



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
REGIONAL AND URBAN POLICY
Better implementation, closure and Programme Implementation III
The Director

Brussels
REGIO.F.3/WW

Subject: Response to the Polish Ministry of Funds and Regional Policy Regarding the Interpretation of the Fossil Fuels Exclusion under ERDF/CF/JTF Regulations.

Dear Ms Calak,

Thank you for your letter dated May 20, 2024, concerning the European Commission's interpretation of the exclusion on investments related to the production, processing, transport, distribution, storage, or combustion of fossil fuels, as outlined in Article 7.1(h) of the ERDF/CF regulation and Article 9 of the JTF regulation.

The concerns raised by the Polish Ministry of Funds and Regional Policy particularly regarding the impact of these interpretations on regional programs and the broader objectives of cohesion policy, have been noted with due consideration. The European Commission understands the challenges that such interpretations may present for certain projects, especially those involving machinery and vehicles powered by fossil fuels, and the potential consequences for SMEs, climate adaptation initiatives, and waste and water management projects.

Moreover, the European Commission acknowledges the complexities and the significant impact that a strict interpretation of these exclusions could have on the implementation of various programmes under the Cohesion Policy Funds. After careful internal review and consultations with the relevant departments, we would like to provide further clarification and guidance on this matter.

The Commission recognises the necessity of certain types of machinery or equipment, which are still based on combustion of fossil fuels and do not yet have an available decarbonised alternative, in order to implement projects that are contributing to the achievement of the specific objectives of the programmes. To ensure that the overall objectives of the Funds, including their specific objectives related to SMEs, climate adaptation and water and waste management are met, the following interpretation is provided:

- Without prejudice to points (i) to (iii), paragraph 1(h), and paragraphs 2 to 4 of article 7 ERDF/CF regulation, support from the ERDF/CF/JTF for investments in machinery

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or equipment powered by the combustion of fossil fuels may be considered eligible **only if there is no viable alternative technology**.

- **It will be the responsibility of Member States** to ensure that this condition is met.

This approach aims to balance the need for environmental protection with the practical requirements of implementing the Cohesion Policy Funds.

We trust that this clarification will address the concerns raised by you and provide a workable framework for the continued implementation of your programmes under the Cohesion Policy Funds.

Should you require further discussions or have additional queries, we remain at your disposal.

Yours sincerely

(electronic signature)

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