



Cohesion Policy Investments in Sustainable Energy 2014-2020

Energy efficient and sustainable Danube cities and regions: Linking strategic thinking and energy issues

**4th Annual Forum of the EU Strategy for the Danube Region
Ulm, 30 October 2015**

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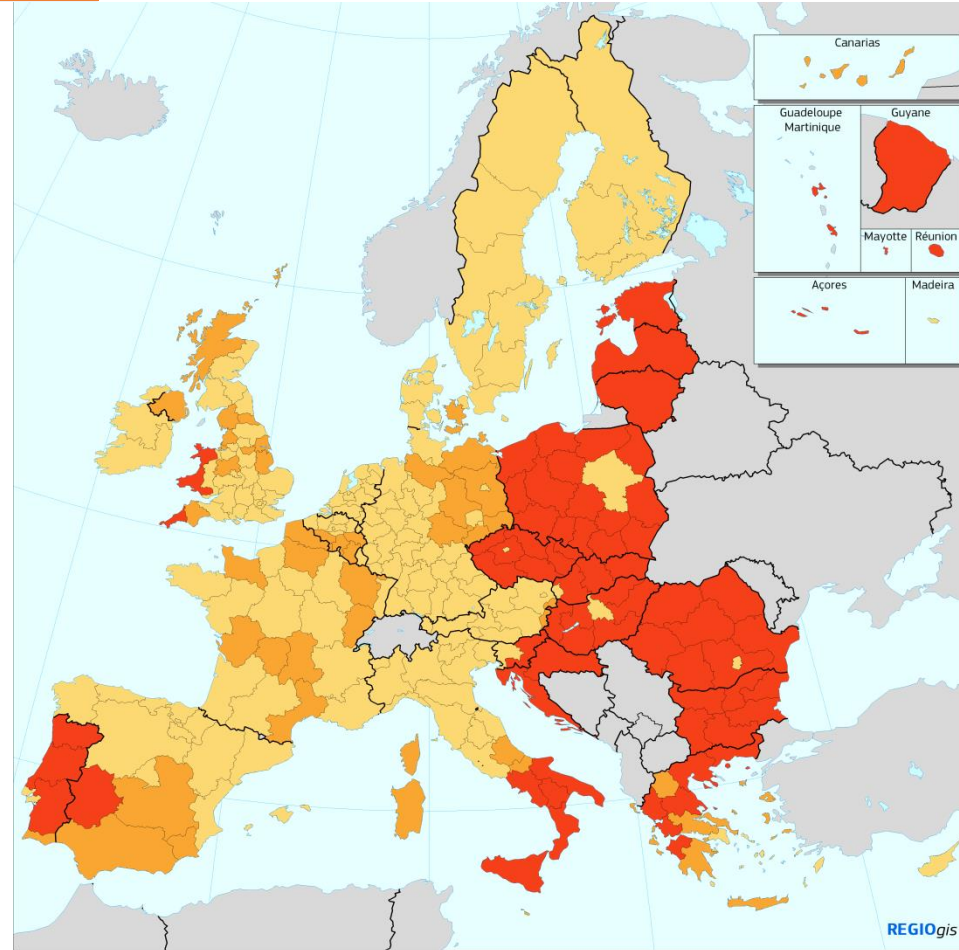


- **Cohesion Policy:** €40 billion for investments in energy efficiency, renewable energy, smart distribution grids and sustainable urban mobility, including research and innovation in those areas, plus some 2 billion € for smart energy infrastructure
- Other **European Structural and Investment (ESI) Funds:** €5 billion from European Agricultural Fund for Rural Development and European Maritime and Fisheries Fund for low-carbon
- **Horizon 2020:** €5.7 billion for research and innovation in "Secure, clean and efficient energy"
- **Connecting Europe Facility:** €4.7 billion for investments in TEN-E infrastructure of highest European added value
- **LIFE+** and **COSME** also relevant for certain aspects
- **European Fund for Strategic Investments (EFSI):** Mobilising private financing for strategic investments, including in renewable energy, energy efficiency and energy infrastructure

Cohesion Policy



- Based on EU Treaty and aiming at 'economic, social and territorial cohesion' and 'reducing disparities'
- Major reform for the 2014-2020 period and alignment with Europe 2020 goals
- Three funds:
 - **European Regional Development Fund (ERDF)**
 - **European Social Fund (ESF)**
 - **Cohesion Fund (CF)**
- Total of € 352 billion over 2014-2020 concentrated in less developed regions



