

**Draft Summary Minutes**  
**European Network of Energy Authorities and Managing Authorities of the Cohesion**  
**Policy 2014-2020**  
**EMA NETWORK**  
Brussels 16 and 17 March 2015

Participants

About **98 participants**, including representatives of managing authorities and energy authorities, stakeholders and representatives from the European institutions.

Introductory session

- *Colin Wolfe, DG REGIO, Head of Unit, G1 Unit, Competence Centre - Smart and Sustainable Growth)*  
C. Wolfe opened the meeting by welcoming all the participants and announced the agenda for the two days.  
He also recalled the purpose of the Network which is to act as a platform of exchange between energy and managing authorities and to maximise the cooperation at all levels.
- *Dominique Ristori, Director General for Energy*  
D. Ristori emphasised the good partnership between DG REGIO and DG ENER for addressing the energy challenges in the context of regional policy. He also reminded everyone that the European Commission (EC) adopted the new Energy Union Strategy on 25 February 2015 and underlined that the five dimensions of the Energy Union can only be realised if there is a strong cooperation at all levels.

Focusing on energy efficiency, D. Ristori spoke about the importance of developing the policy and regulatory framework and clear common European targets. Without a good regulatory framework, it is impossible to be successful with the investments. Far-reaching objectives along with predictability and stability are needed, which is why the new energy efficiency target is set to at least 27% and the Energy Efficiency Directive (EED) is planned to be revised. With the EED, the Energy Performance of Buildings Directive (EPBD) and the Ecodesign Directive, the EU has probably the most advanced legal framework for energy efficiency in the world.

Sector priorities are also very important. The EC focus will be on efficient buildings, efficient vehicles and efficient products. D. Ristori emphasised the challenge in the housing sector, as buildings represent a 40% share of the final energy consumption in the EU and heating and cooling represent 80% of these 40%. In the context of the Energy Union, a specific strategy will be developed for smart financing for smart buildings and for better financing of heating and cooling.

In relation to the Cohesion Policy funds, the EC and the Member States need to exploit more and better the financing capacities in relation to the EU priorities. This is

particularly important for the investments in sustainable energy and in mobility and the clean urban transport.

Furthermore, interconnections, gas and electricity infrastructure are crucial for Europe's energy security and for a more competitive internal market.

D. Ristori concluded by recalling that the energy sector is also expected to be one of the priorities if the European Fund for Strategic Investments (EFSI), with a focus on renewable energy, energy efficiency and electricity and gas infrastructure.

- *Walter Deffaa, Director General for Regional and Urban Policy*

DG ENER and DG REGIO have been working very closely together for several years, and the idea of this network is also to enable better cooperation between energy policy makers and the Cohesion Policy managing authorities in the Member States.

About EUR 38 billion of Cohesion Policy funding has already been allocated by Member States in the Partnership Agreements for investments to supporting the shift towards a low-carbon economy over 2014-2020. This represents more than a doubling of the amounts for such investments in the previous period. Moreover, for the EU as a whole, this also goes well beyond the minimum legal requirements for earmarking of funds for this topic – nearly 50% more than required. This confirms the commitment and great importance that Member States attach to investments in the area of low-carbon. Low-carbon economy includes both investments in sustainable energy (energy efficiency, renewable energy and smart distribution grids) and in sustainable multimodal urban mobility, including related research and innovation.

The Cohesion Policy funding will be complemented by national public and private co-financing. W. Deffaa emphasized the advantages of using financial instruments. Most of the Cohesion Policy support provided for energy investments has so far been delivered through grants. But that is not necessarily the most effective way to operate. Financial instruments can have a much larger impact than grants. They can have a leverage of 3 to 4, so with 1 euro of EU funds one can generate 3 to 4 euros of energy saving investments. Member States and regions need to ensure that public funding does not replace but complements and leverages private investment.

The EC also offers support in terms of technical assistance and capacity building. The Energy and Managing Authorities (EMA) Network is a cornerstone of this work.

In addition, DG REGIO with DG ENER and the EC's Joint Research Centre are working on the Smart Specialisation Energy Platform, which will look particularly into energy innovation and the broader uptake of energy projects in the EU regions and cities.

As to the territorial dimension, the EU's macro-regional strategies as well as European Territorial Cooperation – INTERREG – can also play an important role by further promoting and supporting energy issues in broader zones, including exchange of knowledge and experiences.

