

DIRECTORATE GENERAL FOR REGIONAL AND URBAN POLICY

Ex-post evaluation of Cohesion Policy Programmes 2007-2013, WP6: Environment

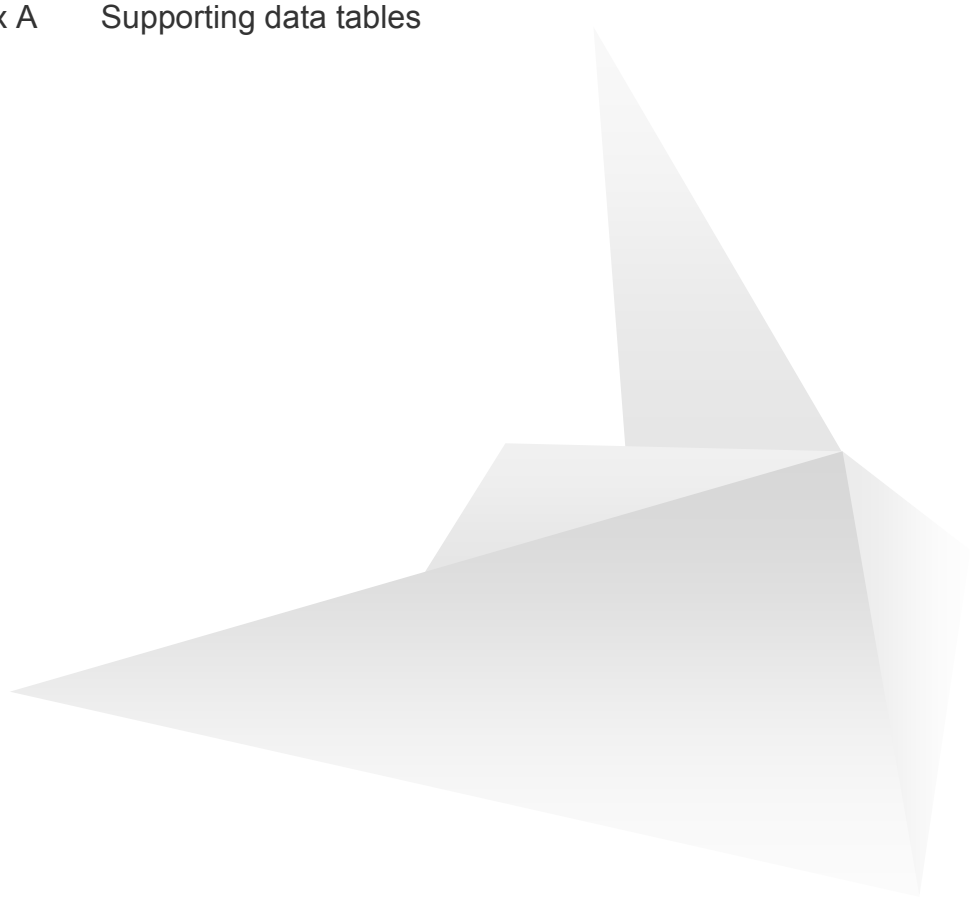
DISCUSSION PAPER FOR STAKEHOLDER SEMINAR

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1 Introduction and background

This is a discussion paper provided as background for the seminar to be held in connection with the ex-post evaluation of Cohesion Policy Programmes, Work Package 6, which focuses on the environmental sector. Work Package 6 aims to analyse the progress and achievements of Cohesion Policy in selected areas of environmental infrastructure: drinking water, wastewater treatment, and solid waste management. Special emphasis has been given to the financial sustainability of investments, which was examined through a desk study on financial data of 20 major projects and through in-depth case studies of 10 of these 20 projects. This discussion paper is supplemented by a catalogue of challenges, which describes the most common problems identified in relation to financial sustainability and ways to address these problems.

The work undertaken covers interventions in the field of environmental infrastructure supported from the European Regional Development Fund (ERDF) and the Cohesion Fund (CF) allocated within the financial perspective 2007-2013. More specifically, the focus is on three priority themes:

- › **Management of household and industrial waste (waste management).** This category covers urban and industrial waste including its collection and treatment (priority theme 44).
- › **Management and distribution of water (drinking water supply).** This category covers collection, storage, treatment and distribution of drinking water (priority theme 45).
- › **Water treatment (wastewater treatment).** This category covers wastewater collection (sewerage) and treatment (priority theme 46).¹

The evaluation encompassed the following key data sources:

- › A desk review of overall data on allocations, expenditure, core indicators as well as of six selected Operational Programmes and relevant literature on Cohesion Policy funding in the environment sector.
- › A desk review of the quality of the ex-ante financial analysis of 20 projects. In addition, for 11 of these projects that were operational, ex-ante financial data was compared to ex-post data to further assess the soundness of the analysis.
- › Case studies including on-site visits of 10 out of the 20 projects reviewed as desk studies, including interviews with project beneficiaries, implementing bodies and managing authorities.

¹ Many Member States take an integrated approach to the water sector and combine drinking water supply and wastewater treatment needs into common projects, often referred to as 'integrated water management' or 'water cycle' projects. Presentation and analysis of the data provided on funding allocated by Member States to selected projects in these two priority themes has therefore been combined to avoid misleading information on volumes for either sub-sector.

