BANKWATCH MAIL

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Krakow's citizens rally against coal to protect their health

Coal may still very much be king in the minds of the Polish government but, on the evidence of a ground-breaking campaign over the last year in Krakow, the seeds have been sown for a citizens' revolution that could redraw the Polish energy sector and improve health and quality of life for towns and cities all across the country. Alongside effective campaigning, EU money is playing a role in these developments, and has the potential to do a lot more.

Krakow currently ranks as Europe's third most polluted city in Europe, with EU air quality norms regularly being exceeded just over halfway through the calendar year. Particulate matter concentrations eight times over the norm are not uncommon, and, according to statistics, living in Krakow for a year inhabitants breathe in as much carcinogenic benzo[a]pyrene as they would from smoking 2500 cigarettes. All due to the city's enduring reliance on coal.

Last winter, the time of peak smog, a group of parents in Krakow decided enough was enough, and thus was born an initiative called Krakow Smog Alert. The campaign started as a Facebook community page and quickly generated the interest and support of Krakow's citizens, now totaling over 17,500 people. It was also backed by Krakow's PR and outdoor media companies who made it possible to run an extensive pro bono billboard campaign drawing attention to the problem of air pollution in the city.

Krakow's doctors also rallied to the cause. Every year, estimates reveal, 400 Krakovians die prematurely due to air pol–

AIR! Krakowians took to the streets last month ahead of a forthcoming key vote that they hope will lead to the introduction of a coal ban in their city

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Shackled to coal: EBRD set to buck positive global investment trends

The European Bank for Reconstruction and Development, the last of three multilateral international financial institutions (IFIs) to undertake a revision of its energy lending this year, is scheduled to adopt a new energy policy on December 10. The EBRD's policy review process follows similar reviews at both the European Investment Bank and the World Bank that have seen both institutions introduce conditions intended to restrict their respective lending to coal projects.

However, campaigners from across Europe who have engaged intensively with the bank during the consultation process for the new policy are alarmed that the EBRD appears set to fall some way behind the progressive energy markers set by other IFIs this year, particularly at a moment when investing in coal is fast gaining a reputation akin to investing in apartheid-era South Africa.

Since the energy policy announcements earlier this year from both the World Bank and the EIB, global financial institutions have been gradually, but notably, turning away from coal lending. Recent months have seen a decision from the Norwegian financial giant Storebrand to blacklist an additional 19 firms that invest in fossil fuels, as well as a joint declaration from the Scandinavian countries together with the US spelling out that they will stop coal lending abroad.

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Welcome to Warsaw for COP 19 – and to Bankwatch's newsletter published for the meeting.

Bankwatch is an international NGO with member groups across central and eastern Europe. We monitor the activities of the international financial institutions that operate in the region and promote environmentally, socially and economically sustainable alternatives to their policies and projects.

Read our COP 19 coverage online at: www.bankwatch.org

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lution involving fine particulate matter. Krakow's children are three times more likely to suffer from asthma than children living in other regions of Poland. Krakow's medical researchers have also shown that women exposed to high particulate matter concentrations give birth to smaller, lighter children, with lower IQ and higher susceptibility to disease.

As the main reason for Krakow's poor air quality is the use of solid fuels – principally coal – for heating in household furnaces and boilers, Krakow Smog Alert is calling for the city to follow the example of major cities such as London and Dublin by introducing a solid fuel ban that, campaigners are urging, ought to become effective within five years. Roughly 17,000 citizens signed a petition backing the ban and delivered to the regional parliament, the body authorised to introduce such a ban. And last month 2000 people took to the streets to urge the authorities to phase out coal from individual heating in Krakow.

The overwhelming response from local people to the initiative created a sense of urgency and political space for local decision-makers to seek real solutions for improved air quality in Krakow.

Though it seems unthinkable in coal-dependent Poland, the idea was supported by the Mayor and the Council of Krakow. A few months ago they prepared a special subsidy programme for the replacement of coal-fired boilers and furnaces with district heating, gas and electricity installations. As much as EUR 120 million has been already earmarked for this purpose from the EU funds for the 2014–2020 budgetary period, while the local budget for these measures has already increased sixfold and further expansion is planned. A fuel poverty alleviation programme is also being developed in order to shield the less affluent from the effects of the ban.

On 30 September, the Malopolska regional parliament adopted – almost unanimously – an ambitious air quality programme that includes the proposed banning of solid fuels (coal) heating for households in Krakow starting in 2018. The regional parliament now has to adopt a resolution that will legally introduce the ban. During public consultations on the resolution, 95 percent of the comments received were in favour of a total solid fuel ban in the city.

This pioneering effort, and the stunning progress made against all the odds, has been attracting attention from coal-affected citizens across Poland – from Gdansk in the north to neighbouring Zakopane, a top European mountain resort that also suffers from coal-induced pollution.

