



# Cohesion policy support for energy efficiency

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**Roundtable on finance for energy efficiency in Spain**

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# Cohesion Policy 2014-2020

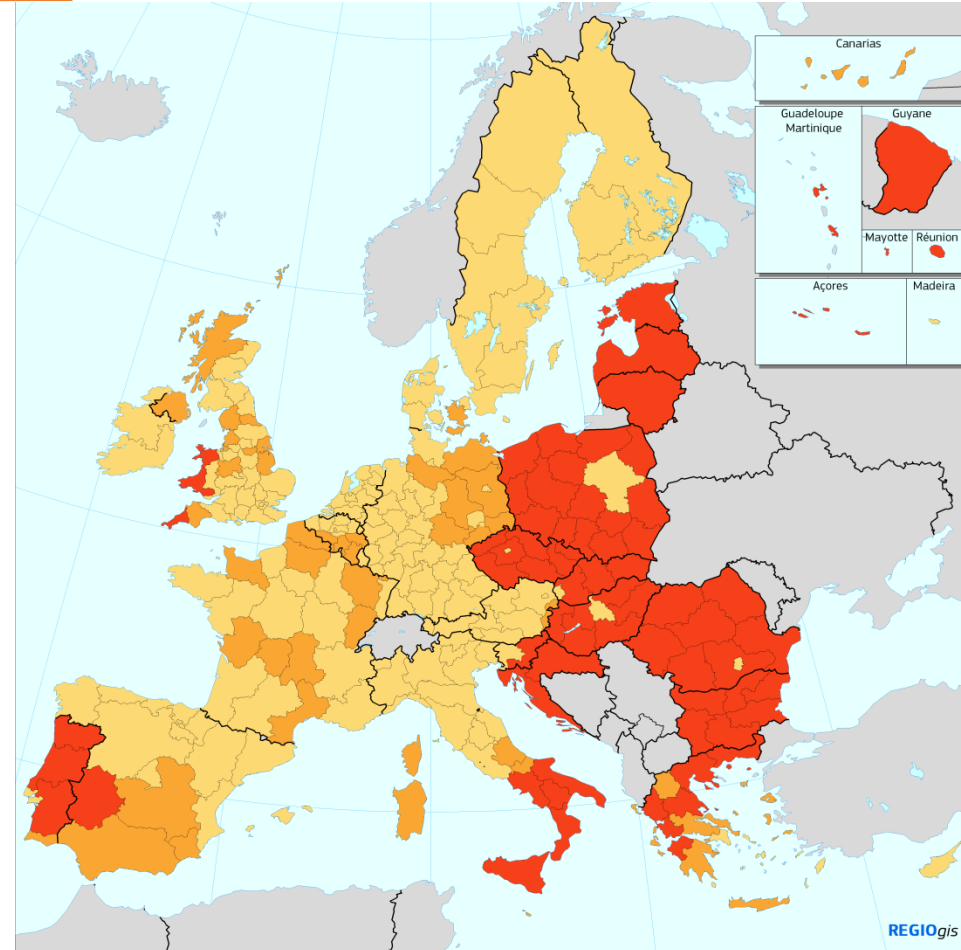


## Three funds:

- European Regional Development Fund (ERDF)
- European Social Fund (ESF)
- Cohesion Fund (CF)

€352 billion 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
- Under shared management



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)

# Under shared management



Legal  
Framework

Partnership  
Agreements

Operational  
Programmes

Management of  
programmes/  
Selection of  
projects

Monitoring/  
Annual  
reporting

## List of Programmes:

[http://ec.europa.eu/regional\\_policy/en/atlas/programmes/](http://ec.europa.eu/regional_policy/en/atlas/programmes/)

## Managing authorities

[http://ec.europa.eu/regional\\_policy/en/atlas/managing-authorities/](http://ec.europa.eu/regional_policy/en/atlas/managing-authorities/)

# Key features: Cohesion policy 2014-2020



- Result orientation and performance framework
- Thematic concentration of funds: 11 thematic objectives linked to the Europe 2020 Strategy
- Pre-conditions for funding (ex-ante conditionalities)
- Increased use of financial instruments and synergies
- Horizontal mainstreaming of climate/environment
- Partnership principle
- Enhanced urban dimension
- Increased emphasis on capacity building

