EC, Nov. 2018: ‘A European long-term strategic vision for a prosperous, modern, competitive and climate neutral economy’

GHG reduction during the next MFF cycle

Source: PRIMES, GAINS, GLOBIOM.

MFF 2021-2027
Annual financing from EU sources in climate action relevant sectors; annual averages, billion Euro, % of total; 2018 prices

**EU public banks**
- EIB, 60, 30%
- EBRD, 9.50, 5%
- EEA, 0.28, 0.14%

**MFF - Cohesion Policy**
- ERDF, 32.29, 16%
- CF, 6.71, 3.39%
- ESF+, 14.43, 7%

**ETS funds**
- JTF, 0.69, 0.35%
- ModF, 1.03, 0.52%
- InnF, 1.10, 0.56%
- LIFE, 0.78, 0.39%

**MFF – centrally managed funds**
- InvestEU, 2.10, 1.06%
- HorEur, 13.43, 7%
- CEF D, 0.43, 0.22%
- CEF E, 1.24, 0.63%
- CEF T, 1.83, 0.92%
- EAFRD, 11.29, 6%

**MFF – Common Agricultural Policy**
- EAGF, 40.86, 21%

**European Investment Bank**
- European Bank for Reconstruction and Development

**European Fund for Regional Development**
- Cohesion Fund
- European Social Fund

**European Agricultural Guarantee Fund**
- European Agricultural Fund for Rural Development

**Modernisation Fund**
- Innovation Fund

**Connecting Europe Facility**
- Energy/Transport/Digital
- InvestEU
- Horizon Europe
- LIFE
An EU Budget to address the Climate Emergency: How to fund a Green New Deal for Europe

Brussels, 15 October 2019

EU funds for climate neutrality
Programming the Ecological Transition

Markus Trilling
Climate Action Network (CAN) Europe
Finance and Subsidies Policy Coordinators
markus@caneurope.org
www.caneurope.org
“Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development”

- Paris Agreement, Article 2.1c
‘Paris compatibility’: At least 65% less GHG by 2030 + net-zero by 2040

- Common Agricultural Policy
- Connecting Europe Facility
- Cohesion Policy
- InvestEU
- Horizon Europe (Research & Innovation)

2015 EU greenhouse gas emissions by sector

- Waste: 3%
- Agriculture: 11%
- Transport: 26%
- Buildings: 12%
- Industry: 19%
- Energy supply: 29%

Cohesion Policy - Programming the Ecological Transition

• Cohesion Policy funding: How much money is it? Who gets it?
• What can be finance with EU funds?
• How is it linked to 2030 targets and NECPs?
• How can civil society get involved in priorities of future EU spending
### GDP/head (PPS) by NUTS2 region, average 2014-15-16

**Index, EU-27 = 100**

- < 75% (less developed regions)
- 75% - 100% (transition regions)
- >= 100% (more developed regions)

### Cohesion Fund eligibility 2021-2027

**Category**

- GRD/head < 96% of EU27 average
- Other Member States

### Table

<table>
<thead>
<tr>
<th></th>
<th>LD</th>
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<th>MD</th>
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<tbody>
<tr>
<td>Allocation (EUR bns 2018 prices)</td>
<td>198.6</td>
<td>45.9</td>
<td>34.8</td>
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<tr>
<td>Population (MM inhab)</td>
<td>123.6</td>
<td>112.5</td>
<td>208.4</td>
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**Allocation (EUR bns 2018 prices)** 41.3

**Population (MM Inhab)** 126.2
National envelopes
Cohesion Policy

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<tr>
<th>Country</th>
<th>2018 prices</th>
<th>Current prices</th>
<th>2021-2027</th>
<th>2014-2020</th>
<th>Absolute change (euro billions)</th>
<th>Relative change (%)</th>
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</table>
Share of European Structural and Investment Funds in public investment 2015-2017 in %

Source: Eurostat, DG REGIO
Policy objectives Cohesion Policy (PO)

(1) a **smarter Europe** by promoting innovative and smart economic transformation;

(2) a **greener, low-carbon Europe** by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management;

(3) a more **connected Europe** by enhancing mobility and regional ICT connectivity;

(4) a more **social Europe** implementing the European Pillar of Social Rights;

(5) a **Europe closer to citizens** by fostering the sustainable and integrated development of urban (‘SECAPs!’), rural and coastal areas and local initiatives.
Specific objectives for the ERDF and the Cohesion Fund

(b) 'a greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management ('PO 2') by:

(i) promoting energy efficiency measures;
(ii) promoting renewable energy;
(iii) developing smart energy systems, grids and storage at local level;
(iv) promoting climate change adaptation, risk prevention and disaster resilience;
(v) promoting sustainable water management;
(vi) promoting the transition to a circular economy;
(vii) enhancing biodiversity, green infrastructure in the urban environment, and reducing pollution;
(viii) Sustainable Urban Mobility

... for the Just Transition ...
+ Support for business, SMEs, innovation (PO1)
+ workforce development (PO4)
+ community lead bottom-approaches (PO5)

Thematic concentration of ERDF support:
• 30% for 'PO 2' in ‘less developed’ and ‘transition’ regions
• 0% - 25%/30% for 'PO 2' in ‘more developed’
The beneficiaries

SMEs

Authority

Community
FORMS OF FINANCE

• Grants
• Support through financial instruments: equity or quasi-equity, loan, guarantee
• Prize
COMMUNITY LED LOCAL DEVELOPMENT (CLLD)

- CLLD focused on sustainable urban development, including:
  - Urban neighbourhoods
  - Cities, towns and suburbs
  - Functional urban areas

✓ SECAPs - Sustainable Energy and Climate Plans – Covenant of Mayors
✓ Just Transition plans and strategies
TECHNICAL ASSISTANCE

• Information and communication
• Preparation, implementation, monitoring and control
• Evaluation and studies, data collection
• Reinforcement of the capacity of Member State authorities, beneficiaries and relevant partners
The EU’s 2030 climate and energy framework: Opportunity or threat?

