,508,917</i>	<i>3,700,160,864</i>
3	OP Competitiveness – Entrepreneurship	ERDF	173,654,935	177,128,034	180,670,594	184,284,008	187,969,686	191,729,080	195,563,663	1,291,000,000
4	OP Digital Convergence	ERDF	115,680,282	117,993,887	120,353,765	122,760,840	125,216,060	127,720,380	130,274,786	860,000,000
5	OP Human Resources Development	ESF	325,056,903	321,516,483	317,704,428	313,611,279	309,227,326	304,542,564	299,546,724	2,191,205,707
6	OP Education and Lifelong Learning	ESF	207,115,905	204,860,061	202,431,138	199,823,114	197,029,798	194,044,821	190,861,631	1,396,166,468
7	OP Improvement of Management Competency in Public Administration	ESF	72,634,396	71,843,285	70,991,475	70,076,855	69,097,258	68,050,443	66,934,112	489,627,824
8	OP Technical Assistance	ERDF	25,826,295	26,342,821	26,869,677	27,407,075	27,955,212	28,514,317	29,084,603	192,000,000
9	OP Macedonia – Thrace	ERDF	430,161,700	415,463,615	400,005,543	383,762,961	366,710,676	348,822,792	330,072,713	2,675,000,000
10	OP Western Greece – Peloponnesus – Ionian Islands	ERDF	122,943,932	125,402,806	127,910	130,469,081	133,078,461	135,740,029	138,454,831	914,000,000
11	OP Crete and Aegean Islands	ERDF	98,328,239	100,294,806	102,300,703	104,346,714	106,433,648	108,562,322	110,733,568	731,000,000
12	OP Thessaly – Central Greece – Epirus	ERDF	99,269,823	101,255,221	103,280,327	105,345,930	107,452,849	109,601,906	111,793,944	738,000,000
13	OP Attica	ERDF	406,069,681	388,310,157	369,677,825	350,144,875	329,682,735	308,262,057	285,852,670	2,438,000,000
15	National Reserve Fund	ERDF	23,429,288	23,212,596	22,977,857	22,724,447	22,451,706	22,158,968	21,845,541	158,800,403
FUNDS TOTAL		ERDF	1,737,889,231	1,722,779,500	1,706,370,219	1,688,615,461	1,669,467,953	1,648,879,110	1,626,798,929	11,800,800,403
		ESF	604,807,204	598,219,829	591,127,041	583,511,248	575,354,382	566,637,828	57,342,467	4,076,999,999
		CF	497,312,340	507,258,587	517,403,758	527,751,833	538,306,870	549,073,008	560,054,468	3,697,160,864
NRDP 2007 – 2013 TOTAL			2,840,008,775	2,828,257,916	2,814,901,018	2,799,878,542	2,783,129,205	2,764,589,946	2,744,195,864	19,574,961,266

Table 3: Indicative application of funds per OP for the target “Regional Competitiveness and Employment” (Community Contribution – amounts in €, current prices)

	PROGRAM	FUND	2007	2008	2009	2010	2011	2012	2013	TOTAL
5	OP Human Resources Development	ESF	23,593,925	18,499,326	13,191, 507	7,663,974	1,910,064	1,948,266	1,987,231	68,794,293
6	OP Education and Lifelong Learning	ESF	15,033,297	11,787,182	8,405,208	4,883,240	1,217,032	1,241,373	1,266,200	43,833,532
7	OP Improvement of Management Competency in Public Administration	ESF	5,272,094	4,133,699	2,947,660	1,712,525	426,806	435,343	444,049	15,372,176
11	OP Crete and Aegean Islands	ERDF	48,117,825	37,727,821	6,902,968	15,630,033	3,895,416	3,973,324	4,052,791	140,300,178
12	OP Thessaly – Central Greece – Epirus	ERDF	12,867,566	98,689,185	70,373,322	40,885,349	10,189,707	10,393,500	10,601,371	367,000,000
FUNDS TOTAL		ERDF	173,985,391	136,417,006	97,276,290	56,515,382	14,085,123	14,366,824	14,654,162	507,300,178
		ESF	43,899,316	24,544,375	24,544,375	14,259,739	3,553,902	3,624,982	3,697,480	128,000,001
		CF	0	0	0	0	0	0	0	0
TOTAL			217,884,707	170,837,213	121,820,665	70,775,121	17,639,025	17,991,806	18,351,642	635,300,179

Table 4: Application of Funds (2007 – 2013)

APPLICATION OF FUNDS FOR THE PERIOD 2007 – 2013			
(Current prices)			
OPs		Community Support	Δημόσια Δαπάνη
Accessibility		3,700	7,400
Environment and Sustainable Development		1,800	2,769
Competitiveness and Entrepreneurship		1,291	1,721
Digital Convergence		860	1,147
Administrative Competence		505	675
Employment		2,260	3,013
Education		1,440	2,215
Technical Support		192	56
Territorial Cooperation		210	350
Total Sectoral OPs		12,258	19,547
Macedonia - Thrace	Eastern Macedonia - Thrace	480	38
	Central Macedonia	1,774	2,365
	Western Macedonia	421	561
Epirus – Thessaly	Epirus	315	485
	Thessaly	423	604
	Central Greece	367	734
Western Greece	Ionian Islands	242	346
	Western Greece	359	552
	Peloponnesus	313	417
Attica	Attica	2,438	3,251
Crete and Aegean Islands	Northern Aegean Islands	308	411
	Southern Aegean Islands	140	350
	Crete	423	564
Total Regional OPs		8,003	11,378
Reserve Fund		159	212
TOTAL			
Agricultural Development		3,707	4,943
Fishery		258	344
Total Agricultural Development and Fishery		3,965	5,287
TOTAL (2007 – 2013)		24,385	36,424

Territorial cooperation programs

In the framework of the target “European Territorial Cooperation”, Greece participates in the realization of the 12 OPs cited below:

i. Cross Border Cooperation Programs

External Borders

- Bilateral Cross Border Cooperation (ERDF – IPA)
 - Greece – Albania
 - Greece – FYROM
 - Greece – Turkey

- Multilateral Cross Border Cooperation (ERDF – IPA)
 - Adriatic Sea Basin

- Multilateral Cross Border Cooperation (ERDF – ENPI)
 - Mediterranean Sea Basin
 - Black Sea Basin

Internal Borders

- Bilateral Cross Border Cooperation (ERDF)
 - Greece – Italy
 - Greece – Cyprus
 - Greece – Bulgaria

ii. Transnational Cooperation Programs

- Mediterranean Sea Basin
- South East European Space

iii. Inter-regional Cooperation Programs

- Program – INTERREG IV C

Regional appropriation of funds from the structural funds

On the table below, the appropriation of funds per OP and per Fund, belonging to three distinct categories (mere Target 1, phasing out and phasing in) is presented, according to the Decisions of the European Council of December 2005, officially published in Greece in August 2006.

Additionally, the following table provides this analysis for each one of the five regions of transitional support.

The choices made for the structuring of the NSDP into OPs reassure the upkeep of the total credit for each one of the three regional categories and make feasible the apportionment of the transitional credits in each one of the transitional support regions.

An additional apportionment is expected, as far as the regions of the mere Target 1 are concerned.

Table 5: Appropriation of funds

	PROGRAM	FUND	TOTAL	MERE TARGET 1	TOTAL PHASING OUT	CENTRAL MACEDONIA	WESTERN MACEDONIA	ATTICA	TOTAL PHASING IN	CENTRAL GREECE	SOUTHERN AEGEAN ISLANDS
1	OP Environment – Sustainable Development	ERDF	220,000,000	220,000,000							
2	OP Accessibility	ERDF	1,583,000,000	1,583,000,000							
3	OP Competitiveness – Entrepreneurship	ERDF	1,291,000,000	1,291,000,000							
4	OP Digital Convergence	ERDF	860,000,000	860,000,000							
5	OP Human Resources Development	ESF	2,260,000,000	1,245,284,185	945,921,522	376,267,696	52,043,420	517,610,406	68,794,293	53,745,541	15,048,752
6	OP Education and Lifelong Learning	ESF	1,440,000,000	793,455,410	602,711,058	239,745,788	33,160,409	329,804,861	43,833,532	34,244,947	9,588,585
7	OP Improvement of Management Competency in Public Administration	ESF	505,000,000	278,260,404	211,367,420	84,077,516	11,629,171	115,660,733	15,372,176	12,009,513	3,362,663
8	OP Technical Assistance	ERDF	192,000,000	192,000,000							
9	OP Macedonia – Thrace	ERDF	2,675,000,000	480,000,000	2,195,000,000	1,774,000,000	421,000,000				
10	OP Western Greece – Peloponnesus – Ionian Islands	ERDF	914,000,000	914,000,000							
11	OP Crete and Aegean Islands	ERDF	871,300,178	731,000,000					140,300,178		140,300,178
12	OP Thessaly – Central Greece – Epirus	ERDF	1,105,000,000	738,000,000					367,000,000	367,000,000	

13	OP Attica	ERDF	2,438,000,000		<i>2,438,000,000</i>			2,438,000,000			
15	National Reserve Fund	ERDF	158,800,403	94,246,328	<i>64,544,075</i>						
FUNDS TOTAL		ERDF	12,308,100,581	7,103,246,328	<i>4,697,554,075</i>	1,774,000,000	421,000,000	2,438,000,000	<i>507,300,178</i>	367,000,000	140,300,178
		ESF	4,205,000,000	2,316,999,999	<i>1,760,000,000</i>	700,091,000	96,833,000	963,076,000	<i>128,000,001</i>	100,000,001	28,000,000
		Total	16,513,100,581	9,420,246,327	<i>6,457,554,075</i>	2,474,091,000	517,833,000	3,401,076,000	<i>635,300,179</i>	467,000,001	168,300,178
EUROPEAN COUNCIL DECISIONS (12/2005)				9,420,246,327	<i>6,457,554,075</i>				<i>635,300,179</i>		
Indicative share of transitional region						38,7%	8,1%	53,2%		78,0%	22,0%
Indicative amount per transitional region						2,499,073,427	523,061,880	3,435,418,768		495,534,140	139,766,039

Administrative and legislative structure

CSF Legislation

There is specific legislation regarding Structural Funds.

The composition, the specialisation and the functioning of the CSF related bodies are defined in the Act 2860/2000, approved by the Greek Parliament, while there is also the Act 2372/1996, regarding the constitution of bodies for the acceleration of the development procedure.

CSF Management Bodies

For the effective management, follow-up and control of the co-financed interventions by national and Community resources, according to the provisions of the Regulation 1260/1999 of the European Council, regarding the "general provisions on the structural Funds", the following bodies were created and function:

CSF Managing Authority

The CSF Managing Authority is the General Directorate of Developmental Planning, Regional Policy and Public Investments of the Ministry of Economy and Finances.

Additionally and in the framework of the General Directorate, the following Special Departments have been created, in order to cover the management needs of the CSF:

- Special Department of Development Programs' Strategy, Planning and Evaluation
- Special Department of Operational Programs' Coordination and Implementation
- Special Department of Integrated Informative System

The CSF Managing Authority represents Greece in the European Committee, regarding the CSF related issues and collaborates with the EC in the framework of the partnership.

It is fully responsible for the planning and the implementation of the CSF. Its aim is to guarantee the effectiveness and the legality of the management and implementation of the CSF, as well as the coordination of the planning and implementation of the Operational Programs and their Managing Authorities.

More in detail, the CSF Managing Authority is appointed with the following tasks:

1. Monitoring and coordination of the CSF implementation, focusing on its compatibility with the national policies
2. Coordination of the CSF's Operational Programs managing authorities and taking care of the CSF's Monitoring Committee decisions implementation.
3. Issuing of guidelines and provision of directions, regarding the management, assessment, control and every action included in the mission of the Operational Programs Managing Authorities.
4. Management of the Integrated Informative System
5. Conduction of the CSF midterm assessment. Treatment of the CSF and Operational Programs midterm assessment - Suggestion of possible modifications to the CSF Monitoring Committee

6. Briefing of the operational programs managing authorities on the European and national laws. Monitoring of the managing authorities' actions, in order to reassure compatibility of the Operational Programs and the actions to the European and national legislation. Recommendation of measures for the efficient application of these regulations by the responsible bodies on national and regional level.
7. Suggestion of modifications on the CSF to the CSF Monitoring Committee.
8. Treatment, together with the EU, of the indexes that will be used for the allocation of the performance fund.
9. Organization and monitoring of the CSF dissemination, in cooperation with the EU. Configuration of publicity principles framework for the Operational Programs Managing Authorities
10. Definition of the examination procedures for the annual reports of the Operational Programs
11. Participation in the annual meetings of the Operational Programs Managing Authorities and the EU
12. Provision of the European Union with the necessary data for the verification of the additivity
13. Administrative support to the CSF Monitoring Committee.

Operational Programs Managing Authorities

A Managing Authority is set for each Operational Program, whose main responsibility is the program's management and implementation effectiveness and regularity.

Its tasks are the following:

1. Implementation of the Program Complement
2. Action recommendation to the Special or General Secretaries of the Ministries or the Regions
3. Reassurance of the Operational Programs' actions compatibility of the actions with the national and European legislation, as well as with national and European policies regarding competition, environmental protection etc - To this end, provision of support to the final beneficiaries, in order for them to fulfill their obligations
4. Monitoring of the implementation process of the Operational Program and drawing of proposals for its revision, which are, then, submitted to the Operational Program Monitoring Committee
5. Collection of all the necessary financial and statistical data, in order to feed the Integrated Informative System
6. Drafting of the Program Complement adjustment proposals, which are, then submitted to the Operational Program Monitoring Committee

7. Writing of the annual reports and the final report of the Operational Program and submission to the Operational Program Monitoring Committee and the CSF Managing Authority
8. Organization and monitoring of the Operational program midterm assessment, in collaboration with the CSF Managing Authority and treatment of proposals for the appropriate exploitation of its findings
9. Monitoring of the observance of a self – contained account for each action by the final beneficiaries
10. Cooperation with the CSF Managing Authority and the Operational Program Monitoring Committee, providing them with all the necessary information.
11. Conduction of the foreseen controls, organization of actions based on the findings, informing the EU, the Payment Authority and the Financial Control Committee and implementation of the necessary conformation measures, after the relative recommendations of the above Authorities
12. Dissemination of the Operational Program, in collaboration with the CSF Managing Authority, the Operational Program Monitoring Committee and the EU - Monitoring of the final beneficiaries obligations observance, regarding publicity and information
13. Provision of administrative support to the Operational Program Monitoring Committee.

