



Energy efficiency financing: Support from the European Structural and Investment Funds (ESIF)

Sofia, June 2018

DG Regional and Urban Policy

ESIF 2014-2020

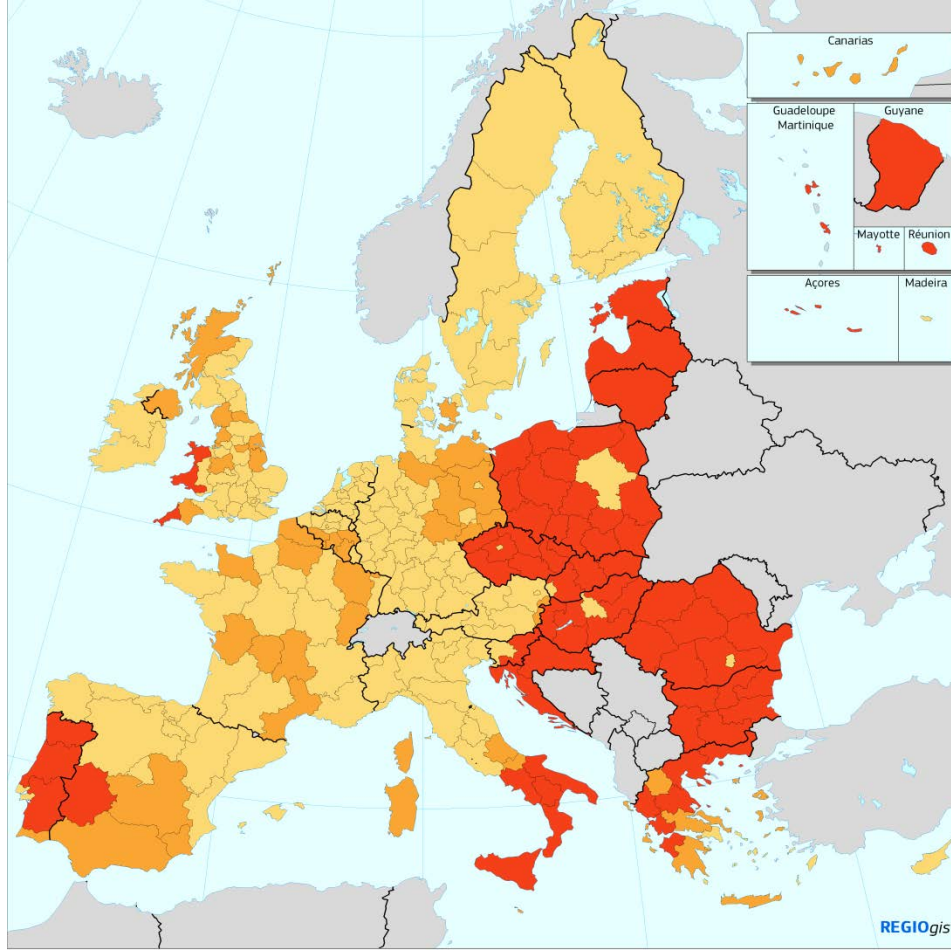


European Structural and Investment Funds (ESIF): EUR 454bn

- European Regional Development Fund (ERDF)
- Cohesion Fund (CF)
- European Social Fund (ESF)
- European Agricultural Fund for Rural Development (EAFRD)
- European Maritime and Fisheries Fund (EMFF)

Cohesion policy (ERDF, CF, ESF): EUR 352bn over 2014-2020 concentrated in less developed regions, aiming to:

- Reduce disparities between Europe's regions strengthening economic, social and territorial cohesion
- Contribute to the Europe 2020 Strategy for smart, sustainable and inclusive growth



ERDF and ESF eligibility for 2014-2020 period:
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)