# Thematic Objectives & concentration



Smart Growth

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

Sustainable Growth

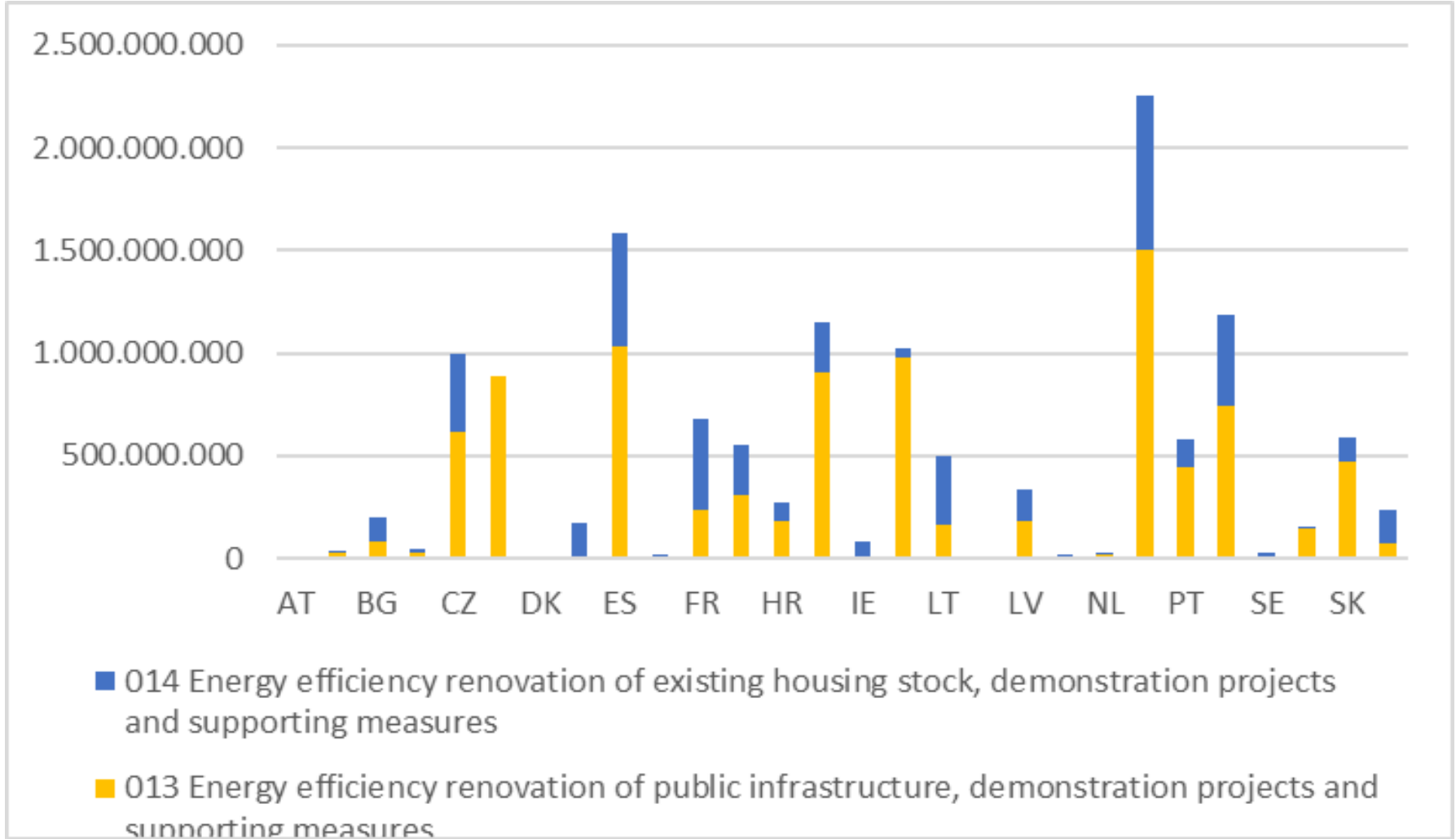
4. Shift towards a low-carbon economy
5. Climate change adaptation & risk management and prevention
6. Environmental protection & resource efficiency
7. Sustainable transport & removing bottlenecks in key network infrastructures

