

# **Cohesion Policy investing in sustainable growth**

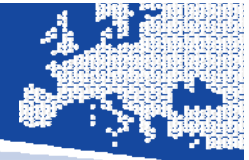
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Policy Analyst Environment  
European Commission - DG REGIO



# Content

- Investing now in sustainable growth with the 2007-13 Cohesion Policy
- Sustainable growth in the post-2013 Cohesion Policy
- Project examples





# The 2007-13 Cohesion Policy

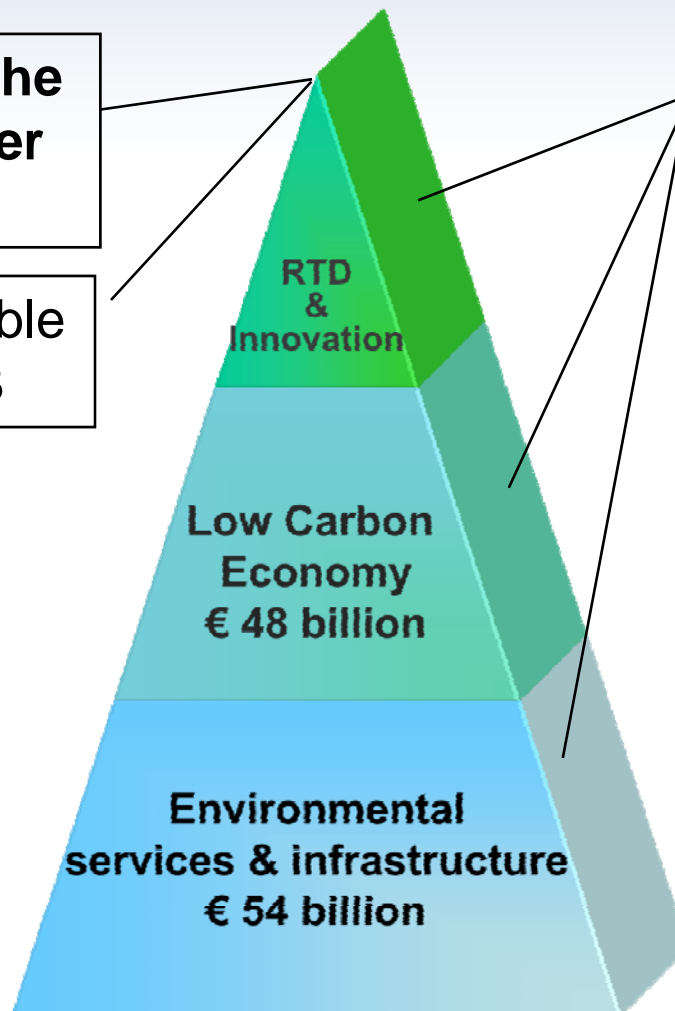




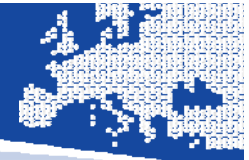
# Sustainable Growth in 2007-13 Regional Policy

**€105 billion for the environment over 2007-2013**

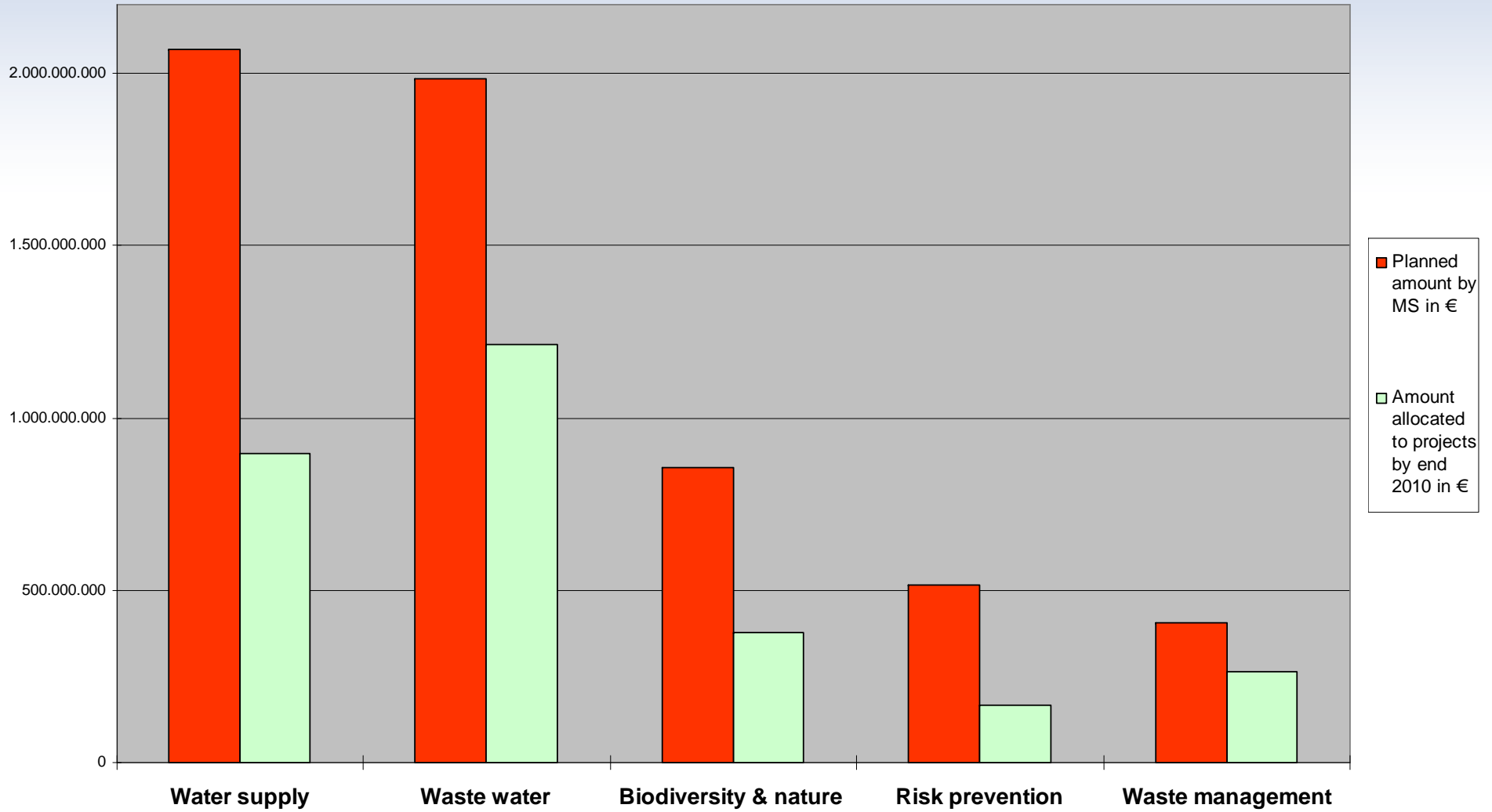
30% of total available funding 2007-2013

