



Energy efficiency financing: what support from the European Structural and Investment Funds (ESIF)?

Dr. Gergana Miladinova
Team Leader Sustainable growth
Competence Centre 'Smart and Sustainable Growth'
DG Regional and Urban Policy

ESIF 2014-2020



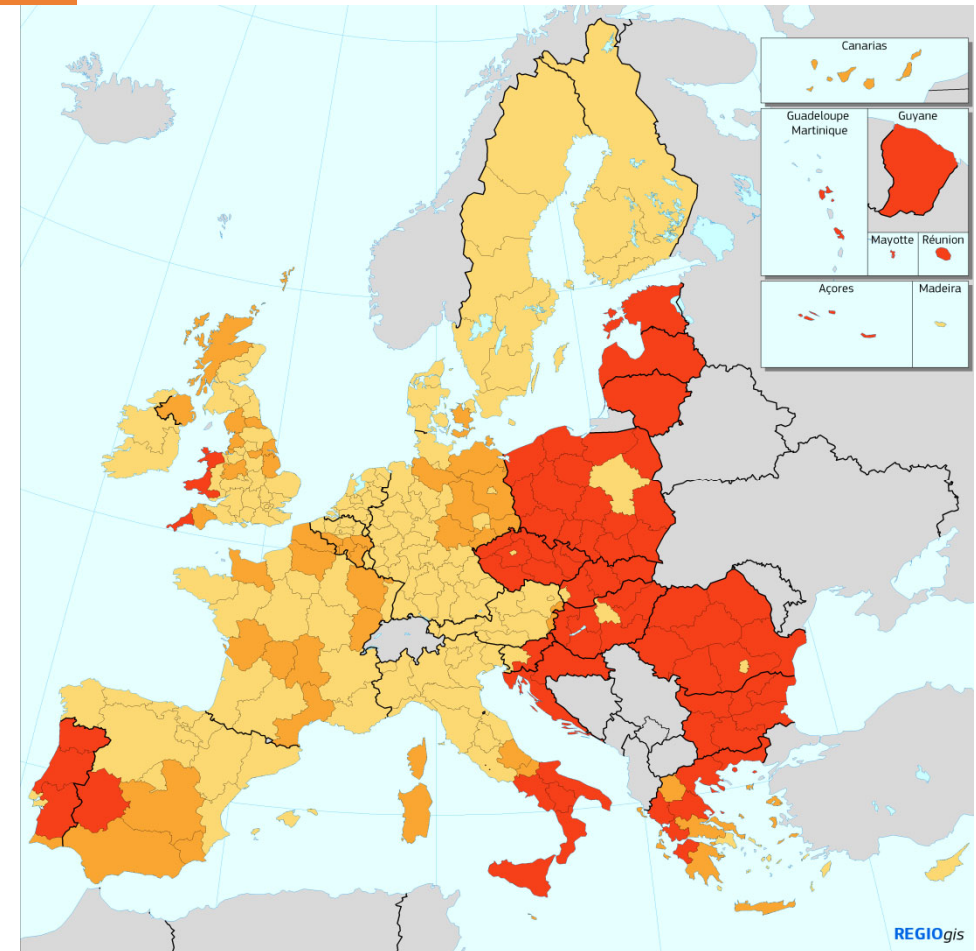
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European Structural and Investment Funds (ESIF):

- 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): €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 $\geq 75\%$ and $< 90\%$ of EU-27 average)
- More developed regions (GDP/head $\geq 90\%$ of EU-27 average)

