



Cohesion policy support for energy efficiency

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Cohesion Policy 2014-2020

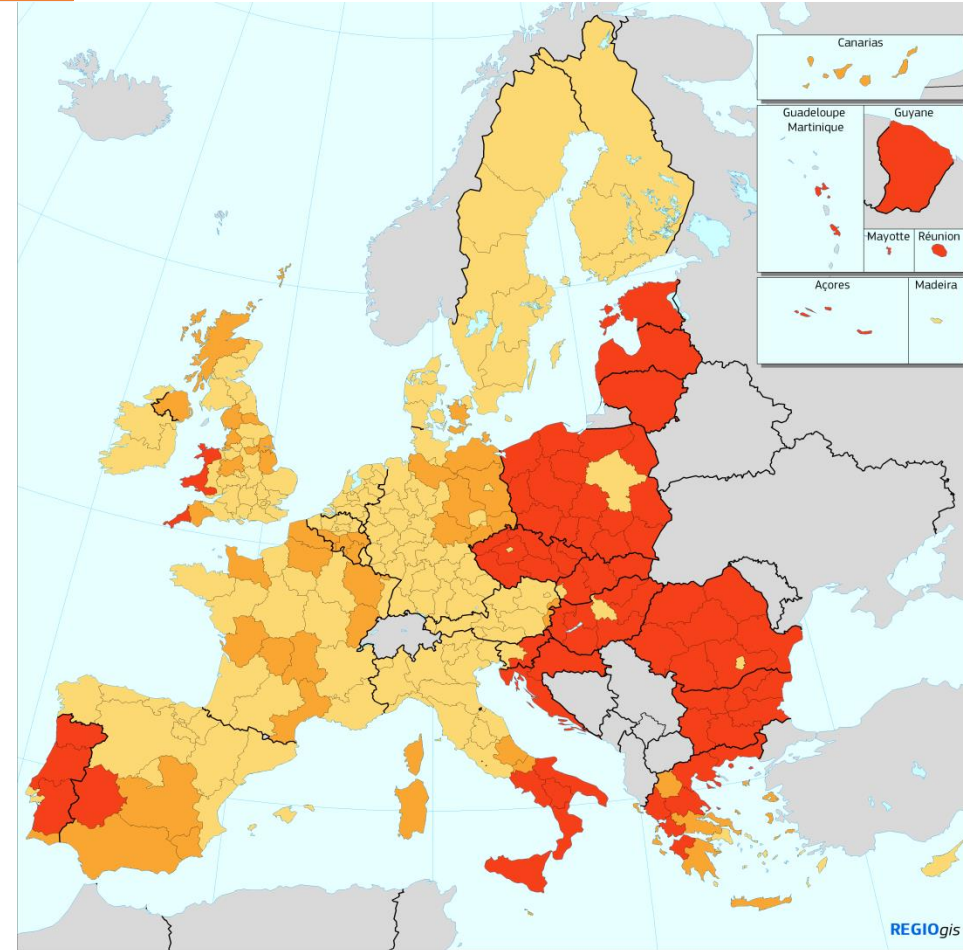


Three funds:

