



## **RES industry calls for separate budget line for RES in FP7**

EREC and its members, the European renewable energy industry, trade and research associations

- EPIA (European Photovoltaic Industry Association),
- ESHA (European Small Hydropower Association),
- ESTIF (European Solar Thermal Industry Federation),
- EUBIA (European Biomass Industry Association),
- EUREC Agency (European Renewable Energy Research Centres Agency)
- EWEA (European Wind Energy Association)
- AEBIOM (European Biomass Association) and
- EGEC (European Geothermal Energy Council),

representing the European renewable energy industry, welcome the discussion on FP7 and call for a separate budget line for renewable energy sources within FP7. This is particularly important in view of the increased search for transparency.

Furthermore, EREC and its members would like to underline the vast benefits of renewables in terms of contribution to security of energy supply, job creation, competitiveness and environmental protection. An increase in budget for RES compared to FP6 as well as a clear earmarking for the RES budget is absolutely crucial as R&D in the field of renewables will lead to considerable cost reduction and will strengthen the competitive position of the European RES industry on the world market.

In FP4, the budget for non-nuclear research, and within this for renewable energy sources, was clearly earmarked. This was not the case anymore in FP5 and FP6 respectively, leading to an overall decrease of renewable energy R&D funding.

Since the early 1980s, when public renewable energy research funding was at an all-time high, direct spending by the Member States of EU-15 has dropped by approximately 40-50% in real terms. It now accounts for about 15% of total energy research including nuclear research. On the other hand, fossil and nuclear energy research accounts for about 60% of the total spend. The Bonn conference political recommendation, also supported by the EU, points out that “governments have an opportunity to strengthen renewable energies by reversing the ratio of funds allocated for renewables versus those provided for

conventional energy R&D.” The launch of FP7 will present the EU with an opportunity to encourage the Member States to re-orient their national funding programmes in this way.

Without a clear allocation of a budget line only for renewables, the funding under FP7 will remain intransparent and can lead to uncertainty amongst renewable R&D players. Therefore it is crucial to allocate a separate budget line for renewables in FP7.

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