



**CONCERTED ACTION  
ENERGY SERVICES  
DIRECTIVE**



# Improving the effective use of EU Structural Funds and Technical Assistance

## Executive Summary

**WGR 5.1**

**Core Theme 5  
Working Group Report 1**

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The European Union provides financial support to Member States (MS) through its Cohesion policy, which aims to increase the cohesion of the regions by focusing on economic growth and employment. The Structural and Cohesion Funds (SCF) were established to support the implementation of EU policies and directives. Technical Assistance (TA) facilities were also created to help improve implementation of Operational Programmes (OP) and preparation of projects.

A number of recent and current projects have examined the use of SCF. This report summarises the results of three completed projects (RUSE, Energy4cohesion, PromoScene) and one project that is still running (SF Energy Invest). Three of these projects were financed within the framework of the Intelligent Energy Europe programme. They have investigated the issue of SCF and energy from different angles and background positions.

Experience gained from previous projects and CA ESD reports have been used as the basis for this report. WG 5.1 used its existing knowledge to collect further information on the effective use of SCF with a specific focus on TA schemes. Selected countries shared their views and good working examples within the report and during the first Plenary Meeting in Warsaw.

Earlier CA ESD work under Core Theme 5 "Use of financial instruments" touched upon the issue of funds deriving from the European Union's budget. The reports showed that the majority of countries (74%) use SCF to finance energy efficiency (EE) programmes and that the funds are used most successfully for non-residential buildings in the public sector. Knowledge about TA schemes is not satisfactory, however; 39% of respondents did not know if the JESSICA facility had been used in their country.

A structured questionnaire was developed by WG 5.1 to carry out interviews with ten selected countries. The effective use of SCF for energy efficiency and technical assistance schemes was discussed in order to share experiences between MS. It was difficult for respondents to report how much funding will directly or indirectly finance EE but in most MS it seems that SCF are used effectively. In general, new MS are more likely to have a separate, specific operational programme or priority axes focusing primarily on EE, for example, efficient distribution of energy or reconstruction of buildings. Older MS appear to finance projects that have less of a direct focus on EE as such, but are projects where, in general, EE is an important part of any kind of investment. In those countries where the funds are used well, the success factors emerging are good preparation of programmes, clear and comprehensive rules and the provision of investment capital for specific sectors.

The results show that, in most cases, Technical Assistance is funded from a combination of Structural Funds (SF), Cohesion Funds (CF) and national funding sources in the selected MS. Some countries have specific Operational Programmes for TA to help the effective use of SCF and others have TA priority axes within OPs. Technical Assistance represents around 3% of the SCF within the Operational Programmes in the 2007-2013 programming period however it is difficult to tell how much TA is used for EE purposes.

Initial discussions have already begun within the European Commission and in MS about the next programming period, 2014-2020, and reconciliation of the budget will continue in the following months and years. This report aims to give some useful input for MS and decision makers by showing the difficulties encountered with, as well as some good examples of, the use of SCF.

Specific TA facilities (e.g. JESSICA, JASPERS, ELENA, etc) are successfully implemented in several MS; however, more information about these opportunities is strongly needed at both national and local levels. According to CA participants, TA success factors are related to the information, support and education given to the beneficiaries and to the control, audit and monitoring of project implementation. An important success factor of any scheme or programme is awareness. Potential applicants need clear explanations and the right information about the possibilities of TA.

At the Plenary Meeting in Warsaw good examples were shared among participants. The representative from the UK presented the London Energy Efficiency Fund which can provide loans or buy equity to public sector bodies, Energy Service Companies, joint ventures, Special Purpose Vehicle or Public-Private Partnerships. This revolving fund of £100 million (part funded by the European Regional Development Fund through the JESSICA initiative) is mainly used to finance Energy efficiency retrofit projects in public sector buildings across London. The repayment profile is up to 10 years and the application process is designed to ensure that projects move seamlessly into a positive funding outcome.

After discussing the challenges related to SCF and TA, MS representatives came to the conclusion that vertical (national, regional, local) integration of funds is needed to foster local action. It was also highlighted that while funds are available and potential projects are ready to be prepared to receive funding, there is still a mismatch and

funds are not always being accessed. Possible solutions could be to increase the level of information available, increase transparency in the application process, early rejection of inadequate projects, faster application management and improved monitoring.

Another conclusion of the discussions was that measuring the funds spent on action is easier when using a dedicated credit line. However, EE should be made mainstream across every investment project, because EE is not usually a standalone goal when planning an investment. The need for enhanced information sharing within and between countries was a recurring demand from participants. A knowledge sharing platform with specific and detailed case examples could be created at the EU level.

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The Concerted Action for the Energy Services Directive II (CA ESD II) was launched by Intelligent Energy Europe (IEE) in May 2011 to provide a structured framework for the exchange of information between the 29 Member States during their implementation of the Energy Services Directive (ESD).

For further information please visit [www.esd-ca.eu](http://www.esd-ca.eu) or contact the CA ESD Coordinator Lucinda Maclagan at [lucinda.maclagan@agentschapnl.nl](mailto:lucinda.maclagan@agentschapnl.nl)