This discussion paper includes two main chapters, which reflect the two main themes for discussion at the seminar:

1) Implementation and achievements: Implementation of programmes and projects co-funded by Cohesion Policy in the environment and achievements in relation to environmental objectives

2) Financial analysis and financial sustainability: Soundness of financial analysis, identification of common problems and their implications for financial sustainability as well as how to mitigate such problems.

2 Implementation and achievements

2.1 Importance of Cohesion Policy in relation to achieving environmental targets

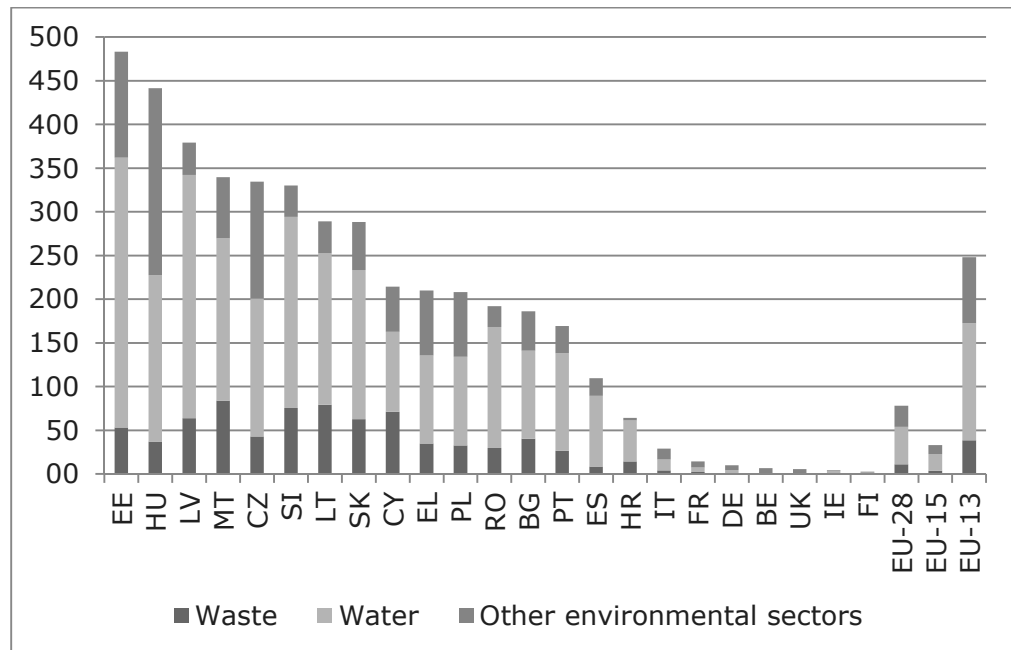
The share of Cohesion Policy funds allocated to environment is the second-highest among the 15 Cohesion Policy broad themes for which spending is tracked, exceeded only by transport. The shares allocated for environment are higher in the EU13, 15.2%, compared to 9.5% in the EU15: the EU13 countries have larger shares of Convergence regions and have greater needs for capital investment in environmental infrastructure. (See Table 1 in the Annex for details.)

Cohesion Policy support for environment in the EU13 is even more striking on a per capita basis: the Operational Programme allocations provide an average of about EUR 250 per capita for the environmental theme in the EU13; this is several times higher than the average for the EU15, about EUR 40 (see Figure 1).

Six EU13 Member States – Estonia, Hungary, Latvia, Malta, Czech Republic, and Slovenia – have Operational Programme allocations for the environment exceeding EUR 300 per capita². Most water and waste resources go to cohesion regions, and thus only to selected regions in the EU15, whose allocations can reach levels similar to those in the EU13.

² The analysis covered all Member States that allocated at least EUR 1 million for the water and waste sectors (Cohesion Policy priority themes 44, 45 and 46). On this basis, five EU15 Member States are not included: Austria, Denmark, Luxembourg, Netherlands and Sweden.

Figure 1 Cohesion Policy Operational Programmes' allocations to the environmental sector (total allocations for 2007-13 financing perspective, as of 2014), EUR per capita ³



Note: Water refers to Cohesion Policy priority themes 45 (drinking water) and 46 (waste water). Waste refers to priority theme 44.

Source: WP13 data

EU Directives in the water, waste water and waste management sectors set out a number of targets: for example to provide waste water treatment for all agglomerations over 2000 population equivalent in size, to ensure that all landfills meet minimum standards and to reduce the share of biodegradable municipal waste going to landfills.

The case studies carried out highlighted the role of national plans (along with regional and local plans in some Member States) in setting out investments to achieve EU targets for waste and water. The case studies also found a strong degree of coherence between these plans, such as waste management plans, and relevant Operational Programmes. While Member States drew on several sources of financing – including EIB loans as well as national, regional and local government resources – in most of the EU13, Cohesion Policy funding appears to have played a central role.