“NECPs inform EU funds spending plans!”

“[..] we will finance measures on Energy Efficiency and use Union funds”
### EU funds - financial allocations in relation to climate and energy

<table>
<thead>
<tr>
<th>Planned EU funds 2014-2020</th>
<th>GHG emissions removals (environmental measures)</th>
<th>Renewable Energy (wind, solar, biomass, hydro, geo &amp; RES integration)</th>
<th>Energy Efficiency (housing, public buildings, SMEs and large enterprises)</th>
<th>Fossil Gas infrastructure (TEN-E and other)</th>
<th>Electricity infrastructure (transmission, distribution, storage, 'smart grids'; TEN-E and other)</th>
<th>Research &amp; innovation, technology transfer and cooperation in enterprises focusing on the low-carbon economy</th>
<th>Share on total ERDF/CF: GHG reduction, renewable energy, energy efficiency, electricity infrastructure, research and innovation</th>
</tr>
</thead>
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<td>AT</td>
<td>€25,326,771</td>
<td>€0</td>
<td>€102,550,607</td>
<td>€0</td>
<td>€0</td>
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<td>€85,225,862</td>
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<tr>
<td>BG</td>
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<td>€38,250,000</td>
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<td>€14,195,000</td>
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<td><strong>TOTAL</strong></td>
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<td><strong>€5,036,151,232</strong></td>
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<td><strong>€2,025,098,696</strong></td>
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The Way Forward
INVESTMENT GUIDANCE ON COHESION POLICY FUNDING 2021-2027 FOR SPAIN

Policy Objective 2: A low carbon and greener Europe – Clean and fair energy transition, green and blue investment, circular economy, climate adaptation and risk prevention

The 2016 and 2017 figures show an increase in energy consumption, in particular in industry and buildings. High priority investment needs are therefore identified to promote energy efficiency, and in particular to:
- accelerate the energy efficient renovation of the building stock (including public buildings and small and medium-sized enterprises), prioritising the renovation of residential buildings and focusing on the energy poor;
- promote small-scale infrastructure and access to small grids with cross-border regions.

The electricity interconnection level of Spain was 6% in 2017. Priority investment needs are identified to promote smart energy systems at local level and in particular to:
- deploy smart electricity distribution grids and storage solutions – linked to demand and supply planning, also in a cross border-context.

The increase of the renewable energy share in Spain has visibly slowed down between 2014 and 2017. Priority investments needs are therefore identified to promote renewable energy and in particular:
- foster the deployment of small-scale renewable electricity capacities owned by energy communities, small and medium sized enterprises or individual energy consumers;
- promote the transition to renewables in heating and cooling;
- support renewable energy technologies that are close to market or not yet widely deployed.

Policy Objective 5 – A Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives

Germany is facing structural transition challenges in the coal mining regions as a result of the planned phasing out of coal. Investment needs have been identified to 'foster integrated social, economic and environmental local development, cultural heritage and security, including for rural and coastal areas also through community-led local development', and in particular to:

• develop coal regions, managing structural change in order to increase attractiveness for enterprises and the workforce, complementing the EU Coal Regions Initiative.

PROGRAMMING

• The principles and priorities of cohesion policy are distilled through a process of consultation between the Commission and the EU countries.

• Each Member State produces a Partnership Agreement, which outlines the country's strategy and proposes a list of programmes.

• In addition to this Member States also present operational programmes (OP) which cover entire Member States and or regions. OP contains regional or sectoral objectives, measures and financial allocations. The programmes present the priorities of the country and/or regions or the cooperation area concerned.

• The Commission negotiates with the national authorities on the final content of the Partnership Agreement, as well as each programme.

• Workers, employers and civil society bodies can all participate in the programming and management of the OPs.

PARTNERSHIP

Member States are required to:

- Ensure that partners are involved in all stages of the process, from planning to evaluation
- Be transparent in the selection of partners
- Provide sufficient information to partners and give them sufficient time to make their voice heard in the consultation process
- Support capacity building of partners
- Create platforms for mutual learning and exchange of good practice

Programming timetable

- **Launch programming in MS**: April 2019
- **Submission of draft Partnership Agreements and Operational Programmes**: 1st/2nd quarter of 2020
- **Negotiations EC – MS**: Second half of 2020
Possible involvement

• Formulate investment areas and investment needs embracing possible elements sectoral or regional decarbonization of transformation agendas.

• Formulate EU funding requirements in combination with your NECP assessment.

• Ask for ‘Just Transition-strategies’.

• Send it to Government and DG Regio.
COHESION POLICY FUNDS

BEST USED TO GREEN THE ECONOMY

CUT EMISSIONS, NOT THE BUDGET!

#EUBudget4Climate
Thank you!

The European Climate Initiative (EUKI) is a project financing instrument by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU). Its implementation is supported by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. It is the overarching goal of the EUKI to foster climate cooperation within the European Union (EU) in order to mitigate greenhouse gas emissions.

The opinions put forward during this event are the sole responsibility of CAN Europe and do not necessarily reflect the views of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety or of the project partners.
Climate Action Network (CAN) Europe is Europe's leading NGO coalition fighting dangerous climate change.

With over 160 member organisations from 35 European countries, representing over 1,500 NGOs and more than 40 million citizens, CAN Europe promotes sustainable climate, energy and development policies throughout Europe.