For providing specific assistance for the use of financial instruments, the European Investment Bank (EIB) and the EC have launched together a specific technical assistance

platform, *fi-compass*, providing practical know-how and learning tools on financial instruments. Furthermore, the EC offers to Managing Authorities so-called off-the shelf financial instruments, e.g. for renovation loans.

### **Session 1- Energy and Cohesion Policy – EMA Network**

*Chaired by Colin Wolfe (DG REGIO, Head of Unit, G1 Unit, Competence Centre - Smart and Sustainable Growth)*

This session included three introductory presentations regarding energy and Cohesion Policy.

*1) Tudor Constantinescu (DG ENER, Principal adviser to the Director General)*

The presentation "EU Energy investments for the European Energy Union" looked at the 2030 climate and energy Framework, the five dimensions of the Energy Union (security of supply, internal energy market, energy efficiency, decarbonisation, research and innovation) as well as on investments needs for energy and implementation principles.

*2) Charlina Vitcheva (DG REGIO, Director, Directorate G, Smart and sustainable growth and Southern Europe)*

The presentation focused on the EU Cohesion Policy framework for 2014-2020, from planning to implementation, with a focus on energy investments (the funding, the reform, thematic objectives, Cohesion Policy functioning, Partnership Agreements (PAs), Operational Programmes (OPs) and state of play of the 2014-2020 programming, financial instruments, ex-ante conditionalities, implementation, monitoring and reporting).

*3) Maud Skäringer (DG REGIO, Policy Analyst, Unit G.1, Competence Centre Smart and Sustainable Growth)*

This presentation gave an overview of the EMA Network and its organisation (purpose, members, scope, tasks, functioning, meetings) emphasising the informal nature of network and its main role as a platform of communication and exchange. In this sense, the issues treated will be based on real needs of the members and for that active participation is needed from the network members, based also on efficient internal communication within the Member States to prepare the meetings and to disseminate information.

### **Remarks by the participants on Session 1:**

The setting up of such a network was in general very well received. It is important to note that it aims to act as facilitator for a dialogue between the national administrations and to be in complementarity with existing initiatives. A website for the network would be much appreciated by the participants. Some participants already suggested topics for possible further discussions (e.g. state aid, use of financial instruments and of flat rates), while other suggested that more reflexions and work still need to be done at national level and then

brought for discussion at the level of the network. Concerns were raised regarding the resources each Member State has and their capacity to be involved in such groups/networks.

## **Session 2 - New approaches in implementing EU funding**

*Chaired by Stefaan Vergote (DG ENER, Head of Unit, A4 Unit, Economic analysis and Financial instruments)*

This session included nine presentations regarding new approaches in implementing EU funding with a strong focus on financial instruments.

*1) Camelia Kovács (DG REGIO, Policy officer, Unit G1, Smart and Sustainable Growth Competence Centre, Major Projects Team)*

This presentation focused on major projects in Cohesion Policy: about 1000 major projects for the 2007-2013 period; 950 submitted to the EC; 794 approved; 46 projects still to be submitted.

Major projects need to deliver significant contribution to results that the priorities of EU programmes aim to achieve. The projects should follow strategy; not that strategy follows projects. The scope of major projects needs to be concentrated on the best "value for money". The speaker concluded with key changes and differences in the framework for major projects between the 2007-2013 and 2014-2020 programming periods.

*2) Andreea Strachinescu (DG ENER, Head of Unit, Unit C2, New energy technologies, innovation and clean coal)*

A. Strachinescu made an overview on Horizon 2020 and the EU energy policy. Horizon 2020 is the biggest EU Research and Innovation programme ever, with nearly EUR 80 billion of funding available over 7 2014-2020 – in addition to the private investment that this money will attract. It promises more breakthroughs, discoveries and world-firsts by taking great ideas from the lab to the market.

The SET-Plan, adopted by the EU in 2008, is the technology pillar of the EU's energy and climate policy. It is the principal decision-making support tool for European energy policy. The projected budget request for the SET-Plan implementation has been estimated at up to €71.5 billion. Energy issues within Horizon2020 are addressed under the Energy Challenge, which is structured around seven specific objectives and research areas.