CSF Monitoring Committee

The mission of the CSF Monitoring Committee is to monitor the effective and proper implementation of the CSF.

To this framework:

- It regularly assesses the progress of the achievement of the CSF's specific targets
- It examines the CSF implementation results, especially regarding the operational programs' goals' achievement
- It approves the suggestions for modification of the Community Decision content, regarding Funds' participation
- It suggests to the CSF Managing Authority possible adjustments or re-examinations of the CSF, in order to contribute in the achievement of the specific goals or to improve management.

Composition of the CSF Monitoring Committee

President of the CSF Monitoring Committee is the Minister of Economy and Finances.

Members of the CSF Monitoring Committee are:

- The presidents of the Operational Programs' Monitoring Committees.
- The representative of the CSF Managing Authority (General Secretary of the Ministry of Economy and Finances - MNEC).
- The representative of the CSF Financial Control Department (consultant from the MNEC).
- Representatives of the Local Authorities (employment, environment, equality).

- Representative of the Central Union of Municipalities & Communities of Greece.
- Representatives of economic and social partners.
- Representative of the General Secretariat for Equality.
- Delegation of the EU
- Representatives of non – governmental organizations.

Additionally, during the meetings of the Monitoring Committee scientific experts on financial, technical, social, scientific and other issues can be invited. It is worth mentioning that an effort is made to keep a balance in the number of male and female members in the composition of the committee.

The CSF Managing Authority is responsible for the preparation of the documentation, the reports, the agendas and the minutes of the committees' meetings.

Monitoring Committees of the Operational Programs

The Monitoring Committee of each Operational Program has as a mission the monitoring of its effective and proper implementation.

To this framework:

1. It verifies and adjusts the Program Complement, including the indexes to be used for its monitoring
2. It examines and approves the action selection criteria
3. It regularly assesses the progress of the goals achievement
4. It examines the implementation results, especially regarding the goals achievement, and the midterm assessment
5. It examines and approves the annual and final reports, before sending them to the EU
6. It examines and approves proposals for modification of the program, regarding the participation of the Funds
7. It proposes to the operational program managing authority any necessary adjustments or re-examinations of the program that could improve its management.

Composition of the Operational Program Monitoring Committee

President of the Operational Program Monitoring Committee is the General or Special Secretary of one of the Ministries or the General Secretary of the Region.

Members of the Operational Program Monitoring Committee are:

- The representative of the Operational Program Managing Authority
- The representative of the Ministry of Economy and Finances
- The representative of the Payment Authority
- The representative CSF Financial Control Department (consultant from the MNEC)
- Representatives of associated Ministries
- Representatives of national authorities, responsible for employment, environment and equality issues
- Representative of the Central Union of Municipalities & Communities of Greece (for the Regional Programs, a representative of the region is set)

- Representatives of economic and social partners
- Delegation of the EU
- Representative of non – governmental organizations.

Additionally, during the meetings of the Monitoring Committee scientific experts on financial, technical, social, scientific and other issues can be invited. It is worth mentioning that an effort is made to keep a balance in the number of male and female members in the composition of the committee.

The Managing Authority of every operational program is responsible for the preparation of the documentation, the reports, the agendas and the minutes of the committees meetings.

Payment Authority

The Payment Authority is a special payment department of the Ministry of Economy and Finances, established to reassure the effectiveness and the transparency of the financial flows, on CSF level, for all the operational programs and all the structural funds.

The Payment Authority:

1. It is responsible for the treatment and the submission of payment petitions the EU per operational program and per Structural Fund, as well as the acceptance of the EU credits.
2. It reassures the delivery of the European and the national participation to the final beneficiaries, through the National Investments Program, as soon as possible.
3. It submits the certified statements to the EU per operational program and per Structural Fund.
4. It submits the projections for future payment petitions to the EU.
5. It defines, in cooperation with the CSF Managing Authority, the regulations for the function of the Integrated Informative System. It takes care of the proper function of the accounting systems. Every operational program managing authority appoints a responsible, who will manage the information and will discuss with the Payment Authority. The Payment Authority is supported by the Help Desk.
6. It conducts the external audit to the managing authorities and to the final beneficiaries.
7. It suspends the payments in case of presumed irregularity, informing, at the same time, the responsible department of the Ministry of Economy and Finances, the responsible management authority, the Integrated Informative System, the final beneficiary and the final contractor.
8. It is responsible for the supervision and the coordination of the financial flows and the management of the accounts, where the Structural Funds credits are deposited.

Financial Control Committee

The Financial Control Committee is part of the Ministry of Economy and Finances and its purpose is to control the Managing Authorities, the Payment Authority, the final beneficiaries and the actions.

It is formed by seven members, including the General Manager of the General Management and Financial Control Directorate (President), the Managers of the Planning and Control Directorate, of the Studies and Assessment Directorate and the EU Financial Relationships Directorate of the Ministry of Economy and Finances and three experts on European projects financial control issues.

The mission of the Financial Control Committee is to reassure the observance of the proper financial management principles.

The Community Support Framework Management Organisation Unit (M.O.U.) S.A. is a support mechanism founded in 1996, operating under the guidance and control of the Ministry of Economy & Finance, but external to its civil service structure. The law establishing the M.O.U. (L.2372/96) came into force on February 28, 1996. A new law (L. 2860/00) setting out new provisions as regards the management of the CSF 2000-2006 was adopted by the Greek Parliament on November 14, 2000. Under this new law, the M.O.U. assumes a supporting role as regards the overall implementation and organisation of the 3rd CSF while a new institution -the managing authorities (one central authority and 24 authorities one for each operational programme) - undertake the CSF's management.

More specifically, the M.O.U.'s role is to assist public administration authorities by meeting specific needs in highly specialized human resources and know-how which are necessary for the successful management of CSF-funded programs. The legal status of the Unit is such that, although it bypasses the administrative and economic constraints characterizing the Greek civil service, it maintains and enhances the supervisory and coordinating role of the Ministry of Economy & Finance. It is governed by a nine-member Board of Administration and its workforce is made up of highly qualified staff (all of them University degree holders, of which 40% hold post-graduate degrees), recruited from both the private and the public sectors, and serving on fixed-term contracts.

The M.O.U.'s basic task is to support CSF managing authorities by providing services such as:

- transfer of know-how
- human resources management (selection of specialized personnel, training and assessment)
- management systems and tools in order to effectively tackle CSF project implementation problems having to do with:
 - the successful preparation of projects
 - the evaluation and follow-up of projects
 - keeping within foreseen time-tables
 - keeping within foreseen budgets and
- meeting the obligations arising from national and Community regulatory frameworks

Action selection procedure

The typical procedure for the selection of the actions to be included in a program includes the following steps:

- Call for proposals to possible final beneficiaries
- Evaluation of the submitted proposals on selection criteria set.

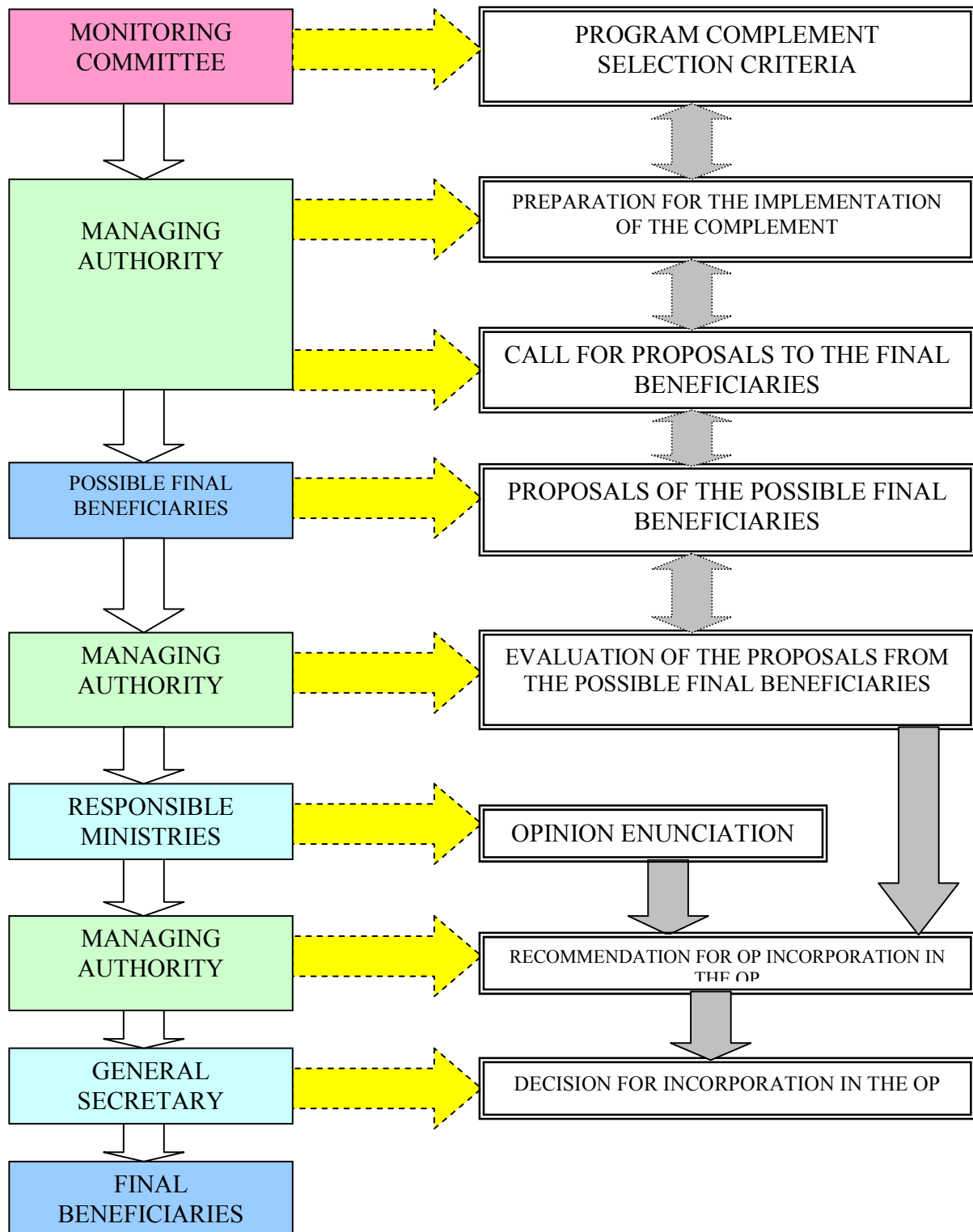
The evaluation can take two forms: direct evaluation or benchmarking. Eligibility and compatibility control is held by the OP Managing Authority.

If the suggested action is considered inappropriate for funding, the managing authority informs the final beneficiary, giving the reasons for the rejection. Where necessary, the final beneficiary is invited to re – submit an improved version of the initial proposal.

- Issuing of the funding decision communication of the decision and the funding terms to the final beneficiary.

Meanwhile, the typical decision making procedure for a structural fund proposal is presented by the following diagram:

DECISION MAKING PROCEDURE FOR A STRUCTURAL FUND PROPOSAL



Funding Criteria

The Managing Authority of every Operational Program is responsible for the selection or the rejection of a project, based on the priorities set and the selection criteria defined by the Monitoring Committee.

Funding Criteria for the suggested Actions

a. NATURE AND TYPE OF THE ACTION IN THE FRAMEWORK OF THE MEASURE

1. Compatibility of the suggested action with the eligibility terms set by the Regulations of the Structural Funds, as well as observance of the eligibility terms of the Regulation 1685 / 2000 of the foreseen expenses for the suggested action.
2. Compatibility of the suggested action with the specific goals and the action categories of the relevant Measure.
3. The final beneficiary of the suggested action must belong to the final beneficiaries' categories of the respective Measure.
4. The implementation period of the action must fall in the eligibility period of the Measure.

b. ADVISABILITY OF THE ACTION

1. Contribution of the suggested action in the achievement of the expected results of the Measure.
2. Needs covered by the suggested action and suitability of the action "size", in relevance to these needs
3. Expected direct and indirect beneficiaries, extent of use
4. Broader socioeconomic benefits of the actions – possible negative results.
5. Economic viability – efficiency and social benefit of the action.
6. Preservability of the expected results and impacts of the suggested action.
7. Social acceptance of the suggested action.
8. Synergy and complementarity to other existing projects, projects under implementation or projects suggested for implementation.
9. Private funds mobilization rate

c. COMPLETENESS OF THE ACTION

1. Completeness of the suggested action content, in relevance to the targets of the Measure.
2. Functionality of the action, sole or in combination to other projects, under implementation or already implemented
3. Determination of a project function / management body
4. Competence of the function body to manage the project smoothly, in terms of appropriate know – how, organization and human resources.

d. MATURITY OF THE ACTION

1. Completeness of submitted proposal
2. Accuracy and clarity of the suggested action data
3. Required permissions and approvals for the action.
4. Progress of the initial action studies
5. Progress of the supporting – technical studies of the action
6. Progress of administrative actions, undertaken by the final beneficiary
7. Progress of administrative actions, undertaken by third parties
8. Competence of the implementation body to monitor, control and manage smoothly the completion of the action
9. Competence of the sub-works' supervision responsible
10. *Possible special queries, regarding funding systems.*

e. COMPATIBILITY OF THE ACTION WITH THE NATIONAL AND EUROPEAN POLICIES

1. Application of the national and European regulations, regarding competition.
2. Application of the national and European regulations, regarding public work contracts, public purchasing contracts and public service contracts
3. Application of all the prerequisites, set by the legislation, in order to implement the project.
4. Respect of the European regulations and the national legislation for the environment.
5. Application of the European regulations on information and publicity
6. Consistency to the policy directions regarding the equality between men and women
7. Consistency and cohesion to the general national – regional planning and to the policies of other sectors in national level
8. Consistency and cohesion to the National and European Employment Policy
9. Consistency and cohesion to other European policies.

In the group of the eligible applicants are included: unemployed persons, young people, women, companies of the private sectors, socially vulnerable groups, Municipalities and their companies, public services and organizations, non – governmental organizations, as well as consortiums of the all the above mentioned beneficiaries.

The minimum and maximum investment sizes are different in each Operational and Regional Program and are clearly defined in the respective call for proposals.