³ Five Member States, namely Austria, Denmark, Luxembourg, Netherlands and Sweden are excluded from the analysis since their total allocations for water and waste projects amounted to less than one million. Thus, the analysis of allocations and expenditures in these sectors covers 23 Member States. In some instances we refer to EU-28, EU-15 and EU-13 averages – in these cases the averages cover data for the whole EU, 'old' Member States (members before 2004) and 'new' Member States (accessing in 2004 or later), respectively.

Questions to the participants

How important was the contribution of Cohesion Policy funding to improvements in environmental infrastructure in waste management and water management sectors in your Member State and in particular in cohesion regions?

Was Cohesion Policy funding the main source of financing in your Member State for environmental investments to achieve EU targets in the waste and water sectors?

2.1.1 Re-allocations of CP funding in the period 2007-2014

Due to the flexibility of Cohesion Policy, Member States had the opportunity to re-allocate and re-programme funds within and across priority axes, Operational Programmes and funding instruments. This enabled them to meet national and regional needs, which might have been changing since 2007 due to various factors. Comparing Cohesion Policy funding across all priorities with environmental priority themes, the net tendency has been a small decrease in funding for environment⁴, with increases in innovation and R&D, generic business support, sustainable energy and roads⁵. During 2007-2012, for all Member States, a net reduction of funding for the environmental themes by EUR 1.4 billion⁶ took place, which constitutes around 0.4% of the total allocation.

Across all 28 Member States, net OP allocations dropped both in waste and water sectors, by approximately EUR 650 and EUR 320 million respectively. In relative terms, allocations in the waste sector dropped by 11% while allocations in the water sector dropped by 1%.

The extent and direction of change vary across the Member States. For the water sector, an equal number of Member States saw increases in allocations as saw decreases. For waste sector investments, however, Operational Programme allocations for the sector fell in 13 of the 16 Member States that used Cohesion Policy resources (see Figure 2)⁷.

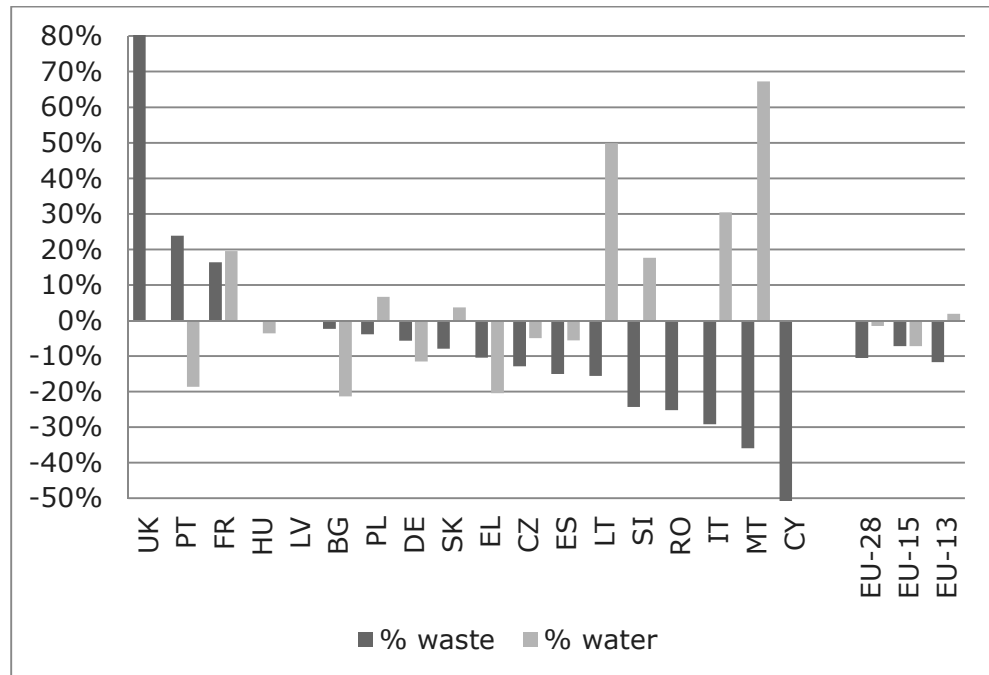
⁴ Includes the three priority themes that are the focus of this study, and also air quality; mitigation and adaptation to climate change; rehabilitation of industrial sites and contaminated land; promotion of biodiversity and nature protection; and clean urban transport.

⁵ Cohesion Policy: Strategic report 2013 on programme implementation 2007-2013, European Commission Staff Working Document SEC(2013)129, p33.

⁶ Ibid, p54

⁷ See Tables 2 and 3 in the Annex for further details

Figure 2 Changes in OP allocations for water and waste investments 2007-2014



Note: Waste refers to Cohesion Policy priority themes 45 (drinking water) and 46 (waste water). Waste refers to priority theme 44. OP allocations for CY in the water sector increased by 833%, which is not visible in the figure.

Source: WP13 data

For the EU-13 as a group, the aggregate allocation for the water sector was higher in 2014 than in 2007, due to increases observed in Poland and Lithuania. Several Member States, however, moved significant shares (over 10%) of their operational programme allocations from water investments to other priorities: Germany, Greece and Portugal in the EU-15; Bulgaria in the EU-13. In the waste sector, the most significant relative shifts to other priorities can be observed in Romania, Italy, Malta and Cyprus (25% decrease or greater).