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**

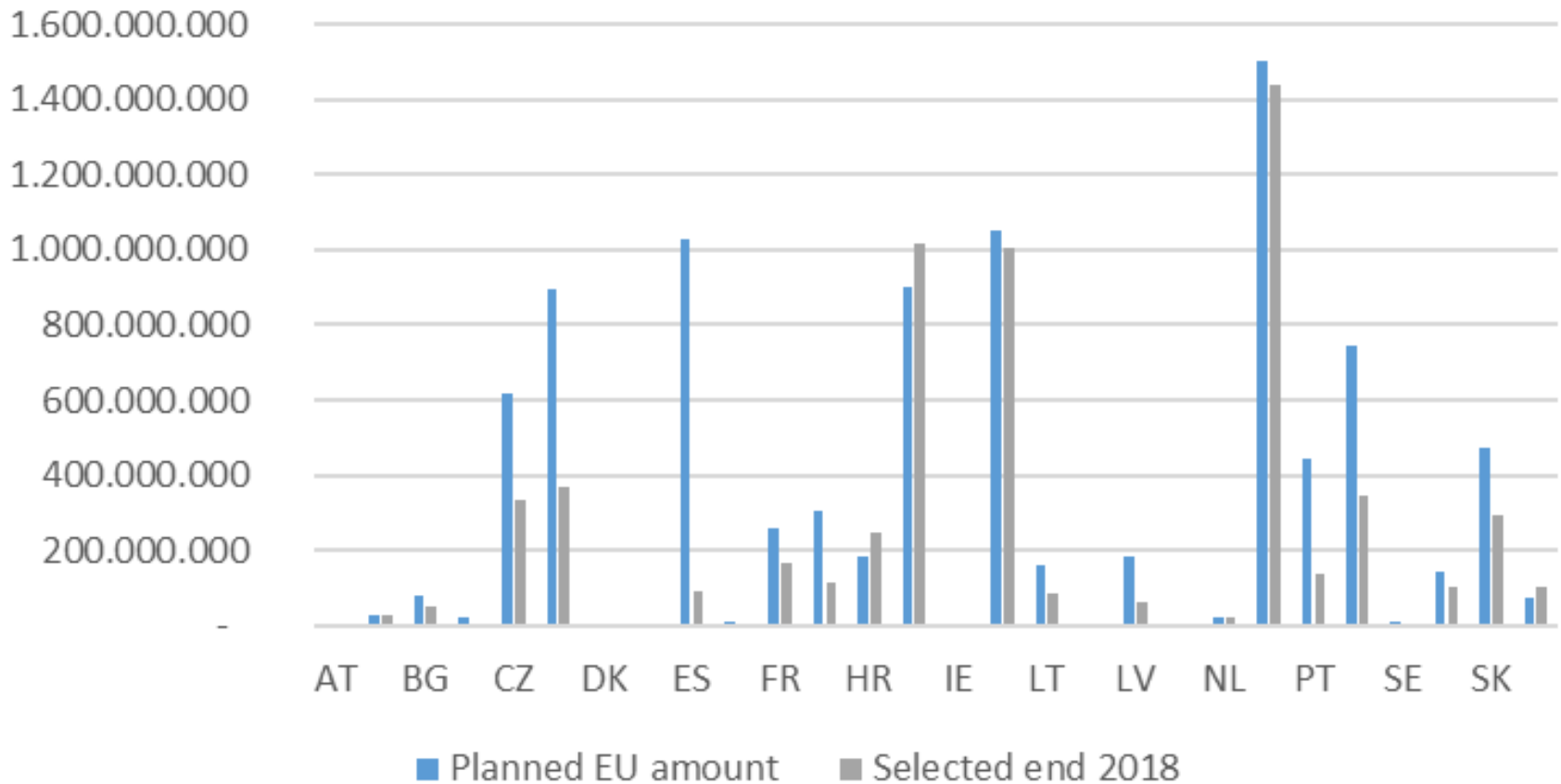
# ERDF/CF support