Structural Funds (ERDF and ESF) eligibility 2014-2020

Category

- Less developed regions (GDP/head < 75% of EU-27 average)
- Transition regions (GDP/head between >= 75% and < 90% of EU-27 average)
- More developed regions (GDP/head >= 90% of EU-27 average)



- Commission and Member States agree on **Partnership Agreements** at national level and **Operational Programmes** (OPs) at national/regional level.
- Programmes managed by **Managing Authorities** at national/regional level. Often national or regional Ministry for finance/economy/regional development.
- EU funds always **complemented by public or private funding – national, regional level or EIB**. Overall **co-financing rates** at programme level between 50% (more developed) and 85% (less developed regions).
- **Member States alone select and implement projects** in line with priorities of the OPs (principle of 'shared management'). However, 'major projects', i.e. investments with total eligible costs over € 50 million / € 75 million (depending on investment field), are submitted and approved by the Commission.
- **Monitoring Committees** (MCs) monitors implementation of OPs, Commission participates in advisory capacity.

11 Thematic Objectives (TOs)

Smart Growth

1. Research & innovation
2. Information and communication technologies (ICT)
3. Competitiveness of Small and Medium-sized Enterprises

Sustainable Growth

4. **Shift towards a low-carbon economy**
5. Climate change adaptation & risk management and prevention
6. Environmental protection & resource efficiency
7. **Sustainable transport & removing bottlenecks in key network infrastructures**

Inclusive Growth

8. Employment & support for labour mobility
9. Social inclusion & combating poverty
10. Education, skills & lifelong learning
11. Institutional capacity building & efficient public administration

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Translated into Fund-specific investment priorities

- Promoting **production and distribution of renewable energy (RES)**
- Promoting **energy efficiency (EE) and RES use in enterprises**
- Supporting **EE**, smart energy management and **RES** use in public infrastructures, including **in public buildings, and in the housing sector**
- Developing and implementing **smart distribution systems** at low and medium voltage levels
- Promoting low-carbon strategies for all types of territories, in particular for urban areas, including **the promotion of sustainable multi-modal urban mobility** and mitigation-relevant adaptation measures
- Promoting **research and innovation** in and adoption of low-carbon technologies (ERDF only)
- Promoting **the use of high-efficiency co-generation** of heat and power based on useful heat demand

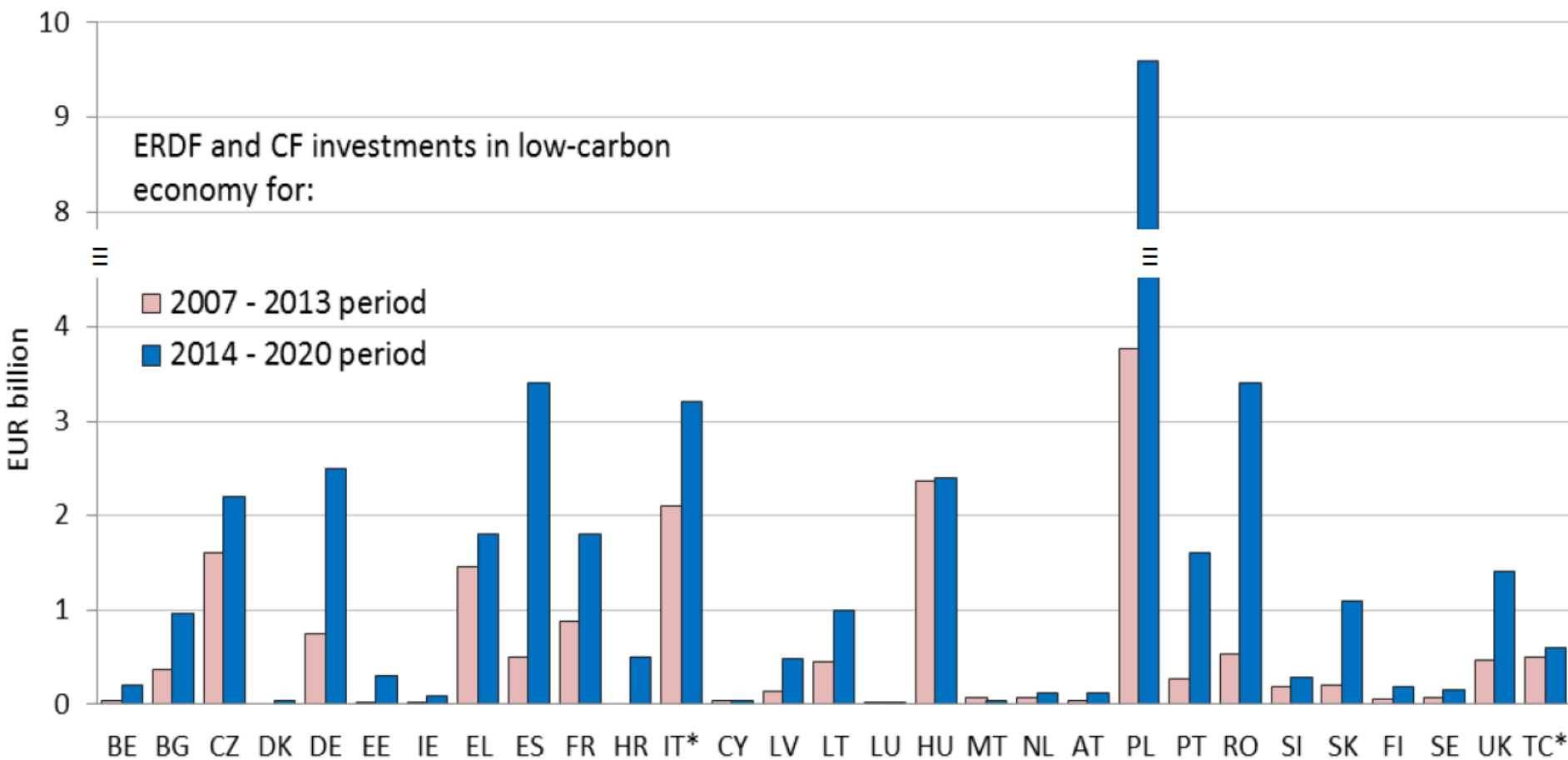
TO 7: Removing bottlenecks in key infrastructures



