

Basic information	
<b>2010/0150(COD)</b> COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Programme to aid economic recovery: financial assistance to projects in the field of energy, European Energy Efficiency Fund (EEEF)  Amending Regulation (EC) No 663/2009 <a href="#">2009/0010(COD)</a>  <b>Subject</b>  3.60.05 Alternative and renewable energies 3.60.08 Energy efficiency 8.70.60 Previous annual budgets	

Key players				
European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>	<b>Appointed</b>
	<b>ITRE</b> Industry, Research and Energy		VAN BREMPT Kathleen (S&D)	15/06/2010
			Shadow rapporteur CANCIAN Antonio (PPE) EK Lena (ALDE) TURMES Claude (Verts /ALE) TOŠENOVSKÝ Evžen (ECR) TZAVELA Niki (EFD)	
	<b>Committee for opinion</b>		<b>Rapporteur for opinion</b>	<b>Appointed</b>
	<b>BUDG</b> Budgets		GEIER Jens (S&D)	02/06/2010
	<b>REGI</b> Regional Development		The committee decided not to give an opinion.	
Council of the European Union	<b>Council configuration</b>		<b>Meetings</b>	<b>Date</b>
	Employment, Social Policy, Health and Consumer Affairs		3053	2010-12-06
European Commission	<b>Commission DG</b>		<b>Commissioner</b>	
	Regional and Urban Policy		OETTINGER Günther	

Key events			
Date	Event	Reference	Summary
31/05/2010	Legislative proposal published	COM(2010)0283 	Summary
15/06/2010	Committee referral announced in Parliament, 1st reading		
26/10/2010	Vote in committee, 1st reading		Summary
27/10/2010	Committee report tabled for plenary, 1st reading	A7-0246/2010	
11/11/2010	Decision by Parliament, 1st reading	T7-0395/2010	Summary
11/11/2010	Results of vote in Parliament		
11/11/2010	Debate in Parliament		
06/12/2010	Act adopted by Council after Parliament's 1st reading		
15/12/2010	Final act signed		
15/12/2010	End of procedure in Parliament		
30/12/2010	Final act published in Official Journal		

Technical information	
Procedure reference	2010/0150(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation (EC) No 663/2009 <a href="#">2009/0010(COD)</a>
Legal basis	Treaty on the Functioning of the European Union TFEU 194-p2
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/7/03041

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		<a href="#">PE443.045</a>	28/06/2010	
Committee opinion	<a href="#">BUDG</a>	<a href="#">PE445.700</a>	14/07/2010	
Amendments tabled in committee		<a href="#">PE445.669</a>	15/07/2010	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A7-0246/2010</a>	27/10/2010	

Text adopted by Parliament, 1st reading/single reading	T7-0395/2010	11/11/2010	Summary
<b>Council of the EU</b>			
<b>Document type</b>	<b>Reference</b>	<b>Date</b>	<b>Summary</b>
Draft final act	00051/2010/LEX	15/12/2010	
<b>European Commission</b>			
<b>Document type</b>	<b>Reference</b>	<b>Date</b>	<b>Summary</b>
Legislative proposal	COM(2010)0283 	31/05/2010	Summary
Commission response to text adopted in plenary	SP(2011)610	26/01/2011	
Follow-up document	COM(2014)0686 	30/10/2014	Summary
Follow-up document	SWD(2014)0335 	30/10/2014	Summary
Follow-up document	COM(2015)0484 	08/10/2015	
Follow-up document	SWD(2015)0191 	08/10/2015	
Follow-up document	COM(2016)0743 	30/11/2016	Summary
Follow-up document	SWD(2016)0374 	30/11/2016	
Follow-up document	COM(2018)0086 	05/03/2018	Summary
Follow-up document	SWD(2018)0048 	05/03/2018	
Follow-up document	COM(2020)0038 	10/02/2020	Summary
Follow-up document	SWD(2020)0012 	10/02/2020	
Follow-up document	COM(2020)0476 	03/09/2020	
Follow-up document	SWD(2020)0169 	09/09/2020	
Follow-up document	COM(2021)0670 	26/11/2021	
Follow-up document	SWD(2021)0306 	26/11/2021	
Follow-up document	COM(2022)0385 	05/08/2022	