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

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

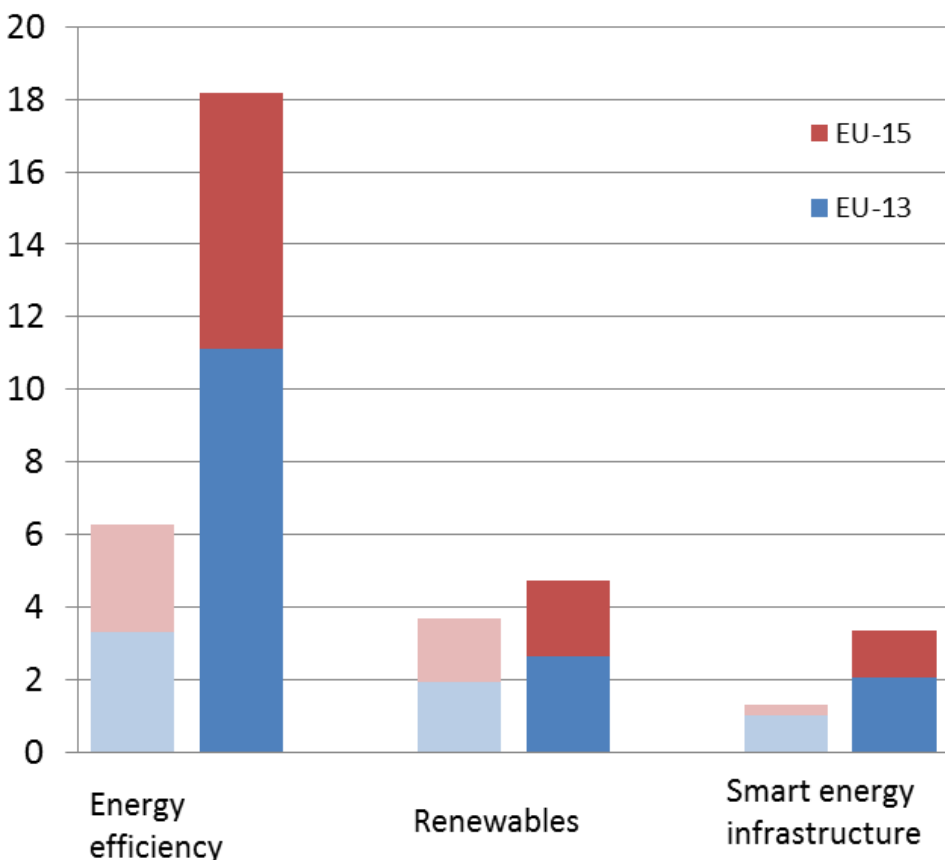


Translated into Fund-specific investment priorities

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.



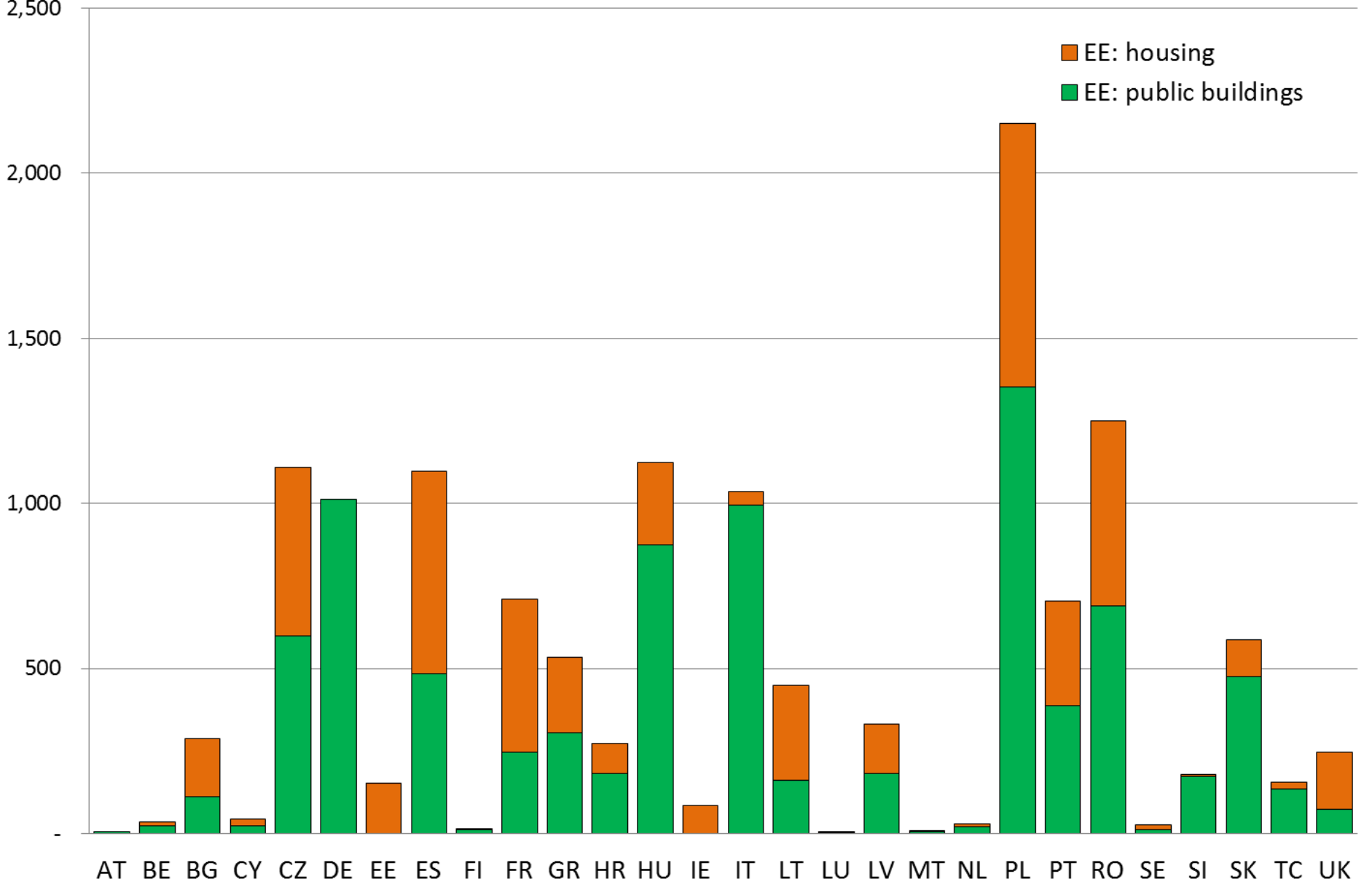
Energy efficiency will be supported in over **57 000 companies**, mainly SMEs.