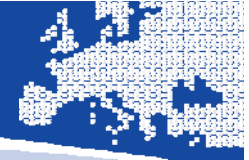


- € 39 Billion for Sustainable Transport
- € 13.9 B for waste water treatment
- € 9 B for Energy Efficiency & Renewables
- € 8 B for water supply
- € 6.5 B for 'natural risk prevention'
- € 3.9 B for biodiversity & nature protection

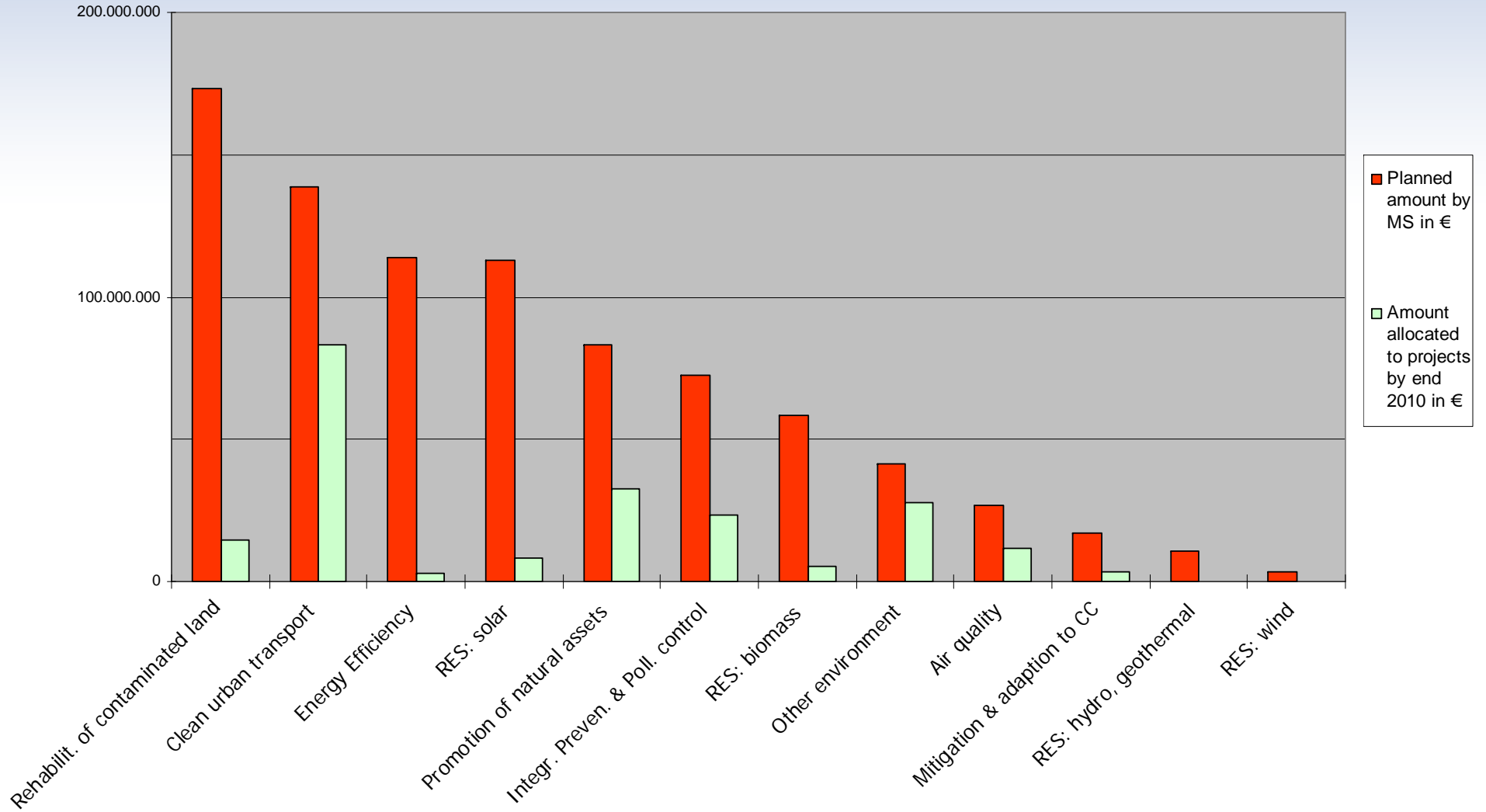


Use of 2007-13 Cohesion Policy funding in Spain on  
Sustainable Energy & Environment by end 2010