# Implementation



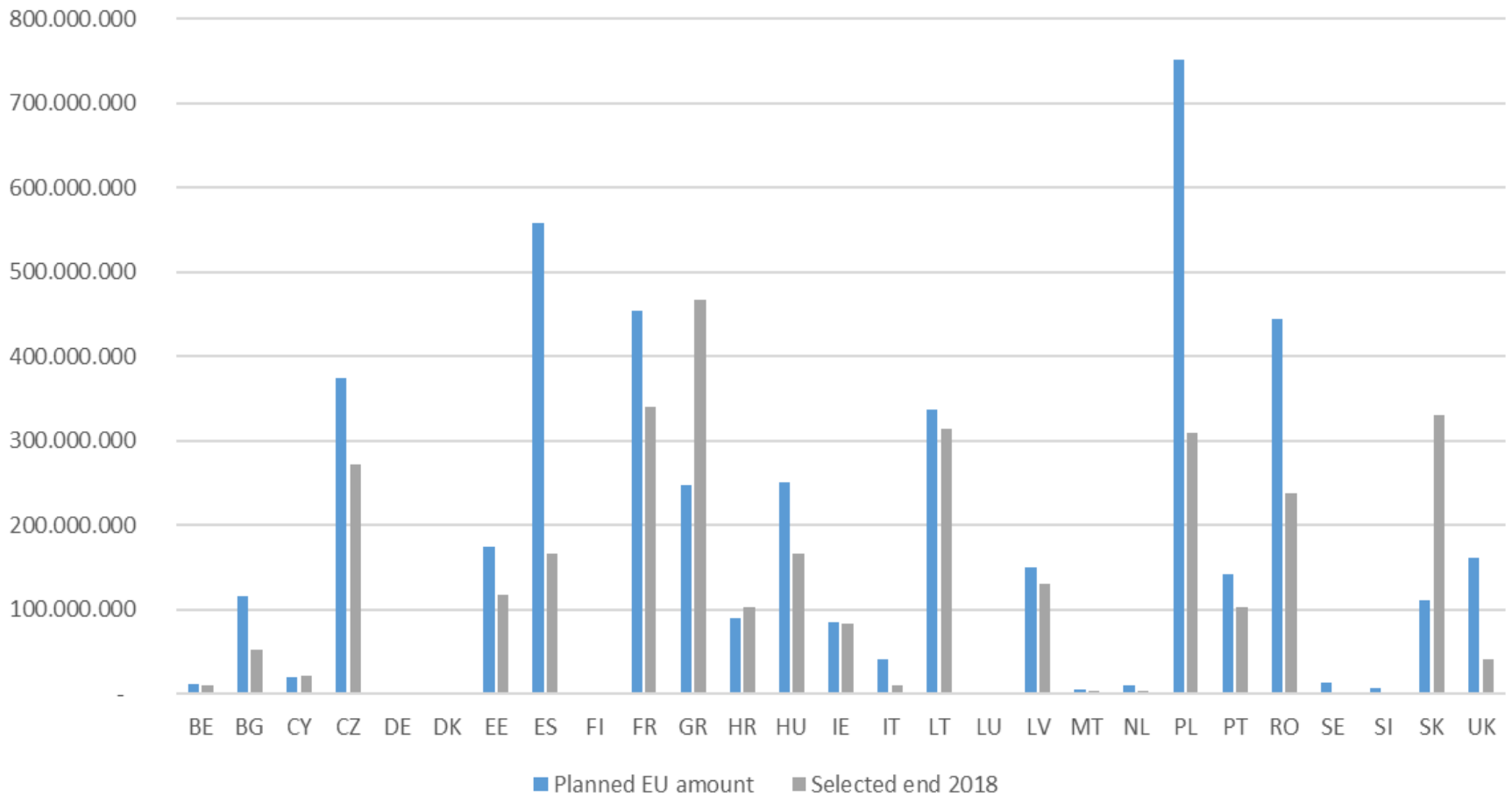
## EE in public infrastructure including buildings