Follow-up document	SWD(2022)0204 	05/08/2022	
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#### National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2010)0283	17/09/2010	
Contribution	IT_SENATE	COM(2010)0283	20/09/2010	

#### Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES1188/2010	15/09/2010	

#### Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	

#### Final act

<a href="#">Regulation 2010/1233</a> <a href="#">OJ L 346 30.12.2010, p. 0005</a>	<a href="#">Summary</a>
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## Programme to aid economic recovery: financial assistance to projects in the field of energy, European Energy Efficiency Fund (EEEEF)

2010/0150(COD) - 05/03/2018 - Follow-up document

The Commission presented a report on the implementation of the [European Energy Programme for Recovery](#) (EEPR) and the European Energy Efficiency Fund (EEEEF).

As a reminder, in December 2010, EUR 146.3 million from the European Energy Programme for Recovery (EEPR) were allocated to a financial facility for sustainable energy projects. EUR 125 million were used as the EU contribution to the European Energy Efficiency Fund (EEEEF), created in July 2011 and which has reached a total volume of EUR 265 million, supported by a Technical Assistance grant facility with a budget of EUR 20 million and EUR 1.3 million for awareness-raising activities.

The EEEF provides tailored financing (both debt and equity instruments) for energy efficiency, renewable energy and clean urban transport projects.

In 2016, a new transaction was added to the Fund's portfolio. Ore Valley Housing Association (OVHA) has reached financial close with EEEF on a project worth £4.6 million. The money will fund the development of wind turbine sites in Fife-Scotland, plus an innovative funding scheme replacing 200 heating systems for OVHA homes. This was EEEF's first community based transaction within the UK, and is the result of a four-year long co-operative effort between EEEF and OVHA.

From its creation to 31st December 2016, the EEEF has signed contracts with 11 projects for EUR 121 million, which have generated EUR 224 million of final investments. Its investments have achieved savings of close to 249 000 tons of CO2 and Primary Energy Savings4 of 308 802 MWh.

In November 2016, the European Energy Efficiency Fund also launched a new facility for Technical Assistance (TA). Following on from the European Commission's TA facility, managed by EEEF, the Fund has set up a new tool to support ambitious public beneficiaries with bankable sustainable energy investment projects. Such projects shall relate to the energy efficiency sector, small-scale renewable energy and/or public transport initiatives.

EEEF is supporting beneficiaries – regions, city councils, universities, public hospitals and other public entities located in the 28 EU Member States – by way of allocating consultancy services to the planned investments, for instance performing feasibility studies, energy audits, legal services and analysis of economic viability.

**EEEF TA Facility** has received funding from the ELENA facility under the Horizon 2020 Programme of the European Union.

The report concluded that the EEEF has progressively established a solid track record of profitable investments and will actively look for additional senior investors to leverage the EU contribution further.

For 2017, **the project pipeline contains 17 projects with a total volume of EUR 337 million** for which the envisaged EEEF share is EUR 142 million. The EEEF will continue to seek to broaden its geographical coverage, where project and market conditions permit.

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

2010/0150(COD) - 30/11/2016 - Follow-up document

The Commission presented a report on the implementation of the European Energy Programme for Recovery (EEPR) and the European Energy Efficiency Fund (EEEF).

As a reminder, in December 2010, EUR 146.3 million from the [European Energy Programme for Recovery](#) (EEPR) were allocated to a financial facility for sustainable energy projects. EUR 125 million were used as the EU contribution to the European Energy Efficiency Fund (EEEF), created in July 2011.