The state of the project development, thus the maturity of the action, constitutes one of the selection criteria. As it is described in later section, the following data are usually required:

- Required permissions and licenses for the action.
- Progress of the initial action studies
- Progress of the supporting – technical studies of the action
- Progress of administrative actions, undertaken by the final beneficiary
- Progress of administrative actions, undertaken by third parties

The eligibility of the expenses categories is different in each Operational and Regional Program and is clearly defined in the respective call for proposals.

National funds

There are no funds for the project preparation in Greece. Projects begin to be built after they are approved for funding.

There are also national funds relevant for the priorities set for the funding of projects co-financed by the EU. These funds are known as National Investments Program.

It is the program that defines the funds that can be allocated for the funding of projects and it refers to expenses made for infrastructure and economic development projects.

The National Investments Program is prepared by the Ministry of Economy and Finances, using recommendations submitted by the other Ministries and the Prefectures. It has duration of 1 year and constitutes part of the General National Budget.

In order to reassure the project funding and to proceed to their smooth implementation, the National Investments Program is divided in two parts:

- 1) Projects co-financed by Greece and EU
- 2) Projects financed by national funds.

For each part, a different payment limit is set.

The political climate in Greece concerning Structural and Cohesion Funds can be best described through an historic review of the 3 CSFs.

1) 1st CSF

The developmental strategy applied in Greece from 1984 to 1993 (1st CSF) was characterized by a large dispersion of the available funds to small infrastructure projects all over the country. This policy supported economic activity and improved living standards in rural and remote areas. Roads, ports, hospitals, schools, irrigation works, water supply and drainage systems, waste water treatment plants, crop restructuring and improvements in training structures compose the general picture of the interventions carried out. Lacking from this strategy was the promotion of major infrastructure projects, a prerequisite for attracting foreign investment, along with a focus on productivity, quality and sustainable development.

2) 2nd CSF

During the programming period 1994 to 1999, more emphasis was placed on major infrastructure projects of a national character and on connecting Greece to other countries. Without abandoning the pursuit of balanced development, priority was given to the promotion of economic development and the improvement of competitiveness, to the upgrade of the environment and the establishment of better living conditions in urban areas. The main characteristics of the period are: the country's preparation efforts to enter the Economic and Monetary Union and the commencement of major infrastructure projects of national importance such as Highways (PATHE, Egnatia Odos), port

improvements, modernization of the Hellenic Railway Network, the Athens metro, energy projects (wind farms, natural gas), telecommunications infrastructure, hospitals, etc.

During this period, the overall improved state of Greek economy, along with the measures for macro-economic stability, the structural changes and the inflow of funds of the 2nd CSF itself, created the preconditions for a more effective performance of the country's developmental efforts. Nevertheless, the implementation of the 2nd CSF was hindered by a series of problems and malfunctions that rendered the implementation mechanisms inadequate to deal with the increased scale of interventions.

3) 3rd CSF

The 3rd CSF was designed amidst a very different economic and social setting to that of the previous period:

- Implementation of the 2nd CSF had laid the foundations for the modernization of the country's technical infrastructure, the productive environment and of the labour force skills.
- Development stakeholders had begun to gradually rid themselves of their protectionist and introverted mentality and exhibited an ever-increasing tendency to adopt the new terms imposed by technological development and the globalisation of economies.
- Structural changes in public corporations and organizations, and their opening-up to market forces and competition, served to remove a critical competitiveness restraining factor which stalled improvements in the Greek economy.
- The increased demands placed on implementation structures of the 2nd CSF, resulted in organizational and institutional reforms, primarily in the fields of public works, industrial infrastructure, and the support and training of the labour force.

In conclusion, the inflow of Community structural funds to Greece, from the country's accession to this day, has assisted development, has significantly contributed to the restructuring of the Greek economy and has softened the social impacts of adaptation. Since 1996, Greece has continually witnessed a real economic growth which exceeds the European average. The improvement of the country's general economic state allowed Greece to enter the Euro zone on January 1, 2001.

2.5. Hungary

In the 2002-2006 period, 45 proposals (21 RES and 24 RUE) were favorably evaluated in the „Environmental-friendly energy management” instrument. This resulted in a total 2,06 PJ savings annually (RES: 0,90 PJ/year and RUE: 2,06 PJ/year).

On 12th of December 2006, the government accepted all the 15 finalised Operative Programmes in the framework of the New Hungarian Development Plan. The last version of the Operative Programmes was delivered to the European Commission on the 20th December. Approximately 6 billion Euros will be distributed to the regional operative programmes, while the thematic operative programmes will receive around 20 billion Euros.

List of Operative Programmes

Economy Development OP
Transport OP
Society Renewal OP
Social Infrastructure OP
Environment and Energy OP
State Reform OP
e-Administration OP
Western-Transdanubian OP
Souther-Plain OP
Northern-Plain OP
Center-Hungarian OP
Northern-Hungarian OP
Center-Transdanubian OP
South-Danubian OP
Implementation OP

The first calls will be available on the 30th of January, in the framework of the Economy Development and the Society Renewal Operative Programmes. Three new calls will be published:

Technology development in companies (Economy Development OP)
Supporting the development of job creation in disadvantaged regions. (Economy Development OP)
Supporting workplace training in SMEs. (Society Renewal OP)

The Environment and Energy Operative Programme (EEOP)

No call was published yet in the framework of the Environment and Energy Operative Programme, however, this one is among the three most-funded OPs, along with the Transport Operative Programme and the Society Renewal Operative Programme.

Table 1. The financial plan of the EEOP from 2007 to 2013

Year	Region	ERDF (Euro)	Cohesion Funds (Euro)	Total (Euro)
2007	Regions without temporary contribution	55683716		55683716
	Regions with temporary contribution			
	Total	55683716	139270648	194954364
2008	Regions without temporary contribution	54050519		54050519
	Regions with temporary contribution			
	Total	54050519	297607397	351657916
2009	Regions without temporary contribution	51502148		51502148
	Regions with temporary contribution			
	Total	51502148	477154536	528656684
2010	Regions without temporary contribution	53358763		53358763
	Regions with temporary contribution			
	Total	53358763	589267128	642625891
2011	Regions without temporary contribution	60577407		60577407
	Regions with temporary contribution			
	Total	60577407	617171780	677749187
2012	Regions without temporary contribution	58714807		58714807
	Regions with temporary contribution			
	Total	58714807	650816630	709531437
2013	Regions without temporary contribution	62143776		62143776

	Regions with temporary contribution			
	Total	62143776	685638369	747782145
Total	Regions without temporary contribution	396031136		396031136
	Regions with temporary contribution			
	Total	396031136	3456926488	3852957624

Financial contributions per priorities

The Environment and Energy Operative Programme contains eight priorities and is funded for around 4 billion Euros in total. (considering 15% national co-financing, in 2004 rate, 1 Euro = 265 Hungarian Forints)

Table 2

Priority	Contribution available (billion Euro)
1. Healthy and clean communities	1,94
2. Water-management	1,28
3. Managing natural resources	0,12
4. Utilisation of renewable energy sources	0,17
5. Energy-efficiency	0,11
6. Sustainable production and consumption	0,12
7. Project preparation	0,17
8. Technical assistance for the financing of the operative programme	0,06
Total	3,96

Table 3. Financial plans for the „Energy efficiency” and the „Utilisation of renewable energy sources” priorities in Euro

Priority	Funding Source	Calculation method of the co-funding	European Union financing	Domestic financing	Indicative share of Domestic financing		Rate of co-funding
					Governmental	Private	
Energy-efficiency	Cohesion Funds	Public expenditures	111727007	19716530	19716530	0	85%
Utilisation of renewable energy sources	ERDF	Public expenditures	163063840	28775972	28775972	0	85%

The „Utilisation of renewable energy sources” priority

The main objective of this priority is to shift the utilisation of conventional energy sources to the utilisation of RES.

When a project is developed, the production, the conversion process and the utilisation of raw materials (renewable energy carriers) should be locally traceable through their life-cycle. It is recommended to start energy developments at well defined, coherent regions. Projects can be customized to parts of communities, whole communities, team of communities and to small- and medium-sized regions. Important objective is to maintain sustainable energy production by the utilisation of more efficient renewable energy sources, not by increasing the intensification of traditional energy production. Before generated, projects should be validated by numbers and indicative parameters in order to prove the reduction of the total fossil energy consumption.

It is an advantage if a RES project is realised by the investment of local communities and the results of the project are exploited by the same communities. RES projects will only be funded in case they can be realised in local condition. Each community and region should utilise its most feasible type of renewable energy source. It is preferred to integrate different RE sources in case the overall result of the project will prove to be better than a single RES utilisation method or a project. In a limited rate, projects integrated with non-renewable energy utilisation also can be funded if the project results in enhanced RES utilisation in total. RES and RUE integration projects are also preferred.

Project types applicable for funding:

- Biomass utilisation for the production of heat and/or electricity at regional level. (Raw materials are envisaged to be energy plantations, energy crops, agricultural byproducts or other biological residues.)

- Photovoltaic systems
- Solar heating
- Modernization of available hydroelectric power plants
- Installation of small hydro-power plants
- Biogas utilisation plants to produce heat and/or electricity
- Production of biofuels (ethanol, biodiesel)
- Utilisation of the geothermal capacity providing heat and/or electricity
- Heat-pumps
- Integrated RES systems (i.e.: hybrid biomass-photovoltaic)
- Other feasible RES utilisation

Type of projects in the framework of the EEOP

a) „Large projects”

„Large projects” will be funded from ERDF or Cohesion Fund, with a total cost of more than 25 million Euro. In a view of techno-economical aspects, „large projects” may not be divided into smaller, independent sections. The operative programme contains the list of 21 „large projects”. These projects are waste-, sewage water- or water-management projects, none of them fits under the topic of RES.

b) Preferential projects

Preferential projects will be funded without the submission of proposals. These projects will have great impact on the economy and society. The beneficiaries of these projects will be mostly governmental or municipal organisations, but not in all cases. Exception will be made, when a project will be generated for public infrastructure development, or the project will result in an outstanding rate of job creation.

c) One-round proposals

One-round proposals will be utilised when it is expected to receive many submissions. These proposals can be submitted and evaluated continuously or periodically.

d) Two-round proposals

Two-round submission will be utilised in cases when the project is complex or requires preliminary recommendations and higher preparation cost.

e) Indirect contributions

Global contribution: this method will be used for proposals under a fixed limit of value. The distribution of resources and the proper management of the project will be coordinated by trade associations (for example NGO’s).

Financial contribution instruments: this method will be managed by financial intermediaries (banks). The projects will be selected, monitored and checked by them.

EEOP Connections with other Operative Programmes, focusing on the utilisation of RES

Cross-cutting issues with the Economy Development OP

Technology development in companies Call: Supporting environmental friendly, cost effective and low energy consumption technologies.

Cross-cutting issues with the Transport OP

Environment-Friendly Transportation Call: Utilisation of alternative motor fuels.

Cross-cutting issues with the Regional Operative Programmes

Energy efficiency measures in the residential sector.

Cross-cutting issues with the Center-Hungarian OP

The Center-Hungarian Operative Programme is given a special condition. The „Utilisation of renewable energy sources” priority is in a preferential position in this region.

Cross-cutting issues with the New Hungarian Regional Development Programme

In the latest version of the Regional Development Programme, the first priority axle supports infrastructure development for the production and procession of biomass materials. The second priority axle of the programme is available for receiving funds for energy forests and plantation in underdeveloped and in „Natura 2000” regions.

Project preparation

The „Project preparation” priority refers to the whole process of the preparation stage. The following activities can be funded:

a) Project preparation activities

Methodology support for project development and project management.

Introduction of Hungarian best practices for project coordinators.

Starting to design a project.

Utilisation of project experiences in European Member States and study tours (only in justified cases).

b) Feasibility

- Preparation of preliminary feasibility studies
- Preparation of economy feasibility studies
- Preparation of other project background studies
- Preparation of business plans
- Preparation of detailed project work plan

c) Preparation of professional studies

- Preparation of environmental case studies
- Preparation of technology feasibility studies
- Preparation of regulation plans
- Preparation of authorization plans
- Preparation of implementation plans
- Preparation of public procurement documents, if needed for the project

2.6. Poland

The Operational Programme “Infrastructure and the Environment”, in accordance with the preliminary draft of the National Strategic Reference Framework (NSRF), approved of by the Council of Ministers on 14th February 2006, is one of the operational programmes which constitute a basic instrument to achieve the said objectives by using the funds from the Cohesion Fund and the European Regional Development Fund (On 29th November 2006 the Council of Ministers approved new version of the National Strategic Reference Framework). A characteristic feature of the OP “Infrastructure and the Environment” is an integral perspective on development infrastructure, which includes significant elements of social infrastructure. A starting point for the programme is the idea to maximise the effects of development, conditioned by a complementary treatment of the technical and social sphere in one programme and its implementation. The initiatives carried out as part of the OP “Infrastructure and the Environment” are complementary to initiatives implemented as part of regional operational programmes, as well as other operational programmes prepared for the years 2007-2013, namely:

- Innovative Economy,
- Human Resources,
- the Development of Eastern Poland and
- programmes of the European Territorial Co-operation.

The most significant “Infrastructure and the Environment” programme’s objective is:

Increasing the investment attractiveness of Poland and its regions by developing technical infrastructure, and simultaneously protecting and improving the condition of the natural environment, health, preserving cultural identity and developing territorial cohesion.

The main Programme objective specifies the horizontal aim indicated in the National Cohesion Strategy (NCS) 2007-2013 “*The construction and modernisation of technical infrastructure, which has significant effect on increasing the competitiveness of Poland and its regions*”. The NCS is a basic tool of implementing the Country’s Development Strategy (CDS) for the years 2007-2015, a document superior to all other strategic documents – a long-term development strategy for Poland. In accordance with the main objective of the CDS – “*Increasing the standard and quality of life of the inhabitants of Poland*”, as well as the strategic objective of the NCS – “*Creating the conditions for increased economic competitiveness of Poland based on knowledge and enterprise initiatives leading to higher employment and a higher level of social, economic and spatial cohesion of Poland, within the country and the European Union*”. The OP “Infrastructure and the Environment” is the most significant element of implementing priority 2 of the Country’s Development Strategy – “*Improving the conditions of basic infrastructure: technical and social infrastructure*”.

