Synergies between ESIF And Research and Innovation Funding: The Stairway to Excellence
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Synergies in Funding Energy and Smart City Activities

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European Commission
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- Grants
  - European Structural and Investment Funds
  - European Funding Programmes - Horizon 2020
  - Project Development Assistance
- Other Financing Schemes
- Regional Policy
- Smart Specialisation
- EMA Network
General considerations

- Have a **clear idea** about your project!

- **First question:** grant or loan/guarantee?

- **Different programmes**
  - different thematic scopes, scales, funding/financing mechanisms
  - Covenant of Mayors Quick Reference Guide
    http://goo.gl/s2TnPc

- **Project examples**
  https://eu-smartcities.eu/eu-projects
Grants

European Structural and Investment Funds (ESIF)
European Structural & Investment (ESI) Funds

- **Budget:** €456.6 billion, 2014-2020
- Cities can spend directly 5% of the funds on urban development
- **Principles** for sound delivery of projects:
  - Use the technical assistance programmes
  - Leverage peer-to-peer exchanges (e.g. Covenant of Mayors, CIVITAS, Green Digital Charter, etc.)
  - Work across administrative boundaries and national borders
  - Make use of sustainable urban plans to set a strategic frame to projects
Project example: District Heating, Iasi, Romania

- Upgrading the district heating system in the Iasi municipality to EU requirements this project will rehabilitate the existing urban heating plants and heat supply networks.

- Theme: Urban development
  Fund: European Regional and Development Fund (ERDF)

  Total Investment: € 61,237,712
  EU contribution: € 30,618,856

Grants
European Funding Programmes – Horizon 2020
Horizon 2020 Lighthouse Projects

- Low energy districts
- Integrated infrastructures
- Sustainable urban mobility

Conditions

- Consortia: industry & cities
- 2-3 cities involving 2-3 follower cities
- Part of ambitious urban plan
- Funding from other parts secured
- Affordable solutions
Horizon 2020 Smart City calls

- Other topics:
  - nature based solutions
  - new governance, business and financing models
  - sustainable urbanisation

- €231.5 million foreseen for all topics, out of which €131.5 million for lighthouse projects in 2016 and 2017

- More info:
Project example: Replicate (2015 call)

- EU contribution: € 25,4 million
- Impacts
  - 58,750 m² of nZEB (696 houses)
  - Up to 90% energy savings in buildings
  - About € 158 million invested → leverage factor 6,5
- Success factors
  - Very good balance and integration between the 3 domains
  - Very good data handling (→ collection and processing)
  - Lots of innovative and ambitious actions
  - Direct follow-up of an integrated planning project → realisation of that plan within Replicate
- 36 partners / lighthouse cities: San Sebastian, Florence, Bristol / follower cities: Essen, Lausanne, Nilufer
**Technical Assistance – ELENA**

<table>
<thead>
<tr>
<th>Tangible investment during project duration (leverage factor 20)</th>
<th>Payback clause: funding is conditional to investment</th>
</tr>
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<tbody>
<tr>
<td></td>
<td><strong>Project Development Assistance</strong></td>
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<tr>
<td></td>
<td>&gt; 96 projects signed</td>
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<tr>
<td></td>
<td>&gt; €100 million grants</td>
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<td></td>
<td>&gt; € 4,8 billion investments</td>
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</tbody>
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Limited duration

Technical Assistance Grant up to 90% of eligible costs

Project example: London RE:FIT

- **€ 2,8m**: EIB-ELENA Grant for...
  - Programme Delivery Unit
  - Support the London Public sector to retrofit public buildings
  - Use of Energy Performance Contracts

- **400**: Buildings retrofitted or in the process:
  - Office buildings
  - Schools
  - Libraries
  - Civic centres
  - Hospitals
  - Cultural centres
  - Hostels/day centres
  - Universities & colleges
  - Fire & Police stations
  - Community buildings
  - Leisure centres
  - etc. ...