The EEEF provides tailored financing (both debt and equity instruments) for energy efficiency, renewable energy and clean urban transport projects.

From its creation to 31st December 2015, the EEEF has signed contracts with ten projects for EUR 117 million, which have generated EUR 219 million of final investments. Its investments have achieved savings of close to 223 300 tons of CO<sub>2</sub> and Primary Energy Savings of 102 790 MWh.

In 2015, the EEEF provided financial support to energy efficiency upgrades of 32 buildings at the *Universidad Politécnica de Madrid* in Spain. The project involves the replacement of existing oil boilers providing hot water and heating. The project will unlock 27% of Primary Energy Savings and 45% CO<sub>2</sub> savings annually compared to baseline.

For 2016, the project pipeline contains **9 projects with a total volume of EUR 253 million** for which the envisaged EEEF share is EUR 92 million.

The report concluded that the EEEF has progressively established a solid track record of profitable investments. It has also been successful: (i) a commercial fund was established to provide financing solutions; (ii) the EEEF also serves as a role model for innovative financial instruments investing in cost-effective and mature sustainable energy projects that can attract private capital.

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

2010/0150(COD) - 10/02/2020 - Follow-up document

This Commission report reviews, for each part of the European Energy Programme for Recovery (EEPR), the progress made in implementing the projects and the European Energy Efficiency Fund (EEEF). Following the previous report, adopted in 2018, it covers the implementation of projects between 31 August 2016 and 31 December 2018, as well as payments made during this period.

The report concludes that the EEPR has delivered good results. It has played a key role in providing financial support for major infrastructure of common interest for the integration of gas and electricity markets and the enhancement of security of supply.

### ***Overall implementation of projects***

By the end of December 2018, 43 out of 59 projects (6 more than in 2017) had been completed, with payments to beneficiaries totalling EUR 2 514 424 758 (after deduction of recovery orders amounting to EUR 196 099 270.83). As regards gas and electricity infrastructure, most of the projects have been completed and two projects are ongoing.

To date, 38 out of 44 infrastructure projects (three more than in 2017) have been completed, two are ongoing and four have been terminated:

- in the electricity sector, all 12 projects have been completed (two more than in 2017);

- in the gas interconnection sector, 13 of the 18 projects (one more than in 2017) have been completed, two projects are progressing according to the new schedule and three others have been terminated;

- in the sector of reverse flow and interconnection projects in Central and Eastern Europe, 13 projects have been completed and the Commission terminated one project in Romania in September 2014.

Since the last report on the implementation of the EEPR, the following projects have made progress:

- the Interconnector Greece-Bulgaria, a key route to bringing gas from the trans-Adriatic pipeline northwards as well as Greek LNG;
- the implementation of a natural gas terminal in Cyprus which will contribute to the diversification of Cyprus' energy mix and help to end the island's energy isolation.

To date, these two ongoing projects are expected to be completed by the end of 2021 and 2022 respectively.

The strict control exercised by the European Commission in the implementation and monitoring of the projects has contributed to increase the efficiency of the instrument.

### ***Offshore Wind Energy Projects***

This part of the EEPR consisted of nine projects receiving support totalling EUR 565 million. Four of the nine projects were completed, while two others were prematurely terminated. EUR 341 639 214 (after deduction of recovery orders) was paid to the projects. The three remaining projects are ongoing.

With regard to the Aberdeen offshore wind farm, the eleven wind turbines with the world's largest capacity went into operation on 1 July 2018 at the Vattenfall company's 'Aberdeen Bay' offshore wind farm.

Offshore wind projects have proved more complex than expected, but developers and constructors have been able to find solutions to bring them to a successful conclusion, sometimes by extending the duration of contracts. Over the ten years of the programme, the EEPR has contributed to the acquisition of technological knowledge and the development of offshore wind turbine interconnection technologies.

