

EU INVESTMENT SUPPORT FOR THE ENERGY TRANSITION

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OUTLINE

Going beyond energy sector legislation: How does the EU support the clean energy transition?

1. 2021-2027 MFF

- Programme highlights for NPBs

2. Sustainable Finance Initiative

1. 2021-2027 MFF (*EC PROPOSALS*)



THE CHALLENGE

The EU committed to **three ambitious climate and energy targets for 2030** in line with the Paris Agreement.

Commission proposes in its **long-term strategy** that the EU achieves **net-zero GHG emissions by 2050**.



Minimum **40%** cut in greenhouse gas emissions compared to 1990 levels



At least a **32%** share of renewables in final energy consumption



At least **32,5%** energy savings compared with the business-as-usual scenario

Public money
EU support: MFF

The average yearly investment necessary meet these targets is estimated **around €400 billion**.

Private capital

Public support alone will not be sufficient to meet those investment needs. The private sector will have to play a huge role and a smart policy framework is needed to incentivise private investment.





SUPPORT TO CLEAN ENERGY – MFF PROGRAMMES



I SINGLE MARKET, INNOVATION & DIGITAL

1 Research & Innovation

- Horizon Europe
- International Thermonuclear Experimental Reactor (ITER)
- Euratom Research & Training Programme

2 European Strategic Investments

- InvestEU Fund
- Connecting Europe Facility

25% climate
mainstreaming
across the
EU Budget



III NATURAL RESOURCES & ENVIRONMENT

9 Environment & Climate Action

- Programme for Environment & Climate Action (LIFE)



II COHESION & VALUES

5 Regional Development & Cohesion

- European Regional Development Fund
- Cohesion Fund



V SECURITY & DEFENCE

12 Security

- Nuclear Decommissioning (Lithuania)
- Nuclear Safety and Decommissioning (incl. for Bulgaria and Slovakia)



VI NEIGHBOURHOOD & THE WORLD

15 External Action

- Neighbourhood, Development and International Cooperation Instrument (incl. external aspects of migration)
- **16 Pre-Accession Assistance**
- Pre-Accession Assistance

Programmes outside the MFF:

