



Clean Energy for EU Islands – Cohesion Policy support

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EU Cohesion Policy: Financial Dimension



Article 174 of the TFEU:

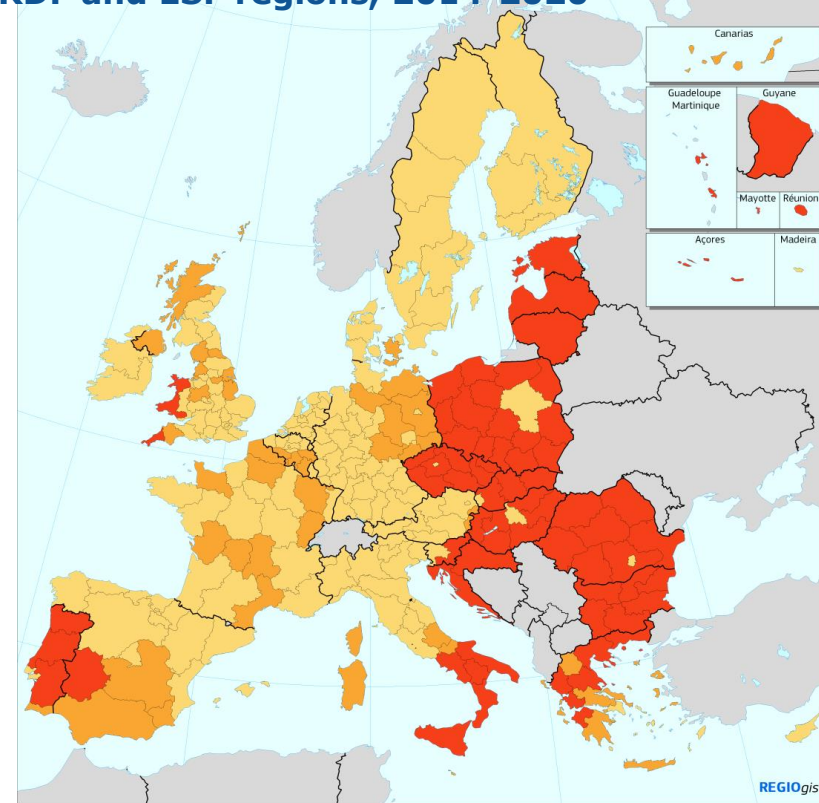
- In order to promote its overall harmonious development, the Union shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion.
- In particular, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions.
- Among the regions concerned, particular attention shall be paid to rural areas, areas affected by industrial transition, and **regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and **island**, cross-border and mountain regions.**

European Structural and Investment Funds (ESIF):