### ***Carbon Capture and Storage (CCS)***

This part of the EEPR included six projects and EUR 1 billion to support the demonstration of the full carbon capture, transport and storage process. EUR 387 211 547 (after deduction of recovery orders for a total amount of EUR 48 660 666.85) was paid to these projects.

Although financial support from the EEPR is not sufficient to provide incentives for companies to carry out CCS demonstration projects on a commercial scale, the Commission considers CCS to be important for decarbonation (the only reliable technology for long-term storage of carbon dioxide), for the EU in general and for carbon and energy intensive industries in particular.

### ***European Energy Efficiency Fund (EEEF)***

In December 2010, EUR 146.3 million from the European Energy Programme for Recovery (EEPR) was allocated to a financial facility for sustainable energy projects. An EU contribution of EUR 125 million was paid to the European Energy Efficiency Fund (EEEF).

The fund, which was established in July 2011 with a total volume of EUR 265 million, is supported by a grant facility for technical assistance with a budget of EUR 20 million and EUR 1.3 million for awareness raising activities.

The EEEF has invested in several energy efficiency projects and shall continue to expand its project portfolio, offering financing solutions and generating profits for its shareholders. The EEEF also serves as a model for innovative financial instruments investing in cost-effective and mature sustainable energy projects that can attract private capital while demonstrating the business case behind these investments and creating a credible track record.

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

2010/0150(COD) - 15/12/2010 - Final act

**PURPOSE:** to create a dedicated financial instrument to support energy efficiency and renewable initiatives within the Sustainable Energy Financing Initiative.

**LEGISLATIVE ACT:** Regulation (EU) No 1233/2010 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.

**CONTENT:** following a first-reading agreement reached with the European Parliament, the Council adopted this Regulation allowing for the **financing of investment projects in the area of energy efficiency** and energy from renewable sources, by local, regional and national public authorities, in particular in urban settings.

The total amount allocated to this financial facility is **EUR 146.3 million** which comes from unspent funds from the European Energy Programme for Recovery as established by regulation 663/2009, in line with the Commission declaration annexed to the regulation.

Regulation 663/2009 established a programme to aid economic recovery in Europe by granting EUR 3.98 billion for 2009 and 2010 to projects in the field of energy, in particular gas and electricity infrastructure, offshore wind electricity and carbon capture and storage (CCS).

The facility shall be used, in particular, for projects concerning:

- public and private buildings incorporating energy efficiency and/or renewable energy solutions including those based on the usage of Information and Communication Technologies (ICT);
- investments in high energy efficient combined heat and power (CHP), including micro-cogeneration, and district heating/cooling networks, in particular from renewable energy sources;
- decentralised renewable energy sources embedded in local settings and their integration in electricity grids;
- micro-generation 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 such as 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 may be also used to **provide incentives and technical assistance** as well as to raise the awareness of local, regional and national authorities so as to ensure optimal use of the Structural and Cohesion Funds, in particular in the areas of energy efficiency and renewable energy improvements in housing and other types of buildings. 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.

Thus, the facility may, inter alia, include provisioning and capital allocation for loans, guarantees, equity and other financial products. Furthermore, up to 15% of the funding 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.

To maximise the impact of the Union funding in the short term, the facility should be **managed by one or more financial intermediaries** such as international financial institutions.

**Evaluation report:** by 30 June 2013, the Commission shall submit to the European Parliament and the Council a mid-term evaluation report on the measures taken under the financial facility. The report shall, if appropriate, be accompanied by a legislative proposal for the continuation of the facility.'

ENTRY INTO FORCE: 30/12/2010.

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

2010/0150(COD) - 11/11/2010 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 582 votes to 27, with 7 abstentions, a legislative resolution 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).

The European Parliament adopted its position at first reading under the ordinary legislative procedure (formerly known as the codecision procedure). The amendments adopted in plenary are the result of a compromise negotiated between the European Parliament and the Council.

