

EU funding for energy efficiency and sustainable energy in cities

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EU Climate and Energy targets for 2030



'The fight against climate change (..) will be won or lost on the ground and in the cities where most Europeans live, work and use about 80% of all the energy produced in Europe'

J.-C. Juncker - State of the Union – 9 Sept. 2015

How does the EU budget support energy efficiency and sustainable energy in cities?



EU Budget Focused on **Results**

FOCUS

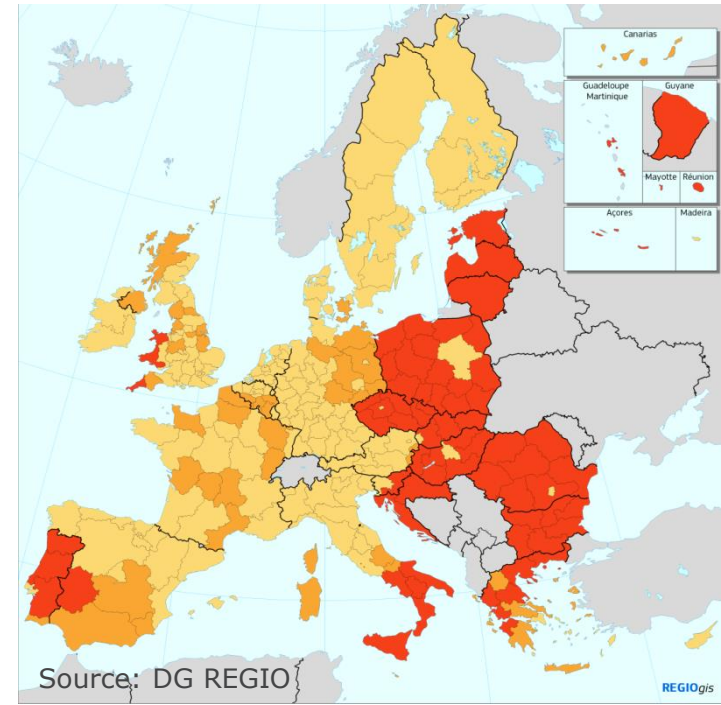
1. **European Structural and Investment Funds**
http://ec.europa.eu/regional_policy
2. **The Horizon 2020 programme for research & innovation**
<https://ec.europa.eu/programmes/horizon2020/>
3. **The LIFE programme for environment and climate action**
<http://ec.europa.eu/environment/life/>
4. **Financial institutions instruments backed by the EU**

- 1. European Structural and Investment Funds (ESIF)**
- 2. Horizon 2020 for research & innovation**
- 3. The LIFE programme**
- 4. Financial institutions instruments backed by the EU**

European Structural and Investment Funds (ESIF)

Five funds amounting to **€454bn** in 2014-2020 to support economic development across the EU

1. European Regional Development Fund (ERDF)
2. Cohesion Fund (CF)
3. European Social Fund (ESF)
4. European Agricultural Fund for Rural Development (EAFRD)
5. European Maritime and Fisheries Fund (EMFF)

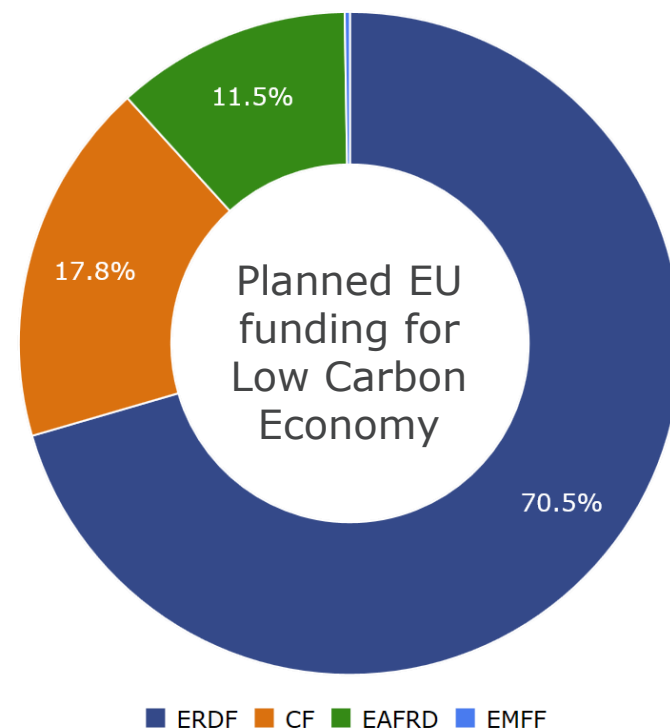


Category

- 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)

European Structural and Investment Funds (ESIF)