# Implementation



EE in housing



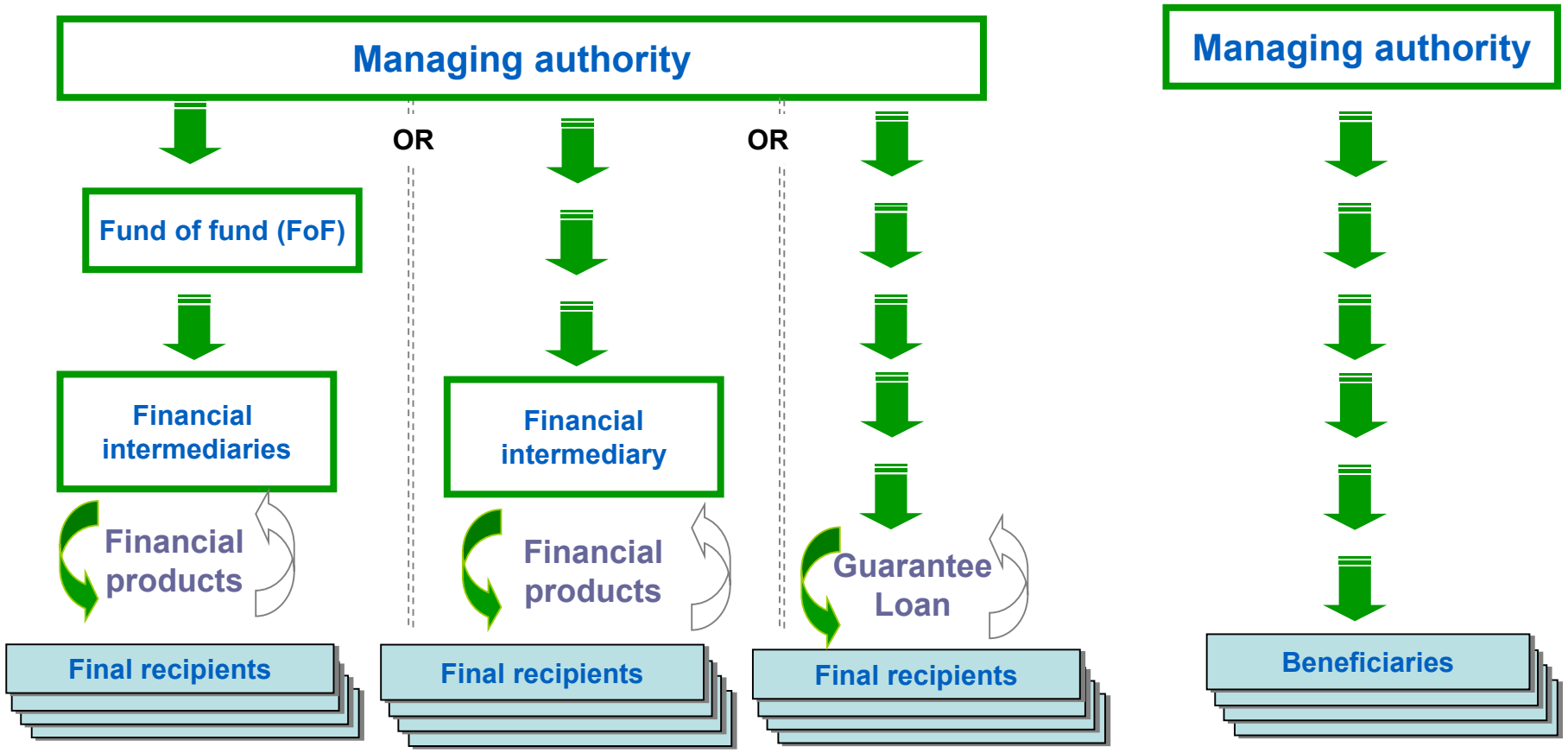




## 2014-2020 framework

- Performance-oriented legal framework to **promote the use** of financial instruments (FI)
- Financial instruments are a **delivery mode – not an objective**
- **Not all projects (investments) suitable to be supported with FI.** The activity should be generating income/revenue/cost savings in order to ensure repayment of investment
- **Decision** to deliver programme support through FI is with the **managing authority (MA)** if **ex ante assessment** shows they are needed