**Use of 2007-13 Cohesion Policy funding in Spain on  
Sustainable Energy & Environment by end 2010**





**'Regional Policy contributing to  
sustainable growth in Europe 2020'  
COM(2010) 17**

**Invest more**

**Low-  
Carbon  
Economy**

**Ecosystem  
services**

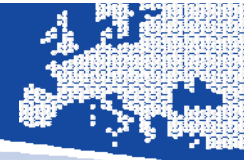
**Eco-  
innovation**

**Invest better**

**Mainstream  
Sustainable  
Dev.  
through  
whole  
project  
cycle**

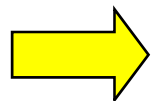
**Climate  
resilience  
&  
resource  
efficiency**

**Better  
Governance**



# Low-carbon economy

- Further invest in **energy efficiency (building sector)** & renewables;
- Use new possibilities for innovative financial instruments (JESSICA)
- Decarbonisation of transport: invest in clean urban transport



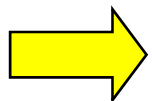
**Opportunities for local growth & jobs  
via low-carbon economy**



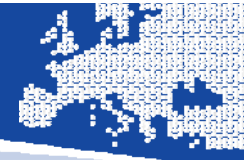


# Ecosystem services & biodiversity

- Invest in protection of ecosystems & biodiversity as source of economic development
- Use funding for investments in **natural risk prevention / adaptation to climate change**
- Invest in “Green infrastructure”

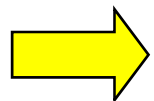
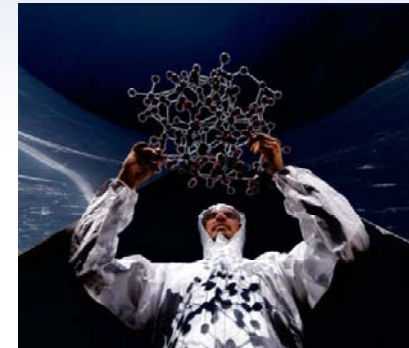


**Preserving natural assets and resources for local and regional development**

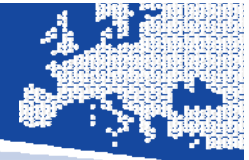


# Eco-innovations

- Develop eco-innovations across sectors including 'traditional' areas like food industry, wood industry...
- Support **SMEs** on eco-innovations
- Invest in **ICT for the green economy**: ICT = key enabler for renewable technologies & energy efficiency

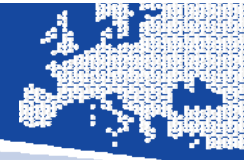


**Investment in Eco-innovations to improve the competitiveness of regional economies & SMEs**



# The post-2013 Cohesion Policy

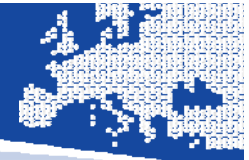




# Ex-ante conditionality linked to SG

Fulfillment of specific conditions linked to EU environment, energy & climate change legislation:

- Energy Performance of Buildings Directive (EPBD)
  - Certification of energy performance of buildings
- Renewable Energy Directive
  - National Renewable Energy Action Plan
- Existence of national/ regional risk assessments for disaster management
- Water Framework Directive & Existence of water pricing policies
  - Adoption of river basin management plans
- Implementation of waste directive
  - Set up of waste prevention programmes