*3) Gergana Miladinova (DG REGIO, Team Leader 'Sustainable Growth', Unit G.1, Competence Centre Smart and Sustainable Growth)*

G. Miladinova provided information on Cohesion Policy support for research and innovation in energy and possibilities for synergies between this support and Horizon 2020. She also underlined the significant interest in energy innovation in the national and regional smart specialisation strategies and the creation of a new initiative 'Smart Specialisation Platform on Energy' which will offer further support. A specific guide on synergies between European Structural and Investment Funds, Horizon 2020 and other research, innovation and

competitiveness-related Union programmes was prepared and is available here:  
[http://ec.europa.eu/regional\\_policy/sources/docgener/guides/synergy/synergies\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/guides/synergy/synergies_en.pdf)

*4) Ralf Goldmann, (Deputy technical adviser in the PJ Energy department, EIB)*

This presentation focused on the support for programme and project development: JASPERS and ELENA. JASPERS is the technical assistance partnership to prepare major projects between DG REGIO, EIB, EBRD and represents an additional technical assistance resource for the Member States. The European Local ENergy Assistance – ELENA is used in the context of the EC-IFI (EIB, EBRD, KfW) cooperation to support local and regional authorities to reach 20-20-20 targets. Its budget for 2015 is 15 Mio €.

The speaker concluded with an energy efficiency example in the Province of Milan for which the finance was provided by local banks, supported by EIB loan (EUR 65 million) and the Technical Assistance was provided by the EIB-ELENA facility.

*5) Robert Pernetta (DG REGIO, Policy Analyst, B3 Unit, Financial Instruments and International Financial Institutions Relations)*

This presentation provided a general overview on financial instruments and the fi-compass platform for advisory services on financial instruments. Financial instruments have a high potential in the energy sector, they have a revolving character and higher leverage. The speaker presented the principles on financial instruments (FIs) (types of FIs, advantages of using FIs, ways to implement FIs). This was followed by a state of play in the energy sector, for both programming periods 2007-2013 and 2014-2020 (preliminary information); the ex-ante assessment (why, what, when) and the renovation loan off-the-shelf instrument.

*6) Ruta Dapkute-Stankeviciene, Ministry of Finance, LT)*

This presentation focused on the experience and progress of financial instruments in LT: ex ante assessments and lessons learned. The speaker first presented the EU funds investment priorities in Lithuania over two programming periods, with a more detailed overview of use of financial instruments in LT for the 2014-2020 period. This was followed by an explanation of the methodology for ex ante assessment, with a particular focus in ex-ante for energy efficiency and ex ante for public infrastructure. The speaker also made an overview of the results to be achieved by 2023, the development of Energy Service Companies (ESCO) model, funds for energy efficiency and for multi-apartment buildings and concluded with the preliminary results of the ex ante assessment.

*7) Peter Schulze, DG ECFIN, Unit L3, Financing of climate change, infrastructure policies and Euratom)*

The presentation "Investment Plan for Europe" looked at the proposed European Fund for Strategic Investments (EFSI) and presented the key aspects of the EFSI, the eligible sectors, and its principles. The Investment Plan for Europe aims to revive investment in strategic projects around Europe to ensure that money reaches the real economy. This should unlock additional investment of at least EUR 315 billion over the next three years.

The EFSI will address market gaps by taking on some of the risk and the EIB will provide loans and will in turn be covered by the EU budget guarantee. The fund will mobilise private investment and other relevant public funding.

*8) Peter Coveliers, EIB, Deputy Head of Division - Energy & Environment*

P. Coveliers presented the European Energy Efficiency Fund – EEEF. EEEF is an innovative public-private partnership dedicated to mitigating climate change through market based financing in the EU Member States.

The main beneficiaries are the municipal, local and regional authorities or public and private entities acting on behalf of those authorities such as utilities, public transportation providers, social housing associations, Energy Service Companies (ESCOs), etc.

Initial capitalisation of the fund amounting to €265m provided by the European Commission, the European Investment Bank, Cassa Depositi e Prestiti and the fund manager Deutsche Bank.

*9) Manuel Duenas, EIB, Deputy Head of Division Climate Change and Environment*

M. Duenas focused on the EIB development areas for Energy Efficiency. The presentation briefly explained the PF4EE instrument and potential European Structural and Investment Funds (ESIF) contributions to it. The PF4EE instrument is managed by the EIB and funded by the Programme for the Environment and Climate Action (LIFE programme). The LIFE Programme committed EUR 80m to fund the credit risk protection and expert support services. The EIB will leverage this amount, making a minimum of EUR 480m available in long term financing. The ESIF involvement would be a direct interaction between the managing authorities, via the EIB, and local financial institutions.