Planned allocations from the European Regional Development Fund (ERDF) and the Cohesion Fund (CF) as of May 2016

Regional
Policy

ERDF/CF support: examples

million EUR



Work on other initiatives and other support available



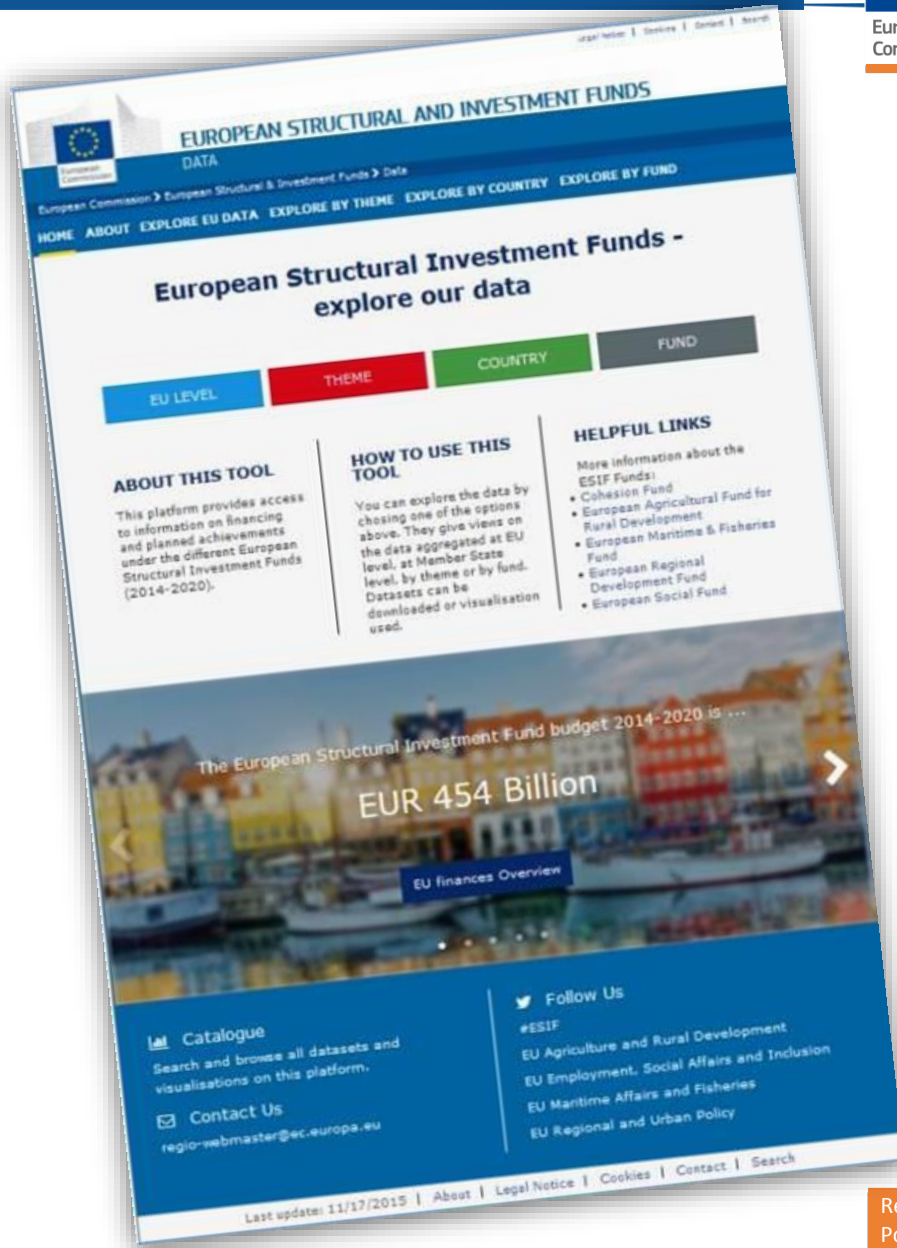
- Cohesion policy important element of several other initiatives (incl. Energy Union)
- Various support tools made available:
 - Advisory platform for financial instruments: fi-compass; Off-the-shelf financial instruments.
 - Administrative capacity support, including TAIEX REGIO PEER 2 PEER and support 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