Shared management

Thematic Objectives & concentration



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

Translated into Fund-specific investment priorities

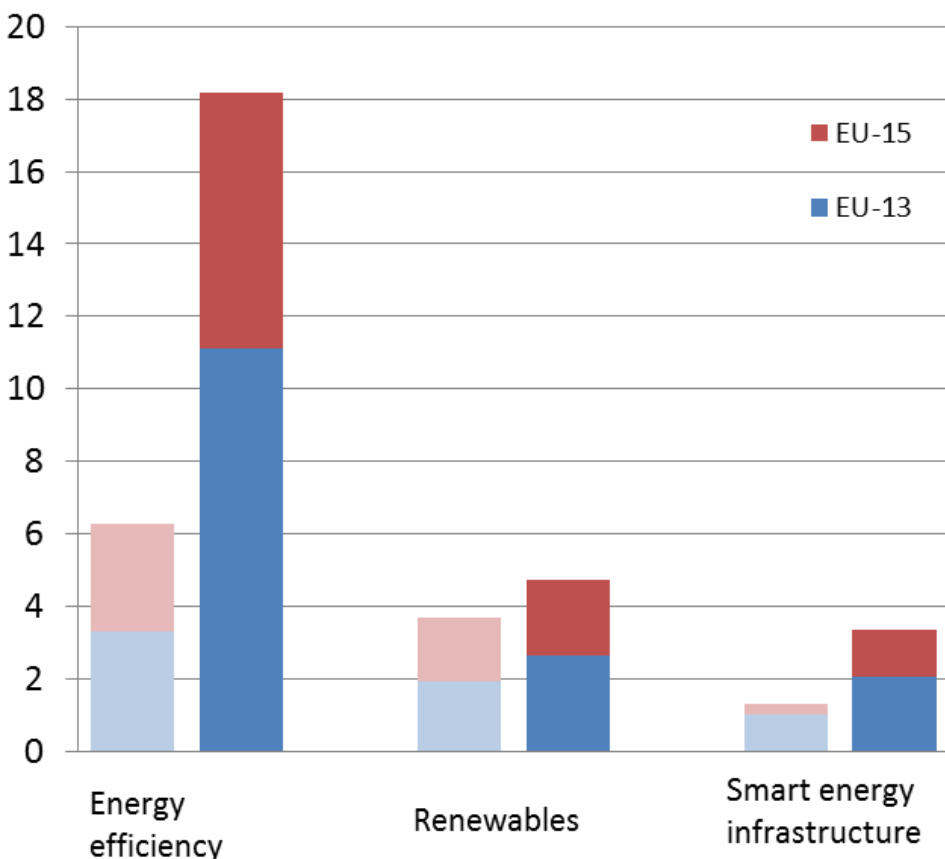
Thematic concentration: low-carbon economy

- Thematic concentration: obligatory % of ERDF for different types of regions to be spent on innovation, digital growth, SME's, low-carbon economy
- Low-carbon economy: more developed regions 20% ERDF; transition 15% less developed 12%.
- Includes: RES, energy efficiency in enterprises, energy efficiency in housing, smart grids, low-carbon urban strategies including mobility, innovation in low-carbon technologies, high-efficiency CHP and co-generation

Funding leading to benefits for people, regions and businesses



ERDF+CF allocations in EUR billion, all EU MSs
Comparison 2007-2013 vs 2014-2020



875 000 households will live in buildings that have been renovated to reduce energy use.



Around **7 670 MW** of additional capacity of renewable energy production.



3.3 million additional energy users connected to smart grids.



Public buildings will use **5.2 TWh/year less energy** than they do now.



