



# EU Cohesion Policy in support of Innovative Energy Solutions in the Baltic Sea Region

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# 1. Context

- *EU Cohesion Policy aims to reduce the significant economic, social and territorial disparities that still exist between Europe's regions.*
- *It is an investment policy for job creation, competitiveness, economic growth, improved quality of life and sustainable development.*
- *These investments support the delivery of the Europe 2020 strategy and its five ambitious targets on employment, innovation, education, social inclusion and climate/energy.*

# Europe 2020 targets

## **1. Employment**

75% of the 20-64-year-olds to be employed

## **2. Innovation**

*3% of the EU's GDP to be invested in R&D*

## **3. Climate change and energy sustainability**

*Greenhouse gas emissions 20% lower than 1990*

*20% of energy from renewables*

*20% increase in energy efficiency*

## **4. Education**

*Reducing the rates of early school leaving below 10%*

*At least 40% of 30-34-year-olds completing third level education*

## **5. Fighting poverty and social exclusion**

*At least 20 million fewer people in or at risk of poverty and social exclusion*



## 2. Focus of Cohesion Policy energy investments in 2007-2013

(Art. 4-5 of Regulation 1080/2006 of the EP and the Council)

### *Emphasis on sustainable energy*

- **Renewable energy sources** enable us to diversify our energy supply. This increases security of supply and improves overall competitiveness.
- **Energy efficiency** reduces the energy demand in the first place and can thus contribute to a higher level of energy independence.
- Traditional energy security actions, i.e. gas and electricity interconnectors and infrastructure, also receive Cohesion Policy support.

## 3. Amounts involved

### Volume of Cohesion Policy support in 2007-2013 based on indicative programme amounts

#### Energy efficiency

- **EU total**  
EUR 5.6 billion
- **BSR countries**  
EUR 1.3 billion

#### Renewable energy

- **EU total**  
EUR 4.9 billion
- **BSR countries**  
EUR 1.2 billion

#### Interconnections, infrastructure and other

- **EU total**  
EUR 1.7 billion
- **BSR countries**  
EUR 1.1 billion

Total EU Cohesion Policy budget in 2007-2013: EUR 347 billion

## 4. Examples of Cohesion Policy in action



**Poland-Lithuania Power Link** will integrate the Baltic States' power system into the Western European electricity system.



In Lithuania, **energy efficiency** has been increased for 100 residential buildings, resulting to around 50% decrease in the renovated apartments' heating costs.



**Energy efficiency** is promoted in Latvia with a nationwide campaign "Let's Live Warmer", which inspires citizens to take action to improve insulation in residential buildings.



Forward-looking and innovative construction of the Nõlvaku kindergarten represents the first nearly **zero energy** public or municipal service building in Estonia.



**Renewable Energy Research Centre Energon** in Finland provides top research for renewable energy, energy efficiency and development of new technologies.



**Sustainable Ålidhem** is about building sustainable communities. This residential neighbourhood in Sweden is halving its energy consumption within five years.



**Energy Cluster Centre Zealand** in Denmark coordinates and disseminates energy sector knowledge for the benefit of the entire region.

## 5. Way forward 2014-2020

### ***Cohesion Policy objectives***

- *Promote economic, social and territorial cohesion and solidarity among Member States*
  - *Deliver the Europe 2020 strategy objectives of smart, sustainable and inclusive growth*
  - *Tighter link between Cohesion Policy and the European Semester*
  - *Deepen the internal market and boost economic growth, employment and competitiveness*
- > Focus on results and performance**
- > Maximise the impact of EU funding**



# Thematic objectives for 2014-2020

(Art 9 of Commission proposal for the Common Provisions Regulation)

- 1. Research & innovation**
- 2. Information & communication technologies*
- 3. Competitiveness of SMEs*
- 4. Shift to a low-carbon economy**
- 5. Climate change adaptation & risk management and prevention*
- 6. Environmental protection & resource efficiency*
- 7. Sustainable transport*
- 8. Employment and support for labour mobility*
- 9. Social inclusion & poverty reduction*
- 10. Education skills & lifelong learning*
- 11. Increased institutional capacity & effectiveness of public administration*

# Thematic objective 1: Research & innovation

## *Investment priorities*

*(Art. 5(1) of Commission proposal for ERDF Regulation)*

- a) enhancing research and innovation infrastructure (R&I) and capacities to develop R&I excellence and promoting centres of competence, in particular those of European interest*
- b) promoting business R&I investment, product and service development, technology transfer, social innovation and public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation*
- c) supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production in Key Enabling Technologies and diffusion of general purpose technologies*

# Thematic objective 4: Shift to a low-carbon economy

## ***Investment priorities***

*(Art. 5(4) of Commission proposal for ERDF Regulation)*

- a) promoting the production and distribution of renewable energy sources*
- b) promoting energy efficiency and renewable energy use in SMEs*
- c) supporting energy efficiency and renewable energy use in public infrastructures and in the housing sector*
- d) developing smart distribution systems at low voltage levels*
- e) promoting low-carbon strategies for urban areas*

# Connecting Europe Facility

- **Connecting Europe Facility** will invest in *TEN-E infrastructure of highest European added value, in order to assure e.g. the interconnection between energy networks between countries.*
- **Cohesion Policy** will complement those investments by concentrating resources on *smart distribution grids as well as energy efficiency and renewable energy sources*

## 6. EU Strategy for the Baltic Sea Region

- **Key purpose of the strategy** is to mobilise all relevant EU funding and policies as well as coordinate actions to promote a more balanced development of the Baltic Sea Region.
- **Energy** is one of the strategy's priority areas (coordinated by DK and LV) with 7 flagship projects.
- **Energy sector objectives** are to improve the access to, and the efficiency and security of the energy markets, as well as to increase the use of renewable energy sources and promote energy efficiency.



# Seven flagship projects under the EUSBSR priority area for Energy

- 1. Monitor the implementation of the Baltic Energy Market Interconnection Plan (BEMIP)*
- 2. Sharing best practices of regional cooperation of BEMIP with EU Eastern Partnership countries*
- 3. Extend the Nordic electricity market model (NORDEL) to the three Baltic States*
- 4. Enhanced market integration of renewable energy sources and best practice sharing*
- 5. Promote measures to develop the usage of sustainable biofuels*
- 6. Demonstration of coordinated offshore wind farm connection solutions*
- 7. Promoting energy efficiency measures*



# Thank you for your attention!

## For more information

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