

Markus Trilling
Climate Action Network (CAN) Europe
Finance and Subsidies Policy Coordinators
markus@caneurope.org
www.caneurope.org



EU funds to the recovery ...

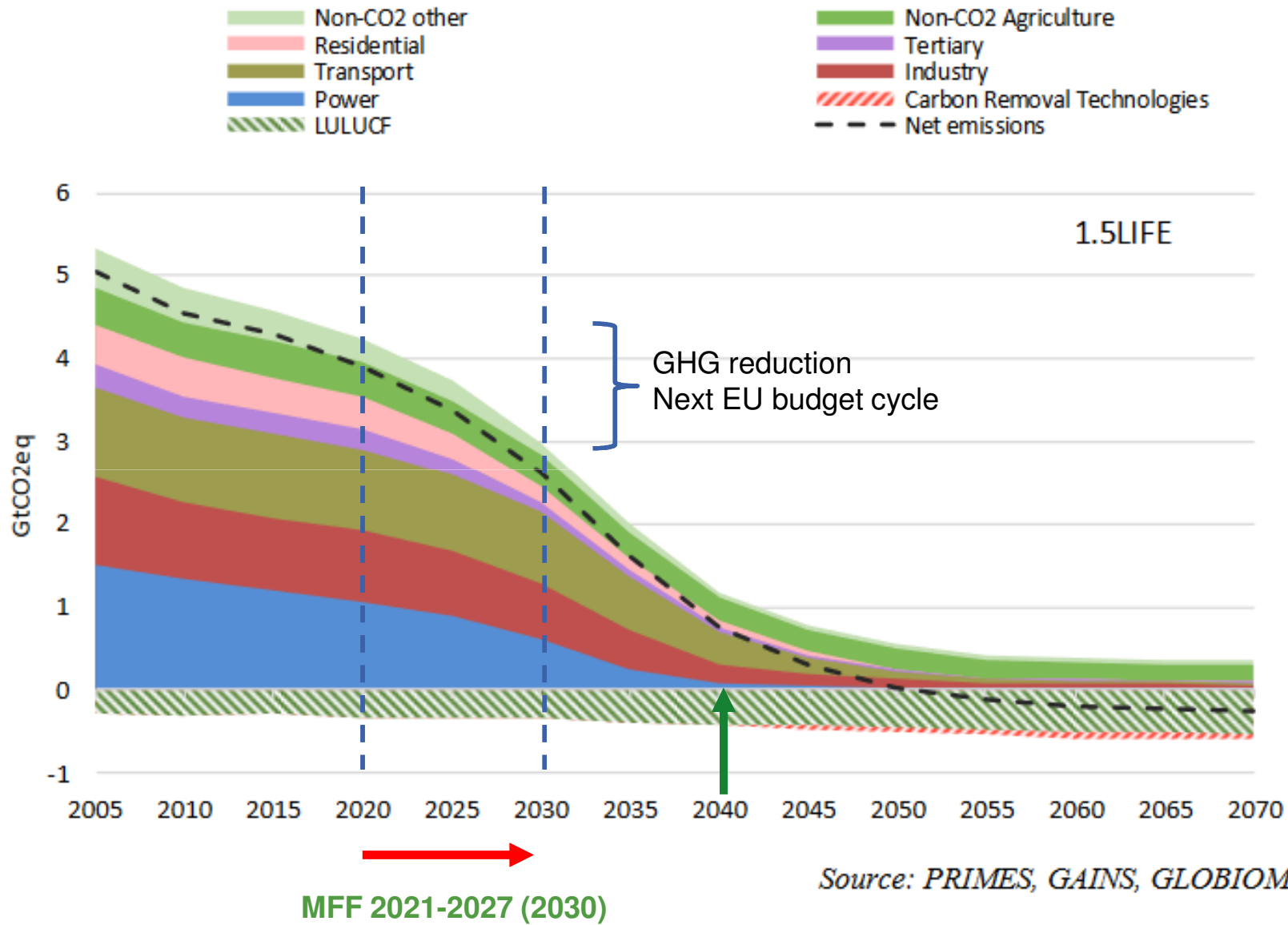
... and to the benefit of regions and communities