Questions to the participants

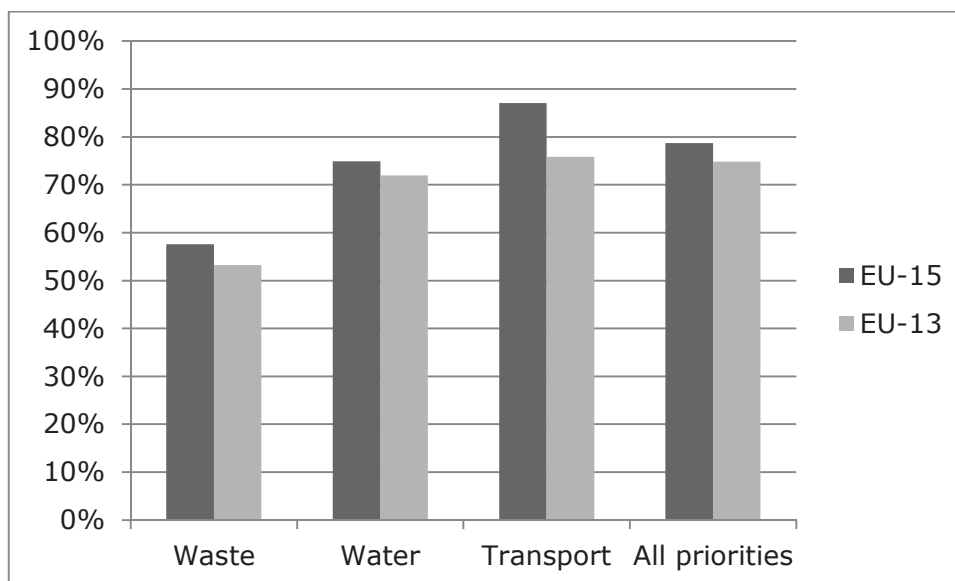
Why were funds shifted from environmental priorities, in particular from waste management, to other sectors during the period 2007-2013?

Were the re-allocations primarily driven by strategic reasons or by reasons related to slow advancement in preparation of projects?

2.1.2 Absorption capacity: from allocations to expenditures

For both the EU15 and the EU13, the pace of spending for the water and waste sectors lags behind that for transport, the largest area where Cohesion Policy is investing in infrastructure, as well as for Operational Programmes overall: in this comparison, the slow rate of absorption for the waste sector in particular is notable (see Figure 3 below).

Figure 3 Absorption rates in waste and water sectors as compared to other priority axes



Source: WP13 data

The slow absorption of Cohesion Policy spending for environment – i.e. the slow rate of expenditure of resources – has been a concern for several Member States.⁸

By the end of 2014, across the 23 Member States with significant spending on waste and water investments, 73% of funds planned for the water sector (in terms of OP allocations as of 2014) had been spent – but this was the case for only 54% of the funds for the waste sector (Figure 1 and Tables 4 and 5 in the Annex provide further details). Moreover, at the end of 2014, out of approximately 180 major projects identified by Member States for the water and waste management sectors, only 11 were operational.

Low rates of expenditure in some of the Member States, in particular for the waste sector, raise concerns that not all resources allocated will be used by the end of 2015. Moreover, the low rate of expenditure for waste – together with reallocations of resources described above – raise questions about the capacity of some Member States to meet their EU objectives for this sector.

⁸ Cohesion Policy: Strategic report 2013 on programme implementation 2007-2013, European Commission COM(2013) 210 final

Questions to the participants

What are the reasons behind the low absorption rates for environmental spending compared to transport and to other priorities? Why, in most of the Member States reviewed, is absorption for the waste management sector in particular lagging?

Why were so few major projects in both the waste and water sectors finalised by the end of 2014?

What steps have been successful in speeding up the implementation of environmental infrastructure projects?

Given relatively low absorption rates in some Member States, will it be feasible to reach 100% of expenditure as compared to OP allocations by the end of 2015?

The slow rate of absorption in some Member States raises the question about the capability and the timing of the Member States to meet their environmental targets – both in terms of the targets set for their Operational Programmes and also the targets they must achieve under EU legislation for water and waste management. What is your opinion on this issue, considering the situation in your Member State?

Has the slow implementation of environmental infrastructure projects in the 2007-2013 spending cycle led to increased needs for environmental investments in the 2014-2020 spending cycle in order to comply with the requirements in key environmental directives on water, wastewater and waste management?

2.2 Challenges in implementation

Some of the challenges in implementation of environmental investments were mentioned during the interviews with Member State authorities and project stakeholders, including the following:

- › Procurement. Tendering procedures are often long, and unsuccessful bidders have challenged decisions in court, leading to further delays. In some cases, poor tender documents have contributed to delays.
- › Financial analysis and Cost-Benefit Analysis. These are often very complicated, involving e.g. monetary valuation of vaguely defined benefits such as visual intrusion or odours. Beneficiaries often lack the technical capacity to handle the requirements regarding these analyses, so they employ consultants. The quality of these analyses differs depending on the level of knowledge of the consultants.
- › Length of time for decisions of the EC regarding approval of major projects.
- › Lack of social acceptability for waste projects (NIMBY syndrome). This can result in long administrative procedures, e.g. obtaining environmental permits takes a lot of time because of protests of local communities, NGOs.
- › Lack of experience of project beneficiaries in implementing projects co-funded from Cohesion Policy funds.
- › Technical challenges encountered during implementation of some projects.

