

Smart strategies for the transition in coal intensive regions

Project No: 836819



***Guideline on available European funds
and programmes for low carbon energy
projects in coal intensive regions***

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TRACER website: www.tracer-h2020.eu

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1 Coal regions in Bulgaria – a summary guide on sources of public funding for non-coal projects

1.1 Nationally administered funding including from EU sources

1.1.1 Current situation

The EU Structural and Investment Funds (SIF) are by far the main public funding source in Bulgaria. Funding is provided by four (nationally administered) Operational Programmes (OPs):

Table 1: Operational Programmes

	Budget (million BGN)	Committed (million BGN)	Not yet committed as at 17 Dec 2019 (million BGN)
OP Environment (OPE)	3462	4127	-
OP Innovations and Competitiveness (OPIC)	2584	3294	-
OP Regions in Growth (OPRG)	3018	2815	203
OP Human Resources Development (OPHRD)	2136	1847	289

Three of the four OPs don't support energy transition away from coal. The fourth, OPHRD, can support such as education, training, and employment of youth and the unemployed, but is not doing so in 2020.

1.1.2 Future situation (best guess)

Bulgaria will use its OP Environment, OP Regions in Growth, and OP Innovations and Competitiveness to support relevant coal-exit investments in the 2021-2027 period, in line with the current practices of other EU Member States. Recent discussions and negotiations with the European Commission are forcing this topic onto the agenda. There will be more focus on investments targeting local and regional issues. Not only will the funding for such projects be increased, but also more opportunities for different stakeholders – municipalities, industry, and NGOs – to form partnerships will be created.

Similarly to 2014-2020 period, in the next period the OPHRD will continue supporting education, training, and employment of youth and unemployed.

In OPIC, the priorities relevant to coal region transition in the next programming period are:

- Support to innovations and improvement of the innovation infrastructure, including cooperation between research and industry and Intellectual Property protection
- Digital transformation of the enterprises and access to AI, computing power, cloud services
- Support to SME competitiveness, including development of industrial areas, development of entrepreneurship, development of clusters
- Investments in energy efficiency
- Incentives for companies to use RES for own consumption

No specific information is available yet for the other OPs.

The ERDF allocation (not including the national co-financing) for Bulgaria in the four relevant OPs is as follows:

- OP Environment: 903 M €

- OP Innovation and Competitiveness: 1629 M €
- OP Regional Development: 1464 M €
- OP Human Resource Development: 2000 M € (a doubling compared to the current period)

It is expected use of financial instruments will increase from 10% of the ESIF budget in the 2014-2020 period, but not by much.

1.2 Funding managed outside Bulgaria

1.2.1 Horizon Europe

Horizon Europe is the successor to the Horizon 2020 programme, which runs 2014-2020. Like Horizon 2020, Horizon Europe offer grants for research and demonstration of technology.

Projects are typically 1-20 M EUR. Most of the money for clean energy technology is in a part of the programme known as the [Secure, Clean and Efficient Energy Societal Challenge](#), where projects should be undertaken collaboratively, i.e. by at least “three independent legal entities each established in a different Member State or associated country and with at least one of them established in a Member State.”

The European Commission will publish “Work Programmes” that set out what topics are eligible for funding. Interested consortia must then submit a funding application within a deadline of several months.

Technical assistance in preparing a proposal is available from people employed in the Member States (or associated countries) as “National Contact Points”, with the ones in Bulgaria responsible for energy being [displayed on this map](#).

1.2.2 European Economic Area Grants and Norway Grants (www.eeagrants.org)

Iceland, Liechtenstein and Norway (especially Norway) offer funding to legal entities and sometimes private citizens in Bulgaria.

In the period 2017-2024, 210.1 M EUR is available for projects, distributed through calls for proposals each offering typically 1 M EUR in total and open for at least 2 months.

All projects must be implemented by 30 April 2024 at the latest.

At least four of the five areas covered by EEA Grants and Norway Grants are relevant to coal regions in transition:

- Innovation, research, education and competitiveness
- Social inclusion, poverty reduction and youth employment
- Environment, energy, climate change and the low-carbon economy
- Culture, civil society, good governance and fundamental rights
- Justice and home affairs

Multi-partner projects are allowed. The lead partner would be from a ‘beneficiary country’, e.g. Bulgaria. Other Bulgarian entities can join the consortium, and partners from the EEA countries, in particular Norway.

The programmes are administered with the involvement of Bulgaria’s [Central Coordination Unit Directorate in the Council of Ministers](#). Grants are available for proposal preparation where the idea is to involve an EEA partner in the project.

Example of open calls (as of 25 February 2020):

- “Green Industry Innovation”, closing 4 June 2020 with total funding 10.6 M EUR. Funding rates as per standard State Aid rules. Application to be submitted in English via: <https://www.innovasjon Norge.no/en/start-page/eea-norway->

[grants/Programmes/business-development/Bulgaria/2nd-call-business-development-innovation-and-smes/](#)

1.2.3 European Investment Bank

The EU budget will be used to guarantee loans and many other forms of financial instruments under the **“Invest EU”** programme. The EU has set the rules for “Invest EU”, which will be managed by the EIB on its behalf. “Invest EU” is the successor of the Juncker Plan, also known as the European Fund for Strategic Investments (2014-2020).

A wide variety of pro-climate and pro-growth investment may be financed.

Part of the guarantee will be used to support loans under the future [Just Transition Mechanism](#).

Invest EU will offer a single point of entry and its “Invest EU” Advisory Hub will aid promoters of a project that it is at “any stage of the life-cycle”.

Using its own capital, EIB will “establish an **Energy Transition Package** to provide extra support to those Member States or regions with a more challenging transition path.” The support will allow “as an exception to its general rule, [...] financing up to 75% of the eligible cost of all energy projects.”

More details on both will come later in 2020 when the EU’s budget for 2021-2027 has been decided.

1.2.4 Interreg Danube Transnational Programme

The programme “finances projects for the development and practical implementation of policy frameworks, tools and services and concrete small-scale pilot investments”. 85% of costs are refunded.

The programme funds work under 10 Specific Objectives, themselves grouped under [4 priorities](#). About half are relevant to regions like the Maritsa East coal region. Examples of projects are given [here](#).

Applications are by an annual call for proposals usually launched in Q1 and a two-step evaluation. The deadline to submit for each step is 6 or 7 weeks, the second step coming half a year after the first.

60 M EUR are available for the current (third) call and 61 proposals were submitted for the call’s second stage.

All projects need a consortium of minimum 3 partners from 3 different Danube countries, with the Lead Partner being in a Member State. Private profit-making organisations cannot be Lead Partners.

Unlike Horizon 2020 calls for proposals (but in common with Cohesion Policy Funds), there is no pre-financing: the consortium is reimbursed for its work as it is done.

The programme’s strategic vision is “policy integration” below the EU-level (not duplicating efforts in policy integration at the EU-level e.g. TEN-T) and above the national level in specific fields of action. Transnational projects should influence national/regional /local policies (“policy driver”).

Source:<http://www.interreg-danube.eu/uploads/media/default/0001/08/a9e4aac01e011b947d260cb6ba467b74f1728d51.pdf>

1.3 Future sources of EU-controlled funding

1.3.1 Just Transition Fund – incentivising Bulgaria to spend in coal regions

The European Commission on 14 January 2020 proposed a Just Transition Fund of 7.5 bn €. An unofficial estimate suggests that under the plans, Bulgarian territories (defined at NUTS 3 level or smaller) will share 458 M EUR. The authorities of the region and the national government must prepare “territorial just transition plans”. The national government must

agree to put aside ERDF, ESF+ or Cohesion Fund money to co-fund the plan, as well as national money.

The Fund can support “investments in the deployment of technology and infrastructures for affordable clean energy, in greenhouse gas emission reduction, energy efficiency and renewable energy,” start-ups, SMEs, land reclamation, workforce retraining and technical assistance.

The primary legislation setting up the fund will be adopted in 2020, with the Fund operational in mid-2021 (best guess).

1.3.2 Modernisation Fund

According to our estimation, grants totalling 350 M EUR will be available in Bulgaria in the period 2021-2030 under a scheme known as the (Emissions Trading Scheme) “Modernisation Fund”.

At least 70% of investments must go towards:

- Modernisation of energy systems
- Improvements in energy efficiency
- Just transition in carbon-dependent regions

See Paragraph 2 of Article 10d of the legislation here: <https://tinyurl.com/rk84maj>

Up to 100% of relevant costs can be covered (i.e the cost difference between the new and old plant).

Timings:

- 1st draft of the rules of Modernisation Fund discussed with MS in Q4 2019
- Expected adoption in Q1 or Q2 2020, with first fall calls for proposals 2021

1.4 Further info

The Covenant of Mayors website contains a handy online guide to many other funding opportunities: www.covenantofmayors.eu/support/funding.html

2 Coal regions in Czechia - a summary guide on sources of public funding for non-coal projects

2.1 National funding including EU funds managed at national level

The EU's Cohesion Policy Funds are distributed through national Operational Programmes and Regional Operational Programmes

The national funds are available at the links below, which indicate the wide variety of areas that may be funded. The last calls for proposals under these Operational Programmes will come at the end of 2020. Projects submitted to those calls will have a maximum duration of 3 years, which is also the usual duration of projects.