Financing climate and clean energy strategies and measures through Recovery and Resilience Plans and Cohesion Policy programming in Central and Eastern Europe

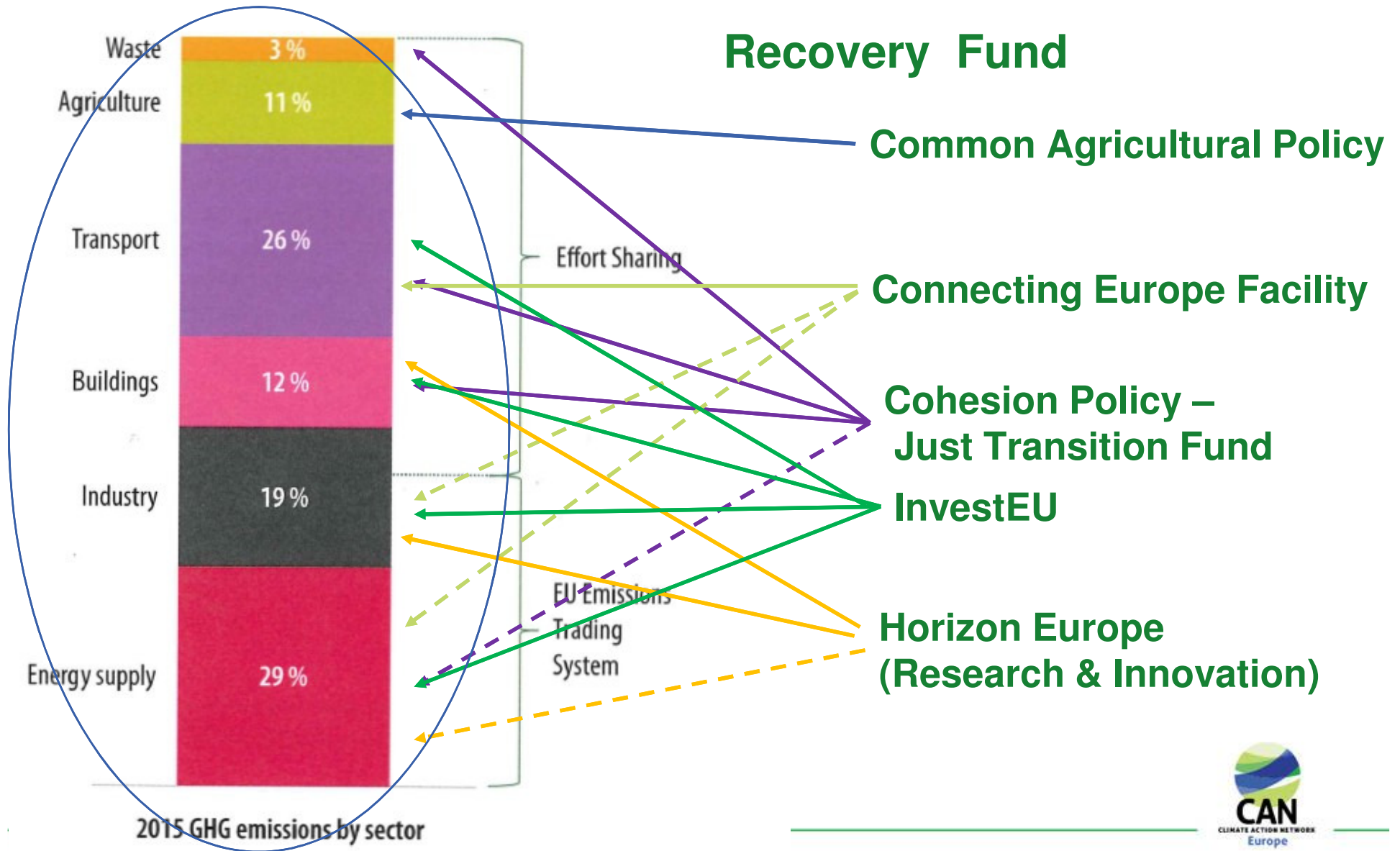
Multi-Stakeholder Online Workshop MAKING CLIMATE ACTION HAPPEN

4 December 2020

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



2015 EU greenhouse gas emissions by sector



Source: European Environment Agency, EEA greenhouse gas — data viewer, 2017.