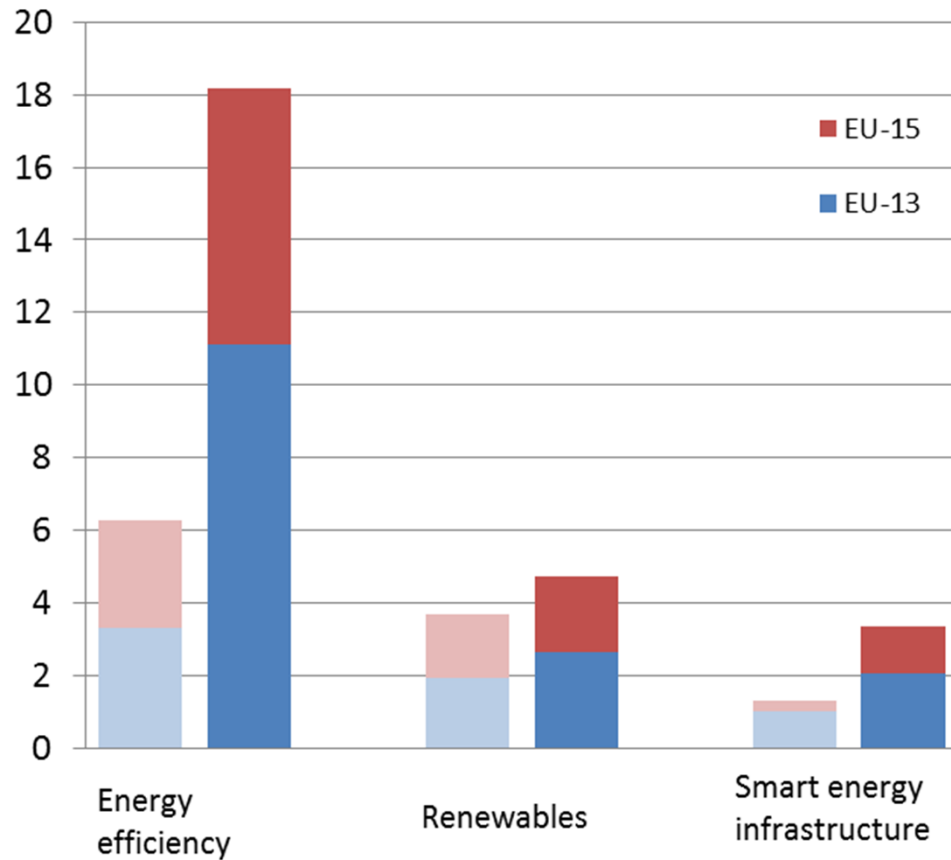
Shared management

Regional
Policy

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.