Table 2: Operational Programmes

Operational Programme	Managed by
Enterprise and Innovation for Competitiveness (OP EIC)	Ministry of Industry and Trade
Research, Development and Education (OP RDE)	Ministry of Education, Youth and Sports
Employment (OP Z)	Ministry of Labor and Social Affairs
Transport (OP T)	Ministry of Transport
Environment (OP Environment)	Ministry of the Environment
Integrated Regional Operational Program (IROP)	Ministry for Regional Development
Prague - Growth Pole of the Czech Republic	Prague City Hall
Technical Assistance	Ministry for Regional Development
Fisheries Operational Program 2014-2020	Ministry of Agriculture
Rural Development Program (RDP)	Ministry of Agriculture

The Regional Operational Programme bracketed as 'IROP' in the table above is intended primarily for regions, cities, municipalities and their established organizations and NGOs (non-profit organizations). Other programmes are open to private actors. OP EIC is primarily intended for businesses and research organisations.

2.2 Applications

Funding can be granted competitively (whereby a batch of proposals is compared against each other and the best is chosen) or first-come-first-served (whereby a project may be submitted and funded at any time providing it meets eligibility criteria). The first-come-first-served method tends to be used for energy efficiency and educational projects.

Calls for proposals for the same topic tend to come at the same time of year each year.

All applications for funding are submitted through the same electronic portal [MS2014+](#).

2.3 Forms of financing

Usually financing from national funds comes in the form of grants, and intensity of which is governed by EU State Aid rules and differentiated. However, the share of financial instruments provided by individual operational programs is also gradually increasing. Grants are paid ex-post for work completed, at intervals of minimum 3 months.

Typical grants to end-beneficiaries are in the range 200 000 CZK – 10 M CZK.

Funds may be more available at the start of a programming period (the next is due to run from 2021-2027).

Projects carrying technological risk may be funded by OP EIC and the national grant programs of TA ČR (Technology Agency of the Czech Republic), but these projects should not take too much risk: the grants aim at incremental R&D to, for example, verify the functionality of innovative technologies and test their application in a relevant environment.

2.4 Combining sources of funding

This is not possible for the same activity, but fresh rounds of funding may be obtained as a project reaches different stages of maturity: from the first source, a subsidy for product development; from the second, fine-tuning before its launch on the market, etc.

2.5 An (unofficial) look to future Cohesion Policy Funding

As Czechia gets richer (i.e. its GDP / capita approaches the EU average) and as the overall budget for Cohesion Policy is reduced at EU level, so Cohesion Policy Funding will be reduced in the period 2021-2027, in amount and intensity. The EU contribution to project costs will drop from 85% to 55% for all regions except coal regions (Ústí nad Labem Region, Moravian-Silesian Region, Karlovy Vary Region), where it would drop to 70%.

Managing Authorities are organising meetings with stakeholders in 2020 to define priorities for the 2021-2027 period.

2.6 Funding managed outside Czechia

2.6.1 Horizon Europe

Horizon Europe is the successor to the Horizon 2020 programme, which runs 2014-2020. Like Horizon 2020, Horizon Europe offer grants for research and demonstration of technology.

Projects are typically 1-20 M EUR. Most of the money for clean energy technology is in a part of the programme known as the [Secure, Clean and Efficient Energy Societal Challenge](#), where projects should be undertaken collaboratively, i.e. by at least “three independent legal entities each established in a different Member State or associated country and with at least one of them established in a Member State.”

The European Commission will publish “Work Programmes” that set out what topics are eligible for funding. Interested consortia must then submit a funding application within a deadline of several months.

Technical assistance in preparing a proposal is available from people employed in the Member States (or associated countries) as “National Contact Points”, with the ones for Czechia responsible for energy being [displayed on this map](#).

2.6.2 European Economic Area Grants and Norway Grants (www.eeagrants.org)

Iceland, Liechtenstein and Norway (especially Norway) offer funding to legal entities and sometimes private citizens in Czechia.

In the period 2017-2024, 184.5 M EUR is available for projects, distributed through calls for proposals each offering typically 1 M EUR in total and open for at least 2 months.

All projects must be implemented by 30 April 2024 at the latest.

At least four of the five areas covered by EEA Grants and Norway Grants are relevant to coal regions in transition:

- Innovation, research, education and competitiveness
- Social inclusion, poverty reduction and youth employment
- Environment, energy, climate change and the low-carbon economy
- Culture, civil society, good governance and fundamental rights
- Justice and home affairs

Multi-partner projects are allowed. The lead partner would be from a 'beneficiary country', e.g. Czechia. Other Czech entities can join the consortium, and partners from the EEA countries, in particular Norway.

The programmes are administered with the involvement of Czechia's [Ministry of Finance, International Relations Department](#). Grants are available for proposal preparation where the idea is to involve an EEA partner in the project.

Examples of a recent calls for proposals:

- 33 M EUR for applied research in any area, with a requirement for partnership with a partner in either Norway, Iceland or Lichtenstein: <https://www.tacr.cz/en/kappa-programme-call-for-proposal-announcement/>

2.6.3 European Investment Bank

The EU budget will be used to guarantee loans and many other forms of financial instrument under the "**Invest EU**" programme. The EU has set the rules for "Invest EU", which will be managed by the EIB on its behalf. "Invest EU" is the successor of the Juncker Plan, also known as the European Fund for Strategic Investments (2014-2020).

A wide variety of pro-climate and pro-growth investment may be financed.

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2.6.4 Interreg Danube Transnational Programme

The programme “finances projects for the development and practical implementation of policy frameworks, tools and services and concrete small-scale pilot investments”.

The programme funds work under 10 Specific Objectives, themselves grouped under [4 priorities](#). About half are relevant to Czechia’s three coal regions. Examples of projects are given [here](#).

85% of costs are refunded.

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60 M EUR are available for the current (third) call and 61 proposals were submitted for the call’s second stage.

All projects need a consortium of min 3 partners from 3 different Danube countries, with the Lead Partner being in a Member State. Private profit-making organisations cannot be Lead Partners.

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The programme’s strategic vision is “policy integration” below the EU-level (not duplicating efforts in policy integration at the EU-level e.g. TEN-T) and above the national level in specific fields of action. Transnational projects should influence national / regional / local policies (“policy driver”). – from

www.interreg-danube.eu/uploads/media/default/0001/08/a9e4aac01e011b947d260cb6ba467b74f1728d51.pdf

2.7 Future sources of funding

2.7.1 Just Transition Fund – incentivising Czechia to spend in coal regions

The European Commission on 14 January 2020 proposed a Just Transition Fund of 7.5 bn €. An unofficial estimate suggests that under the plans, Czech territories (defined at NUTS 3 level or smaller) will share 581 M €. The authorities of the region and the national government must prepare “territorial just transition plans”. The national government must agree to put aside ERDF, ESF+ or Cohesion Fund money to co-fund the plan, as well as national money.

The Fund can support “investments in the deployment of technology and infrastructures for affordable clean energy, in greenhouse gas emission reduction, energy efficiency and renewable energy,” start-ups, SMEs, land reclamation, workforce retraining and technical assistance.

The primary legislation setting up the fund will be adopted in 2020, with the Fund operational in mid-2021 (best guess).

2.7.2 Modernisation Fund

Grants totalling roughly 3.5 bn EUR (our estimate) to be available in Czechia in the period 2021-2030 under a scheme known as the (Emissions Trading Scheme) “Modernisation Fund”.

At least 70% of investments must go towards:

- Modernisation of energy systems
- Improvements in energy efficiency
- Just transition in carbon-dependent regions

See Paragraph 2 of Article 10d of the legislation here: <https://tinyurl.com/rk84maj>

Up to 100% of relevant costs can be covered (i.e the cost difference between the new and old plant).

Timings:

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2.8 Further info

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3 The coal region ‘Lusatia’ – a summary guide on sources of public funding for non-coal projects

3.1 National funding including EU funds managed at national level

3.1.1 The kinds of project supported

The two EU Cohesion Policy Funds offering most support to Brandenburg and Saxony, parts of both of which make up the border region of Lusatia are the ESF (European Social Fund) and the ERDF (European Regional Development Fund).

The ESF funds similar topics in Brandenburg and Saxony:

Table 3: European Social Fund

European Social Fund	
Brandenburg	Saxony
<ul style="list-style-type: none"> To improve participation in educational programs and to support those making the transition from education to employment To make lifelong learning and further training possible To promote innovation and entrepreneurship To promote the integration of disadvantaged groups in gainful employment 	<ul style="list-style-type: none"> Promoting sustainable and quality employment and supporting labour mobility Promoting social inclusion and combating poverty and all forms of discrimination Investment in education, training and vocational training for skills and lifelong learning Technical help <p>Budget available 2014-2020: 663 M €</p>
More Info	
https://esf.brandenburg.de/cms/detail.php/land_bb_boa_01.c_293664.de Currently 30-40 funding opportunities available.	https://www.strukturfonds.sachsen.de/europaeischer-sozialfonds-esf.html

The ERDF funds the same topics in both regions.