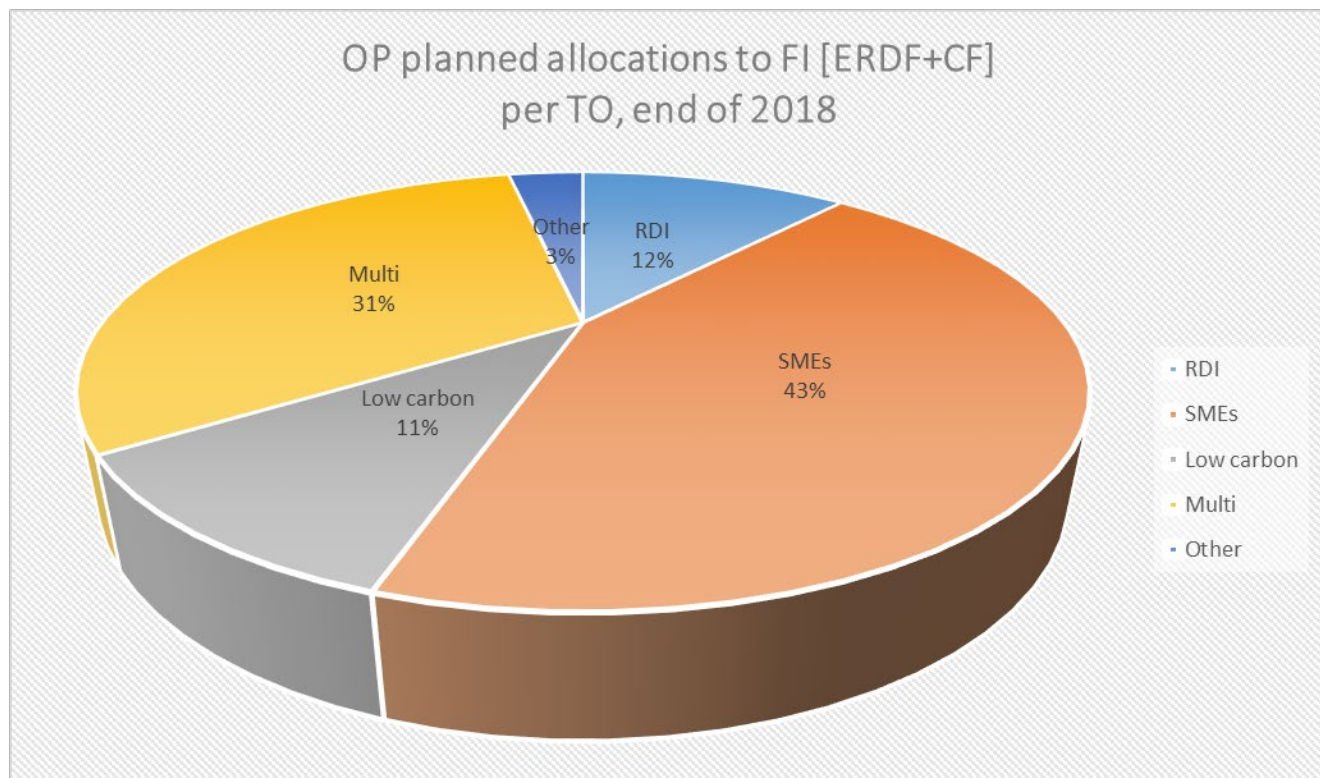
# FIs vs grants



Repayable FI INVESTMENT (loan, guarantee, equity)  
**prior to** project expenditure

Non-repayable GRANT SUPPORT  
**after** project expenditure

# Financial instruments in 2014-2020



**End of 2018: EUR 18 billion**

# Some results 2014-2020 (by end 2018)



**Programme amounts committed in the funding agreements to FIs at the end of 2018, in million EUR (ERDF+CF+ESF+YEI+national co-financing)**

	<b>Programme amounts</b>	<b>%</b>
<b>TO1: Innovation and R&amp;D</b>	2,952	16.7%
<b>TO2: ICT</b>	525	3.0%
<b>TO3: Support to SMEs</b>	10,782	60.9%
<b>TO4: Low carbon economy</b>	2,518	14.2%
<b>TO6: Environmental and resource efficiency</b>	467	2.6%
<b>TO7: Transport</b>	140	0.8%
<b>TO8: Employment and labour mobility</b>	101	0.6%
<b>TO9: Social inclusion</b>	230	1.3%
<b>Total</b>	<b>17,717</b>	

# Work on other initiatives and other support available



- Cohesion policy important element of several other initiatives (incl. Energy Union)
- Various support tools made available:
  - Advisory platform for financial instruments: fi-compass; Off-the-shelf financial instruments.
  - Administrative capacity support, including TAIEX REGIO PEER 2 PEER and support on public procurement and state aid
  - Smart finance for smart buildings (SFSB)
  - Thematic Smart Specialisation Platform on Energy
  - Networks, guidance documents, RegioStars Awards and European Week of Regions and Cities ('Open Days'), workshops
  - ..



# Transparency



## New open data platform:

<https://cohesiondata.ec.europa.eu>

[http://ec.europa.eu/regional\\_policy/en/policy/evaluations/data-for-research/](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/regional_policy/EN/projects/)