# Concentration of ERDF



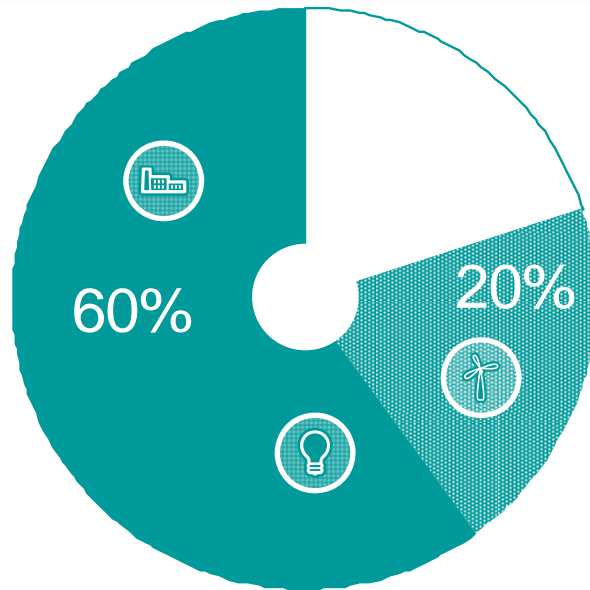
Energy efficiency & renewable energy



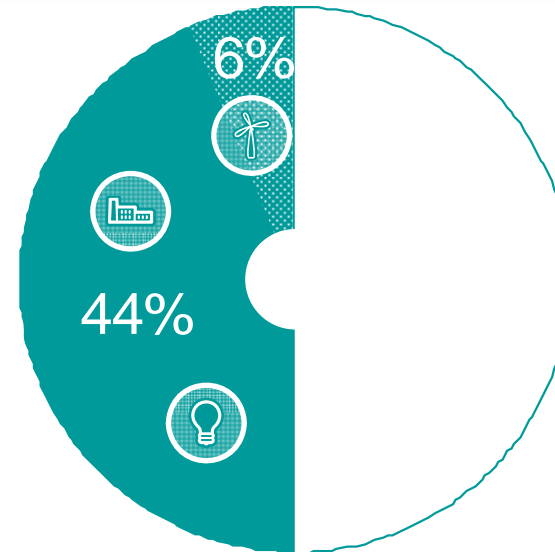
Research & innovation



Competitiveness of SMEs

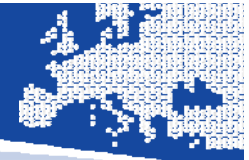


More developed &  
transition regions



Less developed  
regions

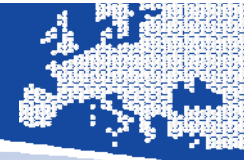
Flexibility – different regions have different needs  
Special arrangements for ex-convergence regions



# Thematic objectives

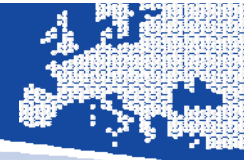
Among the 11 thematic objectives, 3 on Sustainable Growth:

- Supporting the shift towards a low-carbon economy in all sectors
- Promoting climate change adaptation, risk prevention and management
- Protecting the environment and promoting resource efficiency



# Investment priorities (I)

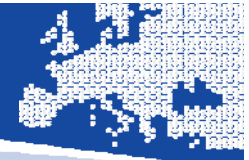
- Each thematic objective has a list of investment priorities
- *Supporting the **shift towards a low-carbon economy** in all sectors:*
  - *promoting the **production and distribution of renewable energy sources***
  - *promoting **energy efficiency and renewable energy use in SMEs***
  - *supporting energy efficiency and renewable energy use in **public infrastructures and in the housing sector***
  - *developing **smart distribution systems at low voltage levels***
  - *promoting **low-carbon strategies for urban areas***



# Renewables & Energy Efficiency

- Minimum € 17 Billion for Low-Carbon Economy in 2014-20 (up from current €9.3 B on EE & RES)
- EE in public infrastructures, housing & SMEs
- No more ceiling for investing in EE in housing
- Innovative technologies for renewable electricity and renewable heating & cooling
  - Marine energy
  - 2<sup>nd</sup> & 3<sup>rd</sup> generation biofuels...
- R&D in RES & EE





# Investment priorities (II)

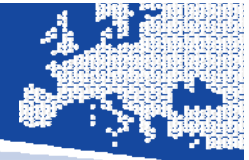
- Promoting climate change adaptation, risk prevention and management:
  - *supporting dedicated investment for adaptation to climate change*;
  - *promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems*;
- protecting the environment and promoting resource efficiency:
  - *Meet the environmental 'acquis' in waste & water*
  - *protecting biodiversity, soil protection and promoting ecosystem services including NATURA 2000 and green infrastructures*;



# Opportunities of Adaptation to CC

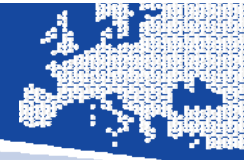
- **Ecosystem-based adaptation:**
  - Preserves natural areas, biodiversity, water quality & quantity, ecosystem services
  - New/Improved recreational areas = positive health effects
  - New jobs & activities
- **New city planning/development:**
  - Green roofs/walls
  - New/enhanced parks – green areas
  - Water recycling/re-use
- **Technological innovation:**
  - Water efficient solutions
  - New materials (heat resistant ...)
  - IT-based technologies/solutions