Affected communities should be aware that, as the acute winter period is fast approaching, Poland is also entering a very opportune moment as far as future EU spending is concerned. At national and regional level, the authorities will shortly be finalising exactly how Poland spends its EU money for the forthcoming 2014–2020 period. EU money stands to be a lifesaver – literally – in Krakow, and it should now be targeted at air quality measures, as well as domestic energy savings initiatives, all across Poland.

However, as coal is a highly political issue in Poland, there are fears that health risks may well be ignored. In spite of the groundswell of opinion and scientific evidence in favour of the ban, it remains an open question whether during the vote, to take place by the end of November, the regional parliament will listen to the will of Krakow's inhabitants and authorities and adopt a ban that would give Krakovians hope for cleaner air.

Read more: Background to the Krakow Smog Alert including a campaign timeline is available at: http://bankwatch.org/documents/KrakowSmogAlert-timeline.pdf

To contact the Krakow Smog Alert campaigners, email: krakowskialarmsmogowy@gmail.com

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The latest progressive development, announced at the end of October, saw the publication by the US administration of a new 'Guidance for US Positions on MDBs Engaging with Developing Countries on Coal-Fired Power Generation'. A key element of President Obama's Climate Action Plan, this sees an ending of US government support for the public financing – via the MDBs (multi-lateral development banks) – of new coal plants overseas "except in narrowly defined circumstances", namely in projects involving "(a) the most efficient coal technology available in the world's poorest countries in cases where no other economically feasible alternative exists, or (b) facilities deploying carbon capture and sequestration technologies."

As part of this new commitment, the US intends to work actively to secure the agreement of other countries – starting with the Scandinavian countries, the UK and Austria, that have already shown their determination to push for more stringent energy lending criteria than those adopted by the EIB in July. The MDBs – including, we can assume, the EBRD – will also be urged to adopt similar policies as soon as possible.

In spite of these developments since the EBRD made its draft energy policy public earlier this year, the bank seems oblivious to the fact that public opinion is strongly against coal lending and that it needs to tighten its coal lending criteria significantly.

With the Kosova e Re lignite power plant's uncertain future constituting a real elephant in the room for the EBRD (some of the bank's shareholders are keen to see the controversial project financed by the bank), and speakers from the EBRD due to talk about the financing of and international cooperation on clean coal technologies at the International Coal and Climate summit (being organised by the World Coal Association and hosted by the Polish Ministry of Economy while the Warsaw COP conference meets), it is clear that the EBRD is struggling to kick its coal and wider fossil fuel habit.

Coming too in the wake of the disturbing findings in the latest IPPC report that points clearly to human activity as the cause of changes in the Earth's mean temperature, and in spite of references to climate change in the EBRD's energy policy draft, it has not escaped the attention of some observers that the bank's new energy strategy may not measure up to higher climate standards introduced by the EIB in its new energy policy.

All eyes, then, on December 10 when the EBRD's board of directors will rubberstamp the new energy policy. The EBRD has the opportunity still to prove that it is adapting to fundamental, vital changes in the real world, and can add to the growing global momentum to phase out fossil fuel subsidies, starting with an immediate ban on all forms of coal lending. Now is the time for the EBRD to break free from its coal shackles.

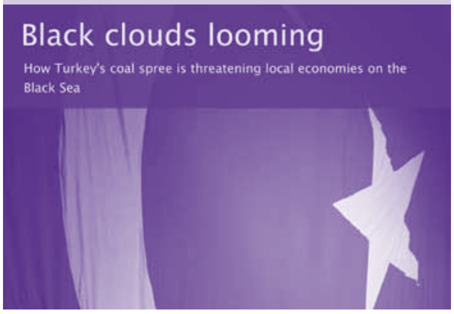
Find out more: Read Bankwatch's submission to the EBRD energy strategy consultation at: http://bankwatch.org/sites/default/files/comments-EBRD-energy-strategy-24-Sep2013.pdf

NEW REPORT – HOW TURKEY'S COAL BOOM THREATENS LOCAL ECONOMIES ON THE BLACK SEA

With coal power expansion booming in Turkey, a new Bankwatch report based on a recent field trip finds that the environmental impacts of coal power plants are inadequately assessed, while Turkey's viable, clean alternatives to coal are neither being analysed or discussed seriously by senior policy- and decision-makers.

At the same time, the report finds, the growing involvement of international 'development' banks in providing investment support to Turkey's energy expansion plans is lacking a joined-up strategy to address the challenges facing the Turkish energy mix.

The 'Black Clouds Looming' report is available to download at: http://bankwatch.org/sites/default/files/BlackCloudsLooming-TurkeyCoal.pdf



Your **lungs** and **voices** are cordially invited...

Climate change is still, for a lot of people, an abstract, complex issue. It remains difficult to mobilise people against the coal industry as they are not always able to make the connection between fossil fuels, climate change and health problems such as asthma. The Cough4Coal campaign, to be formally launched during COP 19 in Warsaw, aims to invigorate and inform the debate on how we should plan for future sustainable and healthy energy provision.