Increasing the attractiveness of Poland and its regions shall be achieved by implementing investment programmes in five sectors which are of key significance in increasing Poland’s competitiveness – transport, environment, energy, culture and healthcare – by implementing the following **specific Programme objectives**:

1. The development of infrastructure which would allow for the economic development of Poland, while preserving and improving the condition of the natural environment.
2. Increasing the accessibility of the main economic centers in Poland by connecting them to a network of highways and dual-carriageways and other systems of transport alternative to road transport.
3. **Ensuring Poland's long-term energy safety by diversifying supplies, lowering energy-consumption of the economy and the development of renewable energy sources.**
4. Taking advantage of Poland's cultural potential and cultural heritage of world-wide and European significance in order to increase Poland's attractiveness.
5. Supporting the efforts to maintain the work force in good health.

The initiatives in the **energy sector** will implement the Energy Policy of Poland to 2025¹, and their main objective is to provide long-term energy safety for Poland by diversifying supplies, reducing energy-consumption and energy losses, improving energy efficiency and developing renewable sources of energy, as follows:

- The Cohesion Fund shall support investment programmes concerning renewable sources of energy in accordance with the Strategy for the Development of Renewable Energy in Poland², which are aimed at achieving in 2010 the amount of renewable energy in total energy production as required by the European Union, and the production of bio-components and bio-fuels. Where market mechanisms fail to provide the following, support shall also be given to investments decreasing network losses by modernising transfer and distribution networks, increasing the efficiency of energy production, in particular in associative production circuits, as well as modernisation initiatives aimed at increasing the energy efficiency of public utility premises (thermo-modernisation).
- Financial means from the European Regional Development Fund will be used to support the development of the natural gas and crude oil transport system, the infrastructure providing diversification of energy supplies and increasing the natural gas storage capacity, as well as the development of transfer systems and trans-boarder electric energy connection systems.

The following 15 priorities shall be implemented as part of the Programme:

1. The water and sewage management.
2. Waste management and the protection of earth.
3. Ecological safety.
4. Initiatives aimed at adjusting enterprises to the requirements of environment protection.
5. Environment protection and the promotion of ecological habits.
6. TEN-T Trans-European Transport Networks.
7. Environment-friendly transport.

¹ A document approved of by the Council of Ministers as of 4th January 2005.

² A document approved of by the Sejm as of 23rd August 2001.

8. Transport safety and national transport networks.
9. Road infrastructure in Eastern Poland.
- 10. Environment-friendly energy infrastructure.**
11. Energy safety.
12. Culture and cultural heritage.
13. Health security and the improvement of the efficiency of the healthcare system.
14. Technical support of Programme management and the promotion of information concerning European Union funds.
15. Technical support of the institutional capabilities of units participating in the implementation of priorities co-financed by the Cohesion Fund.

Priority X: Environment-friendly energy infrastructure.

The main Priority objective

Increasing the country's energy safety concerning the impact of the energy sector on the environment.

Specific Priority objectives:

Increasing the efficiency of energy production, transfer, distribution and consumption.
Increasing the amount of energy produced from renewable sources, including bio-fuels.

The description and justification of the Priority

Under the Priority, support will be granted for initiatives aimed at increasing the level of primal energy consumption in the energy sector and decreasing energy-consumption of the public sector, as well as increasing the amount of energy produced from renewable sources, including bio-fuels.

The characteristics of the Polish energy sector, which is based mainly on hard bituminous coal, and the estimated economic growth, as well as the increasing demand for energy, in particular electric energy, require the implementation of initiatives aimed at efficient energy production, transfer, distribution and consumption, as well as reducing the negative effects of the energy sector on natural environment. As concerns increasing the energy efficiency of the energy sector, support shall be given to improve the efficiency of electric energy production, in particular energy produced in association with heat and reducing electric energy and heat losses during transfer and distribution. The strategy to reduce energy-consumption in energy production processes and energy transfer is based on the process of dispersed energy generation, as well the construction of local, small sources of energy which would generate electric energy and heat for local needs, without having to be transferred for long distances. Initiatives of this type fulfill the requirements of the European Parliament and Council directive 2004/8/EC as of 11th February 2004 on promoting co-generation processes based on the demand for heat on the internal energy market³.

The objective to save energy in the public sector, according to the directive on final energy consumption and energy services, should be given particular priority and the results should

³ Official Journal of the EU, L 52 as of 21st February 2004

be clearly visible. It shall include the restoration of public utility premises, as well as changing their infrastructure to include equipment of the highest, economically grounded, energy efficiency.

In order to **increase the consumption of renewable energy sources**, it is necessary to implement initiatives aimed at increasing the amount of electric energy and heat produced from renewable energy sources, as well as supporting the expansion and modernisation of electric energy networks which would connect renewable energy sources to the electric energy network. Higher consumption of renewable energy sources shall be implemented in three areas: electric energy from renewable energy sources, heat generated from renewable energy sources and bio-components used in liquid fuels and bio-fuels. In particular, the consumption of the following resources is estimated: biomass, which shall generate electric energy constituting 4% of the national electric energy consumption in 2010, wind, which shall generate electric energy constituting 2.3% of the national electric energy consumption and water which shall constitute 1.2%. Furthermore, the development of geothermal energy consumption is also estimated, in particular concerning small facilities serviced by local thermal power stations and heat and power stations.

The development of the bio-fuels sector shall include initiatives supporting the construction of equipment to produce bio-diesels and other bio-fuels, with the exception of agricultural products specified in appendix I of the Treaty establishing the European Community.

Improving energy efficiency and the development of renewable energy shall increase energy safety and bring relevant economic, social and environmental benefits. The increased efficiency of primal energy consumption of national resources and a higher amount of energy produced from renewable sources, shall reduce the country's dependency on crude oil and natural gas import. Additionally, the strategy to support investments in co-generation energy sources used for local needs and the re-electrification of the distribution network, shall increase professional efficiency and create new work places.

The estimated effects of implementing the Priority

- reducing the consumption of primal energy and the emission of CO₂ and other greenhouse gases,
- **increased use of renewable energy sources.**

Priority X: Environment-friendly energy infrastructure

Priority projects are complementary to the Regional Operational Programmes and the OP "The Development of Rural Areas". The said programme supports initiatives concerning local distribution networks which qualify for the European Agricultural Fund for the Development of Rural Areas. With the ERDF funds, the regional programmes plan to implement projects concerning renewable energy sources with a value below 5 million Euro and projects concerning local electric energy distribution infrastructure, below 5 million Euros. Whereas, with the use of means provided by the Cohesion Fund, the OP "Infrastructure and the Environment" plans to implement the said projects which are not qualified for the programme for Rural Development and exceed the value of 5 million Euros.

Projects concerning the construction of new heating networks and the modernisation of existing networks, as well as the construction of small and medium units of electric energy and heat production, should also exceed the stated value.

Investments concerning renewable energy sources, including bio-fuels, will be complementary to the OP “The Development of Rural Areas”. As concerns bio-fuels, the Priority shall support investments concerning the production of bio-diesel and other bio-fuels, with the exception of agricultural products specified in appendix I of the Treaty on the Establishment of the European Community, which shall be supported by the Programme for the Development of Rural Areas.

Priority X: Environment-friendly energy infrastructure

Initiative 10.1: Increasing the amount of primal energy consumption in the energy sector and decreasing energy consumption of the public sector.

Financial support: The cohesion fund, the state budget, private means.

Category of intervention: 43 – energy efficiency, co-generation, energy management.

Initiative objective:

Increasing the efficiency of energy production, transfer, distribution and consumption.

Description of the Initiative

The initiative will increase the efficiency of electric energy production, lower the losses in electric energy transfer and distribution, decrease energy consumption in the public sector.

As concerns the above initiative, support will be provided for the following projects:

- Investments in the electric energy sector,
- Investments in the public utility sector concerning the efficiency of energy consumption.

Types of projects:

- The development or modernisation of high, medium and low voltage distribution networks aimed at reducing network losses and limiting the duration of power cuts when supplying power to consumers, excluding projects qualified under the Programme for Rural Development,
- The construction and modernisation of units of associative electric energy and heat production in accordance with the 2004/8/EC directive on promoting co-generation,
- The construction and modernisation of condensation power stations by applying highly-efficient coal-heated energy blocks for critical steam parameters and applying steam and gas cycles,
- Thermo-modernisation of public utility facilities, the purchase of energy-saving equipment,
- The development of new and modernisation of existing heat networks by applying pre-isolated pipes.

Types of beneficiaries:

- Enterprises operating in the energy sector dealing with the production, transfer and distribution of electric energy,
- Enterprises dealing with public utilities,
- Units of local self-government,
- Units of government administration.

State aid (to be determined by the Office of Competition and Consumer Protection and the European Commission in further Programme work);

If the provided support is considered to be state aid, then the aid will be granted on the basis of the guidelines concerning regional support or guidelines concerning environment protection.

Project value

Minimum project value – 5 million Euros.

Level of financing

Financial support amounts to a maximum of 85% of eligible expenditure. If the provided support is considered to be state aid, the level of financing will be determined in accordance with acceptable limits.

Initiative 10.2: Increasing the production of energy from renewable sources, including bio-fuels.

Financial support: the cohesion fund, the state budget, private means.

Category of intervention: 39 – renewable energy sources: wind energy, 41- renewable energy sources: biomass, 42 – renewable energy sources: water energy, geothermal energy and others.

Initiative objective:

Increasing the use of renewable energy sources, including bio-fuels.

The description of the Initiative

The initiative includes the development of new production capacities based on renewable energy sources and installations for bio-components and bio-fuels production. The initiative will increase the use of local renewable energy sources, in particular energy cultivation, increase their efficiency, reduce the emission of greenhouse gases and limit the import of natural gas and crude oil.

As concerns the above initiatives, support will be provided for the following projects:

- Electric energy and heat production from renewable energy sources,
- The production of bio-diesels and other bio-fuels, with the exception of agricultural products specified in appendix I of the Treaty establishing the European Community,
- Implementing the production of renewable energy equipment.

Types of projects:

- The construction of units producing electric energy with the use of biomass, biogas, wind energy and water energy in small water power stations up to 10 MW,
- The construction of heat generation units with the use of biomass and geothermal energy,
- The construction of units of associative electric energy and heat production with the use of renewable energy resources,
- The development of installations for the production of bio-diesels (in the process of oil esterification) and other bio-fuels, excluding bio-ethanol,
- The development of enterprises producing equipment for generating energy from renewable sources and producing bio-components and bio-fuels,
- The development and modernisation of electric energy networks which allow for connecting units of electric energy produced from renewable sources.

Types of beneficiaries:

- Enterprises operating in the energy sector dealing with the production, transfer, distribution and trading of electric energy and heat,
- Enterprises dealing with the production of bio-diesels (esterification) and other bio-fuels, excluding bio-ethanol,
- Small and medium enterprises dealing with the production of equipment for renewable energy sources, including bio-components,
- Enterprises dealing with public utilities,
- Units of local self-government,
- Units of government administration.

State aid (to be determined by the Office of Competition and Consumer Protection and the European Commission in further Programme work):

If the provided support is considered to be state aid, then the aid will be granted on the basis of:

- The guidelines on regional support, or
- The guidelines on environment protection

Project value

Minimum project value – 5 million Euro

Level of financing

The level of financial support will be determined in accordance with acceptable limits of state aid.

The estimated financial chart according to priorities and initiatives, divided into years. The division of means from the Cohesion Fund (CF) and the European Regional Development Fund (ERDF) according to priorities and initiatives.

Table 1

	Operational Programme “Infrastructure and the Environment”	Category of intervention	The “Lisbon” category (Y/N)	The estimated division between categories	Community support (in million Euro)		%	
					ERDF	CF	ERDF	CF
P X	Environment-friendly energy infrastructure					532.2		2.8%
10.1	Increasing the consumption of primal energy in the energy sector and decreasing energy-consumption in the public sector	43	Y	100%		198.0		37.2%
10.2	Increasing the production of energy from renewable sources, including bio-fuels	39	Y	40%		334.2		62.8%
		41	Y	50%				
		42	Y	10%				

Regional Operational Programmes (ROP) as well as the Operational Programme “Infrastructure and the Environment” will contain renewable energy sources components. Due to self government elections in Poland, (Marshal’s offices will be management authorities) details on ROP including RES priorities will be available in mid – 2007.

2.7. Slovakia

The basic document “National Strategic Reference Framework (NSRF) 2007-2013” for Slovakia was elaborated by the Ministry of Construction and Regional Development. Document was approved by Slovak Government at 6th of December 2006 and delivered to Brussels at 14th of December 2006. Negotiations with European Commission are scheduled on the beginning of 2007.

Strategic aim of Slovakia is competitiveness and regional power of Slovak regions and whole economy competitiveness significant increase till 2013.

Main EU priorities of cohesion policy for 2007-2013 are:

1. Convergence;
2. Regional Convergence and Employment;
3. European Regional Cooperation.

All Slovak regions except Bratislava region come under the priority “Convergence”, with 88.84% of population covered. Bratislava region (NUTS II) with 601 132 inhabitants (11.16%) comes under the priority “Regional Convergence and Employment”. Priority “EU Regional Cooperation” can be applied in cross-border regions (it means all 8 regions of Slovakia) within 150 km from the international boundary line, where also E4C Slovak target region – Veľký Ktíř is situated. European regional cooperation is not covered by the National Strategic Reference Framework.

Strategy of NSRF is based on strategic priorities and its 3 aims, which are going to be reached through financial support to projects in 2007-2013:

1. Infrastructure and Regional Accessibility
2. Knowledge economy
3. Human resources

Strategic priorities and its aims are divided on lower level to the specific priorities and targets.

Energy, rural and environmental related specific priorities in Slovakia in 2007-2013 are presented in table 1.

Table 1

Specific priority	Target
1.1. Regional infrastructure	1.1. Improvement of quality and accessibility of public infrastructure and facilities in the regions (including public lighting reconstruction)
Fund:	ERDF
Specific priority	Target
1.2 Environmental infrastructure and environmental protection	1.2 Completion of environmental infrastructure construction in line with EU standards and effectiveness increase of environmental part of sustainable development

Specific priority	Target
Main target is to improve the air quality and thus harmful emissions reduction with focus on environmental friendly fuels and energy sources utilisation and higher RES utilisation.	
Fund:	ERDF + CF
Specific priority	Target
2.4 Enterprises and services competitiveness support through innovations	2.4. Ensuring of sustainable economy and employment development
Main target in energy sector is to approximate energy demandingness of the economy to the level comparable with the EÚ, reaching energy savings, increase of energy efficiency of the facilities using primary energy sources, increase of the share of RES on national energy consumption. Programmes leading towards higher RES utilisation will be supported, as well as energy savings and effective energy utilisation in industry and service and related sectors.	
Fund:	ERDF

- a. Are Operational Programmes formulated for individual economic sectors? If so, please briefly describe the relevant ones (energy particularly RE, rural development, environment)

1.b.) Eleven Operational Programmes has been prepared by the new government (previously only 8 operational programmes were proposed). Energy, environment and regional development relevant operational programmes in frame of priority “Convergence” will be presented in table 2.