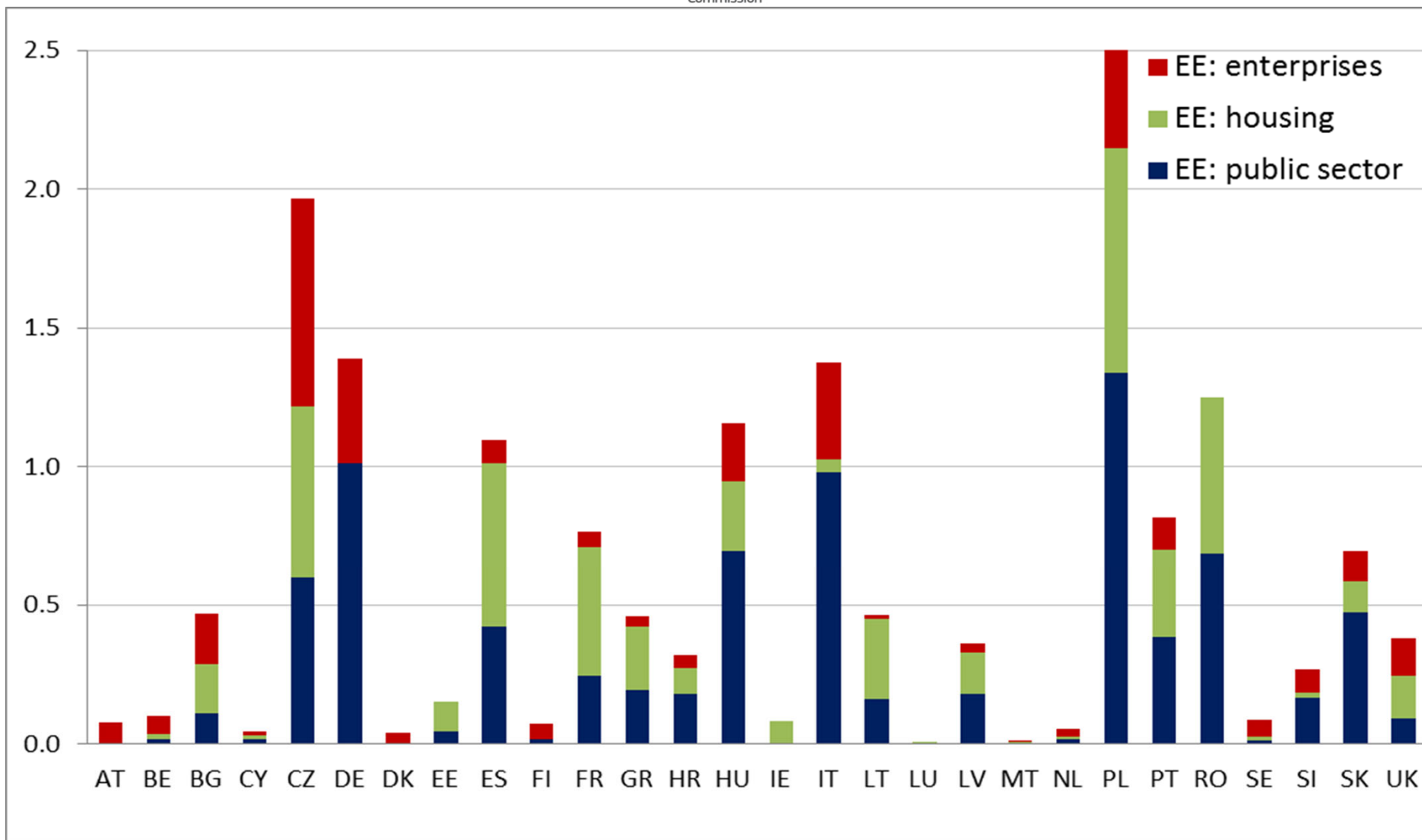
3.3 million additional energy users connected to smart grids.

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.