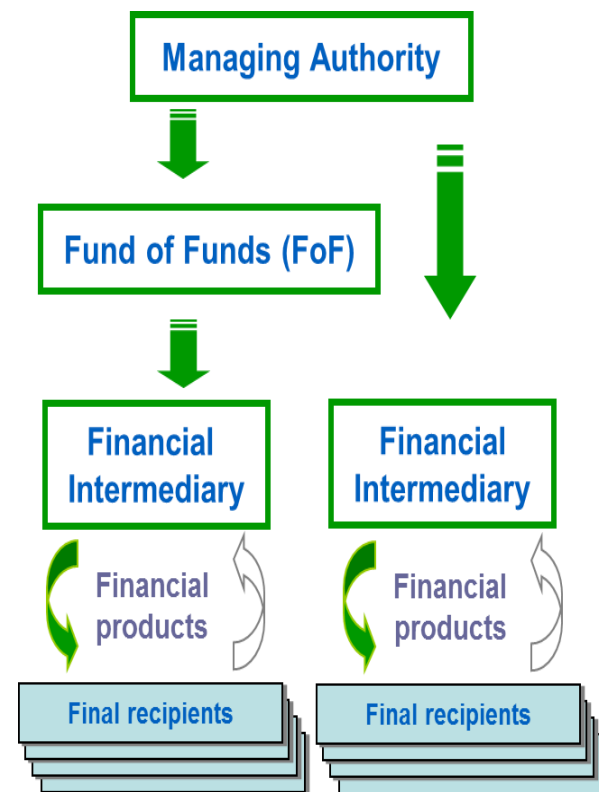
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Source: DG REGIO

European Structural and Investment Funds (ESIF)

- Most funds are delivered through nationally co-financed multiannual programmes
- are delivered partly through **grants** and partly via **financial instruments**
(e.g. loans or guarantees, equity or quasi-equity investments, or other risk sharing instruments)
- About €4 billion are allocated from ERDF/CF to financial instruments for 2014-2020 in the area of low-carbon economy
- More info on  



European Structural and Investment Funds (ESIF)

- ERDF also supports **European Territorial Cooperation**:
 - cross-border (Interreg A): 60 programmes, € 6.6 Bn
 - transnational (Interreg B): 15 programmes, € 2.1 Bn
 - and interregional (Interreg C): 4 programmes, € 0.5 Bn
- As well as **Urban Innovative Actions** to help urban areas test new and unproven solutions, incl. in energy (€ 0.372 Bn)

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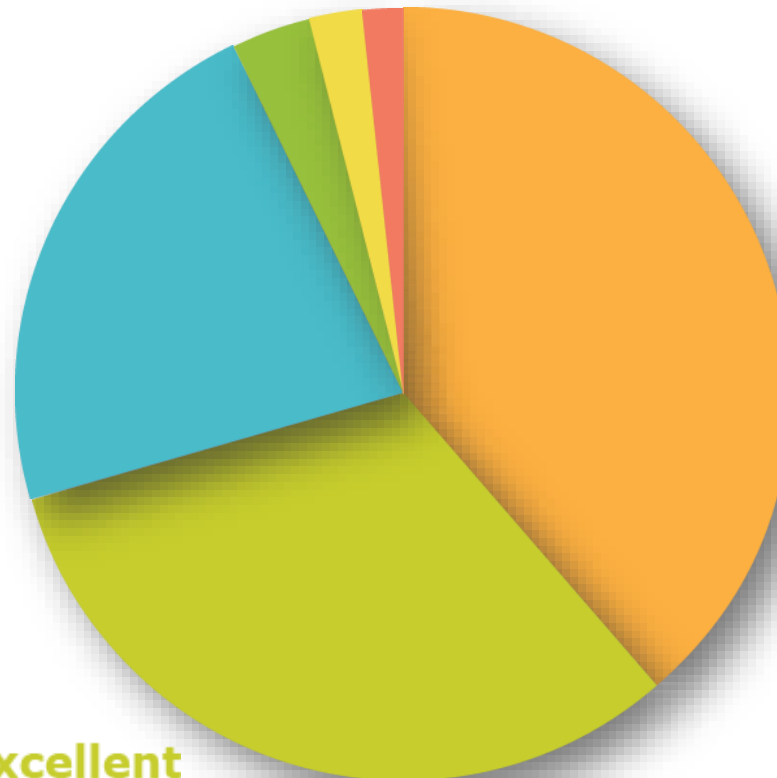
Horizon 2020 (2014-2020)

**Industrial
Leadership**
EUR 17.0 billion

**Societal
Challenges**
EUR 29.7 billion

**Excellent
Science**
EUR 24.4 billion

Executive
Agency
for SMEs





Horizon 2020 (2014-2020)

Societal Challenges

1. Health and wellbeing
2. Food security and sustainable use of biological resources
3. Secure, clean and efficient energy (EUR 5.9 billion)
4. Smart, green and integrated transport
5. Climate action, environment, resource efficiency and raw materials
6. Inclusive, innovative and reflective societies
7. Secure societies





Horizon 2020 (2014-2020) Energy Challenge

1. Health and wellbeing
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In 2017: EUR 700 million

- Energy efficiency
- Low carbon energy
- Smart cities and communities
- ELENA (project development assistance)
- SME instrument
- Other actions