On the other hand, the data from interviews and project studies indicate that the financial crisis was generally not a problem. On the contrary, due to the crisis, some planned investments were carried out at lower prices than planned, as price levels went down due to increased competition. In the projects studied, supply of

co-financing was not delayed or hindered as a result of the financial crisis. It should be noted that it is likely that there is a bias towards the better performing projects in the projects selected for case studies⁹.

Questions to the participants

To which extent do the findings give a representative view of the situation of environmental major projects in your Member State? Which are, in your view, the most important challenges?

Would you like to add any more challenges impacting the process of implementation of environmental infrastructure investments in any (or both) sectors that are in focus here?

What is your opinion about the impact of the financial crisis on implementation of environmental investments in your Member State? Do you agree with the finding that the financial crisis did not hinder co-financing and that it contributed to lowering prices to the benefit of environment infrastructure projects?

3 Financial analysis and financial sustainability

3.1 Quality of financial analysis

The analysis of the ex-ante financial analysis in 20 projects overall showed that the quality of the financial analysis is reasonably good. Only few concrete methodological errors were identified in the projects reviewed and there were no systematic errors across projects. This is contrary to the findings in the ex-post evaluation of the 2000-2006 environmental projects, which highlighted quality of financial analysis as a key issue of concern. However, the review did identify some general quality problems and issues, which have been addressed in a catalogue of challenges prepared by the evaluation team. This catalogue is also part of the background documentation provided for the seminar. A summary of the eleven challenges described in the catalogue is provided in section 3.2 below.

The comparison of ex-ante and ex-post data for the operational projects indicates that these projects, in general, do not have problems in relation to financial sustainability. The review did identify a systematic optimism bias as time needed for construction was underestimated in most cases. When looking at the nine non-operational projects, the study identified several challenges to financial sustainability, which are reflected in the catalogue of challenges (see section 3.2 below).

The review of operational projects showed that projects have either correctly estimated or even overestimated –very considerably – the investment cost budget. Some projects have underestimated demand for wastewater treatment, while in the

⁹ As the projects selected for case studies were primarily operational, which was the case only for very few major projects (11) when the study was undertaken.

waste sector demand was more often overestimated This is a surprising finding, since during the previous programming period (2000-2006), a main issue was that investment cost budgets were generally underestimated. The explanations for overestimation found during the case studies are:

- › The market in the relevant Member States is very competitive and large discounts are usually applied by tenderers. In addition, some implementing bodies have a practise whereby projects are split into smaller contracts, so that relatively small companies are able to participate in the public procurement, which makes competition even stronger.
- › The financial crisis put some additional pressure on lowering the costs, while the majority of budgets were prepared just before financial crisis.

Questions to participants

To which extent do the (rather positive) findings give a representative view of the situation of environmental major projects in your Member State?

- › Has the quality of financial analysis improved compared to the previous programming period (2000-2006) and which factors have contributed to this improvement?
- › Are projects implemented in the period 2007-2013 financially sustainable to a larger degree compared to previously?
- › To which extent has there been a learning process from the previous programming period leading to better budgeting than before?

Has there been a general tendency for investment budgets to be overestimated – and are the reasons for overestimation identified above correct?

3.2 Eleven challenges to financial sustainability

The study identified eleven challenges to financial sustainability based on the project analyses as well as on interviews with project stakeholders and general implementation challenges identified and discussed above in section 2.2. These are briefly summarised below. More information can be found in the catalogue of challenges which is also part of the material handed out for the seminar. There is no ranking implied in the order of presentation below, but the first issue mentioned below is considered to be the most important.

Problem 1: Project versus company approach for financial sustainability: The vast majority of 'major' water projects are add-ons within an existing water company structure. The Beneficiary may be a water company or a Municipality who owns the assets. The financial analysis in the reviewed projects focused analysing the project's financial sustainability (in line with guidelines). However, sustainability of services is determined inter alia by the financial sustainability of the operating company in the "with project" situation. With an incremental approach to financial

sustainability, the issue of company financial sustainability is not properly addressed. This problem is primarily relevant in the water and wastewater sector as many of the projects are add-ons or rehabilitation of existing infrastructure, however, the issue can also be relevant in the waste management sector. We have noticed that the guidelines for the 2014-2020 programming period require financial sustainability to be analysed for the operating company in the “with project” scenario.

Problem 2: EU grant calculation (dis)incentives: Beneficiaries are using different thresholds for calculating the affordability for the customers. The lower the affordability threshold, the less income is generated from water tariffs and, in turn, the higher is the EU grant. The calculation of the financing gap, and thus the EU grant, provides an incentive not to include costs of asset depreciation, replacement, and cost of financing, etc. in the tariff calculation. As a result, these costs may become difficult to recover creating a financial sustainability issue and, eventually, an operational sustainability issue if assets are under-maintained for a long period. The Commission has addressed this issue in the guidelines for the funding period 2007-2013 by allowing to select an (undocumented) financing gap of 75 per cent.