- 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 352 billion 2014-2020**

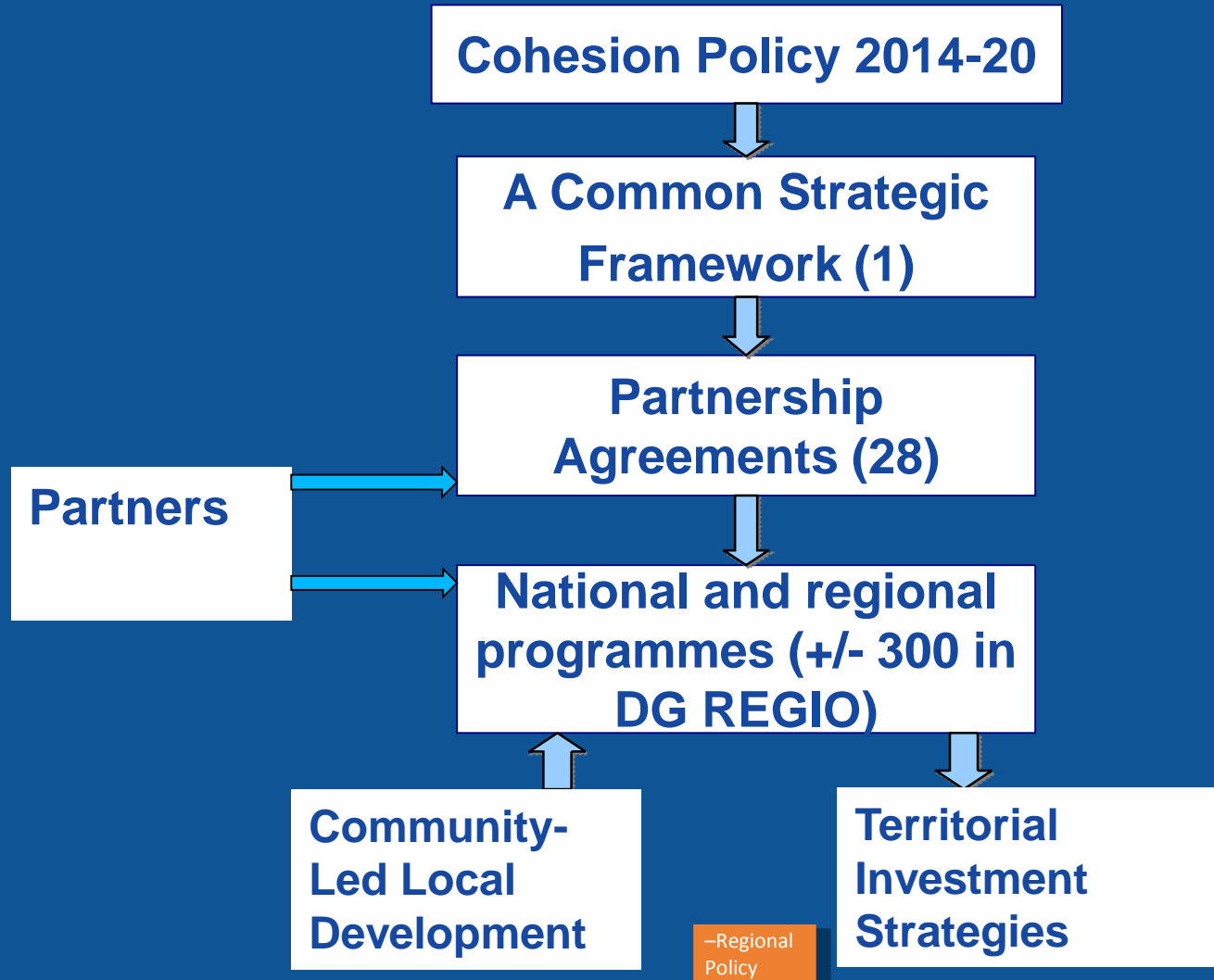
ERDF and ESF regions, 2014-2020



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)


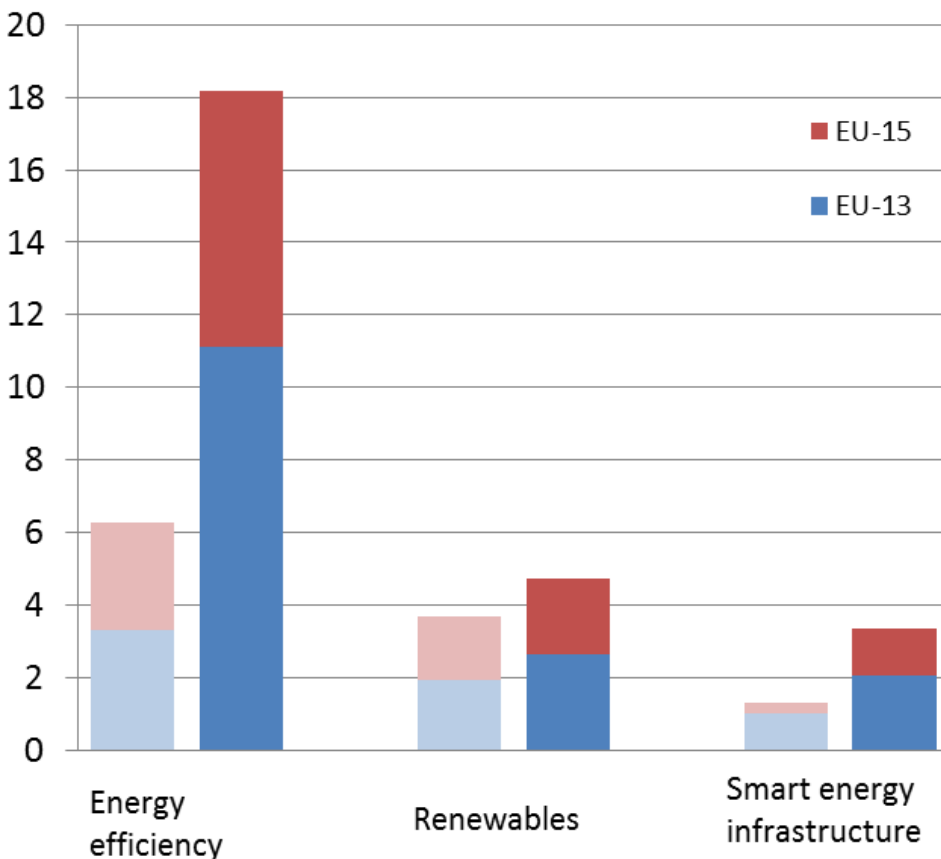
EU Cohesion Policy and Multi-level Governance