Table 2

Operational Programme	Managing Body	Fund
OP Environment	Ministry of Environment	ERDF, CF
Regional OP	Ministry of Construction and Regional Development	ERDF
OP Competitiveness and economy growth	Ministry of Economy or Ministry of Finance or Ministry of Construction and Reg. Dev.	ERDF

- b. Was a pre-selection for concrete projects conducted already?

If documents have not been adopted so far, please tell when this will be done and whether predictions can be made on their contents concerning energy particularly RE, rural development and environment topics.

Pre-selection of concrete project is not possible while there will be calls for proposals published by the implementing bodies after approving OPs by the European Commission in 2007 and evaluating of the project proposals will be based on objective criteria.

Administrative and legislative structure

Please indicate the administrative and legislative structures in your country for Structural and Cohesion Funds, especially:

a. Is there any legislation particularly for Structural Funds?

2.a.) No. Support to private sector is regulated by the Act of the National Council of the Slovak Republic no. 231/1999 Z.z. about State Support.

b. Which sectors of the national government are involved? Which sectors in the regional governments are involved (units and persons)?

2.b.)

The Ministry of Economy of the Slovak Republic - OP Competitiveness and economy growth (www.economy.gov.sk);

The Ministry of the Environment of the Slovak Republic – OP Environment (www.enviro.gov.sk);

The Ministry of Construction and Regional Development – Regional Operational Programme (www.build.gov.sk).

c. Which independent administrative units are involved?

2.c.) NSRF was prepared in cooperation with “Partnership for National Framework”, where representatives of relevant ministries, municipalities, expert public, enterprising organisations, labour and trade unions, NGOs and other partners.

d. Who has the decision making power (on National Development Plans, the Operational Programmes, the concrete projects)? Which role play NGOs and which the parliament?

2.d.) NSRF and OPs have been prepared by relevant ministries and were approved by the Government. Ex-ante evaluation of NSRF was processed by external organisation – Economical Institute of Slovak Academy of Science. NSRF was annotated by various NGOS’s, incl. e.g. Friends of Earth - Centre for Environmental Public Advocacy (FOE-CEPA), a sub-contractor of Energy Centre Bratislava in frame of E4C project.

Each OP is a subject of strategic environmental assessment in line with the National Act no. 24/2006 of the National Council about environmental impact assessment.

Responsible ministers have been deputed by the Government to:

- complete relevant OPs based on the results of ex-ante assessment, results of technical negotiations with the European Commission and results of strategic environmental impact assessment;
- subsequently refer completed OPs to the Government to till February 2007.

e. How does the decision making procedure for a structural fund proposal works in general, how in the specific programmes?

In general decision making process is too complex and often chaotic, influenced by political pressures. Difficult situation arise from the national election in summer 2006 after which new, more left-oriented government have been established. New government has changed the number of Operational Programmes from 8 to 11 (!). Public annotation process has been compressed due to the time stress in process of OPs revision by the new government. E.g. the proposals of “OP Environment” and “OP Competitiveness and Economy Development” which are the most related to RES/EE had been published for public annotation process with the time for sending remarks of 5 days only (!).

Funding Criteria

Please give relevant funding criteria for all programmes which are relevant for Energy 4 Cohesion both for ERDF Programmes and Cohesion Funds. The funding criteria should include:

- a. Eligible applicants (public, private, public – private partnership)
- 3.a.) All types of applicants (public, private, public – private partnership).
 - b. Minimum investment size, maximum investment size
- 3.b.) Not specified yet; will be specified in specific calls for proposals.
 - c. Minimum equity funding percentage
- 3.c.) In frame of OP Competitiveness and economy development where both public and private sector will be eligible minimum private equity funding percentage will be 50% for private companies, 5% for public sector. There is no minimum equity percentage specified in OP Environment where both public and private sector are eligible too.
 - d. Required state of project development (e.g. is a building permission required? Is a binding equity commitment necessary?)
- 3.d.) Not specified yet. In 2004-2006 programme period it was necessary to attach building permission and binding equity commitment to the submitted application. Till now only almost completely developed projects have been able to apply for the support from ERDF. In some support schemes there was a possibility to announce the public procurement after the project submission, other before.
 - e. Which kinds of expenses are eligible (project preparation, land purchase, hardware implementation, R&D work, operation and maintenance etc.)
- 3.e.) Eligibility of expenses will be specified later in specifics support schemes. Project preparation costs have not been eligible in previous programming period.

For the most relevant programmes please indicate where additional information can be obtained (homepage, information desk in the administration, newsletters etc.)

More information about the current (2004-2006) and next (2007-2013) Community Support Framework is available on the webpage on the Ministry of Construction and Regional Development:

http://www.build.gov.sk/index_en.php

Address:

Ministry of Construction and Regional Development of the Slovak Republic / Ministerstvo výstavby a regionálneho rozvoja SR

Prievozska 2/B

825 25 Bratislava 26

E-mail: informacie@build.gov.sk

Phone: 00421 / 2 / 58317111

Information centre "Structural Funds for Slovakia"

Ministry of Construction and Regional Development of the Slovak Republic

Prievozska 2/B

825 25 Bratislava 26

Phone: 00421 / 2 / 58 317 428

E-mail: strukturnefondy@build.gov.sk

URL: www.strukturnefondy.sk

National funds

National funds from state budget are used for co-financing of projects supported by EU funds. It means that there is no possibility to apply for separate support from state government budget only.

State support to environmental protection is provided by the Environmental Fund. Fund is public contributory organisation governed by Ministry of the Environment SR funded by penalties to polluters, donations etc. Support is provided as subsidy (for public sector – mainly municipalities) or loan (for private sector). Examples of eligible activities are:

1. Activities focusing on meeting targets of State Environmental Policy, mainly in air protection and ozone layer protection, water protection, waste management and nature protection (e.g. RES investment support);
2. Survey and investigation focused on monitoring and improvement of the environment;
3. Environmental education, publicity;
4. Solving of extremely weighty environmental situations.

Slovakia has insufficient experiences with funds and projects administration and also implementation. Possibility to apply for a support from EU funds is very welcomed by the private sector, what resulted in very high interest of private companies in last call for proposals. Public sector often has to face the problem of insufficient financial and personal sources for project proposal preparation phase. Concerning political climate towards RES support, all incentives in Slovakia are provided due to EU requirements, real political interest to RES utilisation support is missing. It is caused partially by low both public and political representatives awareness about RES technologies and partially by strong nuclear and natural gas industry lobby.

2.8. Italy

The European Structural Funds in Italy finance the “Development Programme”. These Programmes born from the cooperation of National, Regional and Local Authorities. The Programmes can be divided into two classifications:

1. **QCS** – Quadro Comunitario di Sostegno: after the agreement of contents between EC and National entities there are five months to complete this document. Then the QCS must be sent to the European Commission;
2. **DOCUP** – Documento Unico di Programmazione: this document contains all the topics and development areas that the Commission considers useful for a certain area. The control and management of the funds is given to the Region.

Both QCS and DOCUP must give the following information:

- Action’s priority;
- The quantified objectives;
- Financial resources.

The national law permits to Italian regions to manage and developed several social and environmental matters like:

- Climate protection;
- Energy efficiency,
- Renewable energy production,
- Schools and Sanity structures.

Moreover the national law, following European topics on structural funds, divided regions in two categories:

- **Objective 1:** poor Regions with high unemployment rate; these Regions adopt QCS Programme;
- **Objective 2:** Regions with economic or social aspects that have to be developed; these Regions adopt DOCUP Programme.

Most of these initiatives are related to the economic level of the regions. Regions that are poorer will receive a higher percentage of funds. The current legislation is valid until the 2006. Then a new document that will cover the period from 2007 t 2013 will be made by national and regional institutions.

Every region has an internal operative planning that is called POR (Programma Operativo Regionale - Operative Regional Programme) in which are listed all the initiatives that are considered useful and necessary for the Regions. These kinds of activities are related to structural funds. The POR for Calabria Region is a complex and detailed document that will be the base for the development of the project. The document is destined to promote a diffuse development of the selected Region. The following arguments are the fulcrum of the structural funds acknowledged by European Commission:

- Valorization of Natural resources and Environmental protection;
- Valorization of cultural and historical resources;

- Valorization of human resources;
- Strengthening and valorization of Local Development Groups;
- Improvement of the quality of the cities and Institutions;
- Strengthening of net-service.

The POR was valid until the end of 2006. The updated version should be based on the new POR 2007 – 2013 (Operative Regional Programme) of Calabria Region. Unfortunately this Document is still uncompleted. This fact creates a concrete delay for the development of future regional Programme.

Anyway a draft version of the future programme is still available. The mentioned Document is called “Strategic Regional Document for the Policy of Cohesion 2007 – 2013” and is dated July 2006. This Document is divided into two parts. The first part analyses the achievement of objectives foreseen for the year 2006, doing an evaluation of positive and negative behaviors and actions. The second part presents several considerations on the status of development of the previous Programme and try to select the positive actions that can be repeated or negative aspects that can be avoided for the next period.

There are many contents of the Programme that have been already analysed and guidelines have already been selected, but there are still many actions that have to be decided yet. No detailed and specific actions are included in the document, yet. The following actions would have been identified in the next months:

- Transport Infrastructures;
- Safety/Security and Legality;
- Cultural goods;
- Urban Emergency;
- Scientific research;
- **Energy**

The National Operative Plan is already been formulated. Most of Italian regions have conformed their POR to this plan. The main classification that EU and National Programme that will be considered during next period are three:

1. Convergence;
2. Regional competitiveness and Employment;
3. European Regional Cooperation.

Specific data on Calabria Region are not available, yet. The definitive POR 2007 – 2013 for Calabria Region will be finalised during next six months.

The structure of the new POR is not finalised yet, so it is impossible to know if it will be formulated for individual economic sector or with a different classification. The old programme was structured on the base of the European Measures (Measure 1, Measure2, etc) so it is probable that new POR too will be formulated as the previous one, even if. Normally this step is not included in the traditional decision-process.

The old Programme failed in most of its objectives and the new one will start back from these mentioned targets. Somehow the case of Calabria Region and the repetitiveness of the goals can be considered a sort of pre-selection.

Administrative and Legislative structure

The main administrative structure foreseen for the utilisation of Structural Funds in Italy is the Region. Regions directly receive financial amount from National Financial Plan. The legislative structure foreseen for the utilisation of funds is the Ministry of Economic Activities and Production. The National Law 488 is foreseen for the utilisation of funds for private/public entities.

The Document from which are extracted these following information is the “Strategic Regional Document for the Policy of Cohesion 2007 – 2013” and can be considered a draft version of the future POR, even if the information extracted are too closed to general contents and present lack of specific information on future policy plans. The only available information is about two different types of Structural funds.

The first is the **ERDF - European Regional Development Funds (Fondo europeo di sviluppo regionale - FESR)**; at national level this funds is known as FESR. It sustains the investment related to production project. It is also destined to develop the SME. The proposed actions financed by this fund are decrypted in their general content, as follows. The reported actions are directly derived by the EC Recommendation:

- Research and technological development;
- Information society;
- Environment;
- Prevention and risk;
- Tourism;
- Transport;
- **Energy**;
- Institution;
- SME.

The second one is the **ESF - European Social Fund (Fondo sociale europeo - FSE)**: it promotes the occupational level in the regions and technical improvement for employees. It also aims to prevent and combat unemployment, as well as developing human resources and promoting integration into the labour market. The proposed actions financed by this fund are decrypted in their general content, as follows. The reported actions are directly derived by the EC Recommendation (Occupational European Strategy):

- Human resources;
- Inter – Institutional partnership;
- Reinforcement of the quality, efficiency of the educational system;
- Governance educational Programme for Public Institution personnel;
- Monitoring and evaluation to guarantee the transparency and legality of funds authorisation and project development.

The main Institutions involved with the Structural Funds utilisation are:

1. Ministry of Economic Activities and Production *Economia e Finanze*
Via XX Settembre, 97 - 00187 ROMA
Tel: 06.47611

Tel. Ufficio Stampa: 06.47614606
E-mail: ufficio.stampa@tesoro.it
Siti: www.mef.gov.it
www.tesoro.it
E-mail: coordinamento.portale@tesoro.it
dpf.comist@finanze.it

2. Politiche Agricole Alimentari e Forestali
Via XX Settembre, 20 - 00187 ROMA
Tel: 06.46651
Sito: www.politicheagricole.it
E-mail: stampa@politicheagricole.it
mipabox@politicheagricole.it

An independent administrative unit is foreseen for the evaluation of the Proposal. The Board of examiners will be formed by:

- A Managing Director of POR;
- A delegate of Ministry of Finance;
- Person in charge for allocation of ESF;
- A delegate of Ministry Agricultural-policy (also person in charge for allocation of FEAOG)
- An expert of the Environmental Department;
- Several professionals from Municipalities, Financial Institutes, ONG, Renewable Energies Companies, etc.

The National Organisms decided which actions and objectives have to be developed. When this selection is finished the decision making power is given to the board of examiners. New important detailed actions for monitoring, valuing and controlling the utilisation of the Structural Funds will be included in the POR 2007 – 2013. This fact represents a positive initiative for Calabria Region, because shows an effort to increase the legality and efficiency of the Projects on territory. The main mission of the board is to control and verify, the:

- Admissibility and pertinence of the expenses declared by the subjects;
- Possibility to sustain the proposed actions by Structural Funds;
- Compliance of obligations and payments related to EU directives;
- Coherence between the type of the co-funded actions and European objectives.

Funding Criteria

All type of applicants (public, privates, organisations, etc). No data about minimum investment size are specified. These parameters have to be specified in every proposal. The maximum amount of funding percentage is 50% of certain costs. A list of eligible cost can be included in the specific tender (both for private, public sector).