- *Innovation Fund*
- *Modernisation Fund*
- *RES financing mechanism*





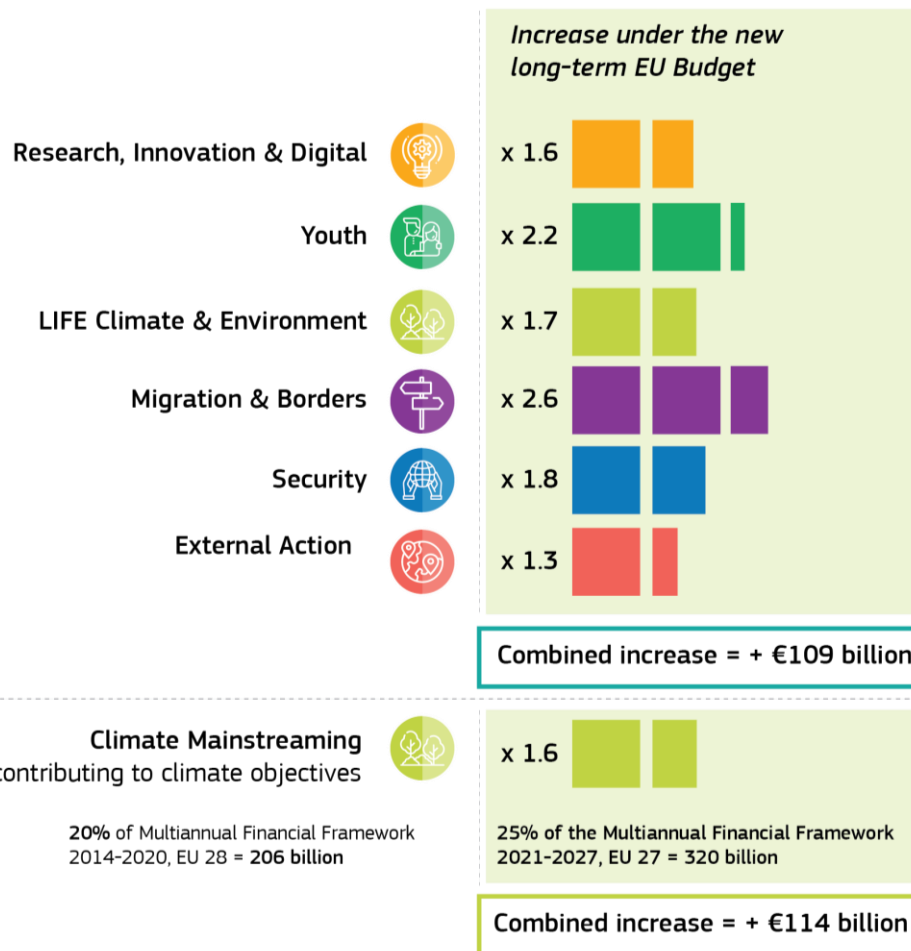
SUPPORT TO CLEAN ENERGY – THE FIGURES

| Energy in the MFF (<i>current prices, EUR million</i>) | 2021-2027 (EC proposal) | 2014-2020 (EU27+EDF) |
|--|----------------------------|-------------------------|
| Main energy-relevant programmes | | |
| Connecting Europe Facility - Energy | 8.650 | 4.163 |
| ITER | 6.070 | 2.910 |
| Nuclear Decommissioning (Lithuania) | 552 | 451 |
| Nuclear safety and decommissioning (incl Bulgaria and Slovakia) | 626 | 883 |
| LIFE Programme | 5.450 | 3170 |
| of which Clean Energy sub-programme | 1.000 | - |
| InvestEU | 14.725 | |
| Horizon Europe | 97.600 | 66.034 |
| ERDF | 226.308 | 193.398 |
| Cohesion Fund | 46.692 | 74.589 |
| Other programmes that might benefit energy | | |
| Euratom Research and Training Programme | 2.400 | 2.085 |
| Neighbourhood, Development and International Cooperation Instrument | 89.500 | 70.428 |
| Instrument for pre-accession Assistance | 14.500 | 12.799 |
| non-MFF programmes* | | |
| Innovation Fund | 10.000 | |
| Modernisation Fund | 6.000 | |
| TOTAL MFF | 1.279.408 | 1.063.101 |



FOCUSED ON EUROPEAN ADDED VALUE

Reinforcement of climate mainstreaming



Note: Compared to Multiannual Financial Framework 2014-2020 at EU-27, including European Development Fund



PROGRAMME HIGHLIGHTS FROM THE *EC PROPOSALS*



ERDF AND COHESION FUND

- Proposed budget 2021-2027: EUR 273 billion
- A strengthened link with the European Semester and NECPs
- A simplified framework and less red tape for the beneficiaries of the funds
- Policy Objective 2: “*a greener, low-carbon Europe*”
- Reinforced, streamlined enabling conditions linking policy implementation and funding

- Climate mainstreaming:
ERDF – 30%; CF – 37%

- Energy efficiency
- Renewable energy
- Smart energy systems, grids and storage



INVESTEU PROGRAMME

- The Union's new investment instrument: single budgetary guarantee
- Guarantee: EUR 38 billion (40% provisioning rate) to mobilize over EUR 650 billion
 - implementing partners: EIB Group (75%) and other eligible IPs
- 4 policy windows:
 - **Sustainable Infrastructure Window**
 - Research & Innovation Window
 - SME Window
 - Social Window
- InvestEU Advisory Hub (central TA facility)
- InvestEU Portal
- Climate mainstreaming: 40%
 - SIW: 55% to climate and environment
- MS compartment
- Blending: improved access to finance, enhanced financial viability



LIFE PROGRAMME

- Proposed budget for 2021-2027: EUR 5.45 billion
- Sub-programmes:
 - Nature & biodiversity
 - Circular economy and quality of life
 - Climate change mitigation and adaptation
 - Clean energy transition – EUR 1 billion
 - *Enabling framework for energy efficient and renewable energy policy implementation through capacity building*
- Climate mainstreaming: 61%
- Stakeholders' workshop on LIFE: 6-7h November 2019



MODERNISATION FUND (outside the MFF)

