

EU funding for Energy projects

24.01.2019.





Ministry of Finance

EU Funds Contribution to Energy sector in programming period 2007-2013

140 projects have been implemented for the total EU funding of 99 775 717 EUR

EU funds of 92 402 736 EUR were paid to the beneficiaries

Enhanced energy efficiency in 741 apartment buildings and 54 social homes 149.8 km of heating networks and 286.7 MW of heat generation capacity were reconstructed

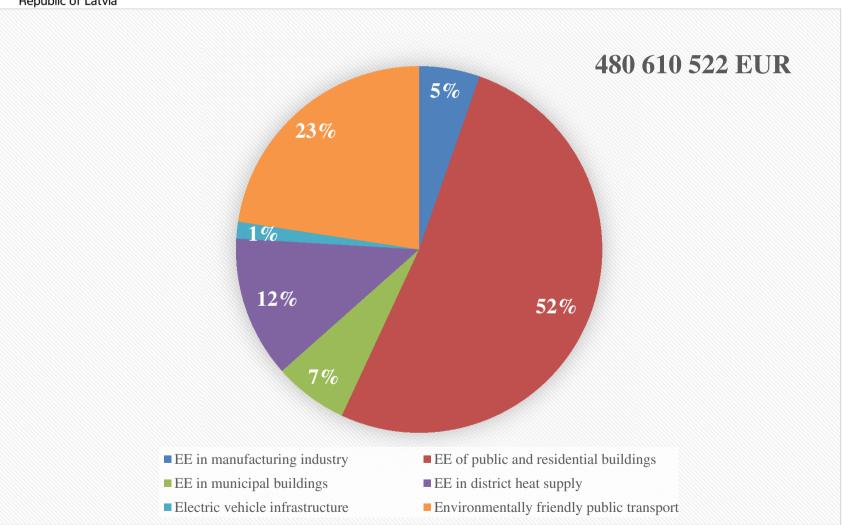
35.55 MW of CHP plants using renewable energy were installed

As a result, heat losses in reconstructed heating networks decreased from 20% to 14.95%



EU Funds Contribution to Energy sector in programming period 2014-2020

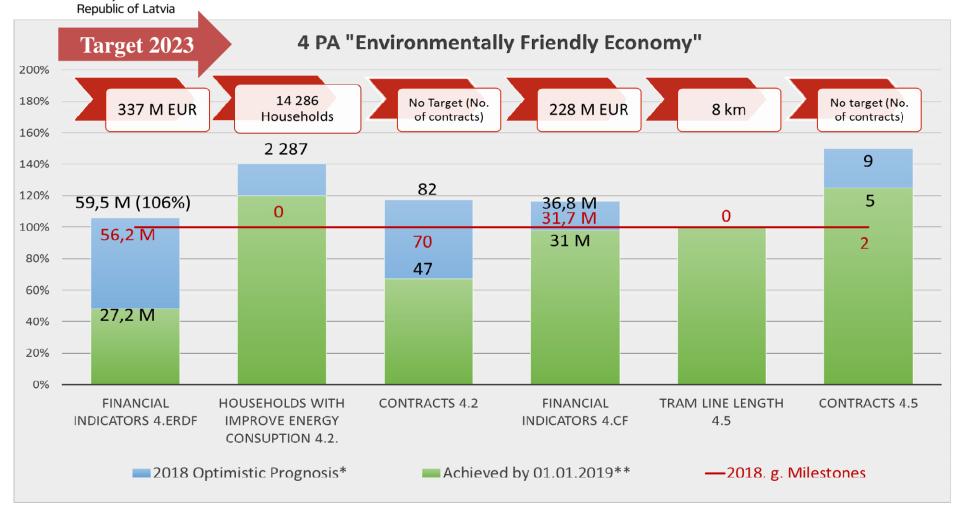
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4.PA Energy efficency – risk to loose ERDF performance reserve – 17,5 M.*EUR*. However, prognosis based on the data of financial beneficiaries indicates, that ERDF financial indicator can be achieved up to 106% of its target.