ERDF investment priority

- Improving energy efficiency and security of supply through the development of **smart energy distribution, storage and transmission systems** and through the **integration of distributed generation from renewable sources** (ERDF only)

Doubling of the funds for low-carbon (TO 4)



* - not all OPs adopted; TC - territorial cooperation

Expected main focus of Cohesion Policy RES investments 2014-2020

- In many MS, given the national support framework already in place for RES, the focus of Cohesion Policy support will mainly be on decentralised RES electricity production and RES use in heating and cooling
 - EE and RES use in **public buildings**, in particular demonstration of zero-emission and positive-energy buildings, and deep renovation of existing buildings
 - EE and RES use in **residential buildings**
 - EE and RES use in **enterprises**, in particular SMEs
- **Innovative renewable energy technologies, in line with the SET-Plan and the Energy Roadmap 2050**
- **Integrated low-carbon strategies and sustainable energy action plans**



A comprehensive policy framework **particularly well-suited for low-carbon investments** by offering:

- Integrated territorial development and strategic planning
- Preconditions for funding and support for EU *acquis* implementation
- Mobilisation of private finance – including via financial instruments for many of the low-carbon areas
- Broad engagement of stakeholders, building partnerships
- Territorial cooperation opportunities and macro-regional dimensions
- Possibilities for capacity-building, technical assistance and support
- Synergies with Horizon 2020 and other EU funding

Additional opportunities for cities

- **Integrated actions for sustainable urban development** (Art. 7 ERDF Regulation): 40% goes into low-carbon economy
- **Urban Innovative Actions** (Art. 8 ERDF Regulation)
- **Urban Development Network**
- **URBACT programme** (INTERREG)