Problem 3: Lack of a financially strong and technically competent contractor: In projects with less competent contractors delays were typically experienced. Where the contractor was good and competent, the implementation was done more or less within the expected timeframe. Works contracts that are determined on the basis of (lowest) price need a robust pre-qualification stage, which ensures that all eligible bidders are both financially strong and technically competent. A good practise to mitigate this is a robust tendering process by which the competence of the bidders as well as their financial strength is assessed and taken into account in the selection procedure.

Problem 4: Non-involvement of the Beneficiary in project design: There are examples of projects that have been prepared centrally on behalf of regional governments/Beneficiaries. If the Beneficiary has not been sufficiently involved in the project preparation, the Beneficiary may not have sufficient ownership of the project and knowledge of project specificities. This may cause a prolonged implementation period and operational difficulties and thus influence project financial sustainability. We suggest that project reviewers require a detailed description of how the Beneficiary has been involved in the project preparation process.

Problem 5: Planned versus actual water discharge: The planned amount of wastewater received at wastewater treatment plants varies due to different assumptions on the return factors applied on water consumption. If the return factor applied in the planning phase cannot be justified, the volume of wastewater received may turn out to be higher compared to the budgeted amount. This will affect the operational efficiency of the wastewater treatment plant; capacity issues may affect both financial sustainability and the ability to achieve policy objectives. A good practise for reviewers will be to look for estimations of wastewater discharge based on historical data, if available. Also, the soundness of demand forecasts should be checked, including correctness of population forecasts and calculation of price elasticities.

Problem 6: Planned versus actual amounts of solid waste: Projected waste amounts have been overestimated in the Applications compared to actual waste amounts produced. This leads to overcapacity, which, in turn, results in inefficient plant operations and unnecessarily high fixed costs. The resulting tariff will be higher than necessary, and citizens will bear the cost of this inefficiency. We recommend that reviewers look for systematic analysis of future waste amounts based inter alia on population, consumption habits and markets for recycles and compost and performs a sanity check using benchmark data for equivalent waste producers in similar surroundings.

Problem 7: Cash flow management for 'major projects': Some Beneficiaries experienced the process of obtaining the final approval of 'major projects' from the EU Commission to be overly cumbersome and time consuming. Beneficiaries typically initiated the project implementation without having the final approval from the EU Commission. This, in some cases, led to delays in project implementation because of lack of EU financing. Any such delays affect the financial sustainability of the project/operator as it postpones the date of arriving in positive cash flow territory. We suggest that the Beneficiary documents in the Application that financing is available and that bridge financing is available in case the project experience delays in project approval from the EU Commission.

Problem 8: Optimism bias with regard to length of implementation period: Most of the reviewed Applications were overly optimistic in relation to the foreseen length of the implementation period, including the time needed for project development and the period of construction of the infrastructure assets. As a result, operational start for many projects was delayed. Reviewers should check that appropriate contingency periods are part of the implementation plan. We suggest that all Beneficiaries should have a risk management strategy to cope with the consequences of delays experienced during implementation. It may be considered to request that to be presented as part of the Application form.

Problem 9: Affordability for low income groups – Is average household income a good indicator?: Beneficiaries generally use average households' expenditure in relation to the average household disposable income. While this may be in line with national guidelines it is a questionable approach as it does not address the question of affordability for low income population groups. The lack of consideration of income distribution could lead to a deteriorating water bill collection efficiency and thus impede the financial sustainability of the water company. It is recommended that the average affordability assessment is supplemented with an assessment of how the water or waste bill facing the low income groups will affect the households' expenditure on water and waste. This will help the Beneficiary to consider this a priori, and its potential consequences for the sustainability of the services.

Problem 10: Affordability – exceeding the affordability threshold and a price subsidy mechanism: In projects where affordability concerns restrict the tariff increases below what is needed for cost recovery, Beneficiaries may choose to apply lower tariffs to meet the affordability threshold and assume that Governments compensate for the missing revenue. While the principle is sound, practice is not. Typically, no information is provided in the Applications about the institutional arrangements that will be adopted to compensate the operating company for the

missing tariff revenues often reflecting that such mechanisms are not agreed and in place. We recommend that reviewers look for a subsidy scheme with clear description of mechanisms and commitments to secure its implementation.

Problem 11: Tariffs are not increased as per plans in the Application: In some cases, tariffs have not been increased as per the tariff increases planned in the Application. However, in particular in water, if tariffs are kept too low the water resources will not be used efficiently in addition to the threat to the financial sustainability of the services.

Questions to the participants

To which extent is the catalogue helpful – does it focus on the most relevant problems? Which problems do you consider most pertinent and why?

Do you agree that problem 1 is a key problem and that it would be relevant and feasible to take a company approach to the financial analysis forming part of the Application?