People living in areas near coal power plants or coal mines often have conflicting interests, as they or their family members may well be dependent on the industry for their jobs and livelihood.

Yet an underlying, day-to-day reality for people living in front line communities is that the coal industry causes asthma and other health issues for them and their children.

The issue of coal's health impacts is increasingly gaining public attention, with a number of reports published around the globe in 2013 receiving extensive media coverage in Poland and across Europe. However, for the general public, the facts related to 'clean coal' and health impacts are complex and often contradictory

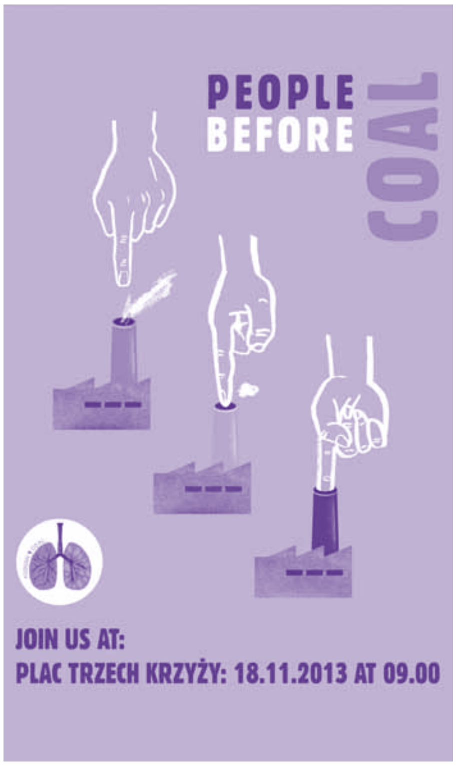
The International Coal and Climate Summit – 'Clean coal technologies, opportunities and innovations' – being organised jointly in Warsaw by the Polish Ministry of Economy and the World Coal Association on November 18-19, and parallel to the COP 19 meeting, provides an excellent opportunity to expose the contradiction between the energy sector development policy pursued by the Polish government and its role as host of the international UNFCCC.

Polish energy campaigner and Bankwatcher Kuba Gogolewski points out: "The coal industry's promotion of cleaning up coal for the climate, which in reality would lock in huge amounts of greenhouse gas and air pollutant emissions for decades to come, will be exposed by showing coal's toll on health. People from all across the globe will gather that day in front of the conference venue to show that there is no such thing as clean coal and bring attention to the impacts that coal mining and combustion has on the health of each and every one of us."

Ahead of the Warsaw COP meeting, Cough4Coal has released a viral videoclip of a 7 metre breathing, and choking, lungs sculpture near a lignite mine.

The clip is already mobilising people from across the world, coming to Poland to express their concerns about the climate, to take part in a lively rally in front of the Polish Ministry of Economy on the morning of November 18.

According to Kuba Gogolewski: "It is one of those days when everybody's presence is needed to show to the coal lobby and international financial institutions, such as the European Bank for Reconstruction and Development speaking at the International Coal and Climate Summit about financing clean coal solutions, that there is no such thing as clean coal. Join us on November 18 to learn more and show the coal industry that it is us – the people – that are the force shaping the views of the politicians, and that the days of dirty money doing whatever it wants are over. Come dressed in white or as lively as you can – we are the life and the soul of this planet."



Find out more: Cough4Coal's 'Lungs' video clip is available to watch at: http://vimeo.com/77989823

What your doctor can tell you about the climate – and what COP delegates need to hear

If a doctor could prescribe a healthy planet, drastic cuts in greenhouse gas emissions would be on the top of the list. In fact, such a prescription was developed by leading health advocacy organisations and handed over to delegates at the UNFCCC's COP 15 in Copenhagen. The surprising thing about this prescription is that instead of costing money it actually results in considerable savings.

The health impacts resulting from climate change already feature prominently – and staggeringly – among today's economic costs, and are estimated at up to EUR 31 billion per year for European economies. These health costs are projected to rise to EUR 103 billion annually around 2050, and EUR 147 billion towards the end of the century. But these figures may just be the tip of the iceberg.

However, major savings from enhanced climate action are not only possible because future health costs would be avoided; there are also short-term health and financial benefits from cutting greenhouse gas emissions. The immediate gain for health comes from the simultaneous reduction of air pollution, which derives largely from the same processes. Air pollution, the 'silent killer', is an important risk factor for chronic diseases of the lungs and circulatory system. Health co-benefits worth up to EUR 30.5 billion per year would result from cleaner air should the EU move to a 30 percent reduction target for 2020. These savings include reduced health care spending, greater productivity due to fewer sick days, avoided premature deaths and improved quality of life.

The economic co-benefits from climate action have been highlighted by public health advocates for several years now, including at UN climate talks. This year an update of the health sector's perspective on climate change will be provided at the 2nd Global Climate and Health Summit, to be held alongside COP 19 on Saturday, 16 November.

Leading scientists, medical associations, health ministry representatives, public health experts, medical students and patient organisations will meet in Warsaw to share their experience in tackling climate change, and to reflect on the future role of the health sector in the climate debate.