Horizon 2020 Smart Cities & Communities



Source: INEA, Feb 2017

Horizon 2020 Project Development Assistance

E.g. PadovaFIT! project (City of Padova):

- Energy refurbishment of multi-property residential buildings in Padova
 - The city engages with condominiums to get their commitment to retrofit their home
 - An ESCO has been procured to carry out Energy Performance Contracts (EPCs)
- EU grant: 590.000€ (leading to at least 15.8 M€ of investments in 2250 apartments)
- www.padovafit.it



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The LIFE programme (€ 3.5 Bn in 2014-2020)



- Sub-Programme **Environment** (75% of budget)
 - LIFE Nature (NAT)
 - LIFE Environment and Resource Efficiency (ENV)
 - LIFE Governance and Information (GIE)
- Sub-Programme **Climate Action** (25% of budget)
 - Climate Change Mitigation (CCM)
 - Climate Change Adaptation (CCA)
 - Climate Governance and Information (GIC)

The LIFE programme



Main types of projects supported:

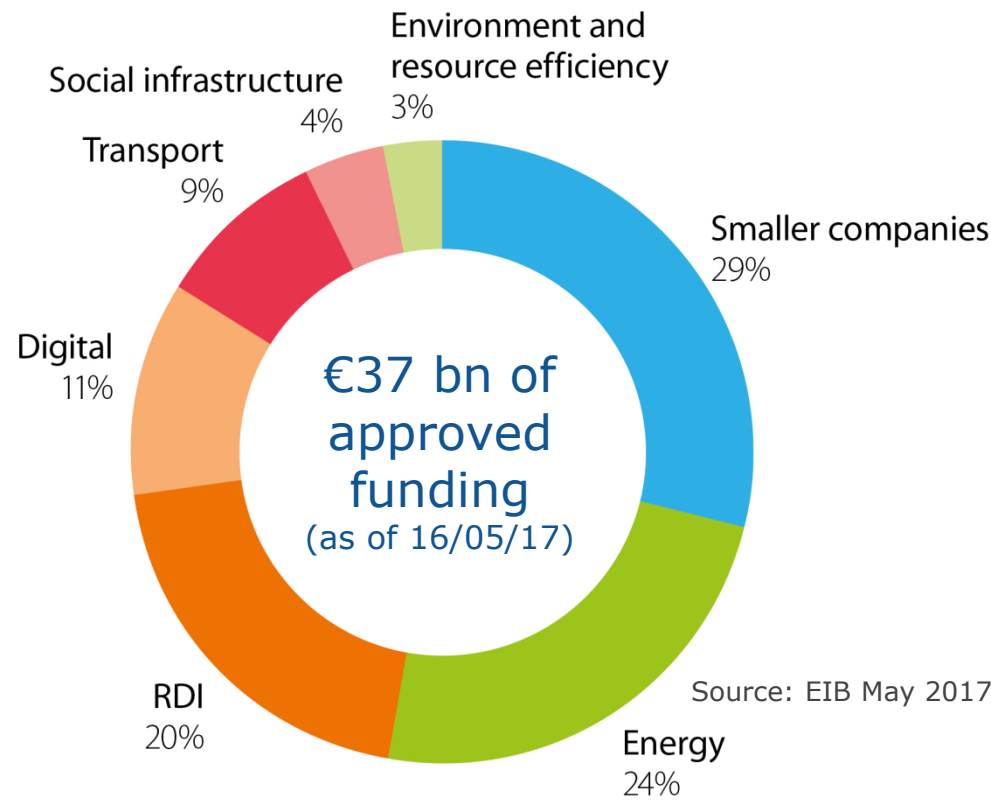
- **Pilot projects** testing solutions that have not been applied or tested before
- **Demonstration projects** testing solutions new or unknown in the specific context of the project
- **Best practice projects** applying state-of-the-art techniques
- **Integrated Projects** implementing on a large territorial scale environmental or climate plans or strategies required by specific Union environmental or climate legislation
- No mandatory partnership required
- EU support: 60%
- Call 2017: launched 28 April 2017 with € 373 M

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Financial institutions instruments backed by the EU

Example: European Fund for Strategic Investments (EFSI)

- Managed by EIB
- supports both individual projects and investment platforms
- With European Investment Advisory Hub & a European Investment Project Portal
- www.eib.org/efsi/



Conclusion

- Sustainable energy at the top of the EU agenda and investments needed in all sectors to meet the 2030 targets
- Higher EU support for sustainable energy in 2014-2020 in both ESIF, Horizon 2020 and LIFE. Plus new instruments.
- More and more use of financial instruments and other ways to leverage and de-risk private investments
- More investments to happen without EU support, by replication of successful schemes



European
Commission

For a summary of all EU funding sources available.
See www.covenantofmayors.eu



Covenant of Mayors
for Climate & Energy

Quick Reference Guide

Financing Opportunities for Local Climate & Energy Actions (2014-2020)



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19-25 June 2017



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FOR YOUR ATTENTION**

Find out more

<http://ec.europa.eu/research/horizon2020>

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