EC Rules: ERDF and CF one indicator can be \geq 75%, other must be \geq 85%.

*Prognosis on 11.01.2019., based on financial benefeceries data .

** Data on 18.01.2019.





Specific objectives for the ERDF and the Cohesion Fund for programming period 2021-2027

'a greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management ('PO 2') by:

promoting energy efficiency measures;

promoting renewable energy;

developing smart energy systems, grids and storage at local level;

promoting climate change adaptation, risk prevention and disaster resilience;

promoting sustainable water management;

promoting the transition to a circular economy;

enhancing biodiversity, green infrastructure in the urban environment, and reducing pollution;





Thematic enabling conditions applicable to CF*, ERDF**

Strategic policy framework to support energy efficiency activities - renovation of residential and non-residential buildings

A national long term renovation strategy to support renovation of the national stock of residential and nonresidential buildings

a. Entails indicative milestones for 2030, 2040 and targets for 2050

b. Provides an indicative outline of budgetary resources c. Defines effective mechanisms for promoting investments Energy efficiency improvement measures to achieve required energy savings

* Cohesion Fund

** European Regional Development Fund



Thematic enabling conditions applicable to CF*, ERDF**

1. All elements required by the template

National Energy and Climate Plan

2. An indicative outline of envisaged financing resources and mechanisms for promoting low-carbon energy

Measures for Effective promotion of the use of renewable energy resources 1. Compliance with the 2020 national renewables binding target and with this baseline up to 2030

2. An increase in the share of renewables in the heating and cooling sector by 1 % per year up to 2030

- Cohesion Fund
- ** European Regional Development Fund



Common result indicators for the ERDF and the Cohesion Fund - Article 7(1)

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Greener Europe (PO2)

	 RCR 26 - Annual final energy consumption
	 RCR 27 - Households with improved energy performance of their dwellings
	 RCR 28 - Buildings with improved energy classification
\prec	• RCR 29 - Estimated greenhouse gas emissions
	 RCR 30 - Enterprises with improved energy performance
	• RCR 31 - Total renewable energy produced
	 RCR 32 - Renewable energy: Capacity connected to the grid (operational)



Greener Europe (PO2)

- RCR 33 Users connected to smart grids
- RCR 34 Roll-out of projects for smart grids
- RCR 50 Population benefiting from measures for air quality
- RCR 95 Population having access to new or upgraded green infrastructure in urban areas
- RCR 51 Population benefiting from measures for noise reduction
- RCR 52 Rehabilitated land used for green areas, social housing, economic or community activities



Programming framework

National priorities derive from the National Development Plan of Latvia

Sector planning documents

Sector priorities

Operational program

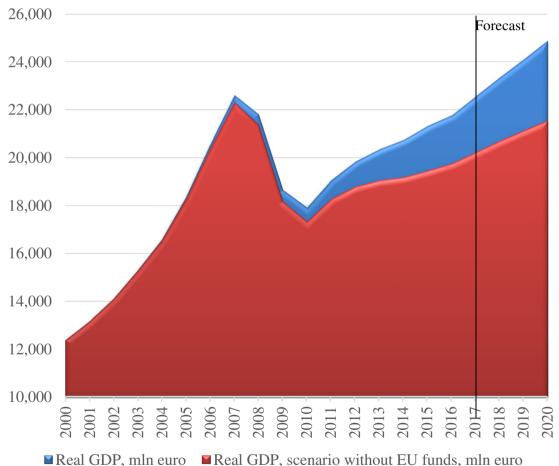


Cohesion policy has a significant impact on convergence

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- LV has closed the gap in GDP per head by 21 % to EU average (46%-67%, 2004-2017)
- Despite overall convergence disparities remain at national level (Riga 107 %, Latgale 32 % of EU average)
- Since 2004 Cohesion policy contributed additional 7,3 % to Latvia's GDP*
- Cummulative impact on employment - around 20 thousand people (2,9 %, 2007-2017)*

The EU funds investments cumulative impact on Latvian GDP



*Source: Ministry of Finance, results of macroeconomic modelling



What is the amount of funding originally offered to Latvia in 2021-2027?