RECOVERY GRANTS BY COUNTRY

Estimated Recovery and Resilience Facility grants, in millions of euros.



The figures represent the sum of the 2021-2022 and the 2023 commitments.

SOURCE: [European Commission](#)

Recovery and Resilience Facility

RECOVERY AND RESILIENCE FACILITY
FLAGSHIP AREAS FOR INVESTMENTS AND REFORMS

- POWER UP**
CLEAN TECHNOLOGIES AND RENEWABLES
- MODERNISE**
DIGITALISATION OF PUBLIC ADMINISTRATION
- RENOVATE**
ENERGY EFFICIENCY OF BUILDINGS
- SCALE-UP**
DATA CLOUD CAPACITIES AND SUSTAINABLE PROCESSORS
- RECHARGE AND REFUEL**
SUSTAINABLE TRANSPORT AND CHARGING STATIONS
- RESKILL AND UPSKILL**
EDUCATION AND TRAINING TO SUPPORT DIGITAL SKILLS
- CONNECT**
ROLL-OUT OF RAPID BROADBAND SERVICES

#EUSolidarity #StrongerTogether

European Commission

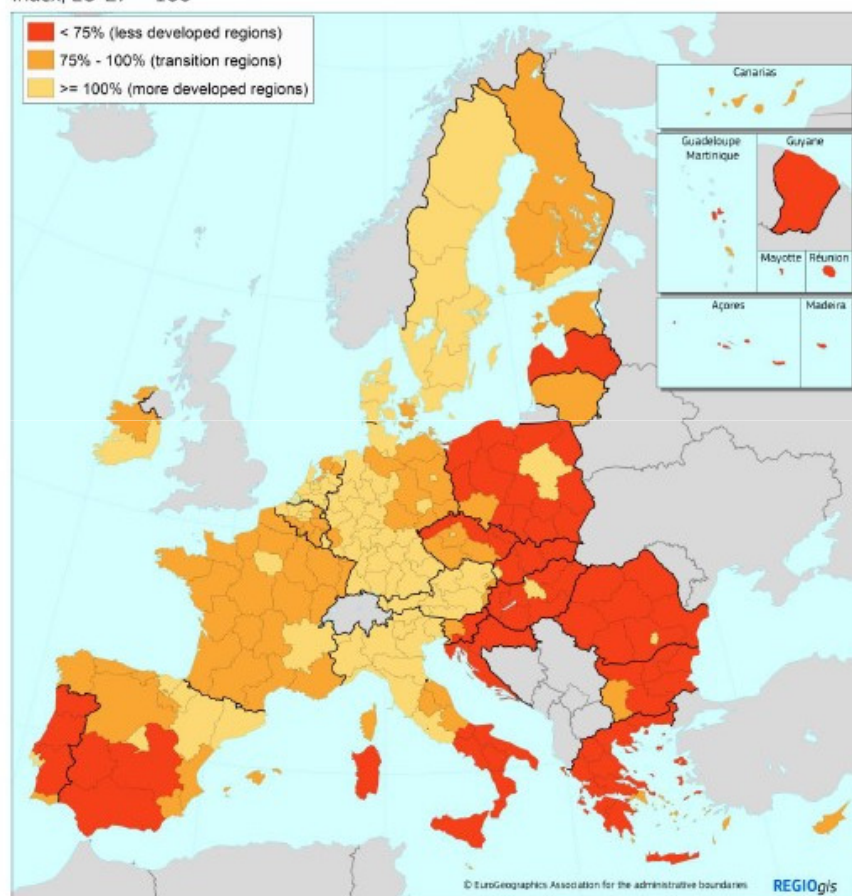
37% for climate action



Cohesion Policy funding 2021-2027*

GDP/head (PPS) by NUTS2 region, average 2014-15-16

Index, EU-27 = 100



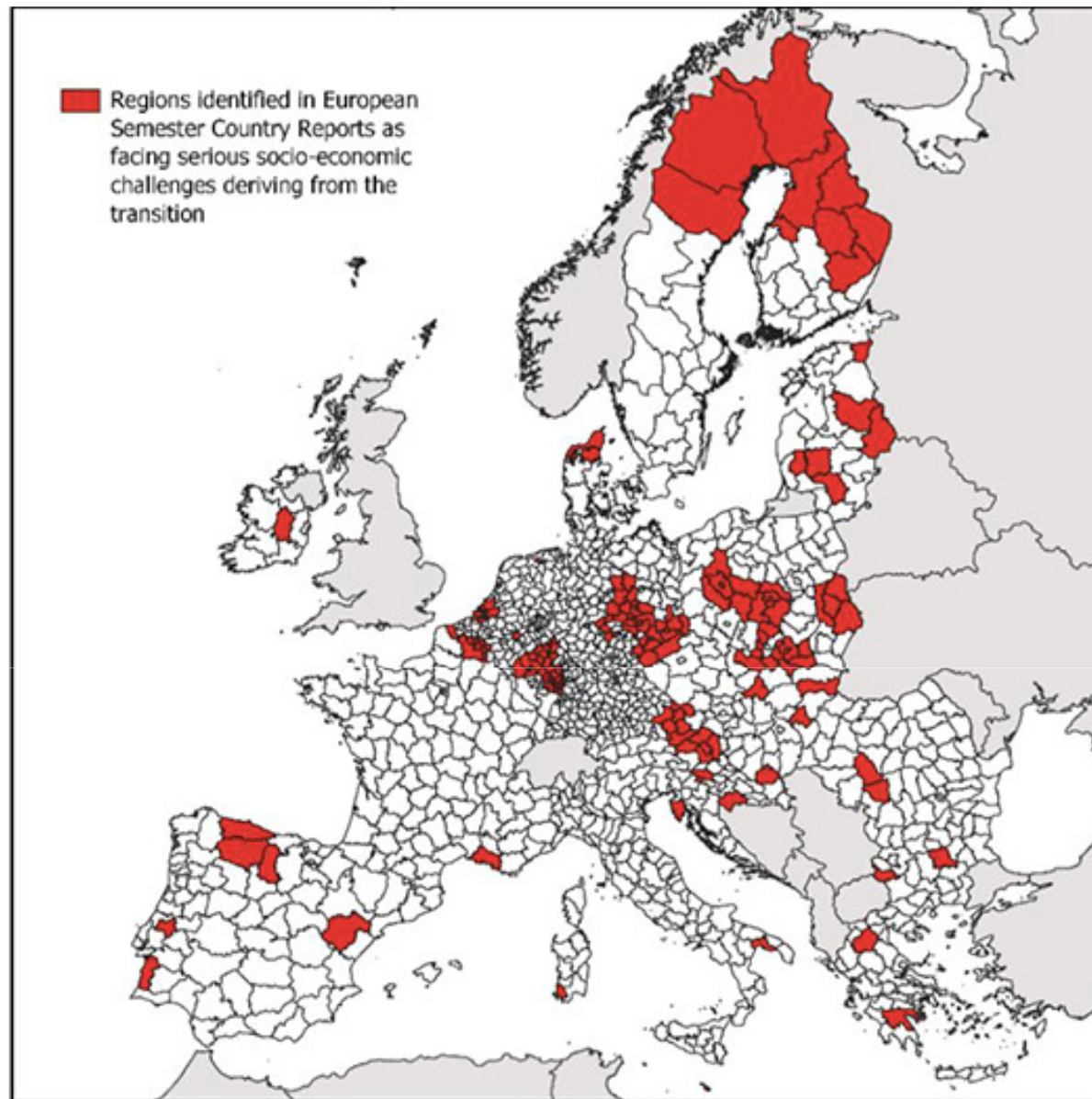
	LD	TR	MD
Allocation (EUR bns 2018 prices)	198.6	45.9	34.8
Population (MM inhab)	123.6	112.5	208.4

