



# **ESIF support for sustainable energy efficiency financing**

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# Introduction

The 2014-20 Cohesion policy is a comprehensive policy

- *It supports the delivery of major EU priorities and policies, including energy efficiency*
- *It allocates significant funding for sustainable energy investments*
- *It offers robust support to address implementation challenges and to deliver benefits for the EU taxpayers and*
- *Its implementation opens important questions for the future*



# The ESIF allocation for energy efficiency...

*Strongly supports the delivery of Energy union strategy (Feb 2015) for a more secure, affordable and sustainable energy*

- All 5 dimensions of the strategy, including energy efficiency receive on average 20% of ESI budget
- This includes more than EUR 18 billion financing for more energy efficient buildings



# The ESIF allocation for energy efficiency...

- *Is planned and implemented in coordination with the EU energy policy*
- *The Energy Efficiency package (Nov 2016) as proposed by the Commission contains major legislative proposals and a reinforced enabling framework*



## The ESIF allocation for energy efficiency...

- *Would also support the implementation of post 2020 EU Energy targets*
- *Could well support the smart finance for smart buildings initiative: an initiative for more effective use of public funding, projects assistance, aggregation and de-risking*

# The ESIF allocation for energy efficiency...

*Offers a substantial budget*

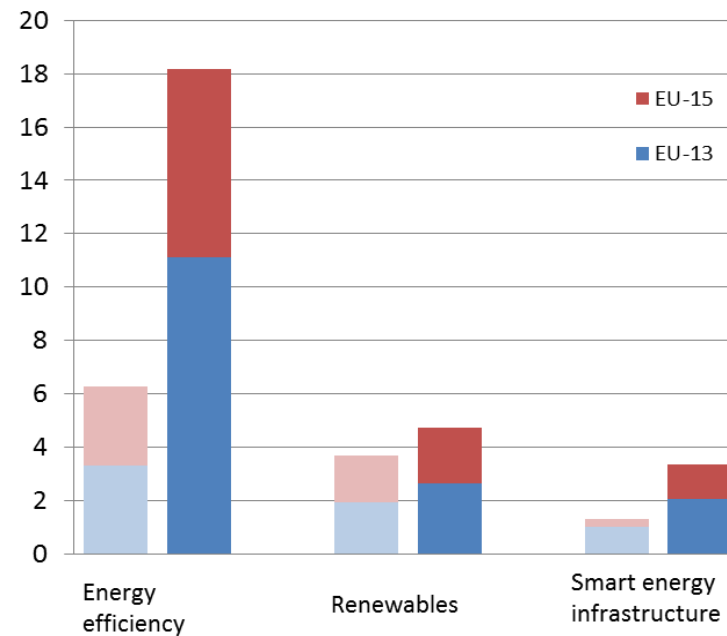
- ERDF, Cohesion Fund and ESF: Some € 27 billion for energy efficiency, renewable energy, smart distribution grids and low-carbon research and innovation, some € 2 billion for smart energy infrastructure (electricity and gas transmission), + at least € 1 billion for skills related to energy and environment (ESF)
- European Agricultural Fund for Rural Development and European Maritime and Fisheries Fund: some € 5 billion for low-carbon investments



# The ESIF allocation for energy efficiency...

*Is three times higher than the 2007-2013 allocation!*

ERDF+CF allocations in EUR billion, all EU MSs  
Comparison 2007-2013 vs 2014-2020





# The ESIF allocation for energy efficiency...

## *Is not the only EU support for energy investments*

- Horizon 2020: € 5.7 billion for research and innovation in "Secure, clean and efficient energy"
- Connecting Europe Facility: € 5.35 billion for TEN-E energy infrastructure of highest European added value
- LIFE and COSME also relevant for certain aspects, in particular for energy efficiency, including 'PF4EE' financial instrument under LIFE
- European Fund for Strategic Investments (EFSI): Mobilising private financing for strategic investments, including in renewable energy, energy efficiency and energy infrastructure





# The ESIF allocation for energy efficiency...

*Is sufficient to cover only part of the financing needed for energy investments*

*"The scale of investment needed to meet the EU's 2020 energy efficiency target is estimated at around €100 billion per year"*

<https://ec.europa.eu/energy/en/financing-energy-efficiency>



# The ESIF allocation for energy efficiency...

- *Can mobilise additional public and private financing, subsidise renovation loans to be repaid through reduced energy bills, encourage delivery of higher energy savings and offer targeted support for energy poverty*
- *A wider use of financial instruments is encouraged also by the Juncker plan and the Energy union roadmap*