Commission support available

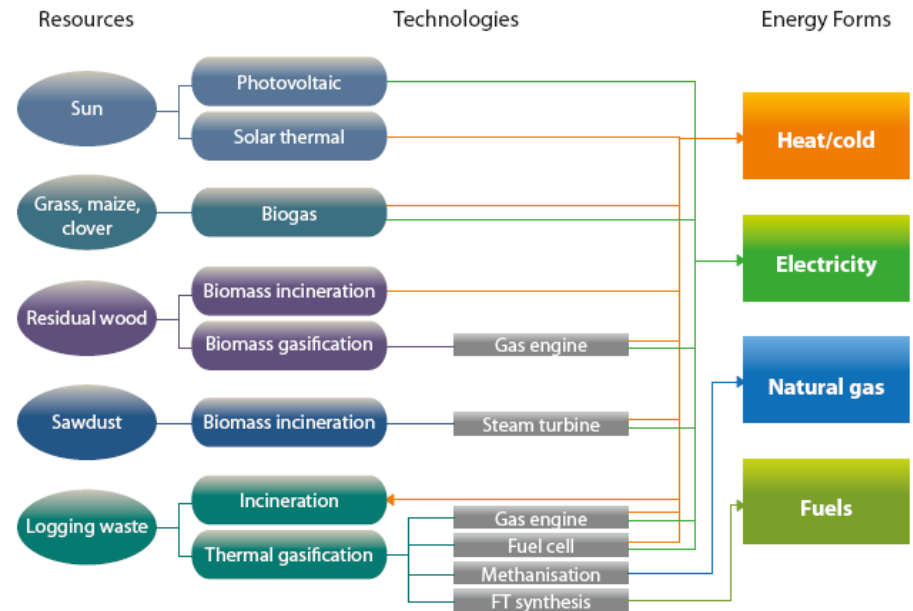


- EMA Network of Energy and Managing Authorities
- Smart Specialisation Platform, including on Energy
- Advisory platform for financial instruments: *fi-compass*
- Off-the-shelf financial instruments, including 'Renovation loan'
- Administrative capacity support
- Guidance documents, workshops
- RegioStars Awards and Open Days for regions and cities
- ...



Example: Biomass, solar and wind – Burgenland, AT

- Regional development and innovation strategy in RES over more than 15 years
- Initial situation: economic downturn, depopulation, unemployment
- Objective to re-develop the region based on local characteristics and assets
- Reach energy self-sufficiency
- Generate regional growth, employment and tax revenues



Example: Biomass, solar and wind – Burgenland, AT

RENEWABLE ENERGY SOURCES, BURGENLAND (1995-99, 2000-06)

Amounts in €

Aid programme	Number of projects	Eligible costs	EU	National
Objective 1 1995-99 (ERDF)	4	15 735 299	2 865 890	4 412 469
Objective 1 2000-06 (ERDF)	15	95 900 644	17 741 507	9 607 864
Additionality 2000-06 (ERDF)	20	43 214 981	0	11 861 321
INTERREG IIA	10	674 439	222 164	241 937
INTERREG IIIA	4	922 646	461 323	276 879
LEADER+	10	1 954 736	892 045	250 292
Objective 1 2000-06 (EAGGF)	190	21 994 684	6 339 824	2 113 274
Total	253	180 397 429	28 522 753	28 764 038

Case study available at:

http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/eval2007/cohesion_achievements/burgenland.pdf

Conclusions



- **Cohesion Policy 2014-2020** plays a strong role in delivering the **Energy Union**
- There is a **clear political commitment** to the low-carbon economy and significant funding
- Significant **opportunities for regions and cities**
- Development and implementation of **high-quality low-carbon projects** – now crucial for success
- Mobilisation of private finance with the help of Cohesion Policy funding needed, including via **financial instruments**
- **Good governance, continued partnership and coordination** – essential at all levels

More information

Thematic Guidance on Cohesion Policy investments in the shift towards a low-carbon economy and Guidance on Financial Instruments in Cohesion Policy 2014-2020:

http://ec.europa.eu/regional_policy/index.cfm/en/information/legislation/guidance/

Financing the energy renovation of buildings with Cohesion Policy funding – Technical Guidance:

http://ec.europa.eu/regional_policy/index.cfm/en/information/publications/guides/2014/financing-the-energy-renovation-of-buildings-with-cohesion-policy-funding

Smart Specialisation Platform:

<http://s3platform.jrc.ec.europa.eu/home>

Guide "Connecting Smart and Sustainable Growth through Smart Specialisation":

<http://s3platform.jrc.ec.europa.eu/documents/10157/0/greengrowth.pdf>

Guide "Enabling synergies between European Structural and Investment Funds, Horizon 2020 and other research, innovation and competitiveness-related Union programmes"

http://ec.europa.eu/regional_policy/en/information/publications/guides/2014/enabling-synergies-between-european-structural-and-investment-funds-horizon-2020-and-other-research-innovation-and-competitiveness-related-union-programmes

fi-compass advisory platform for financial instruments:

<http://www.fi-compass.eu/>

Standard terms and conditions for financial instruments ('off the shelf') , including 'Renovation loan':

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.271.01.0016.01.ENG

Financial Instruments: A Stock-taking Exercise in Preparation for the 2014-2020 Programming Period:

http://ec.europa.eu/regional_policy/index.cfm/en/information/publications/reports/2013/financial-instruments-a-stock-taking-exercise-in-preparation-for-the-2014-2020-programming-period

Cohesion Policy Project Examples:

http://ec.europa.eu/regional_policy/indexes/project_examples_en.cfm