Since COP 15 in Copenhagen, following which public interest in the UN process to limit global temperature rises has declined considerably, many environmental groups have shifted their focus from the urgency of the climate change challenge towards the underlying causes, and most notably the spotlight has fallen on the role of fossil fuels. The work of health-based organisations, that have highlighted the health impacts of fossil fuel extraction and burning, is likewise attracting more and more public interest. Coal, the most emissions intensive fossil fuel, has been studied closely, and the cost savings from cutting greenhouse gas emissions have been confirmed once more: phasing out coal power in Europe could create health co-benefits worth up to EUR 43 billion per year.

These types of reports are playing an important role in changing the public's perception of the nature of the problem – that acting on climate change and reducing fossil fuel use are not costly measures that can't be afforded in times of economic crises, but measures that actually do something good for the economy.

ENEL DROPS COAL POWER PLANT PROJECT IN ROMANIA

After a five year planning and permitting process, and citing economic reasons, Italian energy giant Enel announced last month that it will not now be moving forward with a coal-fired power plant project in Romania. The company had been working on the project – a proposed 800 MW facility to have been sited in Galati, at an estimated cost of EUR 1 billion – since before the outbreak of the economic crisis, since when progress has been slow.

Enel's plan had been to import coal from Ukraine or South Africa and burn it at the new plant in Galati, a free trade area. Besides a customs tax exemption, the site was chosen because of existing infrastructure: river transport (via the Danube), and good road and rail links.

It certainly struck some observers as odd that Enel could receive permits for a large power plant in a location close to a biosphere reserve (the Danube Delta), across the road from Natura 2000 sites and on the outskirts of a city of 300,000. Nevertheless, Enel duly got the spatial planning changed to allow for the power plant's construction and passed the first stage of environmental permitting (the strategic environmental assessment for plans and projects), despite the initial disapproval of the neighbouring nature park administration. While they were at it, it proved easy for the Italian company to obtain a permit to build a connection to the electricity grid right through a nature protected area.

In the end, though, the company never managed to complete the environmental impact assessment procedure for the power plant. Over time it became clear that the plant would have difficulties selling electricity, along with other emerging obstacles: court cases against its permits, the opposition of the new local administration and the start-up mobilisation of local people.

While people in Galati generally welcome any initiative that involves job creation in the city, they are also very sensitive to air pollution matters as the city already hosts a giant steel plant. According to Greenpeace Romania, the new power plant's health bill would have amounted to EUR 235 million per year (including 40 premature deaths, 45,000 days of sickness, and 17 new cases of chronic respiratory disease per year).

The economics ultimately killed the project. The economic crisis – and Romania has been considerably hit by its effects – brought a decrease in electricity consumption, while at the same time a large number of wind power projects have become operational in the last three years.

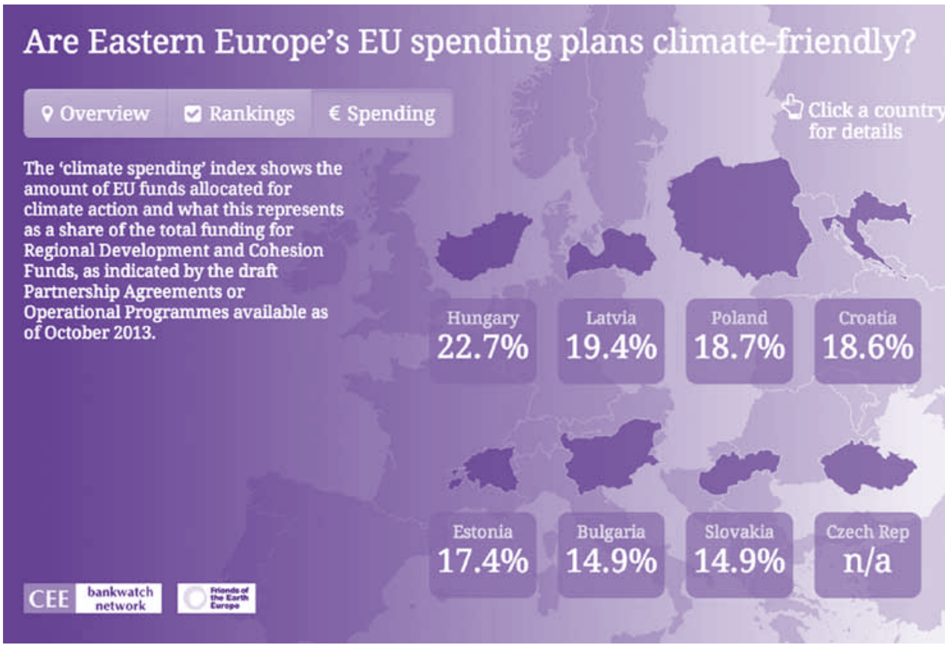
Thus, in 2013, Romania has total net installed capacity of 17.9 GW, while generally only 6.5-7.5 GW are needed at any one time. This also means that around 2 GW of coal power plant potential is not being used currently. The picture is changing as existing coal power plants in the country approach the end of their lifetimes and are forced to shut down because of EU emissions legislation (the Industrial Emissions Directive); and they are being replaced by renewable energy capacities.