Table 4: European Regional Development Funds

European Regional Development Fund	
Brandenburg	Saxony
<ul style="list-style-type: none"> Strengthening applied research, development and innovation Competitiveness of SMEs Reduction of CO2 emissions Integrated urban and rural development. 	<ul style="list-style-type: none"> Strengthening research, technological development and innovation (44% of total budget) Strengthening the competitiveness of small and medium-sized enterprises (little funding remaining) Reduction of CO2 emissions (28% of budget) Risk prevention Sustainable urban development. <p>Budget available 2014-2020: 2.1 bn EUR Budget used (as at 09/2019): 1.6 bn EUR</p>
More Info:	

https://efre.brandenburg.de/efre/de/foerderperiode-2014-2020/schwerpunkte-der-efre-foerderung/	https://strukturfonds.sachsen.de/europaeischer-fonds-fuer-regionale-entwicklung-efre.html
About funded projects:	
TRACER was informed that “there are also currently not too many applications from Lusatia. The largest promoter is the Brandenburg Technical University Cottbus-Senftenberg.”	Examples: https://www.strukturfonds.sachsen.de/efre-projekte-in-sachsen-4441.html
Outlook:	
	TRACER project was informed that Saxony will pursue the same priorities as listed above in the 2021-2027 funding round.
Contact person:	
	Andrea Decker 0049 351 5648555 Andrea.Decker@smwa.sachsen.de
Typical grant award:	
Estimated at 250 000 per project. Only a few are larger than 1 M €.	

3.1.2 How to find available funding

3.1.2.1 Brandenburg

Details on all funding opportunities are available on the webpages of the ILB, Investitionsbank des Landes Brandenburg, which is also the office handling funding applications. To find them, click on the three tabs Wirtschaft Infrastruktur, Wohnungsbau and Arbeit at the top in the horizontal top menu:



To see opportunities for [grants](#) and [loans](#) under “Wirtschaft”, click the respective link in the left-hand vertical menu. For infrastructure, click “[Alle Infrastruktur-Förderprogramme](#)”, for [Wohnungsbau](#) and [Arbeit](#) click “Übersicht der Förderprogramme”. Programmes accepting proposals are in black type, programmes not accepting proposals are in grey. Clicking on the programme reveals whether the source of public funding is purely national or from a Cohesion Policy Fund such as the ESF or European Regional Development Fund (in German, ‘EFRE’). As of 31 August 2019, around EUR 390 million was yet to be committed to projects. Many programmes are taking applications until the end of 2020, some longer.

3.1.2.2 Saxony

Details on all funding opportunities are available on the webpages of the SAB, Sächsische Aufbaubank - Förderbank, which is also the office handling funding applications for Saxony: <https://www.sab.sachsen.de>. To find programmes that are co-funded with EU Cohesion Policy Funds specifically, go to <https://www.strukturfonds.sachsen.de/>, then click on one of the links in the left-hand vertical menu (red arrow):

The screenshot shows the Sachsen.de website header with the logo and navigation tabs for 'Sachsen' and 'Politik und Verwaltung'. Below the header is a breadcrumb trail 'Strukturfonds in Sachsen'. A sidebar menu on the left lists several items: 'Strukturfonds in Sachsen', 'Die EU-Förderung vorgestellt', 'Europäischer Fonds für regionale Entwicklung (EFRE)', 'Europäischer Sozialfonds (ESF)', 'Geförderte Projekte in Sachsen', 'Partnerschaft', and 'Publikationen'. Two red arrows point to the 'Europäischer Sozialfonds (ESF)' and 'Geförderte Projekte in Sachsen' items. To the right of the menu is a large image of a man in a white lab coat holding a test tube.

A submenu opens up with five items. In the screen shot below, we clicked on “Klimaschutz”, which has opened another page to the right containing a further submenu.

The screenshot shows the Sachsen.de website header and breadcrumb trail. The sidebar menu is expanded to show a submenu for 'Europäischer Fonds für regionale Entwicklung (EFRE)'. The items in this submenu are: 'Forschung und Innovation', 'KMU-Förderung', 'Klimaschutz', 'Risikoprävention', and 'Nachhaltige Stadtentwicklung'. The 'Klimaschutz' item is highlighted in blue. To the right of the sidebar, the 'Klimaschutz' page is displayed, featuring a title 'Klimaschutz' and a paragraph: '474,5 Millionen Euro fließen zwischen 20... CO2-Emissionen«. Das soll durch versch...'. Below the paragraph is a submenu with three items: 'Zukunftsfähige Energieversorgu', 'Energieeffiziente Investitionen in', and 'Klima- und Immissionsschutz'.

Finally, clicking on one of items in that submenu brings up text and underneath some links. The indicated link “Klimaschutz” in the example below leads to the relevant page of SAB detailing the available funding. When you arrive on that page check if there is no notice at or

near the top saying “Achtung - Aufgrund fehlender Haushaltsmittel ist für diesen Vorhabensbereich gegenwärtig keine Antragstellung möglich” or a similar notice that warns that budget is running low.

The screenshot shows a navigation menu on the left with the following items: Entwicklung (EFRE), Forschung und Innovation, KMU-Förderung, **Klimaschutz** (highlighted), Risikoprävention, Nachhaltige Stadtentwicklung, Evaluierung / Berichte, and Förderzeitraum 2007-2013. A red arrow points from the 'Klimaschutz' menu item to the 'Klimaschutz' link in the main content area. The main content area has a heading 'Klima- und Immissionsschutz' and text explaining the role of municipalities in energy and climate policy. Below the text is a list of links: 'Klimaschutz' and 'Sächsische Energieagentur - SAENA GmbH'.

3.1.3 Policies applicable in both Brandenburg and Saxony

3.1.3.1 *First-come-first-served*

Both regions award most of their funding on a first-come-first-served basis. If a project meets a set of criteria, it is awarded funding.

3.1.3.2 *Actors eligible for support*

ERDF support can go to a wide variety of public and private entities with a legal personality. ESF support can additionally go to private citizens.

The beneficiary must be established (or resident in the case of private citizens) in one of the two regions.

3.1.3.3 *Grants and reimbursable financial support are provided*

Most funding is offered by way of grants. Sometimes grants and loans are offered, and sometimes loans or equity stakes.

3.1.3.4 *No “pre-financing” on grants*

Grants are paid out upon demonstration that the cost has already been incurred.

3.1.3.5 *Eligible costs*

The type of costs that may be covered in ERDF projects are: expenditure on construction, equipment and depreciation, external services needed for the project action and, personnel expenses for researchers, technicians and other supporting persons, patent protection.

3.1.3.6 The current ERDF and ESF funding rounds close at the end 2023

There is no EU-imposed deadline for the submission of applications, but all projects must be concluded by the end of 2023, i.e. have requested their final payments, and undergone a check that the money has been spent on eligible work.

3.2 Funding for Lusatia as a coal region in transition

Table 5: Existing national funds for transition (adapted from slide 22 of https://ec.europa.eu/energy/sites/ener/files/documents/1_strategies_1_de.pdf#page=22)

Project / title	Amount	source
Zukunftswerkstatt Lausitz (2017-2020)	8 M €	Federal Gov 45% Brandenburg / Saxony 45% Local Gov 10%
To support the 3-year Zukunftswerkstatt Lausitz project, Saxony ran in 2019 and is running in 2020 a competition known as the Saxony Civil Activating Fund (Sächsische Mitmach-Fonds). The 2020 competition is taking applications from individuals and organisations till 15 March 2020. 1.5 M EUR in prizes of 5000-15000 € will be awarded. Examples of the projects funded in the 2019 are available in this presentation .		
Unternehmen Revier (2016-2025)	4 M € / year for 10 years (energy and climate of Fed Gov), 40% for Lusatia, 60% for other German coal regions	Federal Gov (Federal Ministry for Economic Affairs and Energy)
LMBV restoration of post-mining landscape (1991-2022) Co-financed	About 12 bn € 200 M €	Fed Gov Brandenburg / Saxony

3.3 Structural Strengthening Act

Below is a [slide from a presentation](#) at 6th Coal Regions in Transition Working Group (October 2019, Brussels). Another [slide](#) details that the 14 bn EUR are for “business related infrastructure, local public transport, broadband and mobility infrastructure and environment protection or landscape rehabilitation”. It seems the money has already started to flow, with €240 M of Federal money released in April 2019. Brandenburg will receive €80 M of this, to be spent on 25 quick-start projects, many concerning infrastructure.

The “Structural Strengthening Act“

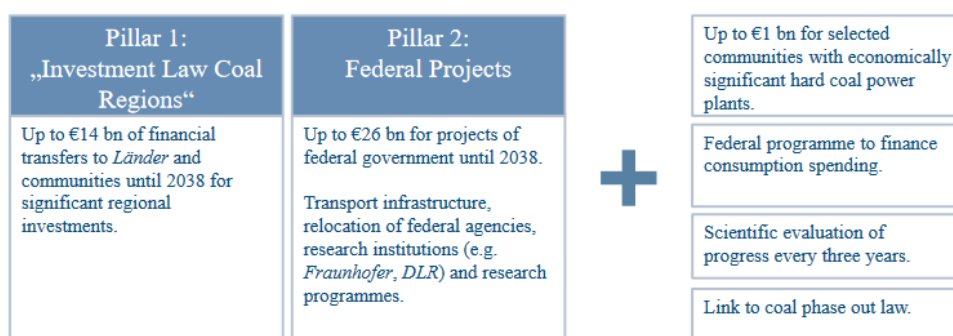


Figure 1: Structural Strengthening Act

3.4 Funding managed outside Germany

3.4.1 Horizon Europe

Horizon Europe is the successor to the Horizon 2020 programme, which runs 2014-2020. Like Horizon 2020, Horizon Europe offer grants for research and demonstration of technology.

Projects are typically 1-20 M EUR. Most of the money for clean energy technology is in a part of the programme known as the [Secure, Clean and Efficient Energy Societal Challenge](#), where projects should be undertaken collaboratively, i.e. by at least “three independent legal entities each established in a different Member State or associated country and with at least one of them established in a Member State.”

The European Commission will publish “Work Programmes” that set out what topics are eligible for funding. Interested consortia must then submit a funding application within a deadline of several months.