	2018 prices	Current prices
BE	2 443 732 247	2 754 198 305
BG	8 929 511 492	10 081 635 710
CZ	17 848 116 938	20 115 646 252
DK	573 517 899	646 380 972
DE	15 688 212 843	17 681 335 291
EE	2 914 906 456	3 285 233 245
IE	1 087 980 532	1 226 203 951
EL	19 239 335 692	21 696 841 512
ES	34 004 950 482	38 325 138 562
FR	16 022 440 880	18 058 025 615
HR	8 767 737 011	9 888 093 817
IT	38 564 071 866	43 463 477 430
CY	877 368 784	988 834 854
LV	4 262 268 627	4 812 229 539
LT	5 642 442 504	6 359 291 448
LU	64 879 682	73 122 377
HU	17 933 628 471	20 247 570 927
MT	596 961 418	672 802 893
NL	1 441 843 260	1 625 023 473
AT	1 279 708 248	1 442 289 880
PL	64 396 905 118	72 724 130 923
PT	21 171 877 482	23 861 676 803
RO	27 203 590 880	30 765 592 532
SI	3 073 103 392	3 463 528 447
SK	11 779 580 537	13 304 565 383
FI	1 604 638 379	1 808 501 037
SE	2 141 077 508	2 413 092 535

30% for '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



*based on EC proposal from May 2018



Source: Country reports of the European Semester, presented in the European Parliament study

Allocation Just Transition Fund		M EUR, 2018 prices
BE	166	0.95%
BG	1,178	6.73%
CZ	1,493	8.53%
DK	81	0.46%
DE	2,254	12.88%
EE	322	1.84%
IE	77	0.44%
EL	755	4.32%
ES	790	4.52%
FR	937	5.36%
HR	169	0.97%
IT	937	5.35%
CY	92	0.53%
LV	174	1.00%
LT	249	1.42%
LU	8	0.05%
HU	238	1.36%
MT	21	0.12%
NL	567	3.24%
AT	123	0.71%
PL	3,500	20.00%
PT	203	1.16%
RO	1,946	11.12%
SI	235	1.35%
SK	417	2.39%
FI	424	2.42%
SE	142	0.81%
Total	17,500	100.00%



Financing European Green Deal and National Energy & Climate Plans: EU funds available 2021-2027