European
Commission



New 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/

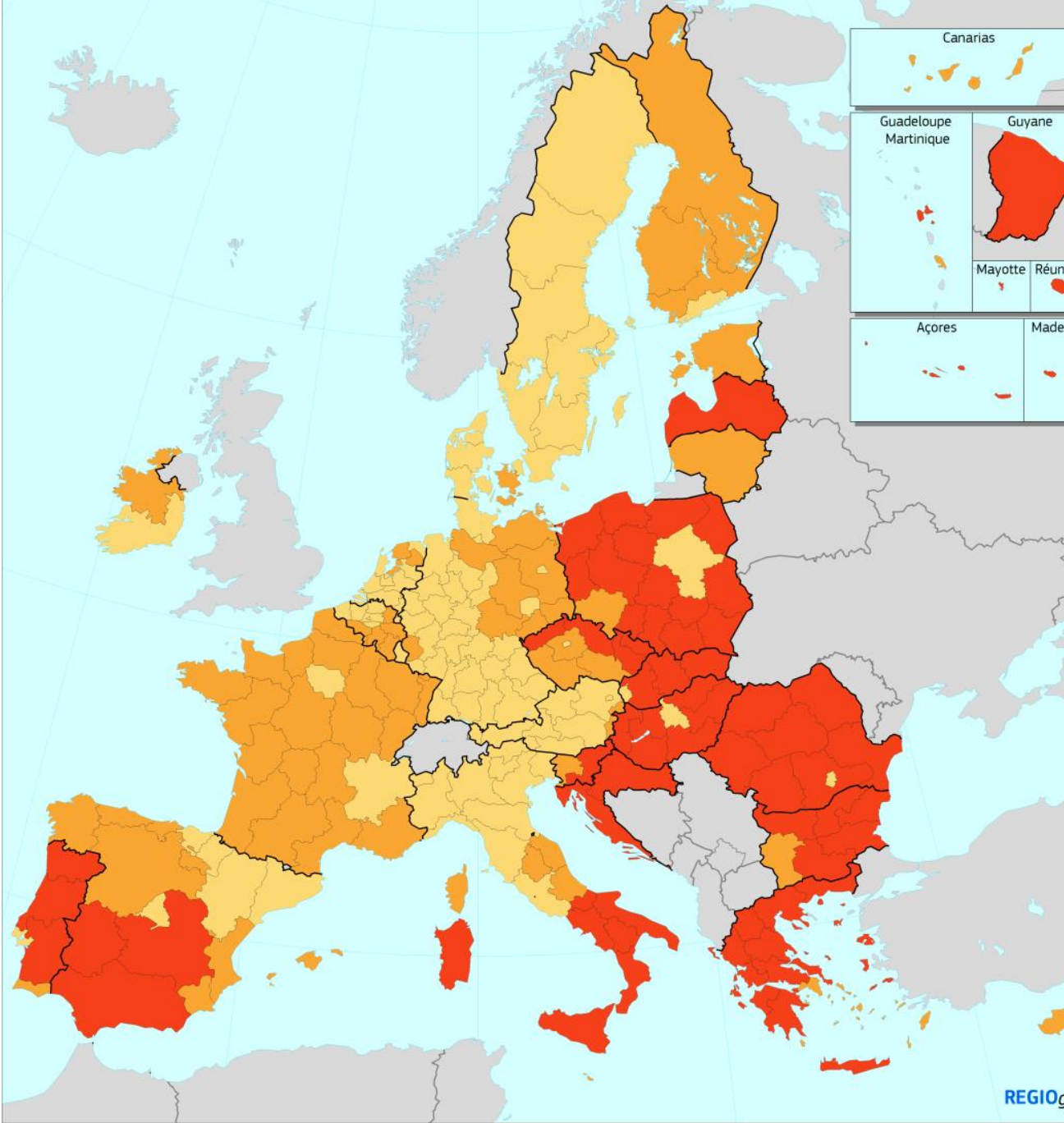
<http://ec.europa.eu/esf/main.jsp?catId=46>