How the Romanian energy mix will precisely look in the next five to ten years is, however, a story still being written. The same power plant operators are intent on pushing the government for as many derogations as they can – to receive free CO_2 certificates, plus more time to comply with emission levels under the Industrial Emissions Directive.

As for Enel, it has other ongoing issues with the project to complete two more nuclear reactors at the Cernavoda power plant, another project refusing its death certificate. Already a number of major investors (CEZ, RWE, Iberdrola, GDF) have withdrawn from this white elephant, and only Enel and Arcelor Mittal remain while project cost estimates have spiralled up from EUR 4 billion to 5 billion, and now stand at 6.4 billion. Among other controversies, a key problem hanging over the new Cernavoda plans is where to sell the output.

"Job creation, reduced energy bills, cleaner environment … hmmm" – eastern member states failing to grasp EU Budget's green potential

With only a few weeks to go until the end of the year, and the official start of the new EU budgetary period for 2014-2020 that will see billions of euros flow into central and eastern Europe (CEE), national governments are racing to finalise their EU spending allocations for the forthcoming seven-year period. But, according to new analysis and a data visualisation put together by Bankwatch and Friends of the Earth Europe, CEE member states look set to pass up the opportunity to devote adequate funds for green projects and initiatives.



As of October 2013, the proposed allocations going to climate spending as a percentage of Regional Development and Cohesion Funds in the CEE states for 2014–2020

The data visualisation, to be formally launched on November 18 during the COP 19 meeting, scores eight CEE countries – Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Poland and Slovakia – on the basis of assessments made by experienced national EU funds campaigners on the inclusion of climate change considerations in current national programming plans.

Factors such as the existence of mitigation and adaptation strategies, the creation (or not) of institutional means for monitoring the implementation of climate-related measures, and others have been taken into account.

One year ago, the European Commission proposed that 20 percent of the upcoming EUR 960 billion EU Budget be dedicated to climate measures.

Such a financial commitment, agreed to by EU leaders at a summit meeting in February this year, constitutes a once-in-a-lifetime opportunity to boost the decarbonisation of the CEE states, the most energy intensive in the EU and still heavily reliant on fossil fuel derived energy generation.

According to Markus Trilling, EU funds coordinator for Bankwatch and Friends of the Earth Europe: "With the EU Budget clock ticking down fast to January 1, 2014, we decided to have a look and assess how far CEE governments are taking advantage of this tremendous opportunity for green spending, spending that can do so much for jobs, reduced energy bills and people's quality of life more widely. Unfortunately, the answer is – not enough."

Bankwatch's analysis finds that in some CEE countries renewables are being sidelined, with insufficient investments into smart grids envisaged. Moreover, too many EU resources will continue to be ploughed into road infrastructure or airports, at the expense of sustainable transport.

Despite partnership with civil society being a core element of the new EU budget architecture, NGO involvement in the planning process across the region has so far been patchy at best.

Ondrej Pasek, Bankwatch's national campaigner in the Czech Republic, the country that fares worst in the new analysis, commented: "The EU funds rhetoric of our government of course conforms with EU environmental strategies and objectives, but in reality all practical steps taken show that our authorities intend to continue with carbon-intensive energy, resource and transport projects."

With still some time left before the EU funds operational programmes in each country are set in stone, Bankwatch and Friends of the Earth Europe are calling on the European Commission to keep a close eye on the spending proposals emerging now from national capitals in order to ensure that the opportunity provided by the '20 percent for climate' commitment is not squandered by CEE countries.

At the same time, the two groups call on CEE governments to act ambitiously and ensure that these new EU resources are used optimally – to help reshape CEE economies on to a more sustainable footing, and to really provide for families, communities and their shared environment.

BANKWATCH/FRIENDS OF THE EARTH'S 'CLIMATE CONSCIOUS' RANKINGS OF EIGHT CEE COUNTRIES' EU SPENDING PLANS FOR 2014–2020 (SCORES AWARDED ARE OUT OF 18)

Slovakia	9
Estonia	8
Hungary	7
Poland	7
Croatia	6
Latvia	6
Bulgaria	5
Czech Republic	5

Read more: Bankwatch's blog provides regular first-hand updates from our EU funds team across the CEE region on how the country level programming negotiations are proceeding – see: http://bankwatch.org/news-media/blog

Keep up to date too on Twitter with @SustEUfunds, providing regular updates on EU Budget decision-making at Brussels and member state level, as the clock ticks down to the 2014-2020 spending period. A highly slippery process thus far, get the low down on the inevitable twists and turns to come.

Welcome to **Coal-land**

Dear Participant to the 19th UN Climate Summit,

Welcome to Poland! Let us introduce you to the country hosting the climate conference this year, and provide you with a short overview of the land and its people. This is indeed information you may not find in official Polish government brochures.