To which extent do you consider the problems mentioned (especially problem 3 and problem 8) as linked with problems in respect to difficulties associated with procurement and tender procedures – and is there a need for the catalogue to expand more on this issue?

Appendix A Supporting data tables

Annex Table 1 Operational Programme allocations: environmental sector compared to total, 2007-2013 (million EUR)

	OP 2013 resources to environment	Total OP 2013 resources (all sectors)	Share of funds allocated to environment (%)
HR	273.0	858.3	31.8%
CY	156.1	612.4	25.5%
RO	4,422.2	19,057.7	23.2%
EE	767.7	3,403.5	22.6%
MT	185.6	840.1	22.1%
BG	1,454.5	6,667.9	21.8%
SI	800.6	4,101.0	19.5%
HU	4,538.6	24,892.9	18.2%
LV	792.7	4,530.4	17.5%
ES	5,618.0	34,614.2	16.2%
SK	1,851.6	11,482.8	16.1%
CZ	3,960.5	26,128.3	15.2%
LT	971.2	6,775.5	14.3%
PT	2,410.8	21,411.6	11.3%
PL	6,729.7	67,185.5	10.0%
EL	2,023.2	20,210.3	10.0%
FR	1,148.4	13,546.3	8.5%
IT	2,198.6	27,952.6	7.9%
LU	3.8	50.5	7.5%
DE	1,394.5	25,481.1	5.5%
BE	95.6	2,060.2	4.6%
UK	384.8	9,886.2	3.9%
NL	61.6	1,660.0	3.7%
FI	45.3	1,596.0	2.8%
IE	20.5	750.7	2.7%
DK	12.3	509.6	2.4%
AT	11.7	1,191.5	1.0%
SE	15.9	1,626.1	1.0%
EU28	42,349.0	339,083.2	12.5%
<i>EU15</i>	<i>15,444.9</i>	<i>162,546.9</i>	<i>9.5%</i>
<i>EU13</i>	<i>26,904.1</i>	<i>176,536.4</i>	<i>15.2%</i>

Note: Member States ordered according to the share of funds allocated to environment.
Source: DG Regional and Urban Policy, InfoView data

Annex Table 2 Changes in Operational Programmes allocations 2014-2007, waste sector

MS	2007 OP allocation waste	2014 OP allocation waste	Difference 2014-2007	% difference
BE	2.4	4.4	2.0	83%
UK	20.2	36.5	16.3	81%
PT	224.1	277.6	53.5	24%
FR	134.5	156.6	22.1	16%
EE	70.3	70.3	0.0	0%
FI	0.0	0.0	0.0	0%
HU	366.5	366.5	0.0	0%
IE	0.0	2.0	2.0	0%
LV	129.5	129.5	0.0	0%
BG	300.5	293.4	-7.1	-2%
PL	1311.3	1260.5	-50.7	-4%
DE	47.7	45.1	-2.7	-6%
SK	368.6	339.5	-29.1	-8%
EL	432.2	386.9	-45.3	-10%
CZ	520.3	453.2	-67.1	-13%
ES	462.0	392.6	-69.4	-15%
LT	279.0	235.6	-43.4	-16%
SI	205.6	155.6	-50.0	-24%
RO	792.8	592.8	-200.0	-25%
IT	338.1	239.4	-98.7	-29%
MT	55.3	35.4	-19.8	-36%
CY	125.5	61.7	-63.8	-51%
EU-28	6186.3	5535.1	-651.2	-11%
EU-15	1661.2	1541.0	-120.2	-7%
EU-13	4525.1	3994.1	-531.0	-12%

Note: without Croatia, which became EU Member in 2013

Ordered by the % change in waste sector allocation

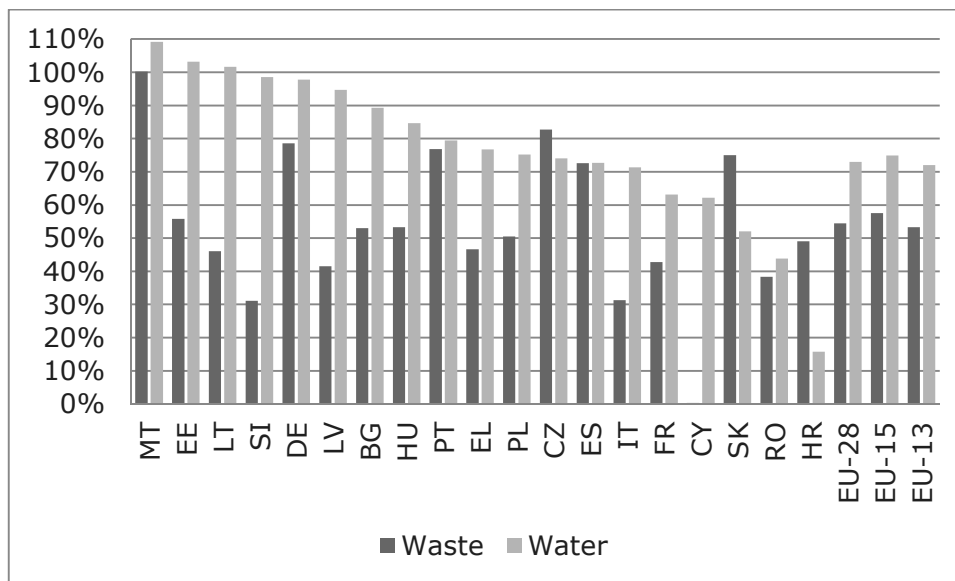
Annex Table 3 Changes in Operational Programmes allocations 2014-2007, water sector