Energy efficiency: ERDF+CF for 2014-2020, in billion EUR



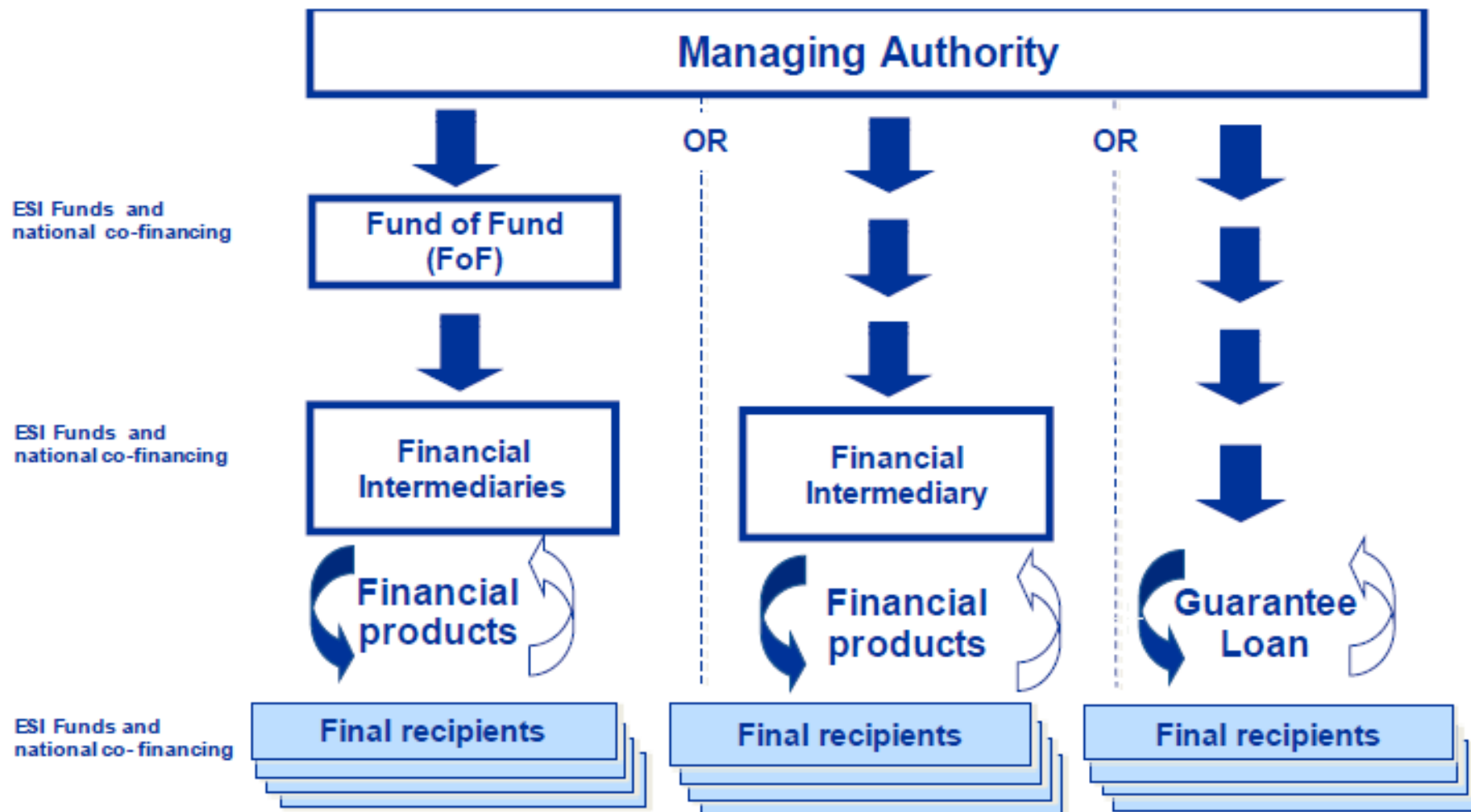
Total planned allocations per Member State from the ERDF and the CF as of January 2017

What role for financial instruments?



- Financial instruments – a delivery mode strongly encouraged for the 2014-2020 period
- Energy efficiency and renewables one of the areas particularly suited for FI
- Decision to deliver programmes' support through FI is with the managing authority
- About €4 billion allocated from ERDF/CF to financial instruments for 2014-2020 in the area of low-carbon economy (mainly energy efficiency and renewables)
- 8 fold increase compared to 2007-2013 period
- Possibilities for further increase of FI

Implementation options of FI (2014-2020)



Some results (by end 2015)



ESIF amounts committed in the funding agreements to FIs at the end of 2015, in million EUR

	ERDF and CF	ESF and YEI ¹	EAFRD	Total
TO1: Innovation and R&D	728.77	-	-	728.77
TO2: ICT	292.52	-	-	292.52
TO3: Support to SMEs	985.72	-	9.25	994.97
TO4: Low carbon economy	893.61	-	0.20	893.81
TO5: Climate change adaptation	57.01	-	-	57.01
TO6: Environmental and resource efficiency	-	-	-	0.00
TO7: Transport	119.00	-	-	119.00
TO8: Employment and labour mobility	95.54	148.60	-	244.14
TO9: Social inclusion	-	-	-	0.00
TO10: Investing in education and training	-	-	-	0.00
Total	3,172.17	148.60	9.45	3,330.22

http://ec.europa.eu/regional_policy/sources/thefunds/fin_inst/pdf/summary_data_fi_1420_2015.pdf

