

# Programme to aid economic recovery: financial assistance to projects in the field of energy, European Energy Efficiency Fund (EEEF)

2010/0150(COD) - 26/10/2010

The Committee on Industry, Research and Energy adopted the report drafted by Kathleen VAN BREMPT (S&D, BE) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 663/2009 establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy (EERP).

It recommended that the European Parliament's position at first reading under the ordinary legislative procedure (formerly known as the codecision procedure) should be to amend the Commission proposal as follows:

**Financial Facility:** the report states that the facility shall be limited to the financing of investment projects and technical assistance for **renewable energy and energy efficiency projects**. Such investment projects contribute to **green growth**, the development of a competitive, connected, sustainable and green economy, as well as to the protection of employment, job creation and tackling climate change, in accordance with the "[Europe 2020](#)" objectives. These shall include, in particular, projects concerning:

- microgeneration from renewable energy sources;
- clean urban transport to support increased energy efficiency and integration of renewable energy sources, with an emphasis on public transport, electric and hydrogen vehicles and reduced greenhouse gas emissions;
- local infrastructure, including efficient lighting of outdoor public infrastructure including street lighting, electricity storage solutions, smart metering, and smart grids, that make full usage of ICT;
- energy efficiency and renewable energy technologies with innovation and economic potential using the best available procedures.

The facility shall sustain investment projects demonstrating an **economic and financial viability**, in order to refund the investments allocated by the facility and to attract public and private investments.

Furthermore, up to 15% of the funding that cannot be committed under Chapter II of Regulation (EC) 663 /2009 may be used to provide technical assistance to local, regional or national, authorities on the setting up of, and on the initial deployment phase of technology related to, energy efficiency and renewable energy projects.

**Financial intermediaries:** the proposal provides that the financial facility should be managed by one or several financial intermediaries. According to the report, the financial intermediaries shall endeavour to allocate all the funding from the Union contribution available in the facility to investment projects and to technical assistance for renewable energy and energy efficiency projects by **31 March 2014**. No funding from the Union contribution shall be allocated after that date.

All funding from the Union contribution not allocated by the financial intermediaries by 31 March 2014 shall be returned to the Union budget. The funding from the Union contribution allocated to investment projects shall remain invested for a specified length of time that may not extend beyond **31 March 2034**.

The Union shall be entitled to returns on its investment in the facility throughout the lifetime of the facility, in proportion to its contribution to the facility and in accordance with its shareholder rights.

The selection of such financial intermediaries should take place on the basis of their demonstrated ability to use the funding in the most efficient and effective way, with the objective of maximising the participation, within the shortest possible time, of other public and private investors.

**Funding that cannot be committed under Chapter II of Regulation (EC) 663/2009:** funding which cannot be subject to individual legal commitments under Chapter II for an amount of EUR 146.344.644,50 shall be for the facility for the purpose of developing suitable funding instruments in cooperation with financial institutions.

**Eligibility of expenditure:** due to the urgent need to address the economic crisis, the report states that expenditure incurred under Chapter II of Regulation (EC) 663/2009 should be eligible as from 13 July 2009. Expenditure incurred under Chapter IIa should be eligible as from **1 January 2011**.

**Synergies:** Members consider that when granting financial or technical assistance, attention shall also be paid to synergies with other financial resources available in the Member States, such as the Structural and Cohesion Funds and the European Local Energy Assistance (ELENA) Facility, in order to avoid overlaps with other instruments. The facility shall make available online all **information on programme management** that is relevant for interested parties.

**Factors to be taken into account:** as regards the selection of projects, particular attention shall be paid to the geographical balance.

As regards the financing of investment projects, the **leverage factor for individual investment projects may vary**, depending on a number of factors such as the actual size and type of a project and on local conditions including the size and financial capabilities of the beneficiary.

**Conditions for public authorities' access to financing under the facility:** public authorities requesting financing shall comply with the following conditions:

- they have made, or are making, a political commitment to mitigate climate change, where appropriate including concrete objectives, for example relating to increasing energy efficiency and /or the use of energy from renewable sources;
- they are either working towards developing multi-annual strategies to mitigate climate change and, where appropriate, to attain their objectives, or are participating in a multi-annual strategy at local, regional or national level to mitigate climate change.

**Evaluation and reporting:** by 30 June 2013 the Commission shall submit a mid-term evaluation report on the measures taken under the Financial Facility. The report shall be accompanied by a legislative proposal for the continuation of the facility.