The purpose of the PF4EE Instrument is to provide access to adequate and affordable commercial financing for eligible energy efficiency investments targeted by schemes developed by participating countries to implement their National Energy Efficiency Action Plans (“NEEAPs”) or other programmes in line with EU Directives. The two main objectives of the PF4EE Instrument are:

1. Making energy efficiency lending a more sustainable activity across European financial institutions by incentivising them to address the energy efficiency sector as a distinct market segment; and
2. Increasing the availability of debt financing to eligible energy efficiency investments.

Manuel also presented further potential instruments under the DEEP Green umbrella addressing specifically the public sector, the ESCO and utilities

*10) Milozs Momot (DG ENER, Programme Manager, Unit A4 Economic analysis and Financial instruments)*

M. Momot proposed to hold workshops together with the EIB and invited the EMA members to express their interest in different topics on a sheet that was circulated during the meeting.

The proposed date for this workshop is 15 April 2015 in Brussels. Only those who had indicated their preliminary interest in such workshop(s) will be contacted with further information.

The workshop will be part of EMA activities and may serve as a basis for a long term working group on Financial Instruments.

### **Session 3 – Energy renovation of Buildings in Cohesion Policy**

Part 1: Financing the energy renovation of buildings with Cohesion Policy funding 2014-2020

*Chaired by Paul Hodson (DG ENER, Head of Unit, C3 Unit, Energy efficiency)*

This session included nine presentations regarding energy renovation of buildings in Cohesion Policy.

*1) Peter Sweatman (Energy Efficiency Financial Institutions Group (EEFIG) Rapporteur)*

P. Sweatman presented the most important messages from the EEFIG report and more specifically the drivers for energy efficiency investments in buildings.

Energy efficiency investments represent one of the most cost effective ways to enhance the security of energy supply. Energy Efficiency has been described as the EU's largest energy resource: One of the most cost effective ways for decarbonisation and energy efficiency investment is the most cost effective manner to reduce the EU's reliance, and expenditure, on energy imports costing over €400 billion a year. The presentation concluded with EEFIG recommendations to EC and to the financial institutions. The report is available here:

<http://ec.europa.eu/energy/en/news/new-report-boosting-finance-energy-efficiency-investments-buildings-industry-and-smes>

*2) Kevin O'Rourke, (Director, Marchena Management Services, IE)*

The presentation focused on the "Activities of the Energy Performance of Buildings Directive (EPBD) Concerted Action core theme: Effectiveness of support initiatives". The speaker provided an overview of the EPBD Concerted Action, its concept, purpose and functioning. He outlined that the Concerted Action is a forum for pooling and learning and a framework/tool to assist national authorities in the energy renovation strategies.

*3) Roman Doubrava (DG ENER, Policy officer, C3 Unit, Energy efficiency)*

R. Doubrava presented the main points from the Technical Guidance on "Financing the energy renovation of buildings with Cohesion Policy funding". This guidance document aims to help Cohesion Policy Managing Authorities (MAs) plan and deploy sustainable energy investments in buildings within Operational Programmes (OPs). It provides a list of good practice approaches and case studies and informs MAs about the European requirements on buildings and energy efficiency and renewable energy. It also explores the different financing mechanisms that MAs can use to support sustainable energy projects within an OP, with the objective of launching large scale investments in the energy renovation of buildings and attracting greater levels of private sector investment. The guidance is set out in a form of practical steps, as part of a roadmap of action, which can be easily navigated by the reader depending on their needs and experience of each topic. For more information, see

[http://ec.europa.eu/energy/sites/ener/files/documents/2014\\_guidance\\_energy\\_renovation\\_buildings.pdf](http://ec.europa.eu/energy/sites/ener/files/documents/2014_guidance_energy_renovation_buildings.pdf)

*Chaired by Marie Donnelly (DG ENER, Director, Directorate C – renewables, research and innovation, energy efficiency)*

*4) Ruta Dapkute-Stankeviciene (Ministry of Finance, LT)*

Part 2: Examples and sharing of good practices of Cohesion Policy sustainable energy investments in buildings from the 2007-2013 period.

The speaker shared the LT experience in using financial instrument for sustainable energy investments in multi-apartment residential buildings.

*5) Kenroy Quellennec-Reid (Greater London Authority, UK)*

This presentation on the London Green Fund (LGF) provided a general overview of the UK experience in the use of JESSICA. LGF is a £100 million fund set up to invest in schemes that will cut London's carbon emissions. The fund was launched in October 2009 by the Mayor of London and the European Commissioner for Regional Policy - the first JESSICA Holding fund in the UK. It is made up of £50 million from the London ERDF Programme, £32 million from the Greater London Authority (GLA), and £18 million from the London Waste and Recycling Board (LWARB). The European Investment Bank manages the London Green Fund on behalf of the GLA and LWARB. The LGF provides funding for three urban development funds that invest directly in waste, energy efficiency, decentralised energy and social housing projects.

