Regional and Urban Policy

Priority: Supporting the shift towards a low-carbon economy in all sectors

Why invest in the transition to a low-carbon economy?

Pursuing the EU climate and energy targets reduces our energy dependency

- By 2020:
  - Reduce greenhouse gas emissions by 20%;
  - Increase energy efficiency by 20%; and
  - Generate at least 20% of the energy consumed from renewable sources.

- By 2050:
  - Reduce carbon emissions by 85-90%.

Achieving these targets will open up new opportunities for economic development through expansion of business and research activities in low-carbon technologies and creation of new green jobs.

How has Cohesion Policy supported the transition to a low-carbon economy in 2007-2013?

€18.5 billion of the European Regional Development Fund (ERDF) and Cohesion Fund has been invested in low-carbon themes such as renewable energy, energy efficiency, clean urban transport and cycle paths.

Cohesion Policy 2014-2020 will go even further:

A minimum share of each region's ERDF allocation will be invested in measures supporting the shift to a low-carbon economy:

- 20% in more developed regions;
- 15% in transition regions; and
- 12% in less-developed regions.

The new Cohesion Policy means regions and Member States must target EU investments on four key areas for economic growth and job creation:

- Research and Innovation
- Information and Communication Technologies (ICT)
- Enhancing the competitiveness of small and medium-sized enterprises (SMEs)
- Supporting the shift towards a low-carbon economy

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EU COHESION POLICY 2014-2020
Targeting Investments on Key Growth Priorities
This will ensure a minimum investment of at least €23 billion for 2014-2020 from the ERDF, while further investments through the Cohesion Fund will further support the shift towards a low-carbon economy. Investments from the ERDF and the Cohesion Fund will include the following areas:

Increasing the use of renewable energy:

- Investing in the production and distribution of energy derived from renewable sources.
- Supporting projects to build awareness and increase the use of renewable energy in both the public and private sectors.

Decreasing energy use:

- Funding projects to enhance energy efficiency and smart energy management in public infrastructures, including public buildings, in the housing sector and in the context of industrial production to boost competitiveness, especially in SMEs.
- Reducing emissions from transport by supporting the development of new technologies and promoting sustainable multi-modal urban mobility including public transport, cycling and walking.

Promoting smart energy systems:

- Investing in smart grids for electricity distribution to enable improved energy efficiency.
- Integrating increased amounts of renewable energy.

Encouraging an integrated approach to policy-making and implementation:

- Developing integrated low-carbon strategies, in particular for urban areas, which can encompass street lighting, sustainable multi-modal urban mobility and smart electrical grids.
- Promoting research and innovation in low-carbon technologies.

The European Social Fund will also support measures to reinforce the education and training systems necessary for adapting the skills and qualifications of the labour force to work in sectors related to energy and environment.

A new strategic approach

- Cohesion Policy Funds are a crucial tool for helping Member States to achieve ‘Europe 2020’ objectives, including the headline targets on renewable energy and energy efficiency. Member States have to draw up “National Renewable Energy Action Plans” (NREAPs) with priorities for increasing the share of renewable energy and “National Energy Efficiency Action Plans” (NEEAPs) with priorities for improving energy efficiency, which provide an important strategic basis for investment.
- The new “Energy Efficiency Directive” provides further strategic orientation. It requires Member States to establish by April 2014 a long-term strategy for investing in the renovation of the national building stock, including policies and measures to stimulate cost-effective deep renovations. These strategies will provide the foundation for truly effective Cohesion Policy investments.
- For research and innovation in low-carbon technologies, Member States and regions are encouraged to make full use of the knowledge developed in the context of the EU “Strategic Energy Technology (SET) Plan” to accelerate the development and deployment of cost-effective low-carbon technologies.