- **Objective:** support for modernization of the power sector/energy systems, boosting energy efficiency, and facilitating a just transition
- Legal base: ETS Directive
- Implementing act (S1 2020): rules on the operation of MF
- Additional allowances can be transferred to the MF (Art. 10c, Art. 10(2)(b), ETS Directive)
- Auctioning of allowances: on common platform, equal shares per year (2021-2030)

| | Priority investments | Non-priority investments |
|-----------------|--|--|
| Scope | <ul style="list-style-type: none"> • Generation and use of renewable electricity • Energy efficiency improvements • Energy storage • Modernisation of energy networks • Just transition in carbon-dependent regions | <ul style="list-style-type: none"> • Any other area not listed as priority area in the ETS Directive • Solid fossil fuels not eligible (except efficient district heating in BG and RO) |
| Maximum funding | <ul style="list-style-type: none"> • Up to 100% of relevant costs | <ul style="list-style-type: none"> • Up to 70% of relevant costs • Remaining costs by private legal entities |
| Fund allocation | <ul style="list-style-type: none"> • At least 70% of the Fund | <ul style="list-style-type: none"> • At most 30% of the Fund |
| Path to funding | <ul style="list-style-type: none"> • EIB confirmation • Disbursement decision | <ul style="list-style-type: none"> • EIB assessment • Consensus or positive vote in investment committee • Disbursement decision |

Notification of 10c and solidarity transfer: 30/09/2019

Shares may vary depending on transfer

| BG | CZ | EE | HR | LV | LT | HU | PL | RO | SK |
|-------|--------|-------|-------|-------|-------|-------|--------|--------|-------|
| 5,84% | 15,59% | 2,78% | 3,14% | 1,44% | 2,57% | 7,12% | 43,41% | 11,98% | 6,16% |

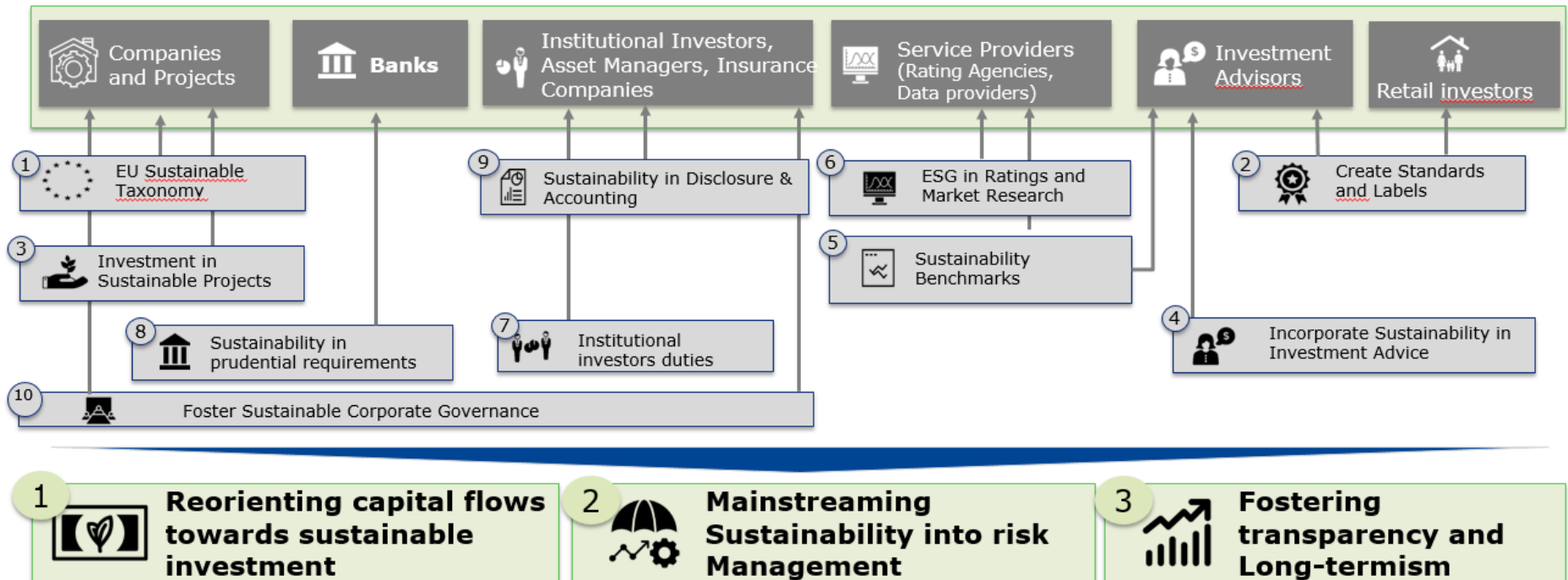


2. THE SUSTAINABLE FINANCE INITIATIVE



ACTION PLAN ON FINANCING SUSTAINABLE GROWTH

One comprehensive strategy | Three main objectives | Ten Actions



Source: [European Commission: Action Plan on Financing Sustainable Growth \(2018\)](#).

***Thank you for
your attention!***