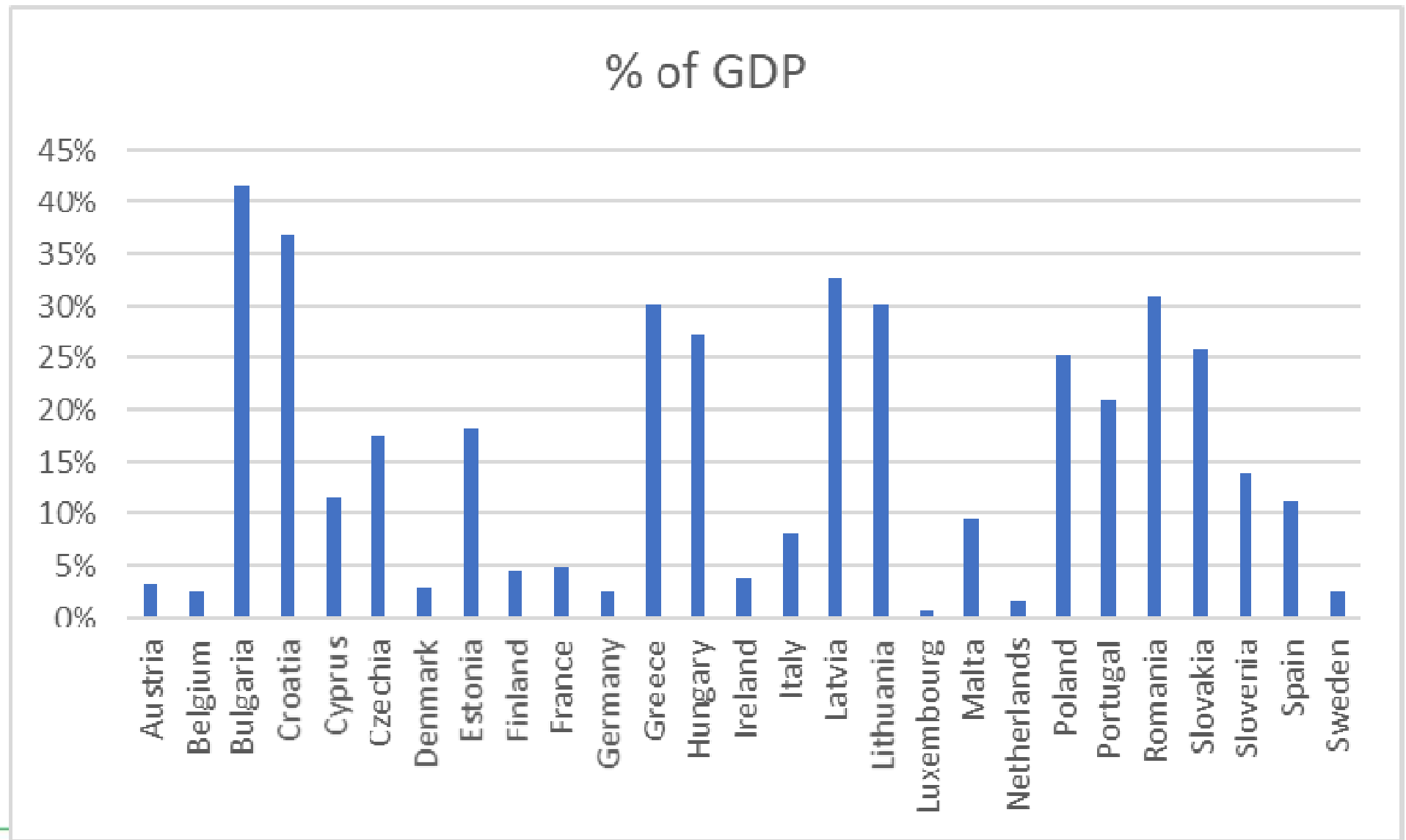
EURO billion	Structural Funds	Common Agricultural Policy	Recovery & Resilience Facility* (grants)	Just Transition Fund†	Modernisation Fund**	ETS auction revenue**	SUM
Austria	1.1	8.5	3.0	0.1		0.2	12.90
Belgium	2.7	4.1	5.1	0.2		0.4	12.50
Bulgaria	9.8	7.7	6.0	1.2	0.3	0.4	25.40
Croatia	8.7	4.7	6.0	0.2	0.2	0.1	19.90
Cyprus	0.9	0.5	1.0	0.1		0.03	2.53
Czechia	19.8	7.9	6.7	1.5	2.8	0.6	39.30
Denmark	0.5	6.6	1.6	0.1		0.2	9.00
Estonia	2.9	0.7	1.0	0.3	0.1	0.1	5.10
Finland	1.7	6.2	2.3	0.4		0.2	10.80
France	16.8	61.5	37.4	0.9		0.8	117.40
Germany	18.4	42.3	22.7	2.3		2.9	88.60
Greece	20.4	18.6	16.2	0.8		0.5	56.50
Hungary	20.7	11.7	6.3	0.2	0.3	0.2	39.40
Ireland	1.2	10.6	1.3	0.1		0.1	13.30
Italy	42.1	35.1	65.5	0.9		1.4	145.00
Latvia	4.3	3.3	1.9	0.2	0.1	0.04	9.84
Lithuania	6.1	5.5	2.4	0.2	0.2	0.1	14.50
Luxembourg	0.1	0.3	0.1	0.01		0.02	0.53
Malta	0.8	0.2	0.2	0.02		0.02	1.24
Netherlands	1.3	5.6	5.6	0.6		0.5	13.60
Poland	72.2	31.2	23.1	3.5	1.9	1.9	133.80
Portugal	22.5	8.2	13.2	0.2		0.3	44.40
Romania	29.2	20.6	13.8	1.9	3.0	0.7	69.20
Slovakia	12.4	4.7	5.8	0.4	0.8	0.2	24.30
Slovenia	3.1	1.7	1.6	0.2		0.1	6.70
Spain	35.4	41.9	59.2	0.8		1.3	138.60
Sweden	1.9	6.3	3.7	0.1		0.1	12.10