<http://ec.europa.eu/esf/main.jsp?catId=46>

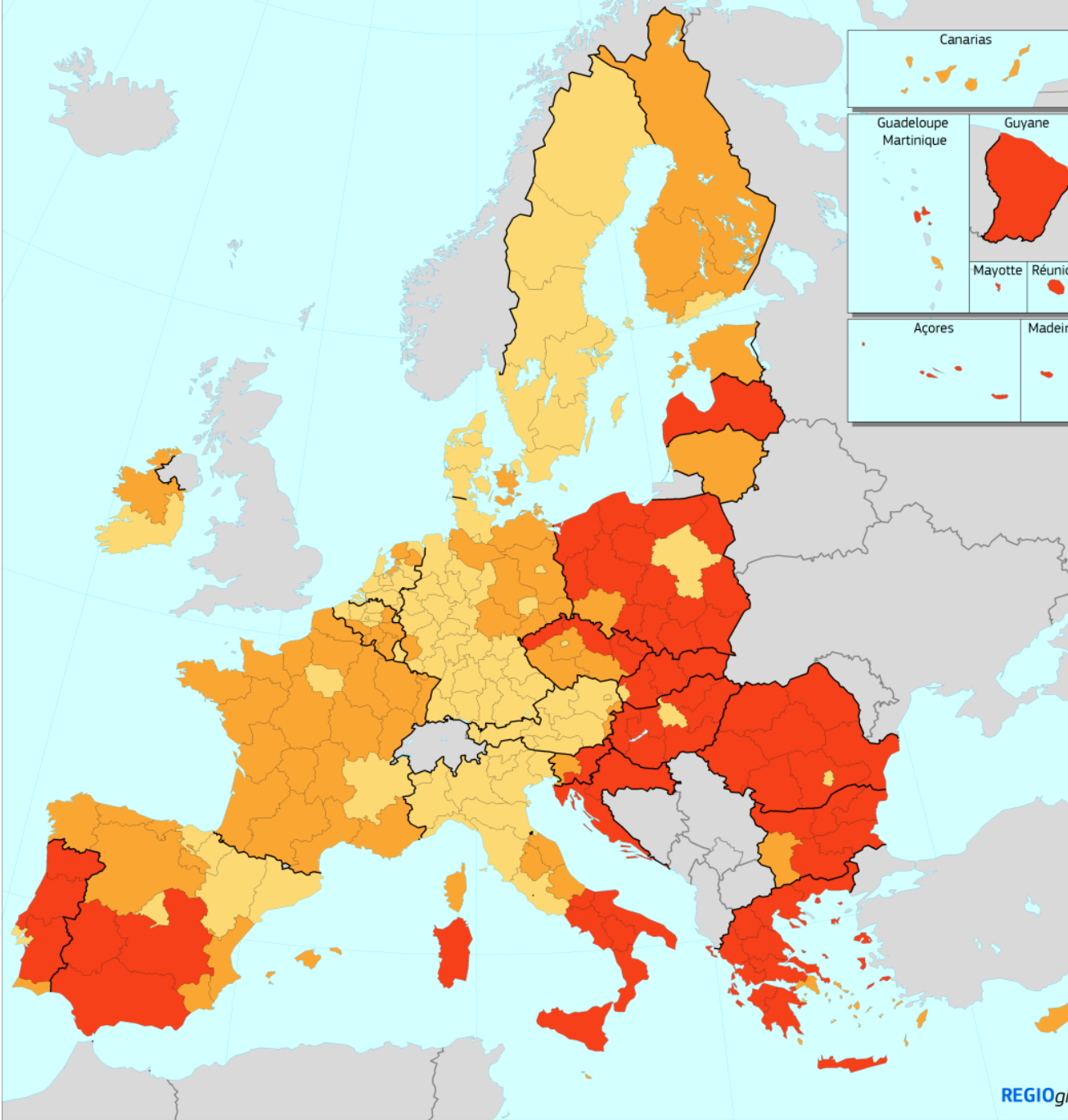
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# Cohesion policy

## 2021-2027

Index, EU-27 = 100

- < 75% (less developed regions)
- 75% - 100% (transition regions)
- >= 100% (more developed regions)

REGIOgi

GDP/head (PPS) by NUTS2 region, average 2014-2015-2016

# A modern, dynamic cohesion 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





## What's new?

- Shorter, flexible menu of 5 policy objectives, breaking sectoral silos
- A new, place-based, cross-cutting policy objective for ERDF - PO 5
- Capacity building and cooperation with partners within and outside Member States - horizontal priorities in all specific objectives
- Additional specific objectives for Interreg

## Why helpful?

- Limits cases where integrated actions are programmed under more than one PO
- *Example:* Policy objective "Smarter Europe":
  - Research and innovation
  - Digitalisation
  - SMEs
  - Skills
  - Education



11 objectives are simplified and consolidated into 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)

Horizontal issues: administrative capacity building, cooperation outside the programme area

ERDF: PO 1-5

Cohesion Fund: PO 2-3 (excl. broadband)

## Policy objective 2

**A greener, low-carbon Europe (including energy transition, the circular economy, climate adaptation and risk management)**

- (i) promoting energy efficiency measures;
- (ii) promoting renewable energy;
- (iii) developing smart energy systems, grids and storage at local level;
- (iv) promoting climate change adaptation, risk prevention and disaster resilience;
- (v) promoting sustainable water management;
- (vi) promoting the transition to a circular economy;
- (vii) enhancing biodiversity, green infrastructure in the urban environment, and reducing pollution;