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Cohesion policy

2021-2027

Index, EU-27 = 100

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

REGIOgi

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)

Creating the conditions for success

Enabling conditions (*used to be "ex-ante"*)

- Fewer, clearer and with tighter link to the policy
- Followed up, not just set at the beginning

EU Governance

- European Semester
- Reform delivery tool
- Rule of law
- Macroeconomic conditionality

Enabling conditions

Content: (*Annexes III and IV*)

- Fewer : from 35 + 20 ➡ 4 horizontal + 16 thematic
- Clearer : fulfilment criteria detailed in the annexes (no guidance)
- Focussed: improvement of effectiveness of spending

Effectiveness: (*Article 11*)

- Fulfilment: condition for submitting EU payment applications for the concerned specific objectives
- Directly applicable without obligatory action plans
- Applicability throughout the whole period (MC and ARM follow-up)

Enabling conditions PO 2



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"> 1. A national long term renovation strategy .. 2. Energy efficiency improvement measures to achieve required energy savings ..
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"> 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 2. An increase in the share of renewables in the heating and cooling sector by 1 percentage point per year up to 2030
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 ...



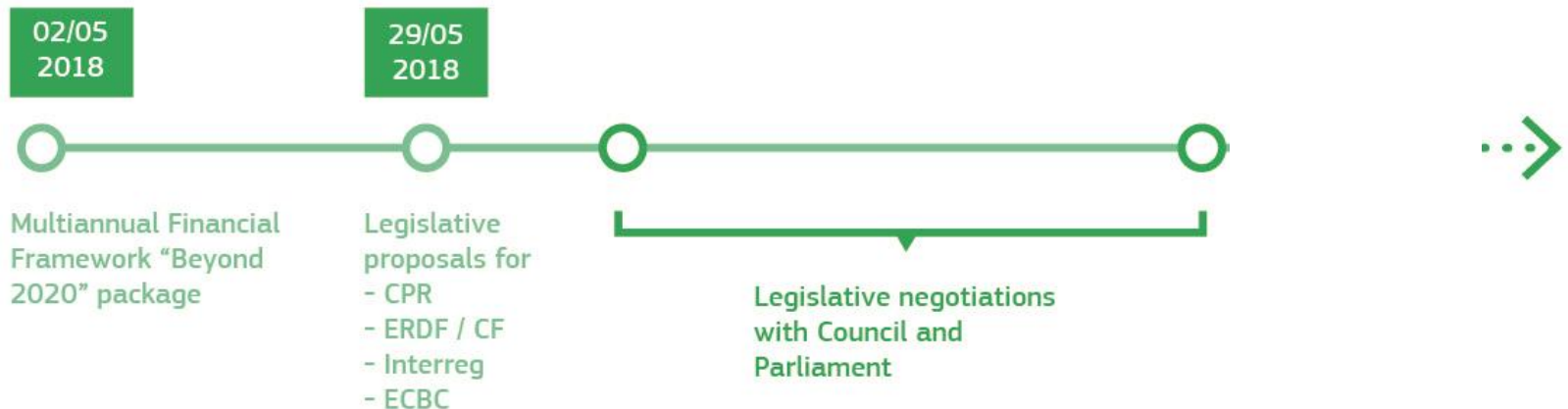
- Role of Managing Authority:
 - to take account of principle of sustainable development
 - to verify compliance of the operations with applicable law (incl. SEA Directive)
 - to ensure that, when required, EIA is carried out (following provisions of amended Directive)
 - **NEW!** to ensure the climate 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