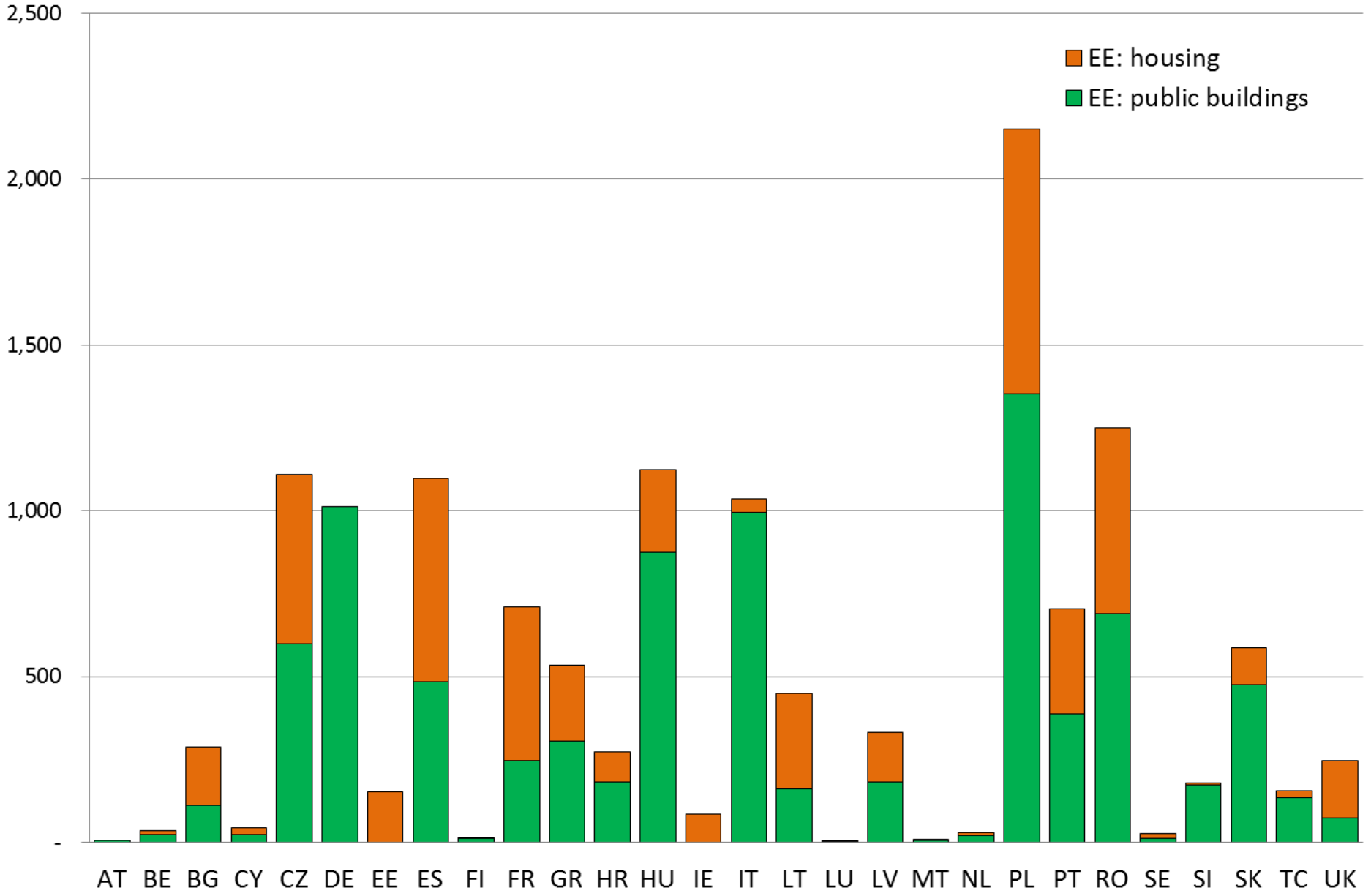
Energy efficiency will be supported in over **57 000 companies**, mainly SMEs.

Planned allocations from the European Regional Development Fund (ERDF) and the Cohesion Fund (CF), 06/2016.