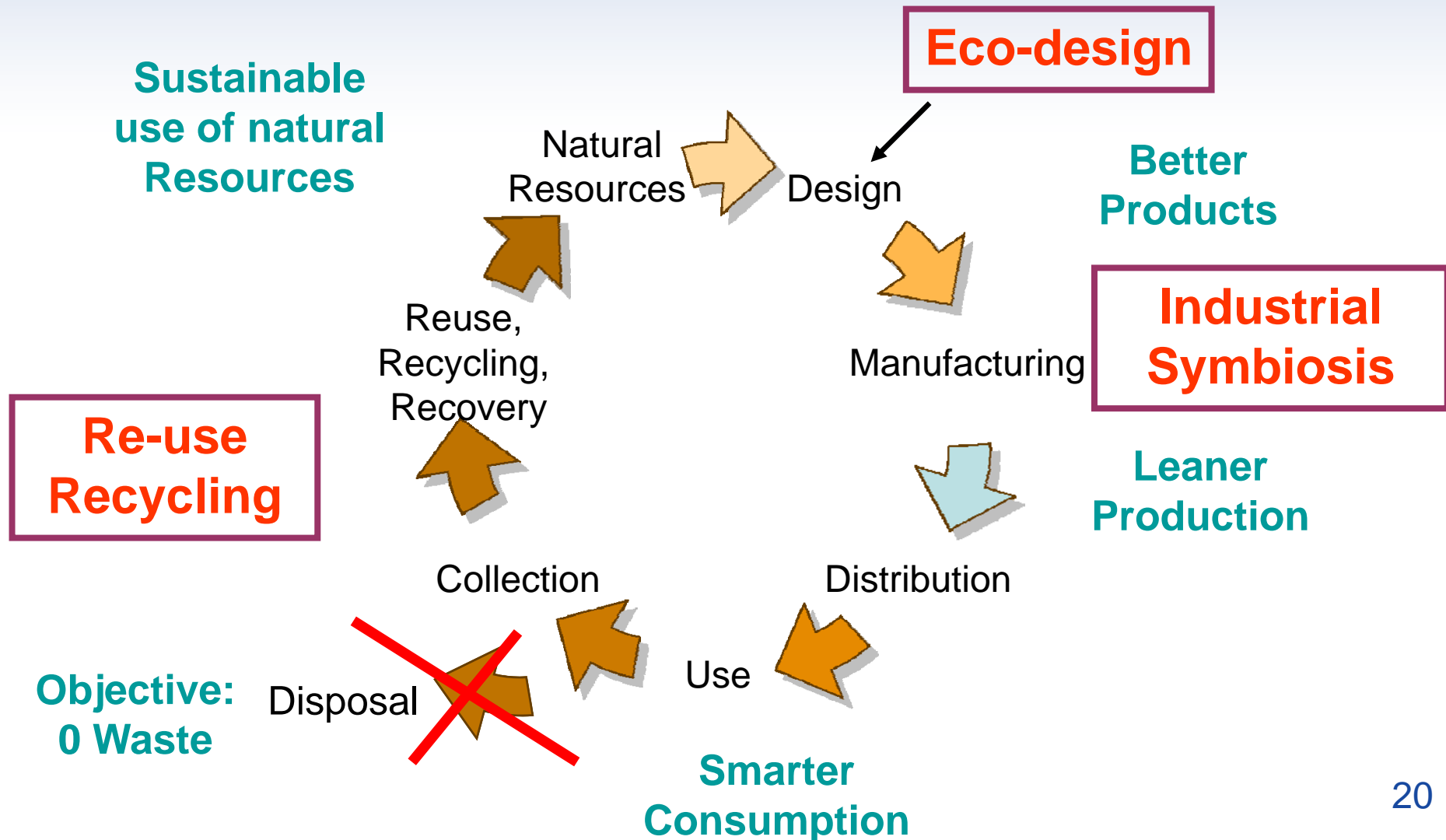


# Water management

- Finance measures to implement River Basin Management Plans:
  - Green Infrastructure
  - Improved ecosystems (floodplains, river restoration...)
- Investments in water efficiency: focus on demand management options
- Additional supply only when potential for water savings & efficiency is exhausted



# The circular economy





# Regional Innovation Strategies for Smart Specialisation (RIS3)

- Smart & Sustainable = 2 sides of same coin
- Include environment, energy, climate change into Innovation / Innovation Strategies
- Research & Innovation in:
  - Renewables & energy efficiency;
  - Water – water efficiency
  - Waste – circular economy
  - Adaptation to CC
  - Nature preservation/biodiversity



Photo credit: Kheng Guan Toh



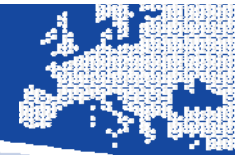
# Sustainable Urban Development

- Regulation underlines necessity to support integrated actions to tackle the economic, environmental, climate and social challenges affecting urban areas
- ERDF = increased focus on sustainable urban development:
  - to be achieved through earmarking of a minimum of 5% of national ERDF resources for SUD
  - the establishment of an urban development platform to promote capacity building and exchange of experience,
  - adoption of a list of cities where integrated actions for SUD will be implemented.