Launch events in MS

Conclusions

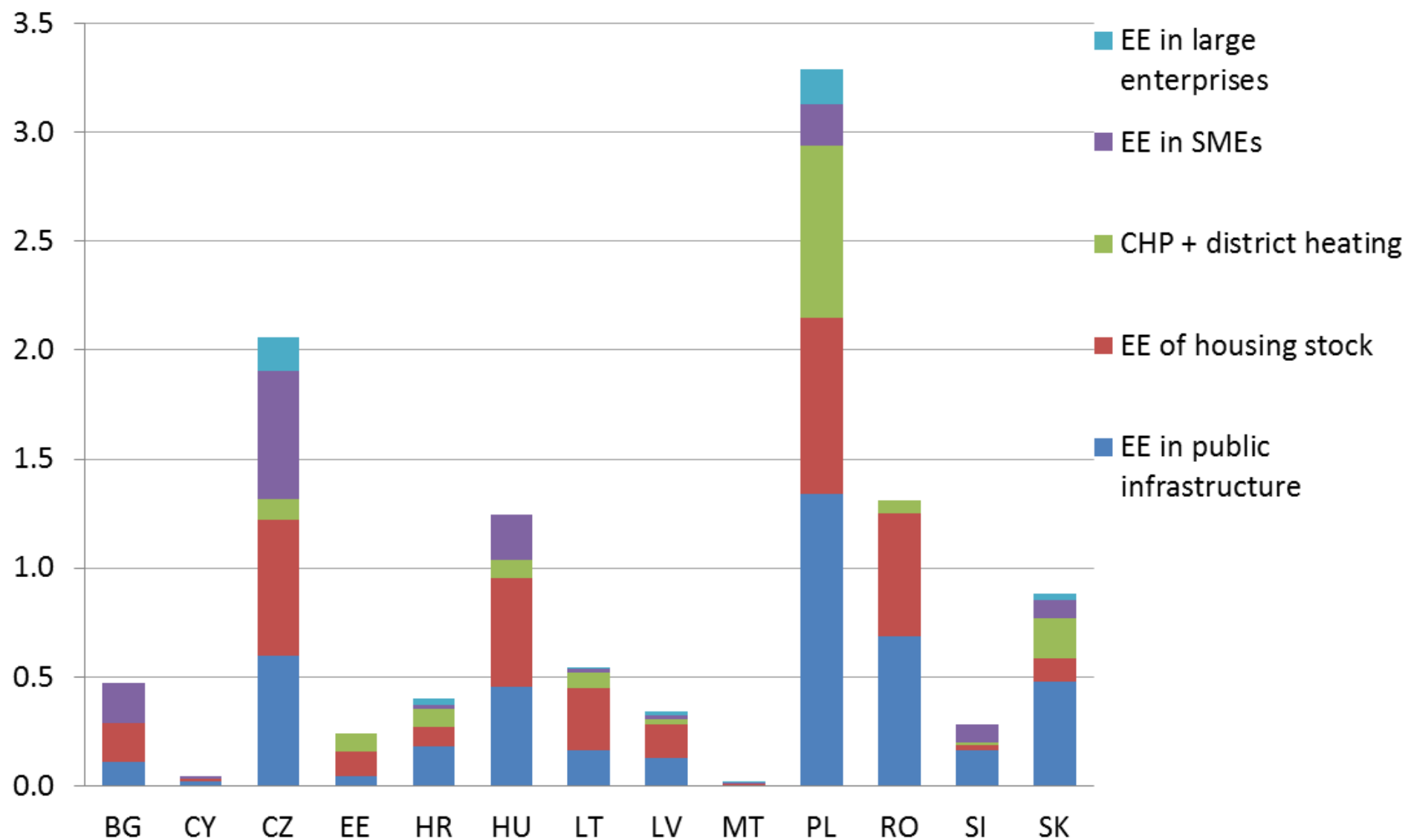


- The **reformed Cohesion policy** – important driver for low-carbon investments for the 2014-2020 period
- Clear political commitment – the development and implementation of **high-quality projects** now crucial for success
- **Post-2020:** A modern and simplified cohesion policy with continued emphasis 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!