*6) Marcin Jamiolkowski, Chief Specialist, National Fund for Environmental Protection and Water Management, PL)*

M. Jamiolkowski presented the PL experience in sustainable energy investments. The National Fund for the Environmental Protection and Water Management is a state agency with 25 years of experience in financing environmental protection. The presentation shared practical examples under the PL OP Infrastructure & Environment 2007-2013 with a total budget of EUR 37, 7 billion. The allocations for energy represent EUR 266 million for highly-efficient energy generation; EUR 230 million for efficient energy distribution and EUR 123 million for thermomodernisation of public utilities.

*7) Ionut Trinca (Ministry of Regional Development, RO)*

This presentation provided an overview of the energy efficiency investments in residential buildings under the RO Regional OP 2007-2013. This regional OP (ROP) was one of the seven OPs in RO, with an ERDF total budget of EUR 3,9 billion. The ROP 2007-2013 was modified in order to allow energy efficiency in residential buildings in the context of the Priority Axis 1: Support to sustainable development of urban growth poles, by developing a new key area of intervention. In this regard, the pilot scheme was launched in December

2012, as a basis for the programming period 2014-2020. The speaker concluded with lessons learned and concrete proposals for the 2014-2020 period (see slides).

*8) Justine Bonenfant (Directorate for Housing, Urban Development and Landscapes)*

This presentation focused on sustainable energy investments in social housing in France. France is a good example of the mobilisation of European funds for energy renovation in social housing in the 2007-2013 period. An ERDF envelope of EUR 320 million was made available in 2009 for energy renovation in social housing in France. This pushed regions to massively re-programme ERDF programs on energy efficiency to finance energy renovation in social housing. EUR 1.1 billion were invested up to 2013 in energy renovation, representing 15 000 local jobs, almost 60 000 households and savings from EUR 360 to 1000 on household energy bills per year. The presentation concluded with a concrete example of the Nord Pas-de-Calais region.

*9) Laurent Ghekiere*

L. Ghekiere offered a view from the Landlords Involvement in the social housing renovation. Using ERDF by the members very successful experience and make available ERDF for social funding.

In general terms, the use of ERDF in the social housing has been a big success in France. This is mainly because of the strong political involvement in energy efficiency and climate change. In addition, there is also the involvement of a public bank (Caisse des Dépôts).

### **Conclusions**

C. Wolfe emphasised that the purpose of the meeting which is to share information, share experiences and learn about latest developments on different issues. He also underlined the importance of the cooperation between the energy and managing authorities on the field; this network also aims to assist the authorities in this regard.

The idea is to have the network meetings twice a year; the location of the meetings (in Brussels or in Member States) is still to be discussed and decided with the members. In addition, different workshops/working groups could be organised and he invited the participants to reflect on these questions and the particular issues they would like to address in more details.

The participants welcomed the initiative and were overall positive to the EMA network and suggested the following topics for further meetings/workshops: energy security, financial instruments, public procurement and State Aid; Integrated Territorial Investment (ITI) mechanism in relation to energy efficiency and urban mobility; EFSI and general updates on the instruments at the EU level, Energy Service Companies (ESCO) model and energy performance contracting (EPC) (share of examples), financing energy efficiency for buildings.

It was also pointed out that Member States have different needs/ interests, so the participation of the Member States might depend on the topics and the agenda of the next meetings.

T. Constantinescu concluded the meeting by expressing his appreciation for the contribution of all participants in the discussions, presentations and organisation of the meeting.

He also reminded that the Cohesion policy offers significant opportunities for realisation of Energy Union objectives. The increased resources represent an opportunity but also more challenges and questions to be raised. He also encouraged the members to interact and get in touch with each other, share ideas with each other but also with the EC (e.g. in the context of the workshop on Financial Instruments) with the aim of facilitating the good use of the Cohesion Policy funds for the energy priorities. The results of such activities should be communicated back to the EMA Network.

All members of the EMA Network are strongly encouraged to reflect on different topics, possible working groups and to keep in touch and come back with the suggestions they might have.

The next meeting is planned to be held in autumn. More information will follow and in the meantime the website will be set up.