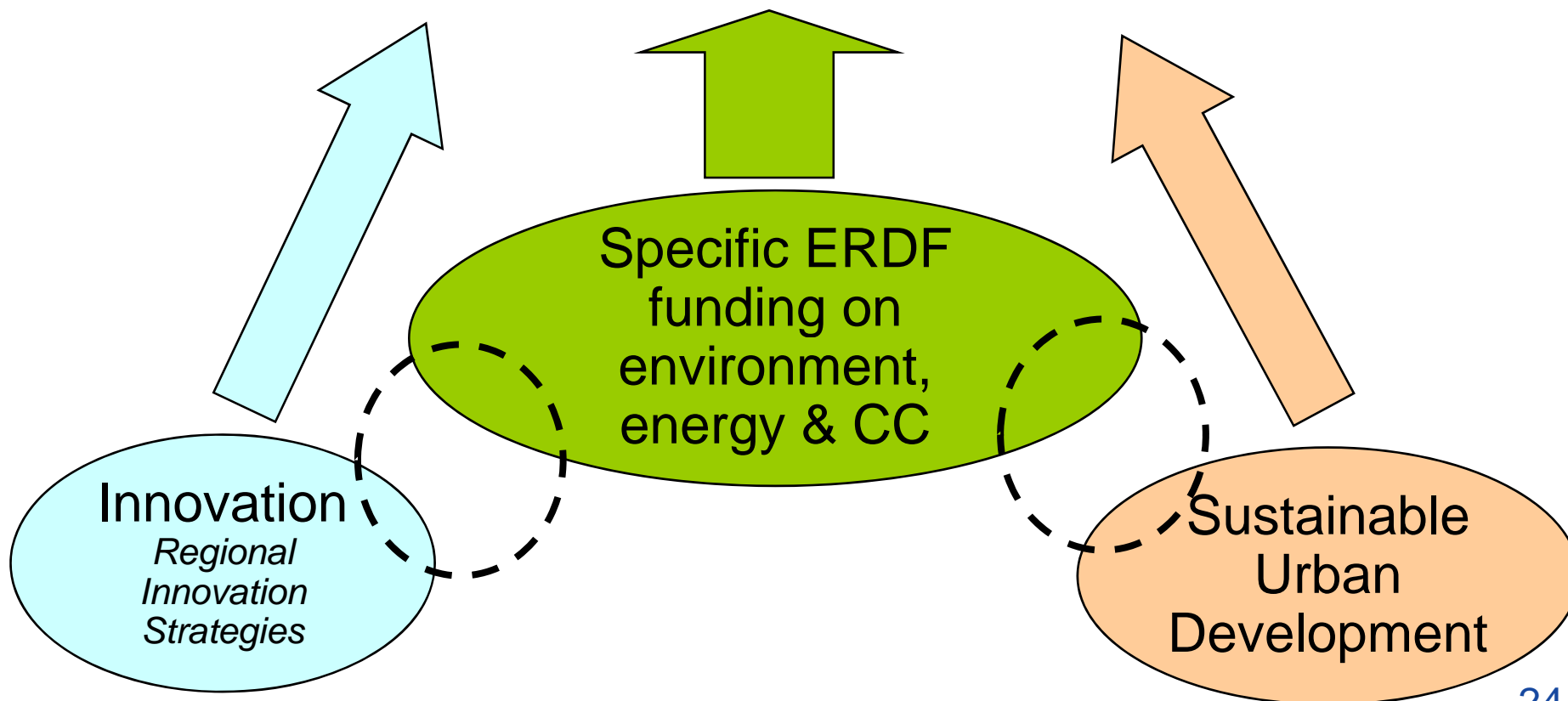


# Horizontal measures

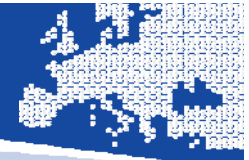
- Critical role of **good governance**: develop partnerships & networks; include civil society & socio-economic partners
- Key instrument = Public Procurement (17% of EU GDP): boost **Green Public Procurement!**
- Environmental Impact assessments (SEA/EIA directives)
- **Climate & biodiversity proofing** of programmes/projects
- Key enabler = **knowledge, know-how & capacities**:
  - Invest in training & capacity building
  - **Synergies with ESF**



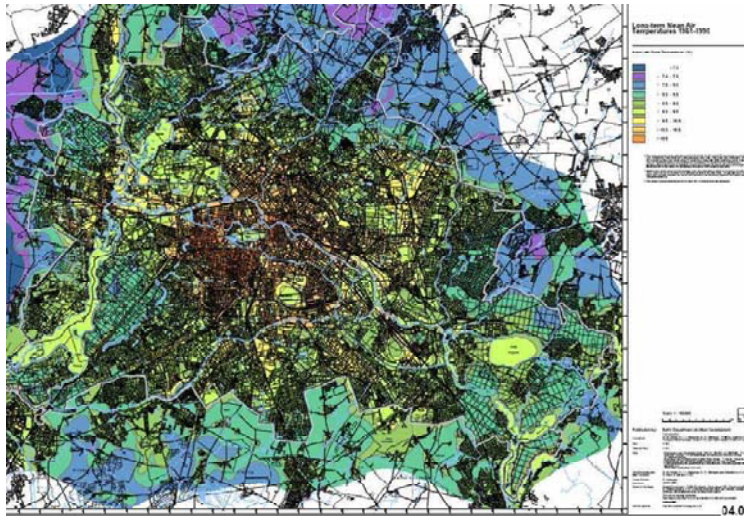
**Investments in  
environment, energy & climate change  
for socio- economic development  
through future ERDF**







# Project examples



# ENWORKS

**Boosting resource efficiency at a regional level**

The ENWORKS business support programme in England's Northwest

Supported by



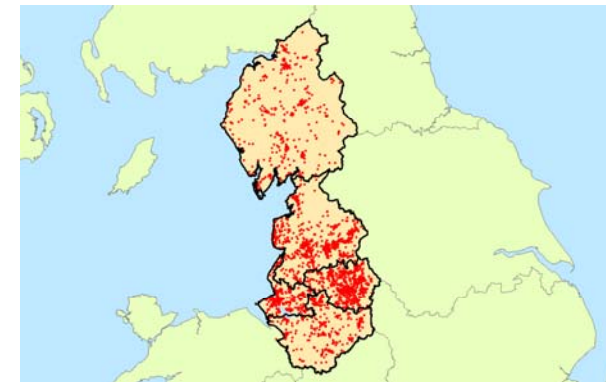
INVESTING IN  
englandsnorthwest

EUROPEAN REGIONAL DEVELOPMENT FUND



# Boosting resource efficiency in SMEs

- Established in 2001 - Current programme (10/2009 to 06/2013) value of **£9.3m**: co-financed activity £6.99m (**£3.49m ERDF** & £3.49m national/regional contribution)
- Helped over 10,000 businesses with **converting environmental pressures into competitive advantages**:
  - become more resource efficient
  - reduce carbon impact
  - increase productivity
- Web-based support & toolkits with specific software, launched in 2004([www.enworks.com](http://www.enworks.com))





# Boosting resource efficiency in SMEs

Impressive results on:

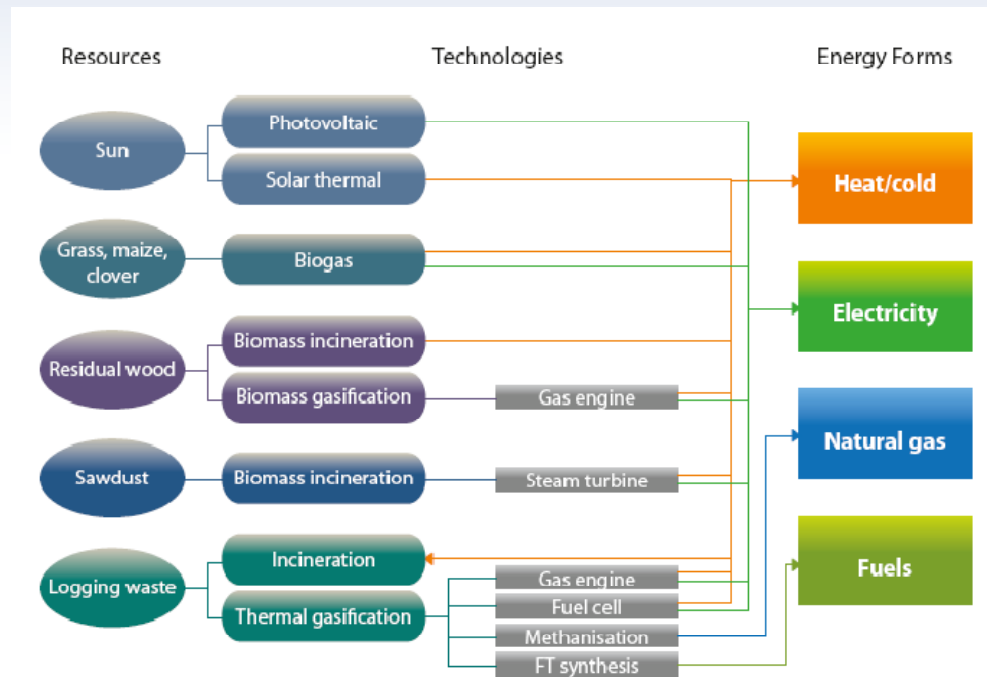
- **Economical/business aspects:**
  - £122 million (€145m) in saved business costs
  - Average cost savings of €25,107 per business per year
  - £223 million (€256m) sales contracts secured and retained
- **Social aspects:**
  - More than 7,420 regional jobs created and safeguarded
  - Over 700 people trained
- **Environmental aspects, savings of:**
  - 681,000 tonnes of CO2 equivalent
  - 4.7 million m3 of water
  - 3 million tonnes of materials
  - 388,000 tonnes of waste diverted from landfill
- **65% of cost savings achieved at no capital cost**





# Smart Specialisation in RES: case of Burgenland (AT)

- Regional development & innovation strategy in RES over more than 15 years
- Initial situation: economic downturn, emigration, unemployment
- Objective to re-develop the region based on local characteristics & assets
- Reach energy self-sufficiency
- Generate regional growth, employment & tax revenues





# Smart Specialisation in RES: case of Burgenland (AT)

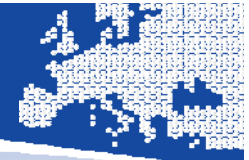
- Strategic & significant use of Cohesion Policy funding in biomass, solar and wind energy as well as into training & technology centres
- Great success in terms of jobs, regional development & energy security

RENEWABLE ENERGY SOURCES, BURGENLAND (1995-99, 2000-06)

Aid programme	Number of projects	Eligible costs	Amounts in €	
			EU	National
Objective 1 1995-99 (ERDF)	4	15 735 299	2 865 890	4 412 469
Objective 1 2000-06 (ERDF)	15	95 900 644	17 741 507	9 607 864
Additionality 2000-06 (ERDF)	20	43 214 981	0	11 861 321
INTERREG IIA	10	674 439	222 164	241 937
INTERREG IIIA	4	922 646	461 323	276 879
LEADER+	10	1 954 736	892 045	250 292
Objective 1 2000-06 (EAGGF)	190	21 994 684	6 339 824	2 113 274
<b>Total</b>	<b>253</b>	<b>180 397 429</b>	<b>28 522 753</b>	<b>28 764 038</b>

Extensive case study available at:

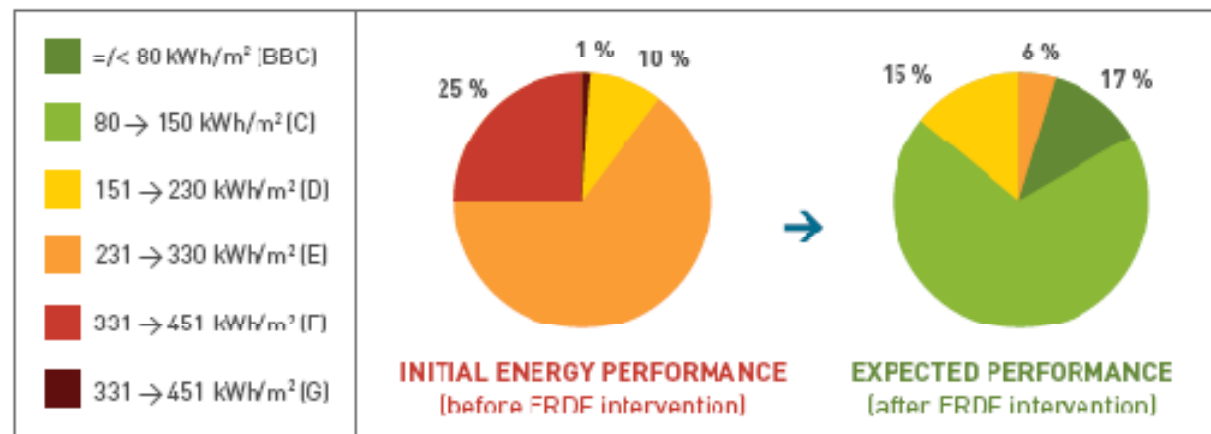
[http://ec.europa.eu/regional\\_policy/newsroom/pdf/200912\\_burgenland.pdf](http://ec.europa.eu/regional_policy/newsroom/pdf/200912_burgenland.pdf)