National funds

No specific funds are foreseen for Project preparation. Moreover, no invoices connected to the development of the Project will be included in the eligible expenses, before that the structural funds has been given to the owner/representative of the Project. There are funds available for Renewable Energy implementation in Calabria Region. The main instrument to obtain the funds is the law 488/95 of Italian legislation.

There is a strong interest concerning the Structural and Cohesion funds in Calabria. After this first period the Governance has understood the great potential of European funds. A concrete and diffuse disappointment was felt by Authorities. There is the general feeling that new effort will be put for creation and development of future projects.

For what concerns the RE actions, Calabria have a lot of initiatives but at Private level. Normally the best practices are offered by citizens, investors and in many cases Majors of Municipalities, probably due to their more concrete presence on the territory.

Unfortunately Public Institutions seem to be reluctant to follow these RUE initiatives.

2.9. Czech Republic

National Development Plan for 2007- 2013

The National Development Plan was already negotiated by the Czech government in February 2006 and currently (March 2006) and the National Strategic Reference Framework (NSRF) is being prepared. This document will be presented to Government in April 2006. The Operational Programmes (OP) will be finalised and presented by end of May 2006. NSRF and OPs will be negotiated with the European Commission (EC) and are expected to be formally presented in October 2006. Since this date, the projects for the period starting 1 January 2007 will be eligible for funding.

The main priorities are presented in the following table. The priorities comprising RES and RUE are highlighted:

Table 1: Priorities of National Development Plan for 2007- 2013

Specific target	Priority axis	Priority
Competitive Czech economy	Strengthening of Competitiveness of Czech economy	Competitiveness in entrepreneur segment Development of sustainable tourism
Open, flexible and coherent society	Development of modern and competitive society	Education Improvement of employment Improvement of social cohesion Development of information society Smart administration
Attractive environment	Environment and accessibility	Protection and improvement of quality of environment Improvement of transport accessibility
Balanced development of regions	Balanced and harmonic development of regions of the Czech Republic	Balanced development of regions Development of urban regions Development of rural regions Regional competitiveness and employment – Prague European regional cooperation

Operational Programmes for 2007- 2013

Operational programmes were described in the National Development Plan for the period 2007-13. There have been 24 Operational programmes suggested by the national coordinator, Ministry of Regional Development. Following programmes were proposed on the basis of the above priorities and specified objectives. In addition the Government has empowered the Ministry of Regional Development and the Ministry of Finance to develop integrated central monitoring system.

Following operational programmes were approved by the Government on the basis of the proposal of the Ministry of Regional Development:

- Entrepreneurship and Innovations
- Research, development and innovations
- Human resources development and employment
- Education
- Environment
- Transport
- Integrated operational programme
- Technical assistance
- 7 Regional operational programmes
- 2 programmes for the Region of Cohesion Capital of Prague
- 5 programmes of cross-border operation
- 2 programmes of interregional and international cooperation

Czech Republic can disburse 785 bill. CZK in the period of 2007 – 2013. Rough division of the allocation into individual programmes has been proposed in the National Development programme.

Of the above stated programmes following are identified to be most relevant to follow within the Energy 4 Cohesion project:

Table 2: RUE and RES related objectives in the OPs

PROGRAMME	Objectives/measures
Operational Programme of Entrepreneurship and Innovations	Effective use of energy – maximization of energy efficiency and rational use of resources, mainly through: <ul style="list-style-type: none">• introduction of technical innovations to production,• reduction and replacement of ineffective energy sources and• support to renewable energy and sources development.

Environment	Priority axis 2 – Improvement of air quality and reduction of emissions – reduction of particulates and NOx emissions; plants and buildings, incl. households Priority axis 3 – Sustainable utilisation of energy resources – energy savings and renewable energy sources implementation
Integrated operational programme	Panel houses renovation (energy efficiency)
Regional operational programmes	Modernisation of technical infrastructure, improving attractiveness of the region for environmentally friendly investments
Operational Programme Prague - Competitiveness	Measures for energy savings achievement, better use of renewable, effective use of wastes and other materials.
Cross-border cooperation	Measures in Environmental Infrastructure with cross-border impact (waste water treatment plants, waste disposal, renewable energy, energy efficiency, air protection, reduction of emissions, natural sources protection).

Recommendations as to E4C project in the Region of Zlín:

- Projects of biomass and other renewable energy sources utilisation in public sector and households (if the support for households within OP Environment is approved by the EC) – mainly Operational Programme Environment, more rarely (industrial companies) also Operational Programme Entrepreneurship and Innovations.
- Based on the character of the project and after the operational programmes are better specified and approved (by the Government and by the European Commission) the source of finance can be specified. This cannot be done before 1 January 2007.
- Co-financing must be found by the project applicant – by municipality, industrial company, other organisations. Support to the project by the Region of Zlín will be needed (no problems foreseen).

Pre-selection for concrete projects has already started at the Ministry of Industry and Trade. In the State Environmental Fund the projects that did not receive funding during existing period due to lack of funds, the beneficiaries are being informed and encouraged to prepare their projects again. Yet, criteria for projects are not publicly known and are under preparation. They will be defined by the Implementing Plan to the Operational programme – the Plan defines in detail eligible applicants, criteria for projects selection etc. Implementing Plans are under completion, in addition methodology for projects assessments are under development. This is mainly due to the changes in the structural funding and Cohesion fund criteria.

The National Strategic Reference Framework and the Operational programmes were formally submitted for approval to the European Commission at the end of October 2006. Since this date the costs on projects development will become eligible. The start of the period is planned for 1 January 2007. The Operational Programmes were sent to Brussels for approval. The approval period can last for 4 months – in 2 months the Ministries will know, whether objections, changes or amendments are required by the European Commission.

The Implementation documents for the Operational programmes are in the late stages of development (November 2006). The Implementation documents will define in detail eligibility criteria in terms of types of eligible applicants, types of projects, limitations of the size of projects and other specific criteria. To apply for grant it should be possible after the 1 January 2007 but in reality it is expected in spring 2007.

Administrative and legislative structure

There is no specific legislation in place related particularly to Structural Funds in the Czech Republic – this is due to the fact the EU Regulations have to be applied in each Member State as they are.

Related legislation covers:

- public procurement
- public subsidy award criteria.

Operational Programmes

The National Development Plan was elaborated by a broad expert team under the leadership of the Managing and Coordination Committee, set up by the Ministry for Regional Development as the top body for the preparation of the Czech Republic to the EU Structural and Cohesion Funds. The team consisted of several working groups, in which state administration, regional administration (units NUTS II), Czech Statistical Office, Chamber of Commerce, representatives of academic sphere, entrepreneurs, trade unions, non-profit organizations. The NDP was developed in partnership, the participants could have their say in the NDP development. The proposal of the National Development Plan was presented to the public and in many seminars to the interested people from the non-profit sector and public with the assistance of the Czech Member of the SF team, a non-profit organisation Centre for Community work (CpKp).

Table 3: Managing bodies and implementing agencies of OPs in the Czech Republic

Operational Programme	Managing Institution	Implementing Agency/ies
Entrepreneurship and Innovations	Ministry of Industry and Trade	Czech Invest Czech Trade ČMZRB (Czech-Moravian Guarantee and Development Bank) Czech Energy Agency

Research, development and innovations	Ministry of Education, Youth and Sports	Technological Centre of the Czech Academy of Sciences Others
Human resources development and employment	Ministry of Employment and Social Security	
Education	Ministry of Education, Youth and Sports	Is being clarified
Environment	Ministry of Environment	State Environmental Fund
Transport	Ministry of Transport	
Integrated operational programme	Ministry of Regional Development	Centre of Regional Development

There are implementing agencies for each of the operational programmes. As to autonomous administrative units – it will be regional administrations (Cohesion Regions) and their Boards.

NDP was approved by the Government (and the EC). The operational programmes have to be approved by the Government and then by the EC. Concrete projects are selected by implementing agency on the basis of the project selection criteria and approved by the Managing Board.

Public presentation of the proposal to the NDP was followed by a series of round tables open to the public and organised in all 14 regions of the Czech Republic by the Centre for Community work (CpKp). These round tables were open to all interested parties and also to NGOs and were organised before the NDP was concluded.

CpKp and the Association of Non-profit organizations have implemented a project financed by the Ministry of Regional Development and entitled: „Evaluation and recommendations to the proposal of NDP and National Strategy Reference Framework 2007 – 2013. The project was implemented by non-profit sector and so was the information campaigned for the non-profit sector.

The structure of decision making has to correspond to the Regulations related to the SF Implementation. The structure for decision making process over projects does not develop the programmes. The projects are being selected on the basis of the eligibility criteria. Other criteria for projects selection has not yet been found out (will be further looked after).

Funding Criteria

Depending on the relevant OP, in the period 2004 – 2006, the relevant applicants for RES projects were:

- OP Industry and Enterprise (OPPP) – Renewable energy and Energy Efficiency programmes

- **Eligibility criteria:** private SMEs from industry sector, minimal reduction of CO₂ by 60t/year
- **Min. and max. investment size:** min. 0,5 mill. CZK (17 000 EUR), max. 30 mil. CZK (1 mil. EUR)
- **Min. own financing:** 10% of eligible costs
- **Max amount of support:** 46% of eligible costs
- OP Infrastructure (OPI) – Measure 3.3. Improvement of infrastructure of air protection, category C – Utilisation of RES
 - **Eligibility criteria:** public, private
 - **Min. and max. investment size:** min. 0,5 mill. CZK (17000 EUR), max. 300 mill. CZK (10 mill. EUR)
 - **Min. own financing:** 10% of eligible costs
 - **Max amount of support:** max support for public sector 75%, max. support for private sector 35% of eligible costs

Until October 2006, there were 43 RES projects that received support from the Renewable energy programme within OPPP (Industry and Entrepreneurship). The summary of supported projects is presented in table 4.

Table 4

RES type	No.	El. capacity [kW]	Thermal capacity [kW]	El. production [MWh/year]	Heat production [GJ/year]	Costs [thous. CZK]	SF support [thous. CZK]	Share of SF support [%]	CO ₂ reduction [t/year]
Small hydro	13	10 467		44 573		425 685	157 680	37,04%	51 160
Wind	9	13 160		28 823		470 321	147 212	31,30%	32 906
Biomass	5	2 234	2 840	16 355	24 498	123 555	42 147	34,11%	19 616
Biogas	7	3 859	2 083	26 510	23 198	321 849	114 700	35,64%	27 767
Landfill gas	3	437		2 394		19 095	8 163	42,75%	2 691
Solar PV	5	1 860		1 872		268 962	93 096	34,61%	2 166
Heat pump	1		57		464	2 627	779	29,65%	118
TOTAL	43	32 017	4 980	120 527	48 160	1 632 094	563 777	34,54%	136 424

The summary of support provided from OP Infrastructure to RES projects (Priority 3.3.c) until March 2006 is available in more detailed form and is presented in table 5.

Table 5

Call No.	Type of projects	No. of projects	Total costs (thous. EUR)	Total support from SF (thous. EUR)	% of support from SF
1	Heat pump heating in public buildings	2	211	157	74%
1	Biomass district heating	2	542	399	74%

1	RES portfolio in municipality	1	4 210	2 887	69%
2	Landfill gas CHP	1	276	207	75%
2	Heat pump heating in public buildings	2	483	362	75%
2	Biomass district heating	4	5 299	3 748	71%
2	Heat pump + solar thermal heating in public buildings	2	441	330	75%
3	heat pumps in public buildings	9	3 146	2 136	68%
3	biomass central/district heating	2	4 277	2 771	65%
3	solar PV	2	721	505	70%
3	RES portfolios in public buildings	4	2 065	1 323	64%
3	Solar thermal in public buildings	2	148	103	70%

The funding criteria in the OPs for the period 2007 – 2013 have yet to be clarified and were not yet officially published. The preliminary conditions of OPs related to support of RES are as follows:

Operational Programme Industry and Innovation – Programme Eko-Energie

Administrator: Ministry of Industry and Trade via agency Czechinvest and Czech Energy Agency

Sources of finance: Structural Funds, in total available approx. 4 bill. CZK (approx. 142 mill. EUR)

Types of supported activities:

- Utilisation of RES
 - Installations for heat and electricity production from RES
 - Reconstruction of existing production facilities for RES utilisation
 - Production of briquettes and pellets from biomass
- Improvement of energy efficiency
 - Energy efficient modernization of production facilities
 - Implementation of measurement and regulation systems
 - Modernisation, reconstruction and reduction of losses in heat and electricity networks
 - Improvement of thermal parameters of buildings
 - Utilisation of waste energy

Eligible applicants:

- Entrepreneurs (physical persons, SMEs, large enterprises), business subjects owned by public bodies (municipalities, regions, etc.), housing cooperatives

Type of support:

- support in the form of investment subsidy or loan (allows pre-financing, 1% p.a., 15 years, only for SMEs)

Financing limitations:

- max. level of support up to 40 % of eligible costs
- min. level of support CZK 1 mill.
- max. support CZK 200 mil. (approx. EUR 7,1 mill.)

Territorial limitations: Whole Czech Republic except the Capital of Prague

Operational Programme Environment – Priority axis 3 – Sustainable utilisation of energy sources

Administrator: Ministry of Environment via State Environmental Fund

Sources of finance: Cohesion Fund, in total available approx. 18.8 bill. CZK (approx. EUR 672 mill.)

Areas of support and types of supported activities:

- Area of support 3.1: New installations for RES electricity and heat production from RES
 - Solar thermal, solar PV systems
 - Heat pumps
 - Heat and electricity production from biomass including biomass fuel processing
 - CHP from biogas, sewage and landfill gas
 - Geothermal energy utilisation systems
 - Small hydro plants
 - Wind power plants
- Area of support 3.2: Energy efficiency and waste heat utilisation in public sector
 - Thermal insulation of buildings
 - Increase of efficiency of energy systems in buildings (efficient heat sources, measurement and regulation, decrease of losses)
 - Waste heat utilisation
- Area of support 3.3: Environment-friendly systems of space and hot water heating in households
 - Renewable energy systems for space and water heating in households

Eligible applicants:

- Area of support 3.1. + 3.2.: Public sector bodies – municipalities, regions and their associations, NGOs, state subjects, associations of owners of flats
- Area of support 3.3: Households

Type of support:

- support in the form of investment subsidy

Financing limitations:

- max. level of support:
 - Area of support 3.1. + 3.2.: up to 85 % of eligible costs
 - Area of support 3.3.: up to 50 % of eligible costs
- min. level of support:
 - Area of support 3.1.: min 1 mill. CZK
 - Area of support 3.1.: min 0,5 mill. CZK
 - Area of support 3.3.: n/a
- max. Support : not limited

Territorial limitations: Whole Czech Republic

Problematic issues: Currently, it is not yet clear if the support for RES use in households within OP Environment will be approved by the EC.