**Financial Facility:** the resolution states that the financial facility shall be used for the development of energy saving, energy efficiency and renewable energy projects and shall facilitate the financing of investments in those areas by local, regional and, in duly justified cases, national public authorities. 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:

The facility shall be used for sustainable energy projects, in particular in urban settings. This shall include, in particular, projects concerning :

- public and private buildings incorporating energy efficiency and/or renewable energy solutions including those based on the usage of Information and Communication Technologies (ICT);
- investments in high energy efficient combined heat and power (CHP), including micro-cogeneration, and district heating/cooling networks, in particular from renewable energy sources;
- decentralised renewable energy sources embedded in local settings and their integration in electricity grids ;
- 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, such as 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.

It should be noted that the facility should not constitute a precedent with regard to the use of the Union budget and possible future funding measures, including in the energy sector, but should be considered rather as an **exceptional measure** adopted during a period of economic difficulty

**Financial intermediaries:** the financial facility should be managed by one or several financial intermediaries. According to the amended text, 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 resolution 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:** Parliament considers 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.

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

2010/0150(COD) - 31/05/2010 - Legislative proposal

**PURPOSE:** to amend Regulation (EC) No 663/2009 establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy.

**PROPOSED ACT:** Regulation of the European Parliament and of the Council.

**BACKGROUND:** [Regulation \(EC\) no 663/2009](#) established a programme to aid economic recovery for Europe (EEPR) by granting €3.98 billion by the end of 2010. This Community financing was allocated to three sub-programmes in the field of gas and electricity infrastructure projects; offshore wind electricity projects (OWE), and carbon capture and storage projects (CCS).

It is estimated in the [report from the Commission](#) of 27 April 2010 on the implementation of the EEPR that almost the entire EEPR financial envelope will be committed in the course of spring 2010. An amount of around **€114 million will however not be committed under the EEPR Regulation**. The amount of uncommitted funds will be known by the end of 2010.

In the spirit of the [Europe 2020 strategy](#) for sustainable growth and jobs, the development of further renewable sources and the promotion of energy efficiency would contribute to Greener Growth, building a competitive and sustainable economy, and tackling climate change. By giving support to these policies, Europe will create new jobs and green market opportunities fostering the development of a competitive, secure and sustainable economy.

Providing for increased financial incentive and technical assistance is a key element to address the barriers of high up-front cost and lack of information and stimulate sustainable energy improvements. In a market constrained by the prevailing economical crises and in a time of caution by commercial banks, generating low investment rates, there are additional barriers for project financing to promote this policy area. Existing experiences across Europe demonstrate how well-targeted and well-designed financial aid policies can lead to massive improvement and succeed to tap the development potential of sustainable energy. Investments help in sustainable energy can be most effective and beneficial when targeted at municipal and local levels.

In the [2nd Strategic Energy Review](#), the European Commission's announced its intention to launch a **Sustainable Energy Financing Initiative** in cooperation with the European Investment Bank and other International Financial Institutions (IFIs) in order to establish appropriate financing mechanisms for the massive development of energy efficiency and renewable energies.

A dedicated financial instrument to support energy efficiency and renewable initiatives within the Sustainable Energy Financing Initiative should therefore be created to use the uncommitted funds under Chapter II of Regulation (EC) No 663/2009.

IMPACT ANALYSIS: no impact analysis was carried out.

LEGAL BASIS: Article 194(1)(c) of the Treaty on the functioning of the European Union (TFEU).

CONTENT: the Commission is proposing to use the uncommitted funds under Chapter II of the EEPR Regulation for the **creation of a dedicated financial instrument to support energy efficiency and renewable initiatives within the Sustainable Energy Financing Initiative**. The financial facility shall support the development of bankable energy efficiency and renewable energy projects and facilitate the financing of investments in energy efficiency and renewable energy, in particular in urban settings. In order to foster a large number of decentralised investments, municipal, local and regional public authorities will be the beneficiaries. The approach will build up on the success of the Covenant of Mayors, signed up by more than 1600 regions and cities across Europe.