Technical assistance in preparing a proposal is available from people employed in the Member States (or associated countries) as “National Contact Points”, with the ones for Germany responsible for energy being [displayed on this map](#).

3.4.2 European Investment Bank

The EU budget will be used to guarantee loans and many other forms of financial instrument under the “Invest EU” programme. The EU has set the rules for “Invest EU”, which will be managed by the EIB on its behalf. “Invest EU” is the successor of the Juncker Plan, also known as the European Fund for Strategic Investments (2014-2020).

A wide variety of pro-climate and pro-growth investment may be financed.

Part of the guarantee will be used to support loans under the future Just Transition Mechanism.

“Invest EU” will offer a single point of entry and its “Invest EU” Advisory Hub will aid promoters of a project that it is at “any stage of the life-cycle”.

Using its own capital, EIB will “establish an Energy Transition Package to provide extra support to those Member States or regions with a more challenging transition path.” The support will allow “as an exception to its general rule, [...] financing up to 75% of the eligible cost of all energy projects.”

More details on both will come later in 2020 when the EU’s budget for 2021-2027 has been decided.

3.5 Future sources of EU-controlled funding

3.5.1 Just Transition Fund – incentivising Germany to spend in coal regions

The European Commission on 14 January 2020 proposed a Just Transition Fund of 7.5 bn €. An unofficial estimate suggests that under the plans, German territories (defined at NUTS 3 level or smaller) will share 877 M €. The authorities of the region and the national government must prepare “territorial just transition plans”. The national government must agree to put aside ERDF, ESF+ or Cohesion Fund money to co-fund the plan, as well as national money.

The Fund can support “investments in the deployment of technology and infrastructures for affordable clean energy, in greenhouse gas emission reduction, energy efficiency and renewable energy,” start-ups, SMEs, land reclamation, workforce retraining and technical assistance.

The primary legislation setting up the fund will be adopted in 2020, with the Fund operational in mid-2021 (best guess).

3.6 Further info

The Covenant of Mayors website contains a handy online guide to many other funding opportunities: www.covenantofmayors.eu/support/funding.html

4 Coal regions in Greece - a summary guide on sources of public funding for non-coal projects

4.1 EU Funds for the coal region of Western Macedonia

4.1.1 Funds administered nationally – national Operational Programmes

1. [Transport infrastructure, environment and sustainable development - EL - ERDF/CF](#)
2. [Reform of the Public Sector - EL - ESF/ERDF](#)
3. [Technical assistance - EL - ERDF/ESF/CF](#)
4. [Human Resources Development, Education and Lifelong Learning - EL - ESF/YEI](#)
5. [Competitiveness, entrepreneurship and innovation - EL - ERDF/ESF](#)
6. [Greece - National Rural Development](#)
7. [Maritime and Fisheries - Greece](#)

4.1.2 Funds administered regionally – Western Macedonia's Regional Operational Programme

Applications for funding are made in response to open calls for proposals. The website of the Managing Authority <http://www.pepdym.gr/> lists those calls and contains links to guides and to the electronic system of proposal submission.

4.1.3 Entities eligible for funding

- The region itself
- Municipalities
- Other public or private bodies
- SMEs
- Individual citizens

It is possible for a combination of different entities to jointly apply for a grant / or other form of aid, but this has never happened.

4.1.4 Differentiated rules in calls for proposals

A call for proposals for public works is assessed against different criteria to a call that (for example) invests in SMEs.

4.1.5 Forms of funding

The region offers grants to projects of overall size between 0.1 M € and 70 M €.

4.1.6 Remaining budget

The budget for some of the **national Operational Programmes** is already fully committed, which can be seen by clicking the links for Programmes 1 and 5 in the list above.

Concerning the **Western Macedonia Regional Operational Programme**, around 30% of the budget has not yet been committed (100 M EUR). Considering that a typical project lasts two years, there remain about 2 years to commit it, which is about 25% of an 8-year period from 1 January 2014 to 31 December 2021. Therefore, the pace at which the money is committed must slightly accelerate.

4.1.7 Little, if any, technology risk taken

The projects funded by West Macedonia's Regional Operational Programme should work as planned at the end of the construction period.

4.1.8 Competition for funding

Proposals submitted in response to a call are compared with each other, the best being selected for funding.

4.1.9 Length of a project

Projects last 1-5 years. In projects resulting in a new construction, the funding stops when the construction work stops.

4.2 Funding managed outside Greece

4.2.1 Horizon Europe

Horizon Europe is the successor to the Horizon 2020 programme, which runs 2014-2020. Like Horizon 2020, Horizon Europe offer grants for research and demonstration of technology.

Projects are typically 1-20 M EUR. Most of the money for clean energy technology is in a part of the programme known as the [Secure, Clean and Efficient Energy Societal Challenge](#), where projects should be undertaken collaboratively, i.e. by at least “three independent legal entities each established in a different Member State or associated country and with at least one of them established in a Member State.”

The European Commission will publish “Work Programmes” that set out what topics are eligible for funding. Interested consortia must then submit a funding application within a deadline of several months.

Technical assistance in preparing a proposal is available from people employed in the Member States (or associated countries) as “National Contact Points”, with the ones for Greece responsible for energy being [displayed on this map](#).

4.2.2 European Economic Area Grants (www.eeagrants.org)

Iceland, Liechtenstein and Norway offer funding to legal entities and sometimes private citizens in Greece.

In the period 2017-2024, 117 M EUR is available for projects, distributed through calls for proposals each offering typically 1 M EUR in total and open for at least 2 months.

All projects must be implemented by 30 April 2024 at the latest.

At least four of the five areas covered by EEA Grants are relevant to coal regions in transition:

- Innovation, research, education and competitiveness
- Social inclusion, poverty reduction and youth employment
- Environment, energy, climate change and the low-carbon economy
- Culture, civil society, good governance and fundamental rights
- Justice and home affairs

Multi-partner projects are allowed. The lead partner would be from a ‘beneficiary country’, e.g. Greece. Other Greek entities can join the consortium, and partners from the EEA countries, in particular Norway.

The programmes are administered with the involvement of Greece’s [Ministry of Economy and Development - General Secretariat for Public Investments and the NSRF](#). Grants are available for proposal preparation where the idea is to involve an EEA partner in the project.

4.2.3 European Investment Bank

The EU budget will be used to guarantee loans and many other forms of financial instrument under the “**Invest EU**” programme. The EU has set the rules for “Invest EU”, which will be managed by the EIB on its behalf. “Invest EU” is the successor of the Juncker Plan, also known as the European Fund for Strategic Investments (2014-2020).

A wide variety of pro-climate and pro-growth investment may be financed.

Part of the guarantee will be used to support loans under the future [Just Transition Mechanism](#).

“Invest EU” will offer a single point of entry and its “Invest EU” Advisory Hub will aid promoters of a project that it is at “any stage of the life-cycle”.

Using its own capital, EIB will “establish an **Energy Transition Package** to provide extra support to those Member States or regions with a more challenging transition path.” The support will allow “as an exception to its general rule, [...] financing up to 75% of the eligible cost of all energy projects.”

More details on both will come later in 2020 when the EU’s budget for 2021-2027 has been decided.

4.3 Future sources of funding

4.3.1 Just Transitioning Fund - incentivising Greece to spend in coal regions

The European Commission on 14 Jan 2020 proposed a Just Transition Fund of 7.5 bn €. It might give Greece 294 M EUR for the period 2021-2027. The regional authorities and the national government must prepare “territorial just transition plans”. The national government must agree to put aside ERDF, ESF+ or Cohesion Fund money to co-fund the plan, as well as national money.

The Fund can support “investments in the deployment of technology and infrastructures for affordable clean energy, in greenhouse gas emission reduction, energy efficiency and renewable energy,” start-ups, SMEs, land reclamation, workforce retraining and technical assistance.

The primary legislation setting up the fund will be adopted in 2020, with the Fund operational in mid-2021 (best guess).

4.4 Further info

The Covenant of Mayors website contains a handy online guide to many other funding opportunities: www.covenantofmayors.eu/support/funding.html

5 Coal regions in Poland - a summary guide on sources of public funding for non-coal projects

5.1 National funding including EU funds managed at national level

5.1.1 Sources of information

- www.funduszeuropejskie.gov.pl for all funds included in the National Cohesion Strategy (nationwide, supra-regional, regional and cross-border)
- The websites of the individual programmes, e.g. www.poir.gov.pl, www.funduszedlamazowska.eu
- The websites of managing, intermediate and implementing authorities: e.g. www.zdrowie.gov.pl, www.parp.gov.pl, www.ckps.lasy.gov.pl

5.1.2 Who can apply

For projects connected to energy efficiency, renewables and greenhouse gas emission reduction programmes national funding is open to a wide variety of **public or not-for-profit bodies, SMEs and large companies**.

5.1.3 Forms of financing

European funds are usually distributed on a competitive basis, via calls for proposals.

The funds are provided either in the form of grants or in the form of repayable instruments (soft loans). The level of co-financing depends on the call for proposals and may depend on the type of applicant. The Act on Public Procurement governs the access of regional authorities to funding.