# Energy efficiency in social housing (FR)

- Use of the 4% ERDF for EE in residential area
- Objectives:
  - Refurbish most energy consuming social housing
  - Be exemplary and trigger a multiplier effect
  - Tackle ‘energy poverty’ & support jobs in construction sector
- 100% of available amount (€ 305 M) used up

## EXPECTED RESULTS:



Expected evolution on a sample of 5347 housing units in 8 French Regions. (Source : USH)



# Revolving fund in Energy Efficiency (Est.)

- Switch from grants to a revolving fund
- Why revolving fund?
  - Opportunity for re-usage of the funds
  - Funds stay in state
  - Loan is needed for reconstruction anyway
  - Easier to administer, lower administrative costs
  - End-beneficiary is used to take loan
  - Innovative scheme, help from kfW
- Started 06/2009
- March 2010: 70 contracts with multi-apartment buildings, total 5,1 mn € (average 74 400 €, 2035 apartments, saving 33%)

Kui Sinu kodu külmetab, siis...  
**Sina kaotad raha!**

võida küttekuludest aastas kuni **45%**

Eestis on Põhjamaadega sarnane kliima, aga energiat tarbime kuni 2 korda rohkem. See on raiskamine, mille lõpetamiseks saad ka Sinu oma panuse anda - **muuda oma kodu energiasäästlikuks!**

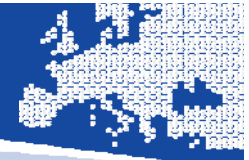
Küsi nõu või saada Sinu maja korraldajalt eest vastutava inimese kontaktandmed KredExile. Meie võtame temaga ise ühendust - nii on Sinul vähem tüli!  
Lisaks võid just Sinu võita oma kortermajale ühe viiest tasuta energiaauditiit. Kampania kestab kuni 29. novembrini.

Iga võidetud päev on sääst Sinu rahakotist!

Tel. 681 9954 esk@kredex.ee www.kredex.ee

Riikliku Energiaagentuur ENERGY KREDEx





1. ERDF to equity of the fund

ERDF  
EUR 17 Million

KredEx  
(Fund)  
EUR 49 Million  
(+ 15% self-financing,  
total 57 mn €)

2. Additional funding up to 50% of total

Development  
Bank (CEB)  
EUR 29 Million

3. Favorable funding to the commercial banks, interest 4% to end-beneficiaries

Swedbank

SEB

State guarantee

Apartment Building  
Apartment Building  
Apartment Building

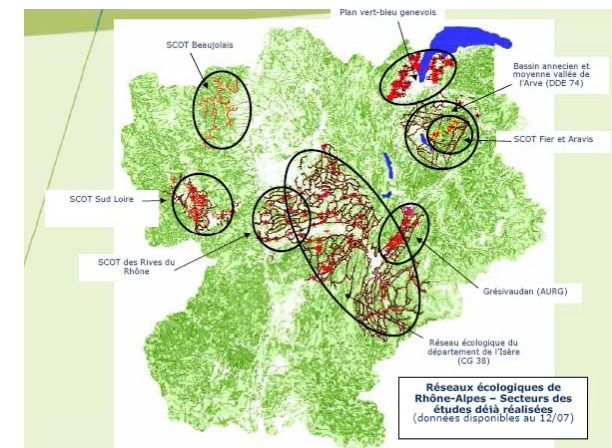
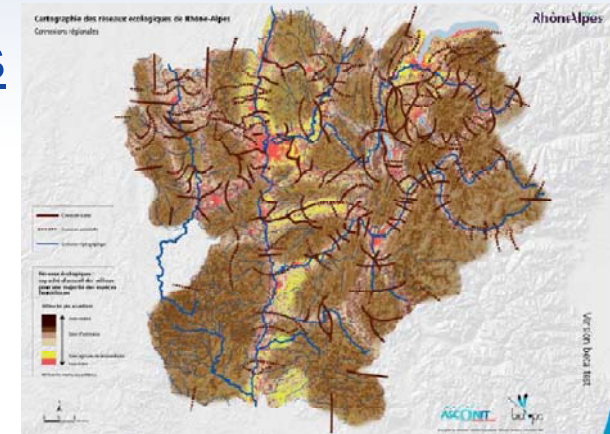
Apartment Building  
Apartment Building  
Apartment Building

4. Loan to the apartment associations.  
Commercial Bank takes the risk of the lenders



# Green Infrastructure (eco-corridors) in FR

- Build a regional network of preserved areas based on ecological corridors
- Deployment of territorial contracts on 'biological corridors'
- Extensive work with local actors / municipalities / associations / environment and water authorities
- Investments in eco-bridges, restoration of wetlands, trainings in schools and municipalities...
- Planned costs over 5 years : € 3.6 million with 1.28 million ERDF.

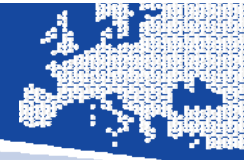




# Conclusions

- Use 2007-13 funding on sustainable growth now to prepare for 2014-20
- Thematic concentration on sustainable growth = opportunity to reach social & economic development
- Focus on **synergies** between Smart & Sustainable & Inclusive Growth





# Many thanks for your attention