MS	2007 OP allocation water	2014 OP allocation water	Difference 2014-2007	% difference
BE	1.0	1.0	0.0	0%
CY	8.5	79.3	70.8	833%
IE	8.0	15.0	7.0	88%
MT	46.8	78.2	31.4	67%
LT	343.6	515.1	171.5	50%
IT	574.9	749.7	174.8	30%
FR	279.4	334.0	54.5	20%
SI	382.9	450.3	67.4	18%
PL	3663.8	3908.8	245.1	7%
SK	890.6	923.3	32.7	4%
EE	407.8	407.8	0.0	0%
FI	9.5	9.5	0.0	0%
LV	563.0	563.0	0.0	0%
RO	2776.5	2776.5	0.0	0%
UK	0.0	0.0	0.0	0%
HU	1958.6	1887.6	-71.1	-4%
CZ	1745.5	1659.7	-85.8	-5%
ES	4019.5	3793.7	-225.8	-6%
DE	375.0	331.9	-43.0	-11%
PT	1439.4	1171.1	-268.3	-19%
EL	1398.2	1112.4	-285.8	-20%
BG	934.9	735.7	-199.2	-21%
EU-28	21827.4	21503.6	-323.8	-1%
EU-15	8104.9	7518.3	-586.6	-7%
EU-13	13722.5	13985.3	262.8	2%

Note: without Croatia, which became EU Member in 2013

Ordered by the % change in water sector allocation

Annex Figure 1 Absorption rates (total expenditures 2007 – end 2014 as a share of OP allocations)



Note: The figure does not show UK, IE, FI and BE, where OP allocations in 2014 (for waste and water sectors jointly) were below EUR 50 million. Member States are ordered by their 'water' absorption rates.

Source: WP13 data

Annex Table 4 Absorption of Cohesion Policy Funds in the sector of waste in 2014

	OP allocation in 2014	Allocations to selected projects 2014	Expenditure level 2014	absorption rate (Expenditure as % of 2014 OP allocation)
MT	35.4	35.5	35.5	100%
CZ	453.2	411.5	374.8	83%
DE	45.1	44.4	35.4	79%
PT	277.6	256.0	213.2	77%
UK	36.5	38.7	27.6	76%
SK	339.5	350.4	254.8	75%
ES	392.6	414.9	284.9	73%
EE	70.3	42.8	39.2	56%
HU	366.5	513.1	195.5	53%
BG	293.4	314.3	155.5	53%
PL	1260.5	1121.3	637.1	51%
HR	61.8	50.9	30.3	49%
EL	386.9	649.9	180.6	47%
LT	235.6	188.4	108.5	46%
FR	156.6	109.3	66.9	43%
LV	129.5	71.0	53.8	42%
RO	592.8	858.7	227.2	38%
IT	239.4	131.1	75.0	31%
SI	155.6	76.4	48.4	31%
BE	4.4	3.4	1.3	30%
CY	61.7	0.5	0.2	0%
IE	2.0	1.3	0.0	0%
FI	0.0	2.5	2.4	
EU-28	5598.9	5687.1	3048.9	54%
EU-15	1543.0	1652.3	888.1	58%
EU-13	4055.9	4034.8	2160.8	53%

Note: without Croatia, which became EU Member in 2013

Annex Table 5 Absorption of Cohesion Policy funds in the sector of water management in 2014

	OP allocation in 2014	Allocations to selected projects 2014	Expenditure level 2014	absorption rate (Expenditure as % of 2014 OP allocation)
FI	9.5	14	13	137%
MT	78.2	78.2	85.4	109%
EE	407.8	470.7	420.7	103%
LT	515.1	558.4	523.6	102%
SI	450.3	635.6	444	99%
DE	331.9	365.5	324.7	98%
LV	563	570.9	533	95%
BG	735.7	1141.1	657.2	89%
HU	1887.6	2381.2	1598.2	85%
PT	1171.1	1265.2	930.5	79%
EL	1112.4	2582.9	854.1	77%
PL	3908.8	3913.2	2939.4	75%
CZ	1659.7	1696.1	1229	74%
ES	3793.7	4152.6	2756.5	73%
IT	749.7	1134.1	535.1	71%
IE	15	17.7	10.1	67%
FR	334	324.8	211	63%
CY	79.3	106.1	49.3	62%
SK	923.3	988	480.6	52%
RO	2776.5	3158	1217.7	44%
HR	199.1	262.6	31.3	16%
BE	1	0.1	0.1	10%
UK	0	0	0	
EU-28	21704.7	25817.4	15844.5	73%
EU-15	7520.3	9857.3	5635.1	75%
EU-13	14184.4	15960.1	10209.4	72%

Note: without Croatia, which became EU Member in 2013