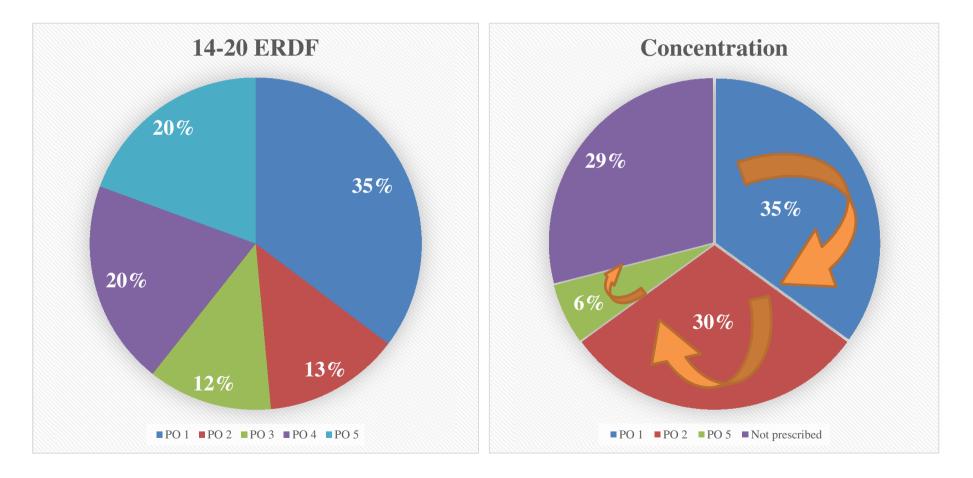
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Member	2021-27 allocation	Change from	Aid intensity	Change from
State	(billions, 2018 prices)	_	(EUR/head)	current period (%)
BG	8.9	8	178	15
RO	27.2	8	196	17
HR	8.8	-6	298	0
LV	4.3	-13	308	0
HU	17.9	-24	260	-22
EL	19.2	8	254	12
PL	64.4	-23	239	-24
LT	5.6	-24	278	-12
EE	2.9	-24	317	-22
PT	21.2	-7	292	-5
SK	11.8	-22	310	-22
CY	0.9	2	147	-5
SI	3.1	-9	213	-11
CZ	17.8	-24	242	-25
ES	34.0	5	105	3
МТ	0.6	-24	197	-28
IT	38.6	6	91	5
FR	16.0	-5	34	-9
FI	1.6	5	42	2
BE	2.4	0	31	-5
SE	2.1	0	31	-6
DE	15.7	-21	27	-20
DK	0.6	0	14	-3
AT	1.3	0	21	-4
NL	1.4	0	12	-3
IE	1.1	-13	33	-17
LU	0.1	0	16	-14
EU27	331	-9.9	106	-14
EUZI		-3.3	100	-11



Thematic concentration requirements for ERDF – a major roadblock for 21-27 investment and policy planning!

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Cohesion policy – the main priorities and structural challenges for Latvia

Productivity/ Innovation	 Productivity up by 16%; still only 68 % of EU average 	0
Sustainable and competitive transport system	 2nd worst road quality in EU 48 % of regional roads in bad condition 	
Sustainable use of resources (energy efficiency)	 Residential energy consumption 2nd highest in EU Energy - one of RIS3 priorities 	
Social convergence, healthy and competitive labour force	 2nd highest patient (out of pocket) payments for healthcare in EU 28.5 % of people live at risk of poverty and social exclusion 	
Qualitative and effective education system	 40% on students in vocational education (behind 50% target) 43% of enterprises are affected by labour shortages (Citadele index) 	(
Depopulation and balanced territorial development	 Low GDP convergence outside the capital region (32%-49% of EU average) Population loss in external border regions reduced by 24 % (15% overall) 	0



Thank you for your attention!

More information: <u>www.esfondi.lv</u> <u>www.fm.gov.lv</u>