- 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%	and PO1 + PO2 min. 85%

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

# Enabling conditions PO2

2.1 Promoting energy efficiency measures	Strategic policy framework to support energy efficiency renovation of residential and non-residential buildings	<ol style="list-style-type: none"> <li>1. A national long term renovation strategy ..</li> <li>2. Energy efficiency improvement measures to achieve required energy savings ..</li> </ol>
2.1 Promoting energy efficiency measures 2.2 Promoting renewable energy through investment in generation capacity	Governance of for the energy sector	National Energy and Climate Plan are adopted ...
2.2 Promoting renewable energy through investment in generation capacity	Effective promotion of the use of renewable energy across sectors and across the EU	<p>Measures are in place which ensure:</p> <ol style="list-style-type: none"> <li>1. Compliance with the 2020 national renewables binding target and with this baseline up to 2030 in accordance with the recast of the Directive 2009/28/EC</li> <li>2. An increase in the share of renewables in the heating and cooling sector by 1 percentage point per year up to 2030</li> </ol>
2.4 Promoting climate change adaptation, risk prevention and disaster resilience	Effective disaster risk management framework.	A national or regional disaster risk management plan, consistent with the existing climate adaptation strategies is in place ...
2.5 Promoting water efficiency	Updated planning for required investments in water and wastewater sectors	A national investment plan is in place ...
2.6 Developing the (Transition to) circular economy, through investment in the waste sector and resource efficiency	Updated planning for waste management	Waste management plan(s) are in place in accordance with Article 28 of Directive 2008/98/EC as amended by Directive EU 2018/xxxx and covering the entire territory of the Member State ...
2.6 Promoting green infrastructure in the urban environment and reducing pollution	Prioritised action framework for the necessary conservation measures involving Union co-financing	A priority action framework pursuant to Article 8 of Directive 92/43/EEC is in place ...



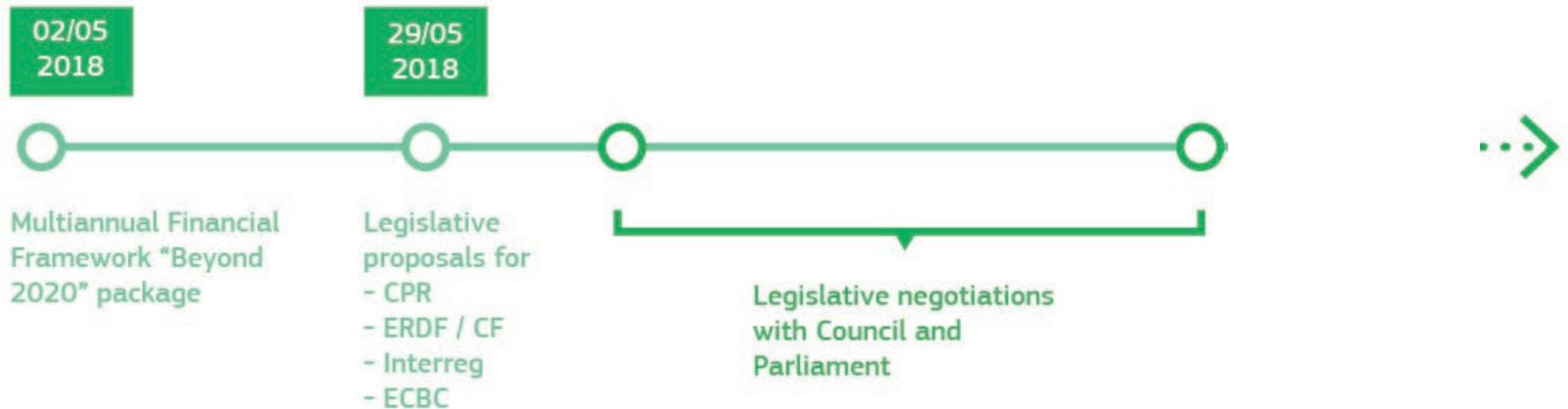
- Role of Managing Authority:
  - to take account of principle of sustainable development
  - to verify compliance of the operations with applicable law (incl. SEA Directive)
  - to ensure that, when required, EIA is carried out (following provisions of amended Directive)
  - **NEW!** to ensure the climate proofing of investments in infrastructure with an expected lifespan of at least five years
- Role of Commission:
  - **NEW!** may request to be consulted on project selection criteria
  - **NEW!** shall have a vote in the Monitoring Committee

# Further improvements



- Contribution to climate objectives: 30% for ERDF and 37% for CF
- **NEW!** Contribution to environmental objectives
  - tracked in parallel to climate change objectives, but no target
  - both based on Rio markers, linked to categories of investment
- More detailed categories of investment (e.g. with regard to risk prevention)
- More common indicators
- **NEW!** Operations of strategic importance

# Timeline



**27/02/2019 European Semester country reports + Annex D**

[https://ec.europa.eu/info/publications/2019-european-semester-country-reports\\_en](https://ec.europa.eu/info/publications/2019-european-semester-country-reports_en)

**Launch events in MS**



# Conclusions



- The **reformed Cohesion policy** – important driver for low-carbon investments for the 2014-2020 period
- Clear political commitment – the development and implementation of **high-quality projects** now crucial for success
- **Post-2020:** A modern and simplified cohesion policy with continued emphasis on energy
- Mobilisation of private finance with the help of Cohesion policy funds needed – the **use of financial instruments** essential
- **Monitoring, result orientation** – key elements
- **Good governance, continued partnership and coordination** – essential at all levels

**Thank you for your attention!**