5.1.4 Kinds of projects funded

Table 6: Funded topics

Social and educational project	The “energy consulting project” training people to become Municipal Energy Specialists https://doradztwo-energetyczne.gov.pl/ The National Fund for Environmental Protection and Water Management (NFOŚiGW) funds this project in 16 regions.
R&D project	Regional competitions for R&D projects open to ideas from all areas.
Manufacturing project	Regional competitions open to ideas in all areas.
Infrastructure Development	ROP (Regional Operational Programme) of Mazowieckie Measure 4.3 covers “Reduction of air pollution emissions” including (in sub-measure 4.3. from urban transport)
Tourism	ROP of Małopolskie sub-measure 6.1.5 offers money for a regional network of bicycle routes, exceptionally without a competition
Local energy efficiency	Mazovian ROP measure 4.2 Energy efficiency Thermo-modernisation of public utility buildings
Renewables	Mazovian ROP Measure 4.1 offers funding for renewable energy installations

5.1.5 How much risk in the R&D projects?

Eligible R&D projects will aim at incremental improvements to existing technology, not basic research. Funding may also be awarded to explore the commercial potential of new technology.

Money awarded in a voivodship must be spent on a project carried out in that voivodship.

5.2 How much money available?

Table 7: Available funding (the rightmost column shows the money still available in Regional Operating Programmes related to energy (status September 2019). The other columns show how much has been spent so far. Source: interviews with Managing Authorities.

Energy efficiency, renewable energy sources and the low-carbon economy	Allocation		Applications selected for funding			Signed contracts			Free funds	
	Allocation EUR	Allocation PLN (A)	quantity	Total value PLN	Value of EU funding PLN	quantity	Total value PLN	Value of EU funding (B) PLN	After signature of the agreements (EU contribution) (=A-B) PLN	After taking into account the contracts to be signed, increases in projects and competitions pending and planned to be announced PLN
Renewable energy sources	62 913 372	274 140 845	110	323 104 502	184 665 469	102	244 894 006	152 602 335	121 538 510	33 304 038
Energy efficiency and renewable energy sources in micro, small and medium enterprises	33 000 000	144 964 898	1	168 133 059	142 913 100	1	168 133 059	142 913 100	2 051 798	3 378 398
Energy efficiency and renewable energy sources in public and housing infrastructure	234 672 997	1 023 207 489	288	1 124 409 947	718 577 612	267	1 043 791 962	650 270 495	372 936 994	190 382 570
High-efficiency cogeneration	9 000 000	39 406 039	3	9 014 095	6 082 330	3	9 014 095	6 082 330	33 323 709	11 291 391

5.3 Funding managed outside Poland

5.3.1 Horizon Europe

Horizon Europe is the successor to the Horizon 2020 programme, which runs 2014-2020. Like Horizon 2020, Horizon Europe offer grants for research and demonstration of technology.

Projects are typically 1-20 M EUR. Most of the money for clean energy technology is in a part of the programme known as the [Secure, Clean and Efficient Energy Societal Challenge](#), where projects should be undertaken collaboratively, i.e. by at least “three independent legal entities each established in a different Member State or associated country and with at least one of them established in a Member State.”

The European Commission will publish “Work Programmes” that set out what topics are eligible for funding. Interested consortia must then submit a funding application within a deadline of several months.

Technical assistance in preparing a proposal is available from people employed in the Member States (or associated countries) as “National Contact Points”, with the ones for Poland responsible for energy being [displayed on this map](#).

5.3.2 European Economic Area Grants and Norway Grants (www.eeagrants.org)

Iceland, Liechtenstein and Norway (especially Norway) offer funding to legal entities and sometimes private citizens in Poland.

In the period 2017-2024, 809.3 M EUR is available for projects, distributed through calls for proposals each offering typically 1 M EUR in total and open for at least 2 months.

All projects must be implemented by 30 April 2024 at the latest.

At least four of the five areas covered by EEA Grants and Norway Grants are relevant to coal regions in transition:

- Innovation, research, education and competitiveness
- Social inclusion, poverty reduction and youth employment
- Environment, energy, climate change and the low-carbon economy
- Culture, civil society, good governance and fundamental rights
- Justice and home affairs

Multi-partner projects are allowed. The lead partner would be from a ‘beneficiary country’, e.g. Poland. Other Polish entities can join the consortium, and partners from the EEA countries, in particular Norway.

The programmes are administered with the involvement of Poland’s [Ministry of Economic Development, Department for Assistance Programmes](#). Grants are available for proposal preparation where the idea is to involve an EEA partner in the project.

Examples of calls for proposals opening in 2020:

- 165 M EUR to be granted in 2020 on an Energy and Climate programme. Details are given here: <https://www.gov.pl/web/fundusze-regiony/ponad-164-mln-euro-z-funduszy-norweskich-i-eog-na-rzecz-srodowiska-i-klimatu>

5.4 Future sources of EU-controlled funding

5.4.1 Just transition Fund - incentivising Poland to spend in coal regions

The European Commission on 14 Jan 2020 proposed a Just Transition Fund of 7.5 bn €. An unofficial estimate suggests that under the plans, Polish territories (defined at NUTS 3 level or smaller) will share 2 bn €. The authorities of the region and the national government must

prepare “territorial just transition plans”. The national government must agree to put aside ERDF, ESF+ or Cohesion Fund money to co-fund the plan, as well as national money.

The Fund can support “investments in the deployment of technology and infrastructures for affordable clean energy, in greenhouse gas emission reduction, energy efficiency and renewable energy,” start-ups, SMEs, land reclamation, workforce retraining and technical assistance.

The primary legislation setting up the fund will be adopted in 2020, with the Fund operational in mid-2021 (best guess).

5.4.2 Modernisation Fund

Grants totalling roughly 3 bn EUR (our estimate) to be available in Poland in the period 2021-2030 under a scheme known as the (Emissions Trading Scheme) “Modernisation Fund”.

At least 70% of investments must go towards:

- Modernisation of energy systems
- Improvements in energy efficiency
- Just transition in carbon-dependent regions

See Paragraph 2 of Article 10d of the legislation here: <https://tinyurl.com/rk84maj>

Up to 100% of relevant costs can be covered (i.e the cost difference between the new and old plant).

Timings:

- 1st draft of the rules of Modernisation Fund discussed with MS in Q4 2019
- Expected adoption in Q1 or Q2 2020, with first fall calls for proposals 2021

5.5 Further info

The Covenant of Mayors website contains a handy online guide to many other funding opportunities: www.covenantofmayors.eu/support/funding.html

6 Coal regions in Romania - a summary guide on sources of public funding for non-coal projects

6.1 National funding including EU funds managed at national level

6.1.1 One source of information

Information on all European funds is available in one place: <https://www.fonduri-ue.ro/>

European Structural and Investment Funds (ESIF) from the EU budget fund 7 Operational Programmes in Romania, listed on that site. They may be considered as pots of money that fund specific kinds of work. One of them, "POR", the Regional Operational Programme, has the priorities (also known as Priority Axes) listed here (with further details in [Annex](#) at end of this chapter):

1. Promoting technology transfer
2. Improving the competitiveness of SMEs
3. Supporting the transition to a low carbon economy
4. Supporting sustainable urban development
5. Improving the urban environment and the conservation, protection and sustainable use of cultural heritage
6. Improving road infrastructure of regional importance
7. Diversifying local economies through tourism sustainable development
8. Developing health and social infrastructure
9. Supporting the economic and social regeneration of disadvantaged communities in the urban environment
10. Improving educational infrastructure
11. Geographical development of the registration system of properties in the cadastral and the land register
12. Technical assistance
13. Urban regeneration of small and medium-sized cities
14. Creating regional emergency hospitals infrastructure
15. The SME Initiative

Romania's coal mining region, Jiu Valley, can apply for funding under POR via the West Regional Development Agency (ADR Vest), which is accountable to the Regional Development Council and ultimately Bucharest, where final decisions are taken.

As at December 2019, for the Regional Operational Programme for the West Region (covered by ADR Vest), contracts to the value of 799 M EUR had been signed, even though the budget available to the West Region is currently 719 M EUR. The expectation is that at least 80 M EUR of funds originally intended for other Romanian regions will be transferred to ADR Vest to honour the contracts.

Only the following Priority Axes are still open to applications: 2, 8 and 9¹.

So far projects in Jiu Valley have focused on the following topics:

- Social projects
- Infrastructure
- Tourism
- Energy efficiency
- R&D

¹ [Status summary 31 Dec 2019 \(in Romanian\)](#)

- Manufacturing

6.1.2 Forms of funding

Grants are usually the funding form offered to public entities, NGOs, private companies, and citizens.

Financial Instruments are used under ESIF for SMEs under the Competitiveness Operational Programme, Regional Operational Programme Priority Axis 15 (in the Jiu Valley region) and National Programme for Rural Development.

6.1.3 Typical funding size

Different sizes of projects are accepted/eligible, depending on each Operational Programme each Priority Axis within that Operational Programme and (a further subdivision) each 'Investment Axis' under the Priority Axis. For example according to the [Applicant Guidelines for the Regional Operational Programme](#) and the list above, the ranges of grants to projects of different topics are as follows:

Regional Operational Programme / Priority Axis 1 / Investment Priority 1

- "Research, development and innovation investments: Promoting technology transfer":
0.1-3 M EUR

Regional Operational Programme / Priority Axis 3 / Investment Priority 1:

- Energy efficiency in public buildings:
0.1-25 M EUR
- Energy efficiency in residential buildings
0.1-5 M EUR
- Investments in public lighting
0.1-5 M EUR

Micro-enterprises tend to get the smallest awards and cities or municipalities the most, with SMEs in the middle (of the order of 1 M €).

The Guidelines give recommendations for the number of partners.