ERDF/CF support: examples



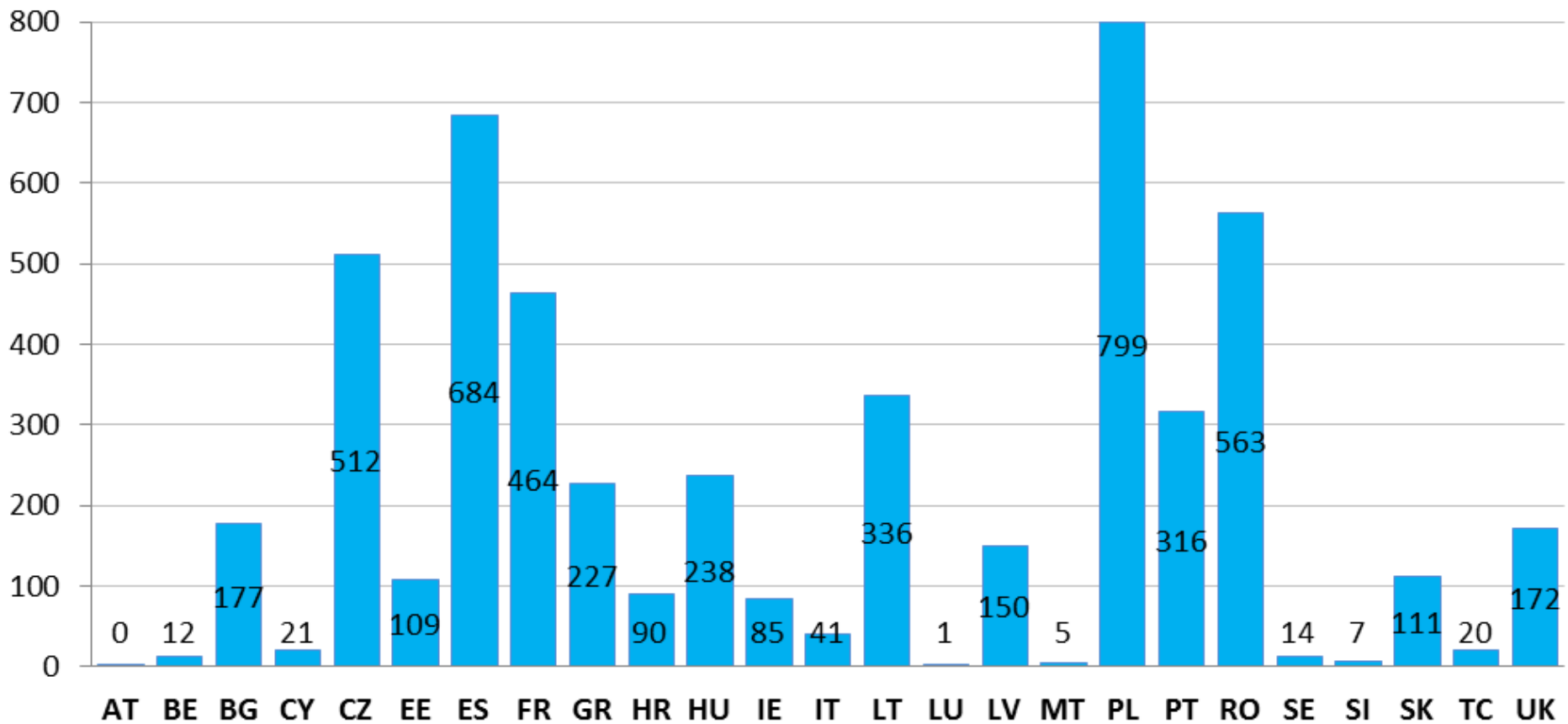
million EUR





875 000 households
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ERDF & CF allocations for energy efficiency of the existing housing stock in Million EUR



Planned ERDF and CF allocations for the 2014-2020 period, updated 10/2017.

Cohesion policy for Energy Efficiency in Slovenia

- 1 multi-fund Operational programme,
- ERDF + CF + national contribution for low carbon economy thematic objective = EUR 361 million, 9.5 % of the whole allocation, EUR 31 million to be invested via FIs
- EUR 202 million Energy efficiency in public buildings
- EUR 97.6 million Energy efficiency in enterprises
- EUR 7.8 million Energy efficiency in housing sector
- implementation still to gain speed
- successful implementation of intelligent energy distribution systems and renewables (especially biomass and high efficiency co-generation and district heating)
- FIs for EE in public buildings and for intelligent energy distribution systems, still in preparatory phase

Cohesion policy for Energy Efficiency in Croatia

- 1 Operational programme for ERDF + CF
- ERDF + CF + national contribution for low-carbon economy thematic objective amount to EUR 626 million, 7.7 % of the whole allocation, EUR 80 million to be invested via FIs
- EUR 249 million Energy efficiency in public buildings
- EUR 118 million Energy efficiency in enterprises
- EUR 118 million Energy efficiency in housing sector
- implementation still to gain speed
- grants for residential EE projects implemented, some progress in public buildings EE
- FIs for enterprises, private and public buildings and public lighting launched or in final preparatory phase, no visible results yet.