# The ESIF allocation for energy efficiency...

*Is implemented in line with specific rules*

- Delivered under shared management through Managing Authorities and line ministries
- Large scope of interventions
- High number of different activities
- Different levels of implementation/responsibilities
- Multi-annual budget
- Long programming period – facts and priorities change





# The ESIF allocation for energy efficiency...

- *is facing similar implementation challenges as other financing for energy efficiency:*  
***Investments are of small scale, can be technically complex, need high upfront financing, payback period can be long, standardisation is often missing, market not visible for investors....***
- *and also needs a proper fix of suitable financing products, dedicated and technically capable institutions, information, policies and regulation*
- *and also should be carefully planned, allocated and monitored*



# The ESIF allocation for energy efficiency

*Comes with various tools to support the implementation*

- TAIEX REGIO PEER 2 PEER, JASPERS
- Operational Programmes technical assistance
- Smart Specialisation platform on Energy, Energy Managing Authorities Network, FI compass, Additional technical assistance mobilised by DG REGIO
- Support from IFIs



# The ESIF allocation for energy efficiency...

*Already delivered and can deliver more benefits for the EU taxpayers*

- Environmental: less CO2 emissions, energy savings,
- Social: energy renovation for poor people, better living and working conditions
- Economic: more local jobs, more competitive businesses
- Financial: reducing the energy bills for public and residential buildings



## The Cohesion policy..

*already delivered energy efficiency projects in*

- Lithuania
- Estonia
- France
- Spain
- And other Member States..

# The ESIF allocation for energy efficiency...

*.. can deliver more*



Public buildings will use **5.2 TWh/year less energy** than they do now.



**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.





# Cohesion Policy is a comprehensive policy that..

## *Further empowers*

- Broad engagement of stakeholders, building partnerships,
- Energy efficiency through integrated territorial development and strategic planning, territorial cooperation and macro-regional dimensions
- Mobilisation of private finance – incl. via financial instruments, synergies with Horizon 2020, EFSI and other EU funding



# What do we need for the future?

- Targeting, strong pipeline, monitoring to deliver high-quality projects
- Good uptake is important also for the post 2020 discussion
- Use all available support, including technical assistance allocations and Commission established tools!
- Good governance, continued partnership, and coordination – essential at all levels

# More information and support



## **2016 Energy Efficiency package**

<https://ec.europa.eu/energy/en/news/commission-proposes-30-energy-efficiency-target>

**Thematic Guidance on Cohesion Policy investments in the shift towards a low-carbon economy and Guidance on Financial Instruments in Cohesion Policy 2014-2020:**

[http://ec.europa.eu/regional\\_policy/index.cfm/en/information/legislation/guidance](http://ec.europa.eu/regional_policy/index.cfm/en/information/legislation/guidance)

**Financing the energy renovation of buildings with Cohesion Policy funding – Technical Guidance:**

[http://ec.europa.eu/regional\\_policy/index.cfm/en/information/publications/guides/2014/financing-the-energy-renovation-of-buildings-with-cohesion-policy-funding](http://ec.europa.eu/regional_policy/index.cfm/en/information/publications/guides/2014/financing-the-energy-renovation-of-buildings-with-cohesion-policy-funding)

**Smart Specialisation Platform on Energy:**

<http://s3platform.jrc.ec.europa.eu/s3p-energy>

**Guide "Connecting Smart and Sustainable Growth through Smart Specialisation":**

<http://s3platform.jrc.ec.europa.eu/documents/10157/0/greengrowth.pdf>

**Guide "Enabling synergies between European Structural and Investment Funds, Horizon 2020 and other research, innovation and competitiveness-related Union programmes"**

[http://ec.europa.eu/regional\\_policy/en/information/publications/guides/2014/enabling-synergies-between-european-structural-and-investment-funds-horizon-2020-and-other-research-innovation-and-competitiveness-related-union-programmes](http://ec.europa.eu/regional_policy/en/information/publications/guides/2014/enabling-synergies-between-european-structural-and-investment-funds-horizon-2020-and-other-research-innovation-and-competitiveness-related-union-programmes)

**fi-compass advisory platform for financial instruments:**

<http://www.fi-compass.eu/>

**Standard terms and conditions for financial instruments ('off the shelf') , including 'Renovation loan':**

[http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L\\_.2014.271.01.0016.01.ENG](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.271.01.0016.01.ENG)

**Improving how funds are invested and managed – Support:**

[http://ec.europa.eu/regional\\_policy/en/policy/how/improving-investment/](http://ec.europa.eu/regional_policy/en/policy/how/improving-investment/)