The most recent information could be found at the web sites of implementing agencies of the Operational Programmes:

- OP Industry and Enterprise (OPPP)
 - Ministry of Industry and Trade - <http://www.mpo.cz/cz/podpora-podnikani/oppp/>
 - Czech Energy Agency – www.ceacr.cz
- OP Infrastructure (OPI)
 - Ministry of Environment – www.env.cz
 - State Environmental Fund – www.sfzp.cz
- Ministry of Regional Development, which is the general coordinator of the Czech programmes provides a web site: www.strukturalni-fondy.cz

National funds

There are no funds directly supporting project preparation available in the Czech Republic. Project preparation costs could be partly included in the eligible costs and covered by the support from SF. Discussions are led by the Ministry of Regional Development and the European Commission over the possibility on cover the project development costs.

There will hopefully be available support for RES projects from:

- State Environmental Fund – State programme of support of energy savings and RES
- Ministry of Agriculture – Support for energy crops and biofuels production
- Czech Energy Agency – State programme of support of energy savings and RES

These funds do have nevertheless fairly limited budgets and the contribution they provide is rather for soft project preparation. In addition to subsidy also soft loans are being provided.

3. Results of European Cohesion Policies for RE from EC funded projects

The attainment of the ambitious goals of the EU energy policy requires the involvement of huge public and private resources, and structural Funds (SF) represent the main financial tools the Commission has created to mobilize investments in the EU countries (including new Member States).

EU has made clear priority to develop renewable energy systems, approving in 2001 a Directive establishing a legal framework for their future development. This included target that 12% of the EU's energy – or 22.1% of its electricity – must be generated by renewable sources by 2010. This is an important first step, but without further measures this target will not be met. In addition, legally binding targets needs to be set for 2020 and beyond. Achieving these targets will require reforms of existing financial support mechanisms for energy technologies. This process request high support from EU for the research and development of renewable technologies.

Historically, renewable energy and energy efficiency have not significant funding from Structural Funds or Cohesion Fund programmes. This support is very important for new member states. Very important role for searching financial support Mechanisms for RE is playing various EC financed programmes (PHARE, ALTERNER, SAVE, INTEREG, Framework and oth. programmes).

This part of report represents overview results from several selected EC financed international projects on existing EC and National policies, support mechanisms for financial support of the renewable energy.

In period 2001-2003, one of the main projects financed by EC SAVE Programm was international project “**Penelope-Bacchus**” (final report at: <http://www.bacchus.aeidl.be>)

Short description of the Penelope-Bacchus

The overall goal of the project was to raise and increase the capacity of European regions to develop projects, financed by the structural funds, in the field of energy efficiency and renewable energies.

The specific project objectives were:

- To verify the benefits of a local collaboration between RDAs5 and SAVE energy agencies;
- To supply an analysis of the possible integration of sustainable energy objectives and projects in the local and regional development process (Bacchus guidelines) and provide recommendations and guidance to EU, national, regional and local targets;
- To provide good practices (mostly originating from SAVE projects) that are acceptable and coherent with the procedures of regional and local development;
- To propose training modules for regional functionaries and operators of regional/local energy and development agencies;

- To verify the possibility of increasing the awareness at regional/local level on these items through pilot initiatives.

The project methodology was based on a bottom-up approach, in order to obtain a European-wide picture of the relation between SF and sustainable energies, and to collect proposals, ideas and strategies from a wide and differentiated source.

About 60 different EC financed projects in the field of energy efficiency and renewable energy were analyzed.

Recommendations

The main recommendations prepared on „lessons learned“ background from the BACCHUS project.

To the European Commission

1. In order to increase the achievement of the EU energy related objectives at SF level the Sustainability Impact Assessment methodology should be adapted to the specific energy aspects and applied at SF guidelines and at Operating Programmes (OP) levels so as the contribution of the energy related tasks to the environmental and social problem will be explicit and used to advantage. The analysis made by BACCHUS on 9 regions has permitted to understand that the EU Structural Funds have made an unclear contribution to sustainable energy systems. The results of the analysis has underlined besides the low and fragmented financial support to energy related measures and projects and in many cases the lack of a concept and/or a plan in the definition of the energy measures, that energy related objectives are accessory and of third class (after the vertical economic objective and the environmental horizontal objective) in the regional and national SF programmes. Many reasons can motivate this result. Among these it has been found that:

- Even though 2000 –2006 SF are privileging in generic way economic, environmental and social development objectives the approach used by the SF guidelines to address sustainable energy issues has been almost fragmented and without a strong concept; a small view of the quantitative objectives pursued in terms of energy and related development objectives (% of energy saving, % of increase in RES, number of jobs created, energy produced by local renewable sources etc) has been given.
- At OP level, the tradition developed in the past programming period, mainly concentrated on economic and employment development objectives and actions, has resulted in some Operating Programmes built with not estimable attention to environmental (of which energy is one of the main elements) and social objectives definition and management. This is mainly perceived through the analysis of the different national planning approaches. All these are pooled by the generic way in which energy related objectives are defined, without any reference to the contribution to the EU energy related objectives, and diversified only on the level of management of the actions and their contribution to the energy related objectives. Where the best national programming approach identified is represented by the definition of the “environmental sustainability” as a “cross cutting theme” that is a theme, which is of

such importance that all projects and partnerships in the different priorities must address the issues involved.

The adaptation to energy issues and application of the Sustainability Impact Assessment methodology in the next SF programming period will be still more important as SF should support regional development by reference to the full range of regional objectives and strategies. This means that SF would contribute to a wide range of policy outcomes and not focusing only on economic and employment impacts so the **added value of SF inputs would be appraised by reference to a wider range of criteria reflecting SD and namely SES objectives.**

2. An in-depth analysis of the structure of the responsibilities in relation to sustainable energy policies definition and implementation inside the different EU countries should be valuable in order to manage adequately the overall SF programme life-cycle and apply better the Partnership principle, the “subsidiarity and proportionality” principle as well as to contribute to reach the major objective of the “Action plan to improve energy efficiency in the European Community” concerning the integration, and coherence to a combination of several policy instruments and the reinforcement of each others.

EU energy and development policies together with the national policies are still not completely harmonized and there is the need of their integration at regional and local level.

The integration of the different policies affects positively the SF impacts to local development if the delegation process is completed and the division of responsibility between the main layers of the subsidiarity chain, local, regional, Member States and European Union has been clarified and adequately decentralized. Unfortunately this is not the case of the sustainable energy policies where there are still some EU regions with an unclear definition of the level of autonomy in the sustainable energy policy definition and implementation.

3. **The European Added Value (EAV) is the basic objective that justifies the EC contribution to proposed development programmes in SF too. Establishing sustainable energy criteria, which the EC would apply in assessing the SF programmes, could be relevant. Published criteria would allow programmes to respond them adequately.** In the specific field of sustainable energy systems the criteria for the re-programming of 2003 – 2006 SF could be extracted by the main statements of the draft programme “Intelligent energy for Europe”. In this document the inter-relationship with SF can be identified in the following sentences” Taking new approach to Community policies to bring them closer to individual citizens and businesses that will ultimately be making the necessary changes to their patterns of consumption and investment. It will involve radically redirecting public and private investment towards new, environmentally sound technologies to sever the link between economic and social development and degradation of the environment and excessive consumption of resources”. These criteria might relate to preferred type of infrastructure (e.g. RES and clean energy technologies), requirements for business support (e.g. energy audit, labeling -tighter minimum standards and labeling requirements for buildings and appliances-financial contractual schemes, new financial schemes based for example on the use of a part of the profit of high profit technologies (gas and oil) for the financing of the development of RES) requirements for co-operation in social environmental problems (e.g. voluntary agreement, public- private partnership agreements).

To Member States and Regional Governments

1. Even though the present SF planning approach is the result of the different interpretation of the SF in the regional development, **in the next programming period sustainable energy policy should be more effectively supported if the regional policy objectives will be defined at least in terms of regional SD and better at SES policy objectives.** The existence of a regional plan does not mean that an analysis has been made in relation to the implementation of sustainable energy systems. Understanding of the main problems in their introduction at regional level should be explicit (e.g.: some relevant questions have to be addressed: is the absorption capacity good or not? Can SF measures improve this capacity? Is there a good diffusion of cost effective clean energy technologies? Are there some barriers to be eliminated or reduced at regional level - regulatory, technical, economic or social - in order to increase the market penetration? Can these barriers reduced by SF?).

2. This implies that there is a need of assessing the regional context and defining the relevant long term trends related to the sustainable energy policies, defining which are the critical thresholds at local level that can affect the implementation of the EU and Member States sustainable energy objectives, defining the specific contribution of SF to the identified trend and defining the value added of SF contribution to sustainable energy policies.

3. A fundamental message coming from the analysis of the Operating Programmes is that **SD and SES need to be supported by adequate resources – for the appointment of dedicated staff within the Programme Management structure and to support the work of the competent authorities.** This implies above all:

a. At Programme Management level the best planning approach identified till now has been the United Kingdom ones. Where in order to ensure that “environmental sustainability” as a “cross cutting theme” is truly integrated throughout the whole programme an Environmental Sustainability Advisory Group has been set up. **Even though there is no a clear view if an energy agency or an energy expertise has been included in this Advisory group, the contribution of a sustainable energy expertise in this kind of Advisory group is recommendable.**

b. It is also recommended that **Programme Managers should have access continuously to the sustainable energy competencies** as they should be helped in project generation and appraisal

c. **The inclusion of energy competencies into Programme Monitoring Committees as well as in the Partnership should be also recommended**

4. **In order to “sever the link between economic and social development and degradation of the environment and excessive consumption of resources”, project selection and design should be focused not only to one or two specific criteria but at least to the minimum number of criteria that can reply to SD issue (environmental, social, individual and economic purposes).** These criteria and the capability to build around them adequately all the project pipeline will permit to ensure the integration of sustainable energy systems into the regional development plan and the following integration into the SF.

Other projects

1. SAVE project „Integrated Energy Plan of Frydlant Microregion“, Czech Republic

Information on project: <http://www.enviros.cz/SAVE-Frydlant/index.html>

1) *Short description of the (RES) Project*

The project "**Integrated Energy Plan of Frydlant Microregion**" results from initiative of representatives of the Frydlant and SeCeSe Microregion in order to utilize renewable energy resources and energy savings as much as possible and at the same time to contribute to self sufficiency of the microregion. There are also an indispensable benefits in reduction of negative impacts of both production and use of energy as far as environment is concerned, in contribution to create new vacancies in the region and in enhancement of public awareness of renewable energy resources and energy savings utilization.

The primary aim of the project is to support local administration of the Frydlant microregion in regional planning by development of Integrated Energy Plan and Action Plan for promotion of RUE and RES, identifying priorities and giving guidelines for implementation of recommended actions/measures in order to promote RUE and utilisation of RES, reduce pollution of the environment and stimulate employment at the regional level. The action is also aimed at:

- Developing and transfer of methodology and know-how related to energy planning and energy management;
- Transfer of technologies and organisational solutions;
- Replication of best practices that have already been applied in the EU countries;
- Replication of the project scheme and approach itself.

2) *Source(s) of funding*

The total costs was about 200 kEuro, of which 49% to be contributed from the EU Community, 33% of own funding for Czech partners and 51% own funding for partners from Germany and Austria.

3) *Cooperation partners (if relevant)*

Project consortium:

- ENVIROS, s. r. o., Praha (project co-ordinator)
- POWER SERVICE, s. r. o., Liberec (local partner)
- ITUT, GmbH Leipzig, SRN (foreign partner)
- LEV – Landesenergieverein Steiermark, Graz, Rakousko (foreign partner)

4) *Main outcome*

The Integrated Energy Plan of the Frydlant Microregion including:

- Analysis of the current energy supply and demand, and energy demand forecast;
- Detailed analysis of RUE and RES potentials in the microregion;
- Recommendations for technical and organisational measures and detailed technical / economic feasibility analyses of selected options for RUE and utilisation of RES;

- Identification and recommendations of relevant/applicable financing and other support sources;
- Identification of possibilities of technology transfer;
- Analysis of environmental/social benefits and
- Recommendations and outlines of local awareness campaign.

Action Plan summarizing the Integrated Energy Plan, identifying priorities, giving recommendations for time schedule of implementation of recommended actions/measures with the split into categories of short-, medium-, and long-term actions/measures, and list of individual actions/measures ready to be implemented.

Dissemination activities aimed at:

- Increase of awareness on RUE and RES in primary schools;
- Publicity of information and data on implemented RES and RUE measures;
- Transfer of best practices;
- Promotion of replication of the project outcomes (workshops, seminars, brochures, web presentation);
- Dissemination of methodology and tools applied and experience gained during the project and
- Training of representatives of local municipalities in energy planning, development of feasibility studies, development of bankable projects etc.

New, improved and integrated methodology based on standard methodology applied in the Czech Republic and methodologies applied in partner EU countries, new and improved tools and experience to be used in regional energy planning.

5) *Added value*

Increase of energy efficiency and thus the stabilisation of energy demand, energy self-sufficiency.

6) *Deviations from the set goals and encountered problems*

The awareness for own environmental impacts is surely low with Europeans biggest coal power stations in sight. The Polish power plant in Turow, only a few kilometers away within the vision, is the biggest plant using brown coal for electricity production. Representatives of the region hope for wind power.

As experiences has shown in regions, where energy planning started years ago, it might be easy to transfer technology but hard to transfer instruments for such a process.

7) *Effect on the social and economic environment of the region where the project was implemented*

Besides identifying concrete measures and projects to be implemented, the Action Plan recommends organizational activities like communication, public relation, campaigns for private households etc. as more important, if other actors than the municipalities themselves should be involved in an implementation process.

Energy and development planning is a very complex process, where a lot of measures and activities go on parallel. Energy management therefore need to have an overview of the whole of one's territory in terms of energy and the environment, the knowledge to identify

ways of achieving significant improvement of the energy situation with regard to consumption, production and distribution and the means to measure the energy and environmental impact of one's policies, and to monitor the situation over time.