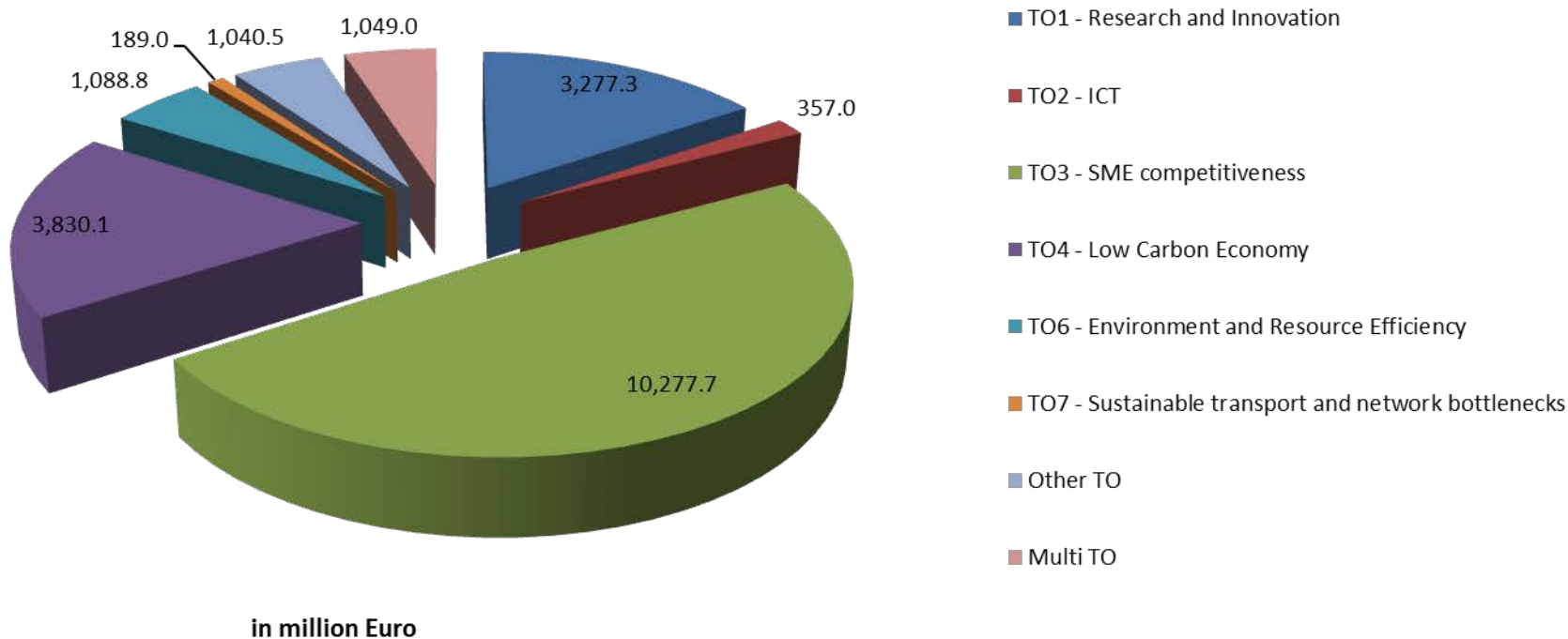
Cohesion policy for Energy Efficiency in Bulgaria

- 2 relevant ERDF Operational programmes:
OP 'Innovation and Competitiveness',
OP 'Regions in Growth'
- Allocation for low carbon economy thematic objective = EUR 1.2 billion (ERDF+EMFF+EAFRD), 12.5 % of the whole allocation
- EUR 130.5 million in Energy efficiency in public buildings
- EUR 264 million Energy efficiency in enterprises
- EUR 208.1million Energy efficiency in housing sector
- EE in enterprises all contracted
- EUR 34 million for FIs for energy efficiency in enterprises, they were already mandated to the Fund of funds

Financial instruments in 2014-2020



€ 20 billion planned allocations to FI for ERDF, ESF and CF by Thematic Objective





Lithuania - Municipalities involvement in Multi-Apartment Building Modernization

- Municipalities drew up lists of the worst energy performing buildings and appointed renovation administrators to optimize and simplify the administrative procedures
- Topic of the practice: Activation of demand and combating energy poverty, deployment of new financial instruments
- Indicators of success linked to the practice:
 - estimated total energy savings (kWh) – ~500.000 kWh up to the date.
 - reduction of (ton CO2 equivalent) emissions – ~116.000.
 - buildings renovated (as of 9 September 2016) – 848
 - estimated surface (m2) affected - ~ 1.5 million
 - buildings under renovation – 649
 - Investment projects evaluated (waiting list) – 1.411
- Circa €400 million investment materialized in multi-apartment buildings in Lithuania (ESI, commercial banks, state budget)