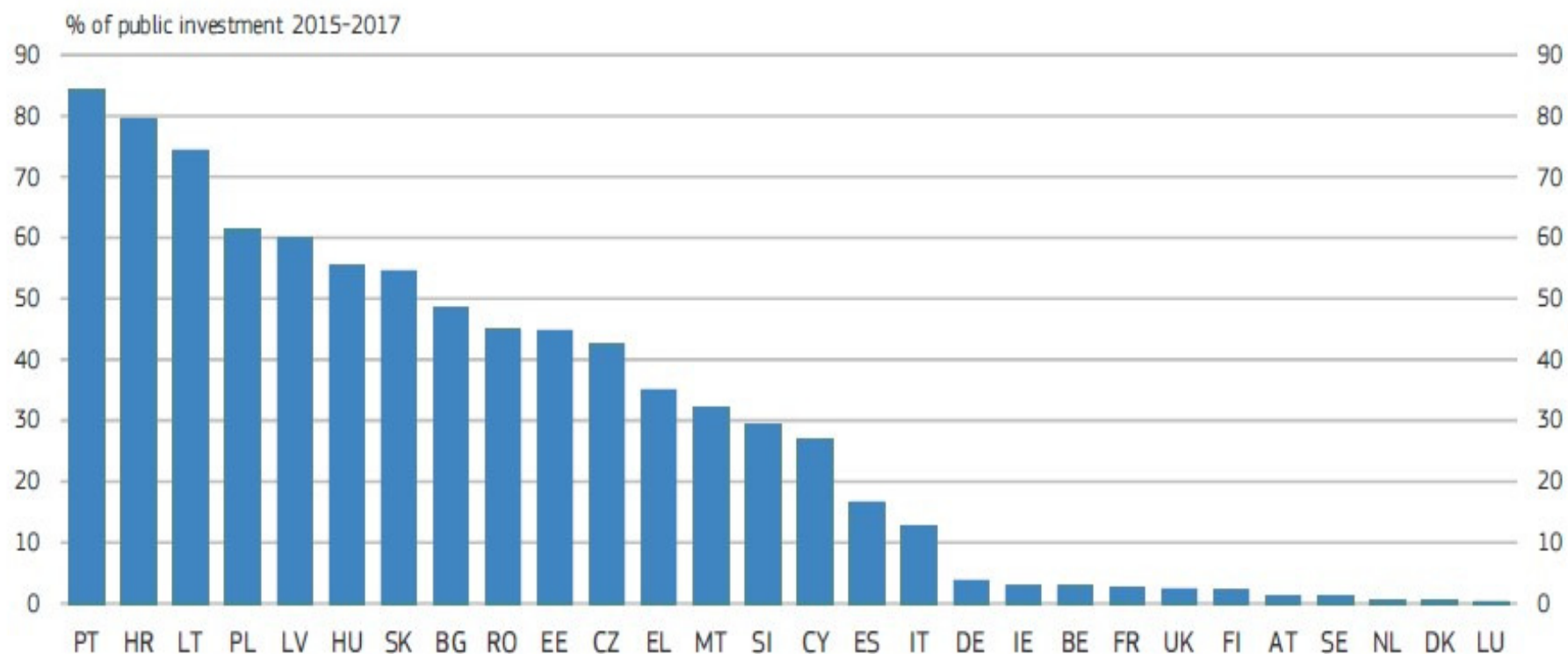
commitments (MFF and NGEU) in current prices unless stated, *in 2018 prices; ** average of 2018 and 2019 actual auction revenues, amounts in 2021 to 2027 will depend on the quantity and price of auctioned allowances.