Significant support for clean energy investment



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.



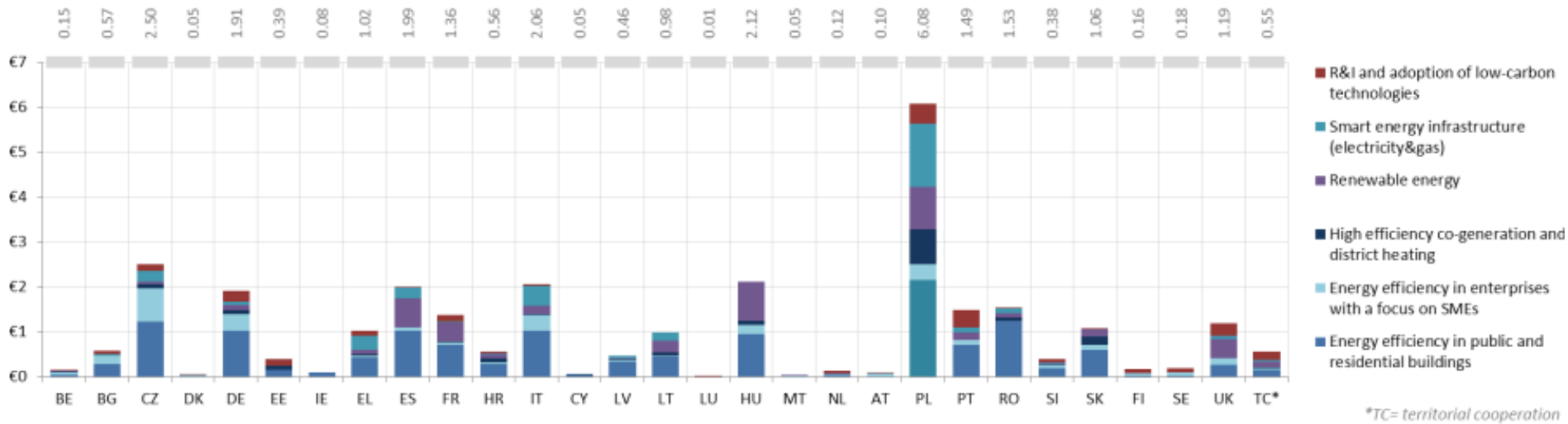
Energy efficiency will be supported in over **57 000 companies**, mainly SMEs.

Planned allocations from the European Regional Development Fund (ERDF) and the Cohesion Fund (CF) as of May 2016. In addition, significant allocations to transport-related areas also contribute to Energy Union objectives.