2. "Definition of the Characteristics of "Sustainable Communities". Identification of Success Factors and Dissemination of the Concept"

Information on project:

http://www.erec-renewables.org/projects/proj_Sustainable_Communities.htm

1) Short description

This project brings all different aspects of sustainable communities together to create a platform of information exchange. The concept of energy sustainable communities (ESC) has been defined in more detail with the aim of fostering the implementation of this concept in Europe and in Central and Eastern European Countries (CEECs).

The overall aim was to develop an encompassing support for local energy policy actors, such as mayors, city council representatives.

A comprehensive guide of key-success factors and compilation of success stories of ESCs was prepared by experts in the field of renewables. It informs about the technical, political and socio-economic aspects of ESC. More importantly its ambition is to be a guide for communities that are on their way of becoming an ESC.

The ESC concept can be implemented at different levels, i.e. municipalities, urban areas, regions, rural zones, industrial areas and islands. Experiences of actors who have already successfully implemented the ESC concept have been taken into account in the guide. In addition there is summarised a compilation of success stories (i.e. presentation of 20 best practice case studies).

2) Source(s) of funding

5th Framework Programme of the European Commission

3) Cooperation partners (if relevant)

The project is composed of 7 partners ranging from industry associations to regional energy agencies to universities; the partners are the European Renewable Energy Council (EREC - coordinator), O.Ö. Energiesparverband (Austria), EC Bratislava (Slovakia), Mid Wales Energy Agency (UK), INSULA (Spain), ARMINES/Ecole des Mines de Paris (France), Otto-von-Guericke University of Magdeburg (Germany), and the National Technical University of Athens (NTUA, Greece).

4) Main outcome

- Key actor discussion groups:
 - Technical aspects
 - Political aspects
 - Socio-economic aspects
- Guide on key-success factors of Sustainable Communities including Best-practice case studies;

- Sustainable communities conference (Wels);
- Partner Forum www.esc-forum.net.

3. CONCERTO project “RENAISSANCE: Renewable Energy Acting in Sustainable And Novel Community Enterprises”, France, Spain & UK

Information on project: www.renaissance-energy.net

1) Short description of the (RES) Project

A bid for major European funding to support ambitions for sustainable energy in three communities in France, Spain and the UK has been accepted by the European Commission. The project, christened Renaissance, will enable high standards of energy efficiency and green (renewable) energy technologies to be built into plans for the redevelopment of the three towns.

The Renaissance project involves a European consortium of three urban areas: Lyon in southern France, Zaragoza in northern Spain and Bracknell in the south of the UK, which will co-ordinate the project. Each community will take similar actions to increase the take up of sustainable energy and learn from one another in the process. The project is scheduled to commence in 2005 and concludes in 2009.

Bracknell Forest Borough Council which is leading the project with its partner TV Energy will start negotiations with the Commission in May 2004 to determine the final level of grant on offer.

The project will act as a leading example in Europe of how to develop urban sustainable energy schemes and the learning and results will be shared through a network of associated communities across Europe who is committed to supporting the project. This network includes:

- BULGARIA - the Municipal Energy Agency in the city of Rousse
- CROATIA - the Institute of Energy in Zagreb
- GREECE - the Municipality of Falesia
- ITALY - the City of Venice and the Lombardia Region
- POLAND - the MAES Energy Agency in Krakow
- PORTUGAL - the Municipal Energy Agency of Seixal
- SPAIN - the ARGEM energy agency in the Region of Murcia and the Municipality of Alcalá la Real
- UK - Oxford City Council and Oxfordshire County Council as joint partners, the Vale of the White Horse District Council, Wycombe District Council, Guildford Borough Council, Surrey County Council, Buckinghamshire County Council, Reading Borough Council and Wokingham District Council

The European Commission funding will enable the communities of Bracknell, Lyon and Zaragoza to work with a range of partners to ensure that the highest possible standards of energy efficiency are adopted into the design of the new buildings and for those that will be refurbished. These technologies will include passive solar design, high levels of insulation and intelligent building energy management systems.

The project will also involve use of green, renewable energy in the design and installation of state-of-the-art district heating, cooling and power networks based on sustainably produced

wood fuel. There will also be significant installations of wind and solar energy technologies integrated into the urban environment. The use of renewable energy technologies within public spaces will ensure the fullest public awareness and sustainable development potential in each community.

Renaissance will also deliver educational and training programmes to decision-makers, city planners, developers, the building industry, students and the general public and to the network of Observer Communities.

A significant programme of research and development will also be conducted including research into alternative transport fuels, socio-economic aspects of energy systems, building performance and management, energy and planning policy and commercial and fiscal solutions including the development of energy services companies (ESCOs).

2) *Source(s) of funding*

The grant from the European Commission has been awarded under CONCERTO, a major new European Union initiative to support local communities in demonstrating the social, environmental and economic benefits of integrating renewable energy, energy efficiency and energy-management systems on a community scale.

3) *Cooperation partners (if relevant)*

The Renaissance project is a partnership involving the following organisations:

- Bracknell, United Kingdom: Bracknell Forest Borough Council, TV Energy Ltd, University of Reading, South East England Development Agency, Bracknell Regeneration Partnership, Slough Heat and Power.
- Lyon, France: Grand-Lyon, SEM Lyon-Confluence, Hespul, Agence Locale de l'Energie de l'Agglomération Lyonnaise, Enertech, INSA de Lyon
- Zaragoza, Spain: Zaragoza City Council Environment Department, Sociedad Municipal de Rehabilitación Urbana y Promoción de la Edificación de Zaragoza, S.L, Fundación Ecología y Desarrollo, Ecociudad Valdespartera Zaragoza, Endesa Energía, S.A., Centro Nacional de Energías Renovables, University of Zaragoza

4) *Main outcome*

The project is ongoing and will conclude in 2009. Though the project scale is small, there are activities from which Energy4Cohesion team can learn.

4. ALTENER project “RES-e Regions”

Information on project: www.res-regions.info

1) *Short description of the (RES) Project*

The project aims at boosting electricity production from renewable energy sources and the use of green electricity in 11 European regions by defining concrete regional RES-e targets and developing and implementing regional RES-e strategies. These will identify the main barriers (such as administrative obstacles, public opposition, grid access, lack of information, frequent changes in funding regimes) and address them by well targeted information and promotion activities, thereby significantly increasing regional RES-e shares.

2) Source(s) of funding

The project started on 1st of January 2005 and is still ongoing. It is financed from Intelligent Energy Europe program.

3) Cooperation partners (if relevant)

[13 partners](#) - many of them are regional energy agencies - from 9 countries are participating in this project which is co-ordinated by the O.Ö. Energiesparverband from Austria. The project RES-e Regions includes the 11 regions Andalusia, Castilla y Leon, Copenhagen, Liguria, Navarra, Upper Austria, Rhône-Alpes, Saarland, Slovenia, Västra Götaland and Wales.

4) Main outcome

- Regional RES-e targets & public opinion

As a basis for the project activities, the present and planned RES-e installations in each region were analysed („RES-e map“) and representative surveys to the general public were carried out. Based on this, regional RES-e targets and strategies are being defined. Activities to promote the benefits of RES-e projects are being carried out.

- Grid access and administrative procedures

Grid access and administrative procedures can be important barriers in the RES-e market development. That is why the real-life situation regarding grid access and authorisation procedures for RES-e installations was analysed in each region. The findings are brought to the European level in a European workshop.

- RES-e in municipalities

Municipalities and local governments are important actors in the market penetration of RES-e (e.g. as owners of buildings and sites, as authorities etc.). That is why targeted activities are being carried out to involve them in a RES-e vision and by offering them support in technical issues.

- Technology specific promotion

For each region, a RES-e technology was selected which has a high potential. Selected technologies include small-scale hydro, PV, biomass/biogas and small-scale wind. Targeted promotion is carried out for selected technologies to speed up market penetration.

- Interregional cooperation

A learning process and a dialogue among the participating regions was started which is being extended beyond the project regions. Regular project newsletters, study tours, a website and an international conference will transfer experience and start new cooperation projects.

5. Project “Green Heat”, United Kingdom

Information on project: <http://www.greenheat.org.uk/>

1) Short description of the (RES) Project

GreenHeat is a support package for renewable energy in rural Wales and specifically for small and community scaled/owned schemes. Its overall technical and funding advice and

information service and feasibility fund covers rural Wales. The capital fund is available to projects in Powys. It is co-ordinated by Powys Energy Agency through two full time employees, support of the Executive Director; and working with Ecodyfi and the Centre for Alternative Technology. The package is available to anyone interested in developing a RE project and in regard to any RE technology. Innovative wood based systems are particularly encouraged.

On going promotion of GreenHeat has been essential, it took 6 - 9 months for the concept of the support available to become widely known and appreciated. Since then there has been an increasing number of enquiries, request for consultancy and for capital support. It is clear that there are many projects that people would like to see to fruition in the domestic, public and community sectors. The availability of hand-holding support, advice and funding is required to do this. As the first of its kind, GreenHeat and Powys Energy Agency was able to work with some projects which had been just ideas for many years.

2) *Source(s) of funding*

Sources of funding:

- ALTENER
- ERDF

3) *Cooperation partners (if relevant)*

- Powys Energy Agency: Applicant and co-ordinating body of GreenHeat projects;
- Ecodyfi;
- JSP, Central Finland;
- ESV, Upper Austria Energy Agency;
- Centre for Alternative Technology

4) *Main outcome*

To date the advice line has received 380 recorded enquiries, of which 280 were from householders, 52 from not-for-profit organisations (including schools and local authorities) and 46 from small-to-medium enterprises, including farms. Of the 380, 243 were wood-related (125 to pellets), 55 solar water heating, 44 photovoltaic related enquiries, 39 hydro, 37 wind enquiries, 3 passive solar enquiries, 5 anaerobic digestion and 35 general renewable energy enquiries.

Overall GreenHeat funding resources have:

- Supported 38 feasibility studies. These range from a morning consultancy to involvement in £ 45,000 feasibility study;
- Enabled the completion of 17 renewable energy installations in Powys (more to come). This equates to the generation of 579 kW from innovative wood systems (for heating), 11.4 kW from heat-pumps, 76.30 kW from photovoltaic and 5.7 kW from wind making a total of 672 kW installed capacity;
- Worked with domestic, public, business and community sectors on various projects.

The benefits of GreenHeat include:

- Assisting the development of a wider wood energy services company or network and, through their employment as an ESCO providing opportunities for them to increase skills base and experience;
- Demonstration and trial of innovative schemes including community heating project, public sector renewable and innovative wood-heating systems;
- Providing an opportunity to assess the economic, technical and market feasibility of offering heat through wood-based community heating systems;
- Provide a focus for community activities;
- Help to empower individuals and communities to develop projects;
- Give an opportunity for individuals to have a measure of control over and profit from a project in their locality;
- The creation of sustainable local employment;
- Local and global environmental benefits offsetting CO₂ emissions;
- Greater security of supply and cost of heating fuel (compared to oil / gas);
- Benefits the local economy by keeping fuel money circulating locally;
- Sustainable exploitation of primary local resources such as wood and agricultural products.

5) Deviations from the set goals and encountered problems

The project timescale has been two years (due to the EC's ALTENER programme timetable). In retrospect this is insufficient due to the time taken for RE projects to develop to be confident enough to go to implementation. In addition there is enough current, and increasing interest to easily justify the continuation of GreenHeat for much longer.

There has been a lack of equivalent resources to invest into encouraging/enabling more energy efficiency, this is in part due to the emphasis on RES by Altener. In current applications support for energy efficiency has been incorporated, where eligible.

Promotion is on-going and through different media. It needs to be on-going to maintain the profile and ensure that people are aware of where to go for information when they are ready. It also takes time for support mechanisms to be recognised by e.g. RE businesses and encouraging their own clients to make use of available support.

6) Effect on the social and economic environment of the region where the project was implemented

GreenHeat offers a complete support process for those wishing to explore and develop renewable energy projects in rural Wales. It has been able to offer general advice for those just wishing to discuss potential ideas right through to supplying consultation information and funding for feasibility and installations in some areas. It has also been able to raise awareness of sustainable energy through supporting the implementation of a variety of projects, and having a presence at events and meetings. These have supplied people with general information as well as given opportunity to talk face to face about issues of sustainable energy.

UK targets and general growing demand for renewable energy support along with positive association, and anticipated economic growth in regard to renewable has initial bodies to work together. This has made economic use of resources, avoided duplication, given strength to the RE sector and created a productive and creative environment and sector in which to work.

4. Conclusions

Evaluation previous and ongoing Cohesion Policies and Strategic Documents for European Policies in selected countries showed, that planned activities of Energy 4 Cohesion project are very timely and relevant in the context of all countries. National Strategies and Operational Programmes for the use of European Union structural assistance for period 2007-2013 in all countries are prepared. In several countries these Programmes have already been confirmed, whereas in other countries they are still under discussion and they will be confirmed later.

At present time a much better understanding exist regarding the principles of programming and monitoring. In prepared Operational Programmes efforts have been made to ensure that the economic development strategy is compatible with the principle of sustainable development, and that there is an appropriate balance between different investment priorities. Support of sustainable energy actions, implementation of RE technologies are among the priorities of the Programms of all countries for the period 2007-2013.

Evaluation Operational Programmes shows, that at least 5% of all EU funds for period 2007-2013 in each member state will be allocated for energy efficiency and renewable priorities. The biggest part of funds will be allocated to renovation of municipal district heating systems, replacing fossil fuels with biomass, support for cogeneration of heat and electricity. Part of funds will support renovation of existing energy sources and installation of new RE systems, including biomass, wind, small hydro and oth. In each member state Operational Programmes are included energy – efficient refurbishment of housing sector – renovation public buildings (hospitals, schools, social houses, oth.).

The Operational Programmes for each member state will demonstrate how EU funds are helping the given country reach its EE and RE targets through appropriate indicators. In general, political climate concerning the implementation of renewable energy projects in rural and underdeveloped regions is positive. In all evaluated countries there is a very good atmosphere regarding a possibility to obtain financial emissions for economical initiatives. The interest in the future RE actions in all countries is increasing.

The overview of other EC funded international projects revealed the positive effects of RES implementation in rural and underdeveloped regions of various countries.

References

This report is prepared on the basis of materials, received from selected countries using a special questionnaire.