However, we believe that the hospitality Poland is famous for requires that you have a clear picture of what the Polish Presidency of COP19 stands for.

Landscape

Poland is the second largest coal producer in Europe, after Germany. In 2012 Poland produced 158 million tons of coal, which typically accounts for around 20 percent of total coal production in Europe. Also in 2012, 83 percent of electricity produced in the country was derived from coal burning.

According to recent energy mix scenarios prepared by the Chancellery of the Polish prime minister, Poland plans to continue to base its energy system on coal: even after 2050, it is currently envisaged that 60-80 percent of Polish electricity will be produced from coal.

Perspectives

Hard coal and lignite in currently tapped deposits are being gradually exhausted, so there are plans to prepare and realise the use of several new deposits by 2030: the hard coal deposits of 'Bzie-Dębina', 'Śmiłowice' and 'Brzezinka', and the lignite deposits of 'Legnica' and 'Gubin,' as well as the satellite deposits of operating mines.

Of the EU-28, Poland is leading the way when it comes to the number of new hard coal and lignite power plants being planned. This is due to Poland's largely outdated energy system, where two thirds of the installed generation capacity is more than 30 years old. In order to tackle this, at present 12 GW of new coal and lignite capacity is planned.

According to Dr. Michał Wilczyński, Poland's former chief geologist and former deputy minister of the environment, the new coal and nuclear power plants planned within the Polish Energy Policy to 2030 will, for at least the next 80 years, lock Poland into an economic model that dates from the beginning of the twentieth century.

> “Poland's former chief geologist and former deputy minister of the environment has said that the Polish Energy Policy to 2030 will lock Poland into an economic model that dates from the beginning of the twentieth century”

International relations

Large deposits of coal, it is claimed by Polish officialdom, are playing a major role in ensuring Poland's energy security. However, on the contrary, once you scratch below the rhetorical surface it emerges that Poland imports a significant share of the hard coal it uses: in 2011, the country imported 15 million tons of hard coal, while 76.4 million tons was extracted in Polish mines.

According to Dr. Wilczyński, by 2030 the extraction volume of hard coal in Poland will be less than is imported. Growing imports result from the discrepancy between the price of Polish coal and coal prices on the international markets.

Prices

Polish prime minister Donald Tusk continues to insist that Poland will continue to base its energy system on coal, because lignite in particular is the cheapest source of electricity. However, of course, Tusk and his advisers - not to mention the vocal coal lobby in Poland - fail to take into account the hidden social and environmental costs racked up by producing power from lignite - huge costs being paid daily by Polish society.

According to Professor Mariusz Kudełko, these so called external costs associated with lignite power plants, and specifically from the two planned open-pit mines Legnica and Gubin, would amount to PLN 10 billion annually. The calculation considers harm to human health, materials, farming, biodiversity and land use changes. Professor Kudełko has pointed out that health impacts constitute more than half of these costs.

Health care

Health specialists say that Polish coal fired power stations cause 1,000 hospital admissions and 800,000 lost working days per year, costing patients, the national health system and the economy at large nearly EUR 8 billion per year in lost productivity. This data is confirmed by a report from the Health and Environment Alliance published in June this year.

The scientific evidence that air pollution causes disease is no longer in doubt, according to Dr Michal Krzyzanowski, an epidemiologist working until recently at the World Health Organisation.

Krzyzanowski says: “Circulatory and respiratory diseases associated with exposure to air pollution lead to a reduction in life expectancy of 10 months in the Polish population. Coal combustion, both in the electric power plants and in individual households, is the single biggest source of this pollution in Poland.”

Economics

And it is not as if Poland has no choice when it comes to energy sources.

Dr. Maciej Bukowski, one of the authors of a recently published report 'Roadmap 2050: Low Emission Poland 2050' and president of the Institute for Structural Research, has said that the decisions that we need to take now will decide whether Poland maintains the rate at which it catches up with the leading economies in the world.

Bukowski warns, however, that there exists the risk of a 'middle income trap' for Poland, similar to that observed in Spain, Portugal and Greece, after their periods of dynamic growth. He says: “We are doing too little to prevent this. We focus too much on the cost of reforms, and not enough on the potential benefits. A low-emission climate policy is no exception.”

Meanwhile, president of the Institute for Sustainable Development, Dr. Andrzej Kassenberg, believes that Poland should not hide behind others and not negotiate, but instead see a potential innovative, green economy as an opportunity, and not only for climate issues.

EU funds

In terms of the costs to be incurred from a clean energy transition, Kassenberg and others believe that a lot of opportunity lies in the forthcoming EU budget period for 2014-2010.

According to the Polish Ministry of Regional

Development, in 2014–2020 Poland will allocate only EUR 6.8 billion from the EU Cohesion Policy funds for improving energy efficiency, increasing the share of renewables in the energy mix and reducing emissions from transport in cities.

