

Programme to aid economic recovery: financial assistance to projects in the field of energy, European Energy Programme for Recovery (EEPR)

2009/0010(COD) - 31/03/2009

The Committee on Industry, Research and Energy adopted the report drawn up by Eugenijus MALDEIKIS (UEN, LT) amending, under the first reading of the codecision procedure, the proposal for a regulation of the European Parliament and of the Council establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy.

The main amendments are as follows:

Budget: the report deleted the sum of EUR 3500 as the financial envelope for the implementation of the EEPR. Instead, it left the amount for the financial envelope blank and added the following:

- individual legal commitments implementing the budgetary commitments made in 2009 and 2010 shall be made before 1 September 2010 for the gas and electricity interconnection projects, the offshore wind energy projects, and projects for carbon capture and storage;

- where a project does not reach the investment phase and the individual legal commitment cannot be made, the funds which have been reserved for the individual project shall without delay be redirected to projects in the field of energy efficiency and renewable energy;

- no later than 1 September 2009 the Commission shall submit a proposal on the eligibility and selection criteria that apply for the projects in the field of energy efficiency (for example, smart cities) and renewable energy.

Member States' financial responsibilities: the report adds that the Commission shall inform the European Parliament of the control, management and monitoring system established by the Member States.

Selection and award criteria: the Commission's text on the selection criteria is deleted. Members stipulate that the Commission shall apply the following award criteria: (a) maturity, that is, by the end of 2010, the proposal has reached the investment stage and substantial capital expenditure has been incurred; (b) the extent to which a lack of access to finance is delaying implementation of the project. The report deletes the Commission's text on award criteria, which relates, inter alia, to funding per tonne of CO₂ to be abated in the first 5 years of operation.

EEPR assistance through innovative financial instruments: Members want a part of the Community assistance to be implemented through a contribution to an appropriate instrument, such as a loan, guarantee, equity or other financial product issued by the European Investment Bank (EIB), the European Investment Fund (EIF) or other public financial institutions, which provide long-term lending, to support projects in the fields of gas and electricity interconnection, carbon capture and storage, energy efficiency, renewable energy and smart cities. That contribution shall be equal to EUR 500 million. The relevant financial institutions shall contribute an equal amount. The commission had referred only to EIB resources.

Specific attention shall be given to the development, by the EIB, of a **finance facility**, along the lines of the Risk-Sharing Finance Facility for research and development projects, designed for the financial support of the energy projects contained in the Regulation. The Commission, the EIB, the EIF and other public financial institutions, which provide long-term lending, shall establish a memorandum of understanding.

Protection of Communities financial interest: the report adds that the Commission shall strictly assess the financial parameters of each of the proposed projects, in order to prevent the misuse of Community funds.

Evaluation: the first review by the Commission on the projects for which financing has been committed or spent shall be transmitted to the European Parliament and the Council no later than 31 December 2009. The Commission shall carry out a further evaluation of the EEPR by 31 March 2010 in order to assess the effectiveness of the appropriations. It shall, immediately after noticing that a project cannot be financed, reallocate funds to projects in the field of energy efficiency (for example, smart cities) or renewable energy. The Commission shall, after having informed and taken into account the opinion of the European Parliament, introduce proposals in accordance with the provisions in the Regulation.