Estonia – Establishment of a loan fund for multi-apartment buildings

- In 2009, Estonia was the first Member State to channel cohesion policy funding into apartment building renovation programmes
- EUR 17.7 million ERDF; EUR 28.8 million loan from the Council of Europe Development Bank and EUR 20.2 million national resources,
- Implemented by a national promotional development bank as holding fund manager and two commercial banks as financial intermediaries
- By November 2014, more than **600 buildings** have been renovated resulting in **improved energy efficiency and living conditions in more than 22 000 apartments**
- The FI is continued in the 2014-2020 period, with private sector financing and reflows from the previous period

Financial instruments 2014-2020: legislation and guidance – useful links

- DG REGIO:
http://ec.europa.eu/regional_policy/en/funding/financial-instruments/
- fi-compass: <https://www.fi-compass.eu/>
- Investment Plan for Europe EC:
http://ec.europa.eu/priorities/jobs-growth-and-investment/investment-plan_en
- EFSI EIB website: <http://www.eib.org/efsi/index.htm>
- Brochure on ESIF and EFSI complementarities:
http://ec.europa.eu/regional_policy/sources/thefunds/fin_inst/pdf/efsi_esif_compl_en.pdf



A modern, dynamic policy

Modern investment

- Focus on transition to smart, low-carbon economy
- Stronger conditions & link to European Semester
- Comprehensive performance data (in near real time), open data

Simple, flexible, dynamic

- 7 funds, 1 regulation (50% shorter)
- 80 key administrative simplifications
- Faster implementation (return to n+2)
- Responsive to emerging needs (migration, economy)

For all regions

- Balanced and fair "Berlin method"
- 75% to poorest regions, where most needed
- Tackling emerging needs and economic transition across the EU

Policy objectives

11 objectives simplified and consolidated to 5:

1. A smarter Europe (innovative & smart economic transformation)
2. A greener, low-carbon Europe (including energy transition, the circular economy, climate adaptation and risk management)
3. A more connected Europe (mobility and ICT connectivity)
4. A more social Europe (the European Pillar of Social Rights)
5. A Europe closer to citizens (sustainable development of urban, rural and coastal areas and local initiatives)

2 horizontal objectives:

- Administrative capacity building
- Co-operation between regions and across borders (embeds co-operation in mainstream)

ERDF thematic concentration



- Maintaining spending in the key areas for growth and jobs
- At national level based on GNI per head => flexibility

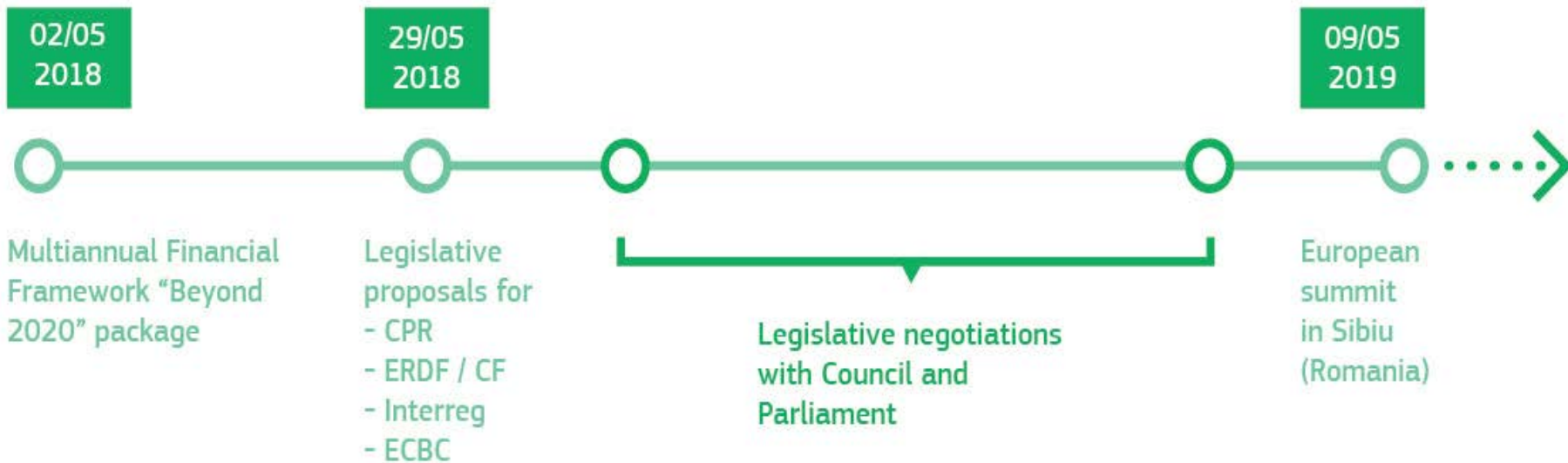
For countries with:	minimum % PO1 ("smarter Europe")	minimum % PO2 ("greener, low carbon Europe")
GNI below 75%	35%	30%
GNI 75-100%	45%	30%
GNI above 100%	60%	PO1 + PO2 min. 85%