How will these funds influence the development path of Polish regions? For one thing, look at the potential impact on the job market: it has been calculated that EUR 1 billion from the EU funds invested in energy saving initiatives for buildings can create 26,000 new, sustainable jobs, and in the case of renewable sources of energy this rises to as many as 53,000 jobs for the same sum.

An anti-lignite mine protest in front of the Lower Chamber of the Polish Parliament, December 2009 (copyright Greenpeace)

Communities

Local communities across Poland are calling on their government to stop its reckless addiction to coal. People threatened by Poland’s new lignite open-pit mine development plans are united in a coalition 'Development YES, Open-pit mines NO' that brings together local communities and local government representatives from five Polish regions, as well as environmental NGOs, including CEE Bankwatch Network.

Human rights

And opposition to Polish government plans is attracting international attention. The dubious legality of plans to build a new open-pit mine in Dolnoslaskie region, in south-west Poland, has for the last three years been under scrutiny at the European Parliament's Petitions Committee.

In September this year the Committee publicly presented a draft report on the issue following a fact finding mission to the region. In the report, members of the European Parliament expressed deep concern over the petitioners' allegations that environmental organisations opposed to shale gas and coal power may be under surveillance from the secret services, while being suspected of representing a threat to national energy safety.

Democracy

The Euro-parliamentarians were particularly critical of the Polish government for brushing aside the views of an overwhelming majority of people who have made it clear – through a referendum held in 2009 – that they want to see development take place, but without dirty power stations.

Tomasz Wasniewski, a spokesperson from the 'Development Yes, Coal No' coalition, explains that local people “don’t want massive evictions, harm to their health, damage to infrastructure built for generations and degradation of the environment.”

Also in September this year, Lubin – one of the municipalities in the Dolnoslaskie region – took its case to the Polish Constitutional Court.

The community, supported by legal NGO Environmental Law Service, claims that the Concept for the National Spatial Planning, approved by the government in 2011 and which prohibits any new investments in the area of the deposit in order to 'protect' the resources, is unconstitutional as it infringes property rights.

Communities from other Polish regions threatened by new open-pit mines gave their endorsement to the application filed by Lubin to the Constitutional Court. They also do not want to put up with the enforcement of new coal investments against the law and their well-being.

Politics

Inhabitants of Gubin and Brody, two municipalities threatened by an open-pit mine in the Lubuskie region on the western border of Poland, have also expressed their opposition to government plans in local referenda held in 2009. However, the regional authorities, swayed by the investor Polish Energy Group that promotes a populist vision of a new Eldorado in the region, have ignored these votes.

Politicians in Poland, of course, often face a clear conflict of interest, with the most astonishing example being the chairman of the local council in Brody, who also happens to be an employee of the PGE energy company. The upshot – a proposed mine in the area will result in half of the area of two municipalities disappearing, together with extensive damage to health and environment, and loss of agricultural jobs. And there's no point in arguing.

Air quality

Yet another group of Polish citizens affected by the government's coal addiction is demanding to live in a healthy environment. These are the citizens of Krakow, Poland's second biggest city, which, according to a recent study by European Environmental Agency, occupies the third position on a list of almost 400 cities with the worst air quality in terms of particle pollution in the EU.

Krakow is no exception in Poland – six out of the ten European cities with the worst air quality standards are located in Poland. Four of these – Gliwice, Zabrze, Sosnowiec and Katowice – belong to the Silesia region, a part of Poland historically associated with coal mining and burning.

The Krakow campaign, aimed at bringing air quality back to safe standards in the city, has gained wide support. Just a few months ago, campaigners managed to convince the regional parliament to adopt an ambitious air quality programme, which includes a proposed banning of solid fuels (coal) heating for households in Kracow starting in 2018. EUR 120 million of the EU funds would help to achieve this transition.

Whether the regional authorities will adopt a resolution that includes this ban will be decided at the end of November.

Thus, as COP 19 convenes in Warsaw, delegates will no doubt be aware of the affinity to coal and other fossil fuels that persists among our political classes. But the fightback is on, across Poland's regions, in local communities, and in the streets.

EU-backed western Balkans priority energy projects conflict with EU goals

A list of 35 regional priority energy projects selected on 24 October in Belgrade by the Energy Community's Ministerial Council has been greeted with dismay by civil society groups from across the western Balkans.

The selected "Projects of Energy Community Interest" will be fast-tracked and prioritised for financing in the coming years. Yet civil society organisations maintain that the EU has condoned regional ministers choosing projects that conflict with EU goals such as biodiversity protection and decarbonisation. Several of the projects are aimed at exporting electricity rather than meeting local needs, while others will perpetuate the region's addiction to lignite power.

The list includes three highly controversial lignite power plants – Kolubara B and Nikola Tesla B3 in Serbia, and Kosova e Re in Kosovo – highlighting the huge loopholes in the Energy Community Treaty, which does not oblige its Parties to implement greenhouse gas emissions reductions targets even though most of them are aspiring EU members.