Commission support available



- Off-the-shelf financial instruments, e.g. 'Renovation loan'
-  **fi**  **compass**
- TAIEX REGIO PEER 2 PEER
- Guidance documents, e.g.:
 - Financial Instruments in ESIF programmes 2014-2020: A short reference guide for Managing Authorities
 - Brochure on ESIF and EFSI complementarities
 - Regio site: http://ec.europa.eu/regional_policy/en/funding/financial-instruments/
- TA and PDA from the operational programmes
- 'AMI list' call for experts:
 - http://ec.europa.eu/regional_policy/en/newsroom/funding-opportunities/calls-for-expressions-of-interest/



'Off-the-shelf' instruments: Renovation Loan



- Purpose of the loan: energy efficiency or renewable measures
- Target: natural, legal persons or independent professionals, administrators or other legal bodies acting on behalf and for the benefit of owners, owning premises (apartment or individual household).
- Loan maturity: up to 20 years (including grace period);
- Loan amount: up to EUR 75.000 / owners;
- Advantage for the owners: access to finance at preferential conditions (interest rate and collateral reductions)
- Risk-sharing: 85%/15%, i.e. the financial intermediary shall contribute with its own private fund for a minimum of 15% (at market conditions);
- State-aid free at the level of the financial intermediary (full pass on of the financial advantage) and
- Compliant with de-minimis rule at the level of owners with economic activities.

Commission implementing regulation No 964/2014 of 11/09/2014

Conclusions



- The reformed Cohesion policy – important driver for energy efficiency investments for the 2014-2020 period
- Clear political commitment – now time for delivery!!!
- Increased use of financial instruments – needed for attracting private financing and for developing markets
- Modifications in the legal basis ongoing to facilitate the use of FI and the ESIF-EFSI complementarities
- Good governance and continued partnership - essential at all levels



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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>

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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

Financial instruments: Implementing options

CPR Art.38(1)- Managing authority may provide financial contribution to:

- a) Financial instruments set up at EU level (e.g. COSME, etc., i.e. financial instruments managed by the Commission);*
- b) Financial instruments set up at national, regional, transnational or cross-border level (i.e. financial instruments managed or under the responsibility of the managing authority).*

CPR Art.38(3)- Managing authority may provide financial contribution to:

- a) Financial instruments complying with the standard terms and conditions laid down by the Commission = off the shelf instrument,*
- b) Already existing or newly created financial instruments = tailor-made instrument.*

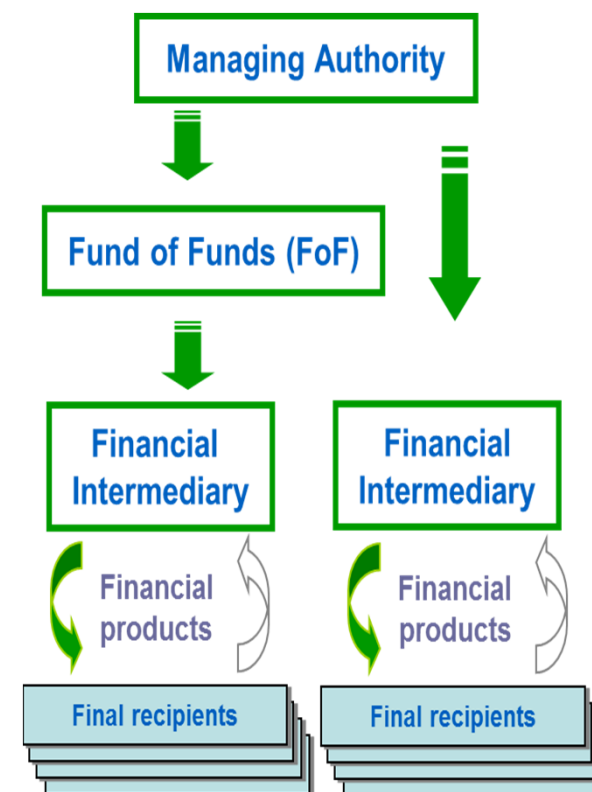


Figure 5 FIs planned and set up by product, as of end of 2015 (ERDF and CF)