- 6% of budget to urban development, delivered through local development partnerships (can overlap with above)

Indicative Allocations by Member State

Member State	2021-27 allocation (billions, 2018 prices)	Change from 2014-2020 period (%)	Aid intensity (EUR/head)	Change from 2014-2020 period (%)
BG	8.9	8	178	15
RO	27.2	8	196	17
HR	8.8	-6	298	0
LV	4.3	-13	308	0
HU	17.9	-24	260	-22
EL	19.2	8	254	12
PL	64.4	-23	239	-24
LT	5.6	-24	278	-12
EE	2.9	-24	317	-22
PT	21.2	-7	292	-5
SK	11.8	-22	310	-22
CY	0.9	2	147	-5
SI	3.1	-9	213	-11
CZ	17.8	-24	242	-25
ES	34.0	5	105	3
MT	0.6	-24	197	-28
IT	38.6	6	91	5
FR	16.0	-5	34	-9
FI	1.6	5	42	2
BE	2.4	0	31	-5
SE	2.1	0	31	-6
DE	15.7	-21	27	-20
DK	0.6	0	14	-3
AT	1.3	0	21	-4
NL	1.4	0	12	-3
IE	1.1	-13	33	-17
LU	0.1	0	16	-14
EU27	331	-9.9	106	-11

Timeline



The screenshot shows the homepage of the 'EUROPEAN STRUCTURAL AND INVESTMENT FUNDS DATA' platform. At the top, there is a navigation bar with 'HOME', 'ABOUT', 'EXPLORE EU DATA', 'EXPLORE BY THEME', 'EXPLORE BY COUNTRY', and 'EXPLORE BY FUND'. The main heading is 'European Structural Investment Funds - explore our data'. Below this are three filter buttons: 'EU LEVEL' (blue), 'THEME' (red), and 'COUNTRY' (green), with a 'FUND' button in a grey box. The page is divided into three columns: 'ABOUT THIS TOOL' (explaining the platform's purpose for 2014-2020), 'HOW TO USE THIS TOOL' (describing filtering options), and 'HELPFUL LINKS' (listing ESIF funds like Cohesion Fund, etc.). A large banner features a coastal town scene with the text 'The European Structural Investment Fund budget 2014-2020 is ... EUR 454 Billion' and a 'EU finances Overview' button. The footer includes a 'Catalogue' section, 'Contact Us' (regio-webmaster@ec.europa.eu), and 'Follow Us' on Twitter with the hashtag #ESIF.

Thank you for your attention!

List of Programmes and Managing authorities:
http://ec.europa.eu/regional_policy/en/atlas/programmes/
http://ec.europa.eu/regional_policy/en/atlas/managing-authorities/

Open data platform:
<https://cohesiondata.ec.europa.eu>
http://ec.europa.eu/regional_policy/en/policy/evaluations/data-for-research/

Project examples:
<https://ec.europa.eu/budget/euprojects/>
http://ec.europa.eu/regional_policy/EN/projects/
<http://ec.europa.eu/esf/main.jsp?catId=46>