Source: CAN Europe, based on EC NECP assessments, https://ec.europa.eu/energy/content/individual-assessments-and-summaries_en

... and if all that money been spent in one year ...



Share of European Structural and Investment Funds in public infrastructure 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, 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

Thematic concentration of ERDF support:

- 30% earmarking for 'PO 2' in all regions/MS

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**
- ✓ **Just Transition plans and strategies**
- ✓ **95% co-financing**

Strategic and horizontal integration of climate and environment

- Green Deal: integrated long-term strategy, including 2030 and 2050 climate targets
- National Energy and Climate Plans (NECPs) to steer 2030 climate action and EU funding
- Integration into European Semester, Country Specific Recommendations
- Climate proofing: Energy Efficiency First, climate neutrality check of projects
- Do-No-Significant-Harm
- Mid-term review: adjustment/corrections for 2025-2027



**Since all that EU funds is there ...
where is the problem?**



‘A mere 9.7% of Regional Development and Cohesion Funds for green energy infrastructure 2014-2020’.

<http://www.caneurope.org/docman/climate-finance-development/3599-funding-climate-and-energy-transition-in-the-eu/file>

Table 2: Overview of EU budgetary support for fossil fuels

Budget Mechanism	Scope	Period/year for which data is available	Euro millions
European Regional Development Fund (ERDF)	Natural-gas transport and storage infrastructure	2014-2020*	930
Connecting Europe Facility (CEF)	Studies and works for natural-gas interconnections	2014-2016	1113
Horizon 2020	Shale gas research	2015	11.5
TOTAL EU budget			2055



*Note: For sources and data, see country data sheet and summary report.
 This period goes beyond the timeframe of our analysis, but it is the only period for which data is available.

BUSINESS AS USUAL



**The clue is in the EU funds
spending plans ...
... but what gets in ... ?**

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.



Strategic delivery on climate objectives?

- European Green Deal and transition towards climate neutrality -> **long(er)-term**
- National Energy and Climate Plans (NECP) -> **not ambitious enough**
- European Semester and Country Specific Recommendations -> **focus on macro economic governance**
- European Climate Law -> **anticipation and adaptation of new 2030 targets required**

Ways to ensure transformational impact of EU funds

- Systematic coordination between and integration funds and planning
 - Reforms and investments
- Staged process
 - Prepare: authorities, beneficiaries, etc.
 - Plan: strategic and ‘real world’
 - Implement
- Make ‘Do No Significant Harm + climate proofing’ working
- European Semester: full integration of environmental agenda



**FOR A GREEN RECOVERY,
THE EU MUST INVEST IN:**

- ✓ **ENERGY SAVINGS**
- ✓ **RENEWABLES**
- ✓ **SUSTAINABLE TRANSPORT**
- ✓ **NATURE BASED SOLUTIONS**

- Significant EU financial resources to boost the ecological transition;
- Transformational nature of EU funds spending plans not ensured
 - role of European Commission and stakeholders



Climate Action Network (CAN) Europe is Europe's leading NGO coalition fighting dangerous climate change. With over 170 member organisations active in 38 European countries, representing over 1.500 NGOs and more than 47 million citizens, CAN Europe promotes sustainable climate, energy and development policies throughout Europe