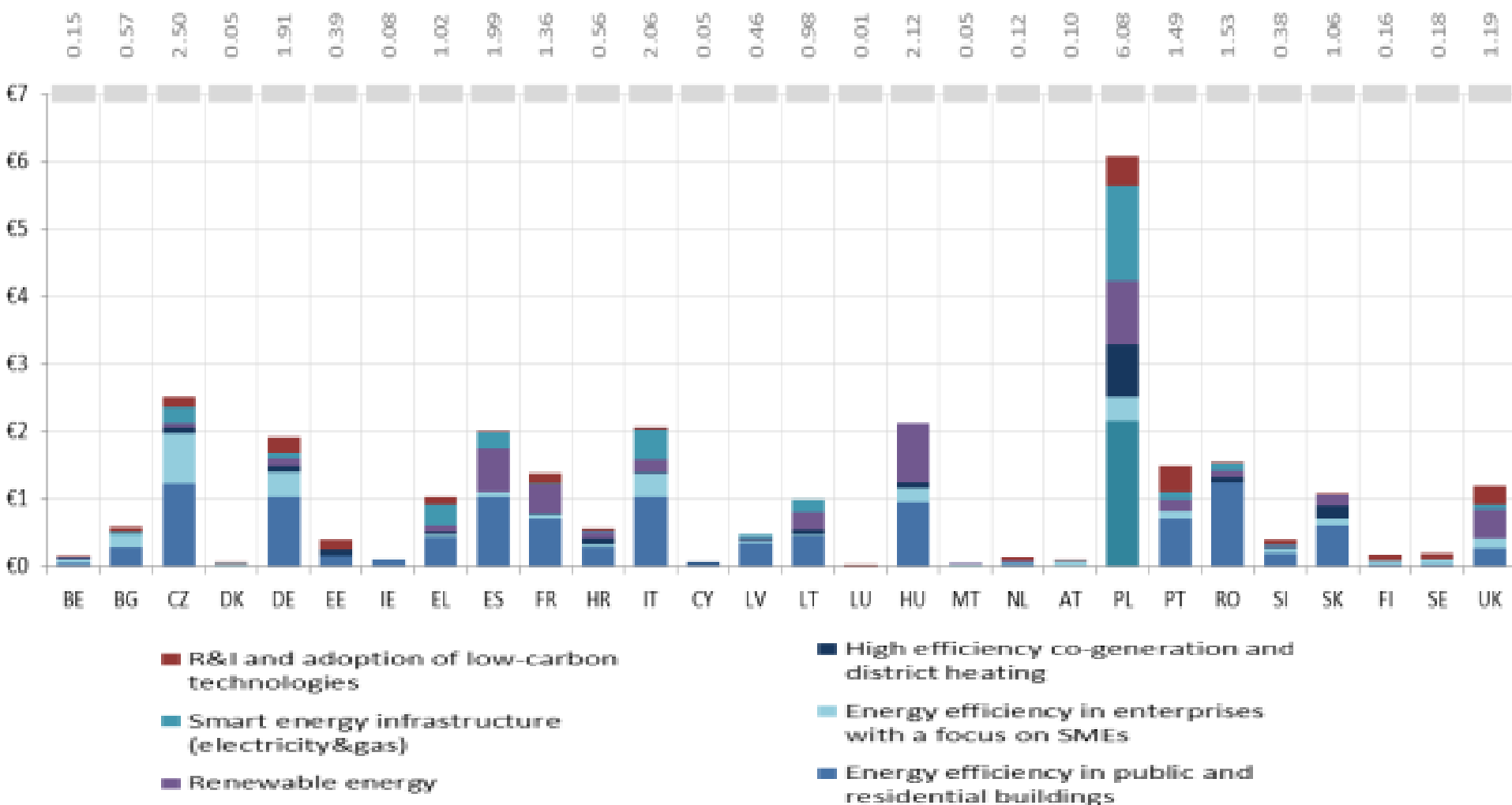
ERDF+CF allocations in EUR billion for energy efficiency, EU-13, 2014-2020



Funding suited to the local needs



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



ERDF/CF support: examples

million EUR