**The sustainable energy projects** to be financed include public and private buildings, high energy efficient combined heat and power (CHP) and district heating/cooling networks (in particular from renewable energy sources), decentralised renewable energy sources embedded in local settings, clean urban transport and local infrastructure such as smart grids, efficient street lighting, and smart metering.

So as to maximise the impact of the EU funding in the short term, the **facility should be managed by one or several financial intermediaries** such as International Financial Institutions (IFIs). The selection should be operated on the basis of the demonstrated capacity of the financial intermediaries to use the funding in the most efficient and effective way and with the highest leverage between the EU funding and the total investment in order to raise significant investments in the EU.

In compliance with Regulation (EC) No 663/2009, the **facility should be limited to the financing of measures that have a rapid, measurable and substantial impact on economic recovery within the EU**, increased energy security and reduction of greenhouse gas emissions. The criteria set out in Regulation (EC) No 663/2009 should fully apply to the selection and eligibility of the measures financed under the facility. The geographical balance of the projects should also be taken into account as an essential element.

Since the exact amount of uncommitted funds may be known just by the end of 2010, individual legal commitments implementing budgetary commitments should be made by **31 March 2011**.

Due to the urgent need to address the economic crises and the Union's pressing energy needs, expenditure should be eligible as from 13 July 2009 as many applicants requested the eligibility of expenditure from the submission of the grant application in line with Regulation (EC, Euratom) No 1605/2002 (Financial Regulation).

BUDGETARY IMPLICATION: this proposal has no implication for the European Union's budget.

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

2010/0150(COD) - 30/10/2014

This report from the Commission concerns financial instruments supported by the general budget according to Article 140(8) of the Financial Regulation as at 31 December 2013.

The report focuses on all centrally-managed Financial Instruments for internal and external Union policies supported by the general budget according to Article 140(8) of the [Financial Regulation](#) as of 31 December 2013.

To recall, financial instruments, including loans or guarantees with greater risk capacity, represent a smart way to finance the real economy, and boost

growth and employment. They can achieve financial leverage (multiplying scarce budgetary resources by attracting private and public funds to support EU policy objectives), policy leverage (incentivising entrusted entities and financial intermediaries to pursue EU policy objectives through alignment of interest), and institutional leverage (benefiting from the expertise of the actors involved in the implementation chain).

This report is the **first to be prepared under the new requirements of the Financial Regulation**. It is intended to **provide an informative overview of how the taxpayer's money has been used** and of the progress made in the implementation of the Financial Instruments as of 31 December 2013.

The report is complemented by a Commission Staff Working Document which provides specific information on individual financial instruments, their progress made in implementation and their environment in which they operate.

The report highlights that **important outcomes have been achieved through the use of Financial Instruments in the years 2007-2013**, and they will play an even more significant role in the 2014-2020 Multi-annual Financial Framework (MFF). The budgetary authorities have expressed their **political commitment and increased the necessary resources**. Furthermore, the Financial Regulation has been extended with a dedicated chapter, setting up the appropriate regulatory framework for Financial Instruments' design, management and reporting.

#### **The main conclusions of the report are:**

(1) **The implementation of the 2007-2013** centrally-managed financial instruments has been instrumental in helping to **alleviate financial market failures and leverage the positive effects of EU-wide actions**. For example, in the 2007-2013 period, the main EU-level financial instruments dedicated to SME support (CIP-GIF, CIP-SMEG 07 and RSI) and micro-SME support (EPMF) with an overall contribution (EU commitments) of more than EUR 1.6 billion, mobilised lending of nearly EUR 17.9 billion and also supported equity investments of about EUR 2.8 billion, thus enhancing access to finance for more than 336 000 SMEs.