- **€ 6m**: energy savings per year

- **30,000t CO₂**: tonnes CO₂ saved per year

- **€ 64m**: capital investment
Other Financing Schemes

The Example of Lyon Smart Community
Lyon Smart Community

- First sustainable and zero emission district
- Area of 150 ha – homes, buildings and transportation

Success factors

- New tramway into the not yet developed district
- Highly visible CONCERTO project in the same district
- Investment of €50 million for Toshiba’s positive energy building block as a perfect real-world test environment

Result: estimated €1.2 billion private investments

# Budget distribution 2014-2020

<table>
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<tr>
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<tr>
<td>Cohesion fund</td>
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<tr>
<td>Less developed regions</td>
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<td>Transition regions</td>
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<td>More developed regions</td>
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<td>Outermost and northern sparsely populated regions</td>
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<td>European Territorial Cooperation</td>
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<td><em>Out of which for</em></td>
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<td>transnational cooperation</td>
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<td>interregional cooperation</td>
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<td>Youth Employment Initiative</td>
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<tr>
<td>Rural development</td>
<td>99,6</td>
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<tr>
<td>European Maritime and Fisheries Fund (EMFF)</td>
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<td></td>
</tr>
<tr>
<td>Urban innovative actions</td>
<td>0,4</td>
<td></td>
</tr>
<tr>
<td>Technical assistance</td>
<td>1,5</td>
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€ 456,6 billion
Synergies through sequential or parallel projects

Horizon 2020

ESIF

"Stairway to Excellence"

"Excellent Research"

Research & Development

"Excellent Innovation"

Innovation

Market

ESIF

Capacity Building
Smart Specialisation
Smart Specialisation Strategies (S3)

- **build on national or regional innovation strategies.**
- **build competitive advantage** by developing and matching research and innovation strengths with business needs to address emerging opportunities and market developments in a coherent manner.
- **aim at avoiding duplication and fragmentation** of efforts already covered by national or regional research and innovation (R&I) strategic policy frameworks, for example.
S3 platform

1. The RIS3 methodological guide & the digital agenda toolbox
2. Transnational learning, peer review & thematic workshops
3. Country- and macro-region events
4. RIS3 assessment and support to REGIO desks; ICT experts
5. Inter-regional collaboration
6. Interactive tools, S3 newsletter and Website
7. Research agenda
S3 platform – continued

Own peer review methodology with 18 workshops in three years:
→ 53 peer reviewed regions and 16 peer reviewed countries

The Eye@RIS3 tool provides a mapping of regions' and Member States' intentions in terms of smart specialisation fields allowing to detect possible partners: http://s3platform.jrc.ec.europa.eu/map

It has been consulted 57,000 times in 2014!

The emerging fields of specialisation are:

- Energy
  (= top priority in 2/3 of all regions)
- Life science
- …
S3 Platform for Energy (S3P-ENERGY)

Launched in May 2015.

Objectives

- Optimal use of the Cohesion Policy funds for sustainable energy
- Support energy innovation at all levels and their alignment with EU priorities

1. Policy research and implementation advice
2. Mutual transnational learning arena
3. Information, communication and dissemination
4. Specific information and analysis in support of DGs ENER & REGIO
Energy & Management Authorities (EMA) Network

- Support to authorities in charge of the implementation of the energy related national programmes within the 2014-2020 cohesion policy,
- Informal platform for exchange of information, good practices, experiences and latest developments,
- Dedicated working groups for specific issues,
- Energy and Managing Authorities from each member State and participants from EU institutions and experts in various fields as appropriate.
Thank you!

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Get involved at http://eu-smartcities.eu!
Annex
<table>
<thead>
<tr>
<th>Acronyms</th>
<th>Description</th>
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<tr>
<td>CEF</td>
<td>Connecting Europe Facility</td>
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<td>CF</td>
<td>Cohesion Fund</td>
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<tr>
<td>CLLD</td>
<td>Community-led Local Development</td>
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<td>EAFRD</td>
<td>European Agricultural Fund for Rural Development</td>
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<td>EEEF</td>
<td>European Energy Efficiency Fund</td>
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<td>EFSI</td>
<td>European Fund for Strategic Investments</td>
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<td>EIAH</td>
<td>European Investment Advisory Hub</td>
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<td>EMFF</td>
<td>European Maritime and Fisheries Fund</td>
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<td>EPC</td>
<td>Energy Performance Contracting</td>
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<td>ERDF</td>
<td>European Regional and Development Fund</td>
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<td>ESF</td>
<td>European Social Fund</td>
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<tr>
<td>ITI</td>
<td>Integrated Territorial Investments</td>
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<td>PF4EE</td>
<td>Private Finance for Energy Efficiency</td>
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<td>NCFF</td>
<td>Natural Capital Financing Facility</td>
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## Useful links

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<tr>
<th>Program</th>
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