6.1.4 Eligible applicants and their funding rates

The grant funding intensity depends on the kind of entity receiving the grant:

- Public entities (e.g. public authorities, universities, RDI institutes etc.): 80%-100% of their costs may be covered by the grant
- NGOs (including technology transfer entities): 80%-90%
- Individuals/citizens receive a fixed amount defined in the Applicant Guidelines
- Private companies' funding rates are governed by standard EU State Aid rules

In the ADR Vest region Priority Axis 3 projects are funded 60% with ESIF grants and 40 % from the own resources of cities or municipalities and owners' associations.

6.1.5 Competitive funding prevails

Usually calls for proposals are organised, with the best qualifying proposal(s) in each batch of submitted proposals selected for funding.

Some Operational Programmes (Competitiveness and Human Capital) award grants on a first-come-first-served basis.

6.1.6 Project duration

Project duration is from 12 (usually the minimum) to 36 months. In Large Infrastructure Operational Programme, the funding stops after tests and project commissioning, including 12 months (maximum) of post-commissioning monitoring to spot deficiencies. ADR Vest monitors Regional Operational Programme projects in its territory up to 5 years after completion if the project is led by a public body, and up to 3 years after completion for private-led projects.

6.1.7 Few Operational Programme fund projects that carry technology risk

The Regional Operational Programme covering Jiu Valley will fund incremental technology improvements that can be anticipated with high certainty. But the Competitiveness OP finances RDI activities, i.e. activities carrying technology risk.

6.1.8 Online resources

Electronic submission tool: MYSMIS system (ESIF's electronic management platform): <https://www.fonduri-ue.ro/mysmis>

Sample application form for Regional OP:

<https://files.finantare.ro/2017/POR/anexe%203.1/01%20Anexa%203.1.B-1%20ITI%20nou%20Formularul%20cererii%20de%20finan%C5%A3are.pdf>

Managing Authorities' contact information <http://mfe.gov.ro/contact/>

6.1.9 For West Region (ADR Vest) specifically

There is a dedicated website www.adrvest.ro for calls for proposals and the accompanying [application guides](#).

6.2 Funding managed outside Romania

6.2.1 Horizon Europe

Horizon Europe is the successor to the Horizon 2020 programme, which runs 2014-2020. Like Horizon 2020, Horizon Europe offer grants for research and demonstration of technology.

Projects are typically 1-20 M EUR. Most of the money for clean energy technology is in a part of the programme known as the [Secure, Clean and Efficient Energy Societal Challenge](#), where projects should be undertaken collaboratively, i.e. by at least “three independent legal entities each established in a different Member State or associated country and with at least one of them established in a Member State.”

The European Commission will publish “Work Programmes” that set out what topics are eligible for funding. Interested consortia must then submit a funding application within a deadline of several months.

Technical assistance in preparing a proposal is available from people employed in the Member States (or associated countries) as “National Contact Points”, with the ones for Romania responsible for energy being [displayed on this map](#).

6.2.2 European Economic Area Grants and Norway Grants (www.eeagrants.org)

Iceland, Liechtenstein and Norway (especially Norway) offer funding to legal entities and sometimes private citizens in Romania.

In the period 2017-2024, 502.5 M EUR is available for projects, distributed through calls for proposals each offering typically 1 M EUR in total and open for at least 2 months.

All projects must be implemented by 30 April 2024 at the latest.

At least four of the five areas covered by EEA Grants and Norway Grants are relevant to coal regions in transition:

- Innovation, research, education and competitiveness
- Social inclusion, poverty reduction and youth employment
- Environment, energy, climate change and the low-carbon economy
- Culture, civil society, good governance and fundamental rights
- Justice and home affairs

Multi-partner projects are allowed. The lead partner would be from a 'beneficiary country', e.g. Romania. Other Romanian entities can join the consortium, and partners from the EEA countries, in particular Norway.

The programmes are administered with the involvement of Romania's [Ministry of European Funding](#). Grants are available for proposal preparation where the idea is to involve an EEA partner in the project.

Examples of open calls (as at 28 Jan 2020):

- "Energy efficiency in place" and "Increased energy efficiency for SMEs and NGOs", closing 31 March 2020 with total funding 13 M EUR. Funding rates as per standard State Aid rules. Application to be submitted in English via : <https://www.innovasjon Norge.no/roenergy>
- Within the 'Social Dialogue - Decent Work' programme, proposals focusing on "improved social dialogue and cooperation" and "Facilitated access to employment" seem relevant to Jiu Valley. The funding rate is up to 90%, with projects selected in part on their 'value for money'. 1.4 M EUR is available. The deadline is 4 March 2020 for applications via <https://www.innovasjon Norge.no/DecentWork>

6.2.3 European Investment Bank

The EU budget will be used to guarantee loans and many other forms of financial instrument under the "**Invest EU**" programme. The EU has set the rules for "Invest EU", which will be managed by the EIB on its behalf. "Invest EU" is the successor of the Juncker Plan, also known as the European Fund for Strategic Investments (2014-2020).

A wide variety of pro-climate and pro-growth investment may be financed.

Part of the guarantee will be used to support loans under the future [Just Transition Mechanism](#).

"Invest EU" will offer a single point of entry and its "Invest EU" Advisory Hub will aid promoters of a project that it is at "any stage of the life-cycle".

Using its own capital, EIB will "establish an **Energy Transition Package** to provide extra support to those Member States or regions with a more challenging transition path." The support will allow "as an exception to its general rule, [...] financing up to 75% of the eligible cost of all energy projects."

More details on both will come later in 2020 when the EU's budget for 2021-2027 has been decided.

6.2.4 Interreg Danube Transnational Programme

The programme “finances projects for the development and practical implementation of policy frameworks, tools and services and concrete small-scale pilot investments”.

The programme funds work under 10 Specific Objectives, themselves grouped under [4 priorities](#). About half are relevant to regions like Jiu Valley. Examples of projects are given [here](#).

85% of costs are refunded.

Applications are by an annual call for proposals usually launched in Q1 and a two-step evaluation. The deadline to submit for each step is 6 or 7 weeks, the second step coming half a year after the first.

60 M EUR are available for the current (third) call and 61 proposals were submitted for the call's second stage.

All projects need a consortium of min 3 partners from 3 different Danube countries, with the Lead Partner being in a Member State. Private profit-making organisations cannot be Lead Partners.

Unlike Horizon 2020 calls for proposals (but in common with Cohesion Policy Funds), there is no pre-financing: the consortium is reimbursed for its work as it is done.

The programme's strategic vision is “policy integration” below the EU-level (not duplicating efforts in policy integration at the EU-level e.g. TEN-T) and above the national level in specific fields of action. Transnational projects should influence national/regional /local policies (“policy driver”).

Source: www.interreg-danube.eu/uploads/media/default/0001/08/a9e4aac01e011b947d260cb6ba467b74f1728d51.pdf

6.3 Future sources of funding

6.3.1 Just Transition Fund - incentivising Romania to spend in coal regions

The European Commission on 14 January 2020 proposed a Just Transition Fund of 7.5 bn €. An unofficial estimate suggests that under the plans, Romanian territories (defined at NUTS 3 level or smaller) will share 757 M €. The authorities of the region and the national government must prepare “territorial just transition plans”. The national government must agree to put aside ERDF, ESF+ or Cohesion Fund money to co-fund the plan, as well as national money.

The Fund can support “investments in the deployment of technology and infrastructures for affordable clean energy, in greenhouse gas emission reduction, energy efficiency and renewable energy,” start-ups, SMEs, land reclamation, workforce retraining and technical assistance.

The primary legislation setting up the fund will be adopted in 2020, with the Fund operational in mid-2021 (best guess).

6.4 Modernisation Fund

According to our estimation, grants totalling roughly 4 bn EUR will be available in Romania in the period 2021-2030 under a scheme known as the (Emissions Trading Scheme) “Modernisation Fund”.

At least 70% of investments must go towards:

- Modernisation of energy systems
- Improvements in energy efficiency
- Just transition in carbon-dependent regions

See Paragraph 2 of Article 10d of the legislation here: <https://tinyurl.com/rk84maj>

Up to 100% of relevant costs can be covered (i.e the cost difference between the new and old plant).

Timings:

- 1st draft of the rules of Modernisation Fund discussed with MS in Q4 2019
- Expected adoption in Q1 or Q2 2020, with first fall calls for proposals 2021

6.5 Further info

The Covenant of Mayors website contains a handy online guide to many other funding opportunities: www.covenantofmayors.eu/support/funding.html

6.6 Annex – project examples

Regional Operational Programme / Priority Axis 3 / Investment Priority 1 ‘Supporting energy efficiency, smart energy management and renewable energy use in public infrastructures (residential buildings, public buildings and public lighting systems, especially those with high energy consumption)’ covers costs in following areas:

- Energy efficiency of public buildings:
 - Improvement of buildings thermal insulation (exterior walls, windows, carpentry, upper floor, basement floor), frames and coverings, including measures to strengthen the building
 - Refurbishment and upgrading of the installations for the preparation and transport of the thermal agent, the domestic hot water and the ventilation and air conditioning systems, including passive cooling systems, as well as the purchase and installation of the related equipment and the connection to the centralized heating systems, as the case may be;
 - Use of RES to provide the necessary thermal energy for heating and the preparation of hot water for consumption
 - Implementation of energy management systems (e.g. purchase and install smart metering systems for electricity monitoring and management)
 - Replacement of fluorescent and incandescent lamps with luminaires with high energy efficiency and long service life
 - Any other activities that lead to the fulfilment of the project objectives (replacement of elevators and electrical circuits - stairs, basement, dismantling works of installed installations and equipment, repair work on facades, etc.)
 - Implementation of strategies for energy efficiency (e.g. CO2 reduction strategies) that have projects implemented through the ROP 2014 - 2020
- Energy efficiency in residential buildings:
 - Improvement of thermal insulation and waterproofing of the building envelope (exterior walls, windows, carpentry, upper floor, underfloor floor), frames and coverings including reinforcement measures
 - Rehabilitation and modernization of the distribution system of the thermal agent - heating and hot water for consumption, common part of the building type block of flats, including the installation of valves with thermostatic head, etc.
 - Upgrading the heating system: repairing / replacing the block / ladder thermal unit; purchase and installation of alternative systems for the production of energy from renewable sources - solar thermal panels, solar electric panels, heat pumps and / or biomass thermal plants, etc.
 - Replacement of fluorescent and incandescent lamps in the common spaces with luminaires with high energy efficiency and long service life
 - Implementation of management systems for the operation of energy consumption: purchase and installation of smart metering systems for the electricity monitoring and management

- Any other activities that lead to the achievement of the project objectives (replacement of elevators and electrical circuits in the common parts - stairs, basement, dismantling works of installed installations and equipment, repair work on facades, etc.)
- Implementation of strategies for energy efficiency (e.g. CO2 reduction strategies) that have projects implemented through the ROP 2014 - 2020

- Investments in public lighting:
 - Replacement of public lighting systems with incandescent lighting with the use of lamps with high energy efficiency, long service life and ensuring the appropriate comfort (e.g. LED), including by rehabilitation of electrical installations - poles, grids, etc.
 - The purchase / installation of remote-control systems for public lighting
 - The extension / restoration of the public lighting system in the urban localities
 - Use of RES (e.g. PV panels, etc.)
 - Any other activities that lead to the achievement of the project objectives
 - Implementation of strategies for energy efficiency (e.g. CO2 reduction strategies) that have projects implemented through the ROP 2014 - 2020

7 Coal regions in Serbia – a summary of sources of public funding for non-coal projects

7.1 *The EU is the largest provider of financial assistance to Serbia*

- €2.5 billion in EU pre-accession funds 2007-2020
- €5 billion provided in European Investment Bank loans since 1999
- €116.4 million provided to date in Western Balkans Investment Framework grants, leveraging investments estimated at € 2.25 billion

Source EC [factsheet 2018](#)

The largest source of pre-accession funds is the Instrument for Pre-Accession Assistance (now in its second iteration as 'IPA II' for the period 2014-2020. It is worth 1.5 bn EUR). In 2018, the European Commission announced its intention to re-allocate funding within the instrument to the Western Balkans², and give 1.07 bn EUR to those countries that year.

General information about the multilateral and bilateral funding provided to Serbia from other countries, international financial institutions or the EU are under the tab 'Fund' on the homepage of the [Ministry of European Integration](#). [This 2017 briefing](#) prepared by the staff of the European Parliament may be useful, too.

Examples of projects funded each year 2014-2018 are given on [this page](#).

A [chart](#) by independent consultants shows the IPA II allocation that remained to be spent 2018-2020, by theme. The data (further broken down to 2018, 2019, 2020) is also obtainable by clicking the links under the section 'Key Figures' in the [right-hand margin of this EU webpage](#) (Picture 1):

² [COM\(2018\) 65 'A credible enlargement perspective for and enhanced EU engagement with the Western Balkans'](#)

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- Montenegro
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- Serbia**



Serbia - financial assistance under IPA II

Indicative funding allocation 2014–20: €1.539,1 billion

The **priority sectors** for funding in this period are:

- **Democracy & governance**

More professional, depoliticised and accountable administration; public financial management reform; normalisation of the relations with Kosovo; stronger administrative capacity for EU funds management; legislative alignment and institution-building;

- **Rule of law & fundamental rights**

Independent, impartial and more professional judiciary; fight against corruption and organised crime; integrated border management; fundamental rights, respect of minorities and freedom of expression; improved asylum processing and management

- **Environment & climate action**

Alignment with the environment and climate *acquis*; *stronger institutional framework at central and local levels*; better treatment of waste and water; improved air quality;

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Key figures

	TOTAL
Serbia	2014-2020
a. Democracy and Rule of Law	692.6
Democracy and governance	446.4
Rule of law and fundamental rights	246.2
b. Competitiveness and growth	846.8
Environment, climate change and energy	321.8
Transport	64.8
Competitiveness, innovation, agriculture and rural development	336.5
Education, employment and social policies	123.7
TOTAL	1,539.1

Figure 2: The link under ‘Key figures’ on [this page](#) shows remaining money under the IPA II instrument for 2020

7.1.1 No access to European Structural and Investment Funds

“The Republic of Serbia will be able to use assets from the mentioned funds when it becomes a member of the EU”³, destined for 2025.

7.2 Funding managed outside Serbia

7.2.1 Horizon 2020 and Horizon Europe

Serbia can participate in the Horizon 2020 research and development programme of the European Commission as an ‘associated country’.

The European Commission has proposed that EEA members, acceding countries⁴, candidate countries (of which Serbia is one) and potential candidate countries⁵, should enjoy full access to Horizon Europe, the successor to Horizon 2020 destined to run 2021-2027. The European Parliament and Council of Ministers may yet modify the Commission’s proposal.

Horizon 2020 projects are typically 1-20 M EUR. Most of the money for clean energy technology is in a part of the programme known as the [Secure, Clean and Efficient Energy Societal Challenge](#), where projects should be undertaken collaboratively, i.e. by at least “three independent legal entities each established in a different Member State or associated country and with at least one of them established in a Member State.”

³ From <http://www.mei.gov.rs/eng/funds/eu-funds/cohesion-policy/>

⁴ Currently there are no [Acceding Countries](#). Croatia was an Acceding Country 2011-2013

⁵ [List of Candidate Countries and Potential Candidate Countries](#)

The European Commission will publish “Work Programmes” that set out what topics are eligible for funding. Interested consortia must then submit a funding application within a deadline of several months. An updated Work Programme on clean energy for 2020 is expected in the summer.

Technical assistance in preparing a proposal is available from people employed in the Member States (or associated countries) as “National Contact Points”, with the one in Serbia responsible for energy being [displayed on this map](#).

Serbian SMEs in any area are fully eligible for support from the European programme **COSME**. Only a part of COSME’s budget may be applied for directly by end-beneficiaries (in the other case, the EU provides funds to intermediaries): the [Erasmus for Young Entrepreneurs](#) scheme.

7.2.1.1 European Investment Bank

Entities located in Serbia may receive loans and financial instruments from the EIB. The funding is provided by intermediaries⁶ if the project seeks financing <25 M EUR. A wide variety of pro-climate and pro-growth investment may be financed. Examples of projects funded are [here](#). The links from [this page](#) provide more information. The support available includes equity stakes via the European Investment Fund.

By virtue of being an associated country in Horizon 2020, Serbian entities can also receive financing under the EIB’s Innovfin scheme, which is underwritten by capital from the Horizon 2020 budget. They may not however receive financing that is underwritten by EFSI, the European Fund for Strategic Investments, as this is from a part of the EU budget not covered by the Horizon 2020 association agreement.

7.2.2 Interreg Danube Transnational Programme

The programme “finances projects for the development and practical implementation of policy frameworks, tools and services and concrete small-scale pilot investments.” 85% of costs are refunded.

The programme funds work under 10 Specific Objectives, themselves grouped under [4 priorities](#). About half are relevant to coal regions. Examples of projects are given [here](#).

Applications are by an annual call for proposals usually launched in Q1 and a two-step evaluation. The deadline to submit for each step is 6 or 7 weeks, the second step coming half a year after the first.

60 M EUR was available for the last call and 61 proposals were submitted for the second stage.

All projects need a consortium of min 3 partners from 3 different Danube countries, with the Lead Partner being in a Member State. Private profit-making organisations cannot be Lead Partners.

Unlike Horizon 2020 calls for proposals (but in common with Cohesion Policy Funds), there is no pre-financing: the consortium is reimbursed for its work as it is done.

The programme’s strategic vision is “policy integration” below the EU-level (not duplicating efforts in policy integration at the EU-level e.g. TEN-T) and above the national level in specific fields of action. Transnational projects should influence national/ regional /local policies (“policy driver”).

Source: www.interreg-danube.eu/uploads/media/default/0001/08/a9e4aac01e011b947d260cb6ba467b74f1728d51.pdf

⁶ List on [EIB website](#) and [COSME website](#)

7.3 Further info

The Covenant of Mayors website contains a handy online guide to many other funding opportunities, some of which may be applicable to Candidate Countries like Serbia: www.covenantofmayors.eu/support/funding.html

8 Coal region in Ukraine – a summary of sources of public funding for non-coal projects

8.1 European Bank for Reconstruction and Development EBRD

The EBRD offers the set of financing instruments illustrated in the table below. It is the biggest funder of RES and EE projects in the 38 Eastern European countries that it serves⁷. Its focus is on providing finance to the private sector⁸.