Governments in the western Balkans regularly claim that more projects are needed to meet electricity demand. Yet several of the selected projects, such as the Upper Drina hydropower plants on the Bosnia and Herzegovina/Serbia border, and the EBRD-financed Lastva-Pljevlja transmission line, as well as damaging important natural sites, are designed for export to Italy.

Civil society groups are concerned about some of the hydropower and transmission projects, as well as the one and only wind project selected, for two reasons.

First, several of the sites are unsuitable because of their high natural value, and the environmental impacts would be too high to justify. Second, many of the projects are not even designed to cover domestic demand, but rather to export electricity, making it arguably even more unjustifiable to damage the sites given that local people will bear the consequences without receiving the benefits.

Exporting electricity from renewable sources – even where environmentally acceptable – also has another consequence that none of the governments eagerly handing over sites with renewable energy potential to develop exports seem to be taking into account. All the countries in the Energy Community have committed to renewable energy targets for 2025 and as they join the EU are likely to have to increase the percentage of renewable energy in their energy mix. But if they sign away their prime renewables locations for export in concession contracts lasting for several decades, what resources will be left to develop for domestic consumption?

"If this is the creme de la creme of energy projects in the region, then we have a serious problem," commented Bankwatch's Ionut Apostol. "It is a huge disappointment to see that an EU-backed body such as the Energy Community has chosen to prioritise these polluting projects considering that they directly conflict with EU environmental legislation or climate goals."

The EU-initiated Energy Community Treaty entered force in 2006 and brings together nine countries from south-east Europe and the Black Sea region: Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, Serbia, Moldova and Ukraine. The Energy Community is meant to integrate EU and Contracting Parties' energy markets through the adoption of selected EU energy and environmental legislation.

One of the few bright spots in the list is that two coal plants in Ukraine – Dobrotvir and Burshtyn, destined almost solely for export to the EU – were not among the chosen projects, and nor were the transmission lines that would carry the electricity to Hungary and Poland. However the reason for this is not thought to be a wholesale rejection of 'carbon leakage', rather Ukraine's failure to implement cross-border capacity allocation and auction rules.

The Energy Community was careful to state after its decision that "If a project breaches the Energy Community acquis or national legislation, or an environmental impact assessment has not been performed properly, the PECI label may be removed", a statement seen by civil society organisations as both an invitation and a cop-out. While the Energy Community Secretariat has a complaints mechanism, the Energy Community Treaty only covers a few environmental directives.

In view of the fact that the countries in the region have not designated Natura 2000 areas, have not adopted greenhouse gas emissions reductions targets, and are only committed to start applying the Industrial Emissions Directive to new plants from 2018, there is a clear danger of 'destroy first, regret later'.

While the forthcoming extension of the Energy Community Treaty beyond its original 10-year lifespan to 2016 may provide an opportunity to expand its environmental and climate provisions, the danger is that this will come too late to apply to the selected priority projects.

WHOSE INTERESTS ARE SERVED BY THESE KIND OF PROJECTS?

Dajc-Velipoje wind power plant, Albania
Cost – EUR 127.5m (2016), EUR 155.4m (2020)
This planned windfarm would be sited in a Ramsar wetland near Skadar Lake and has repeatedly been refused permission from Albanian authorities. Rather than contributing to renewables uptake and meeting local energy demand, the project will likely lead to a backlash against renewables and is designed to export electricity to Italy.

Kosova e Re lignite power plant
Cost – EUR 1.2 billion
This highly controversial plant is planned to have a capacity of 600 MW and has been heavily promoted by the US government, notably through the World Bank, which is interested in supporting the project. The EBRD has also declared its interest in financing the new plant. While the plant is being depicted as necessary to ensure the country's energy security, up to 30 percent of available electricity in Kosovo today is wasted, according to official data, because of lack of energy efficiency programmes in place. This adds to the 37 percent of electricity losses (of which around 17 percent are technical and a result of an old grid and the other are commercial losses, i.e. theft). Professor Daniel Kammen of the University of California has shown that Kosovo has renewable energy capacities that could deliver 34 percent of energy demand by 2025, while at the same time providing more jobs than coal.

Pljevlja-Lastva transmission line
Cost – EUR 106m
The transmission line would link generation capacity in Montenegro, Serbia and Bosnia and Herzegovina with the planned Montenegro-Italy undersea cable aimed primarily at exporting electricity to Italy. This EBRD-financed project will damage biodiversity, areas of outstanding natural beauty and tourism because of its routing and the generation capacity it is designed to support. Project documents suggest that transit of power from the Balkans to Italy is the main point of the project, in which case it does not constitute an improvement of the domestic transmission grid.

In April 2012, the EBRD also announced its interest in providing a 400 million euros loan for the new 750 MW Kolubara B coal plant to be built at the site by EPS and Italy's Edison, however in September 2013 the bank confirmed it was no longer looking at the project. Meetings with Edison have also confirmed that the project is proceeding slowly and it is now unclear who will finance the project.

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