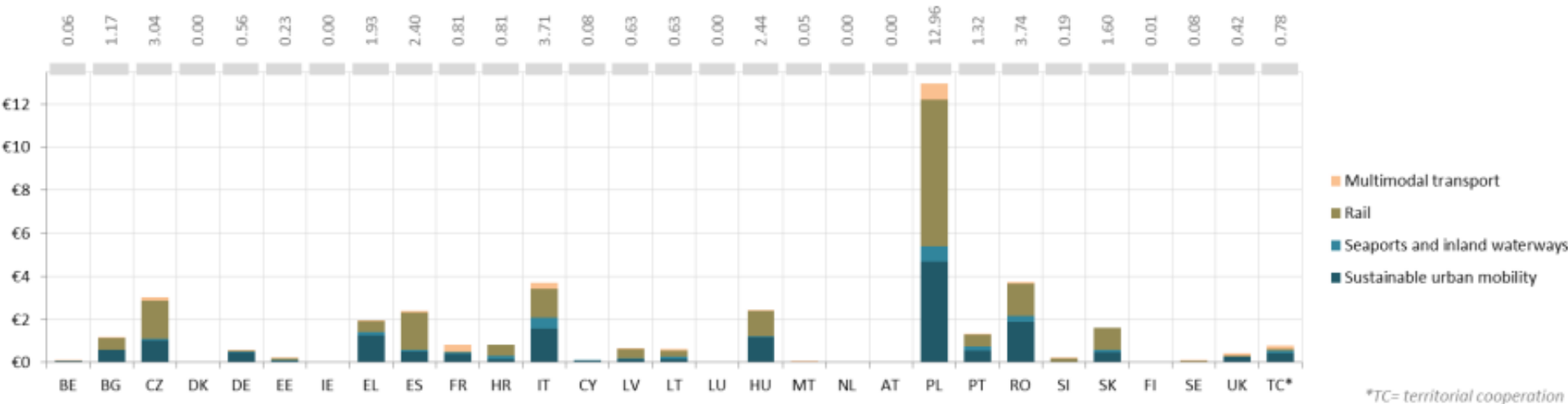
Funding suited to the local needs



ERDF and CF allocations to energy and low-carbon R&I 2014-2020 in EUR billion



ERDF and CF allocations to low-carbon transport 2014-2020 in EUR billion



A comprehensive policy framework



Cohesion Policy 2014-2020 – key elements of the framework:

- Investing in sectors within an **integrated, strategic vision** for balanced territorial development, taking into account the specific context and challenges, such as in **islands**
- Promoting a **multi-stakeholder approach**, building partnerships public/private/civil society
- Focusing, as a priority, on **decentralised, place-based innovation**, building on **Smart Specialisation Strategies** ("S3")
- **Working across national borders, including sea borders** ('Interreg', e.g. Greece-Cyprus); macro-regional dimension
- Building **administrative capacity** and providing **technical assistance and support**
- Mobilising **private finance**, including via financial instruments
- **Conditioning EU support** on EU *acquis* implementation, including Energy Performance of Buildings, Energy Efficiency and Renewable Energy Directives
- **Synergies** with Horizon 2020, CEF, EFSI and other EU funding



- Joining-up the Commission's thinking and actions: Cohesion Policy acting to complement the work being developed by energy policy specialists by promoting relevant investments in the programmes
- Specifically, encouraging project promoters in the islands to apply for funding from existing ESIF programmes
- Given due priority to the EU's outermost regions (in ES, FR, PT): Communication on "A stronger and renewed strategic partnership with the EU's outermost regions" (October 2017), suggests that the outermost regions should take a leading role on clean energy transition, in line with the Clean Energy for EU Islands initiative
- Ongoing coordination DG ENER – DG REGIO

Project examples



In **Greece**, for decades, electricity production in the islands relied on fossil fuels, including low quality lignite. With EU cohesion policy support, electricity will increasingly come through a new interconnection between the **Cyclades** and the Greek mainland which should be completed within the 2014-2020 programmes.

Also, a specific interconnection project between **Crete** and the mainland is under development and will also provide a replacement for the thermal plant in Chanià. Other projects include those in biomass energy (photo).

Project examples



Réunion Island, France, invested EUR 41 million from the European Regional Development Fund, 2007-2013, in projects for renewable energy. Photovoltaic modules were installed atop 24 industrial buildings. This is one of a number of projects to develop solar, hydro, wind and biomass energy, as well as those to reduce electricity needs in residential buildings on an island which has the global aim of having 100% renewable-based electricity by 2030.

Conclusions



- **Cohesion Policy 2014-2020** plays a major role in delivering the **Energy Union**, including the Clean Energy for EU Islands initiative.
- **Significant funds** available for **clean energy investments** – including on **islands** – supporting **regional development** and delivering **socio-economic benefits**.
- Development and implementation of **high-quality energy projects** – including on **islands** – now crucial for success.
- **EMA members invited to promote the Clean Energy for EU Islands initiative** in contacts with authorities and stakeholders in relevant Member States and regions, including the outermost regions.
- **Good governance and continued partnership** – essential at all levels.