(2) **The achieved leverage** is equal to 5 for Equity Instruments, and ranges from 4.8 to 31 for Guarantee instruments, from 10 to 259 for Risk-sharing instruments, from 1.54 to 158 for Dedicated Investment Vehicles, from 5 to 7 for Financial Instruments in the Enlargement Countries, from 5 to 27.6 for Financial Instruments in Neighbourhood Countries and Countries covered by the Development Cooperation Instrument.

With the experience gained in the course of implementation during the 2007-2013 period, and in the context of programme evaluations and audits, several lessons have been learned on how to further improve the design and management of financial instruments:

- best practices have been capitalised on the design and the management of the new generation of financial instruments;
- further, Financial Instruments will now cover **all main types of final recipients over the full funding cycle** and will include offer of both pro- and counter-cyclical instruments to respond flexibly to market needs, based on demand-driven implementation;
- effectiveness and efficiency have been enhanced through fewer instruments with larger volumes, ensuring critical mass in full consistency with State aid rules;
- alignment of interest with entrusted entities and financial intermediaries will be further achieved through fees and incentives, and risk sharing.

Since 2013 is the last year of commitment for the 2007-2013 programming period for a number of instruments, a final evaluation assessing the extent to which objectives have been achieved has not been finalised. More qualitative and in-depth feedback on the attainment of objectives will be available within one year and will be duly reported upon.

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

2010/0150(COD) - 30/10/2014

This Staff Working Document (SWD) constitutes an Annex to the report of the Commission to the European Parliament and the Council on financial instruments supported by the general budget according to Article 140(8) of the [Financial Regulation](#) as at 31 December 2013. It provides specific information on individual financial instruments, their progress made in implementation and their environment in which they operate.

**Financial instruments** are a proven way to achieve EU policy objectives. They use EU funds to support economically viable projects and attract very significant volumes of public and private financing. By injecting money into the real economy, financial instruments contribute to the achievement of the EU policy objectives enshrined in the Europe 2020 Strategy, notably in terms of employment, innovation, climate change and energy sustainability, education and social inclusion.

The report gives detailed information on each financial instrument.

#### **European Energy Efficiency Fund (EEE-F)**

The European Energy Efficiency Fund (EEE-F), a spin-off of the [European Energy Programme for Recovery](#) (EEPR), invests in energy efficiency, renewable energy projects, and clean urban transport. It aims to establish a specialised investment Fund to reallocate the European Energy Programme for Recovery (EEPR) uncommitted appropriations leveraging additional contributions. This has been achieved with the support of the European Investment Bank to which the establishment of the Fund and the management of the Union contribution were delegated. It also aims to facilitate the financing of energy efficiency investments (portfolio target of 70%), renewable energy (20%) and clean urban transport (10%). The Fund thus mostly concentrates on alleviating specific financial and non-financial barriers to energy efficiency such as high transaction costs, fragmented and small investments, limited access to credit, complex deal structuring, and low confidence of investors and lack of capacity of project promoters.

The EU funds will have to be allocated to investment projects and Technical assistance (TA) by 31 March 2014. Apart from this, there is no fixed deadline for proposals. The winding down of the instrument will take place probably after 2024.

On 1 July 2011, EUR 146.3 million from the European Energy Programme for Recovery (EEPR) were allocated to a new European Energy Efficiency Fund — EEEF (in the form of a specialised investment fund (SICAV)). The Fund includes a EUR 125 million contribution to a newly established Investment Fund vehicle with variable capital (EEE F SICAV-SIF2) that has so far reached a total volume of EUR 265 million, supported by a Technical Assistance grant facility with a budget of EUR 20 million to provide project development support to potential recipients of the EEE F.

In addition, EUR 1.3 million has been allocated to the European Public Private Partnership Expertise Centre (EPEC) for awareness-raising activities.

As of March 2014, EUR 219 million were allocated to projects and EUR 17.7 million was allocated as technical assistance to support project development services.