Financing energy rehabilitation of buildings and its implementation

Dr. Ales Gnamus
JRC, Institute for Prospective Technological Studies, S3 Platform
with support of DG REGIO

Seville, 3 December 2015
Overall context:
Sustainable Energy

EU funding
2014-2020

- **Cohesion Policy (ESIF):** 39 B€ for investments in energy efficiency, renewable energy, smart distribution grids and sustainable urban mobility, including research and innovation in those areas, plus some 2 B€ for smart energy infrastructure.


- **Horizon 2020:** 5.7 B€ for R&I in "Secure, clean and efficient energy".

- **Connecting Europe Facility:** 4.7 B€ for investments in TEN-E infrastructure of highest European added value.

- **LIFE+ and COSME** also relevant for certain aspects.

- **European Fund for Strategic Investments (EFSI):** mobilising private financing for strategic investments, including in renewable energy, energy efficiency and energy infrastructure.
Cohesion Policy 2014-2020

• Based on EU Treaty and aiming at 'economic, social and territorial cohesion' and 'reducing disparities'

• Major reform for the 2014-2020 period and alignment with Europe 2020 goals

• Three ESIF funds:
  • European Regional Development Fund (ERDF)
  • European Social Fund (ESF)
  • Cohesion Fund (CF)

• In total 352 B€ 2014-2020 concentrated in less developed regions

Opportunities for Sustainable Energy

Structural Funds (ERDF and ESF) eligibility 2014-2020

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less developed regions (GDP/head &lt; 75% of EU-27 average)</td>
</tr>
<tr>
<td></td>
<td>Transition regions (GDP/head between &gt;= 75% and &lt; 60% of EU-27 average)</td>
</tr>
<tr>
<td></td>
<td>More developed regions (GDP/head &gt;= 90% of EU-27 average)</td>
</tr>
</tbody>
</table>
2014-2020: Concentration of ERDF resources to maximise impact

- **Research and Innovation**
- **Energy efficiency and renewable energy**
- **SMEs competitiveness**

- Developed regions and transition regions: 60% (20% allocated to research and innovation)
- Less developed regions: 44% (6% allocated to energy efficiency and renewable energy)
Reform: Key points

Cohesion Policy 2014-2020

• Targeting resources at key growth sectors – thematic concentration

• Greater focus on results

• Pre-conditions for funding – ex-ante conditionalities

• Reinforced partnership – engagement of stakeholders

• Increased synergies between the five European Structural and Investment (ESI) Funds – of which the three Cohesion Policy funds are part + with other EU instruments

• Stronger link to economic governance and European semester processes

• Reinforced urban dimension and new tools for integrated territorial development and strategic planning

• Increased role for financial instruments

• Territorial Cooperation opportunities
11 Thematic Objectives

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

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

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
ESIF programming: State of Play

- Almost all ESIF programmes adopted
- Half of them with Action Plans for RIS3, mainly in monitoring

In total over 160 billion EUR of which ca. 120 billion EUR ERDF thematic concentration

In billion EUR

Source: Final ESIF partnership agreements as of December 2014
Cohesion Policy: Doubling of Low-Carbon economy investments

- Investments in low-carbon economy 2007 - 2013
- Investments in low-carbon economy 2014 - 2020

Graph showing billion EUR for different countries.
T04 – Low Carbon economy

- Promoting **production and distribution of RES**
- Promoting **energy efficiency (EE) and RES use** in enterprises
- Supporting **EE**, smart energy management and RES use in public infrastructures, including **in public buildings, and in the housing sector**
- Developing and implementing **smart distribution systems** at low and medium voltage levels
- Promoting low-carbon strategies for all types of territories, in particular for urban areas, including **the promotion of sustainable multi-modal urban mobility** and mitigation relevant adaptation measures
- Promoting **research and innovation** in and adoption of low-carbon technologies (ERDF only)
- Promoting **the use of high-efficiency co-generation** of heat and power based on useful heat demand
T04 - Energy What?

- **ERDF** and **CF** to allocate € 40 billion to investments in low-carbon: energy efficiency and renewable energy, smart distribution grids and sustainable urban mobility, including research and innovation (only ERDF) in those areas in **complementarity with Horizon 2020**.

- **ERDF** support also, mainly in less developed regions, to remove bottlenecks in key network infrastructures, including smart energy distribution, storage and transmission systems, in complementarity with the Connecting Europe Facility. Some € 2 billion expected.

- **ESF** support to ensure that people can adapt, through acquiring appropriate skills and through lifelong learning opportunities, to new challenges such as the transition to a low-carbon and more energy-efficient economy.

- The other **ESI Funds**, European Agricultural Fund for Rural Development (EAFRD) and European Maritime and Fisheries Fund (EMFF), also to invest almost € 8 billion in Low-Carbon activities.
TO4: Which measures?

- **Energy efficiency** for lower energy bills, better living and working conditions, local jobs and competitive businesses (~€19 bn)

- **Sustainable multimodal urban transport** (~€16 bn) to achieve a modal shift and decarbonise the transport sector

- **Renewable energy and smart distribution grids** (~€7 bn) to transform energy systems

- **Research and innovation** boosting Low-Carbon technologies (~€3 bn)

- **Reduction of greenhouse gases and ammonia, carbon sequestration** in rural areas (~€4 bn)

- Additional investments in **training and capacity** (~€1 bn)

- Complementary funding for energy infrastructure and transport

*(Note: provisional data based on categories of intervention related to TO4 but included also under other TOs, further verification of the data ongoing)*
Further Support

• Smart Specialisation Platform
• EMA Network of Energy and Managing Authorities
• Advisory platform for financial instruments: fi-compass
• Off-the-shelf financial instruments, including 'Renovation loan'
• Administrative capacity support
• Guidance documents, workshops
• RegioStars Awards and Regio OpenDays
• ......
Thank you for your attention!

http://s3platform.jrc.ec.europa.eu

JRC-IPTS-S3PLATFORM@ec.europa.eu

Ales.Gnamus@ec.europa.eu