Financing instruments

Exact terms depend on specific client needs and market conditions



	Debt	Equity	Guarantees
Typical size	€1 – 300 mln (average € 20 mln)		Typically €50 k – €50 mln
Maturity	Typically 5-7 years Up to 15 years in case of infrastructure investments	Typically from 3-7 years	1 month to 3 years
Currency/terms	Major foreign currencies or local currency; floating/fixed		
Approach	Corporate loans Project loans (max 35%)	Minority stake	Trade Facilitation Programme with banks
Structures	<ul style="list-style-type: none"> Senior, subordinated, convertible loans or bonds Project finance 	<ul style="list-style-type: none"> Pure or "structured" equity 	<ul style="list-style-type: none"> Trade finance guarantees & cash advances
Applications	<ul style="list-style-type: none"> Capex for expansion/modernization, including resource efficiency improvements Ownership change: acquisition, consolidation, privatisation PPPs Working capital 		<ul style="list-style-type: none"> Guarantee of issuing banks in countries of operations in favour of confirming banks in the rest of the world

Figure 3: Summary of EBRD's financing instrument offer. Combinations of instruments are possible. Slide from [July 2019 presentation to Coal Regions in Transition Working Group](#). More details are available here: [Debt](#), [Equity](#), [Guarantees](#)

In 2020, the EU made available 50 M EUR to the EBRD to be used as a guarantee for its financings to renewable energy projects brought by investors in Ukraine and in the EU's Southern Neighbourhood (particularly Jordan, Lebanon and Tunisia). "The guarantee is expected to provide 340 MW of additional installed renewable energy capacity."⁹ It expects in 2021 the EU's Invest EU budget to provide further guarantees.

This is in line with the EBRD's [Green Economy Transition approach](#), by which green financing (covering not energy but also topics like pollution mitigation and water management) will become 40% of its annual business volume by the end of this year.

An approach for funding may be made via the form on [this page](#).

8.2 A coal platform for the Western Balkans and Ukraine

On 13 Sept 2019 the setting up of a forum mirroring the European Commission's Coal Regions in Transition Working Group [was announced](#) by the Energy Community Secretariat, the World Bank and the European Commission.

⁷ Statement by EBRD [11:24:50](#)

⁸ [11:26:25](#)

⁹ [EBRD press release 20 Jan 2020](#)

8.3 EU-originating funding

8.3.1 Horizon 2020 and Horizon Europe

Ukraine participates in the Horizon 2020 research and development programme of the European Commission as an 'associated country'.

At the end of 2020, Horizon 2020 ends. 2021-2027 will be the era of 'Horizon Europe'. As it is neither an EEA member, acceding country, candidate country or potential candidate country, Ukraine may not enjoy full access to Horizon Europe. Some funding opportunities might be off-limits. The discussion is still taking place in the European Parliament and Council of Ministers.

Horizon 2020 projects are typically 1-20 M EUR. Most of the money for clean energy technology is in a part of the programme known as the [Secure, Clean and Efficient Energy Societal Challenge](#), where projects should be undertaken collaboratively, i.e. by at least "three independent legal entities each established in a different Member State or associated country and with at least one of them established in a Member State."

The European Commission will publish "Work Programmes" that set out what topics are eligible for funding. Interested consortia must then submit a funding application within a deadline of several months. An updated Work Programme on clean energy for 2020 is expected in the summer.

Technical assistance in preparing a proposal is available from people employed in the Member States (or associated countries) as "National Contact Points", with the one in Ukraine responsible for energy being [displayed on this map](#).

Ukrainians are eligible for the **COSME** programme's [Erasmus for Young Entrepreneurs](#).

8.3.2 European Investment Bank

Entities located in [Ukraine](#) may receive loans and financial instruments from the EIB. Public authorities requiring loans >25 M EUR apply via the EIB's local office in Kiev. Loans <25 M EUR are provided by intermediaries¹⁰ if the project seeks financing <25 M EUR.

By virtue of being an associated country in Horizon 2020, Ukrainian entities can also receive financing under the EIB's Innovfin scheme, which is underwritten by capital from the Horizon 2020 budget. They may not however receive financing that is underwritten by EFSI, the European Fund for Strategic Investments, as this is from a part of the EU budget not covered by the Horizon 2020 association agreement.

A wide variety of pro-climate and pro-growth investment may be financed.

¹⁰ List on [EIB website](#) and [COSME website](#)

9 Coal region in Wales – a summary guide on sources of public funding for non-coal projects

The last deep mine in Wales, Tower Colliery, was closed in 2008, although limited opencast mining continues. Significant public funding, including from the EU Structural Funds, has been invested (and continues to be invested) in transport infrastructure, business support, and human and knowledge capital. The socio-economic regeneration of ex-coal mining areas is an ongoing Welsh Government priority.

9.1 EU funds managed at national level (Wales)

9.1.1 Funding for the 2014-2020 period already committed

The Welsh Government is responsible for managing four Regional Operational Programmes (OPs), two covering West Wales and the Valleys, the other two covering East Wales. West Wales and the Valleys has one OP for the European Regional Development Fund and one for the European Social Fund OP, as has East Wales. The priorities for these OPs are shown in the table below.

Table 8: Wales's four mechanisms for distributing EU European Structural and Investment Funds
(Sources: [Gov.wales](http://gov.wales); EC Europa EU: [West Wales and the Valleys](#), [East Wales](#))

<p>West Wales and Valleys ERDF: 5 priorities</p> <ul style="list-style-type: none"> • Research and Innovation • SME Competitiveness • Renewable Energy and Energy Efficiency • Connectivity and Urban Development • Technical Assistance <p>Funding overcommitted by 9% (180 M £)</p>	<p>East Wales ERDF (same 5 priorities):</p> <ul style="list-style-type: none"> • Research and Innovation • SME Competitiveness • Renewable Energy and Energy Efficiency • Connectivity and Urban Development • Technical Assistance <p>Funding overcommitted by 6% (26 M £)</p>
<p>West Wales and Valleys ESF: 5 priorities</p> <ul style="list-style-type: none"> • Tackling Poverty through Sustainable Employment • Skills for Growth • Youth Employment and Attainment • Technical Assistance • Public services reform and regional working <p>Funding overcommitted by 36% (330 M £)</p>	<p>East Wales ESF (same 5 priorities):</p> <ul style="list-style-type: none"> • Tackling Poverty through Sustainable Employment • Skills for Growth • Youth Employment and Attainment • Technical Assistance • Public services reform and regional working <p>Funding overcommitted by 35% (121 M £)</p>

Funding has been overcommitted in anticipation of some awarded projects not being completed. There seems more uncertainty in the realizability of ESF projects than of ERDF-granted ones.

9.1.2 Example projects

An official spreadsheet of approved projects is available here: <https://gov.wales/eu-structural-funds-programme-2014-2020-approved-projects>

9.2 UK replacement for the Operational Programmes post-2020

The Welsh Government's approach to developing a future regional investment policy was set out in a policy paper published in December 2017.¹¹ Following publication, a range of engagement activities was held with partners and stakeholders. A summary report of the findings was published in July 2018.¹² The **Welsh Cabinet Secretary for Finance has confirmed that replacement funding will be used for regional economic development and to tackle inequalities, will continue to be planned and delivered on a multi-annual basis and will be more outcome-focused.**¹³ Priorities for future investment and a mix of national, regional and local delivery approaches have been agreed to be presented for consultation.

In summary, the current draft priorities are:

1. Reducing income inequalities for people
2. More productive and competitive businesses
3. Transition to a zero-Carbon economy
4. Healthier and more resilient communities

The Welsh Government has also been working with OECD to set up a Regional Investment for Wales Steering Group, to lead on future arrangements. The work with OECD is a two-year project to ensure international best practice on regional development and governance is built into future plans (i.e. with an ongoing relationship as a 'critical friend' to allow for the testing of ideas and to inform development work).

9.3 EU funding

9.3.1 Horizon 2020

Horizon 2020 is an EU funding scheme for R&D running to the end of 2020. The Withdrawal Agreement provides full participation of the UK in Horizon 2020. It is not yet clear if the UK can participate in the Horizon Europe Programme.

Projects are typically 1-20 M EUR. Most of the money for clean energy technology is in a part of the programme known as the [Secure, Clean and Efficient Energy Societal Challenge](#), where projects should be undertaken collaboratively, i.e. by at least "three independent legal entities each established in a different Member State or associated country and with at least one of them established in a Member State."

The European Commission will publish "Work Programmes" that set out what topics are eligible for funding. Interested consortia must then submit a funding application within a deadline of several months.

Technical assistance in preparing a proposal is available from people employed in the Member States (or associated countries) as "National Contact Points", with the ones for the UK responsible for energy being [displayed on this map](#).

The UK is shut out of other EU funding schemes managed centrally by the EU.

- Until it commits to participating in the EU Emissions Trading Scheme, it is disqualified from receiving funding from the Emissions Trading Scheme Innovation Fund.

¹¹ Welsh Government (2017) Regional investment in Wales after Brexit. Securing Wales Future, <https://gov.wales/docs/wefo/publications/171213-regional-investment-after-brex-it-en.pdf> (accessed 5 August 2019).

¹² OB3 Research (2018) Regional Investment in Wales after Brexit Engagement Exercise –Summary Report June 2018, report to the Welsh European Funding Office, <https://gov.wales/docs/wefo/publications/180625-engagement-report-en.pdf> (accessed 5 August 2019).

¹³ Cabinet Statement (2019) Written Statement: update on the future of regional investment in Wales after Brexit, <https://gov.wales/written-statement-update-future-regional-investment-wales-after-brex-it>

- It has withdrawn its capital from the European Investment Bank. As per the Brexit Withdrawal Agreement “neither the United Kingdom nor projects located in the United Kingdom shall be eligible for new financial operations from the EIB group that are reserved for [EU] Member States [...]. Entities established in the United Kingdom shall be treated as entities located outside the Union.”¹⁴ The majority of EIB lending is attributed to projects in EU Member States (about 90% of the total volume)¹⁵.

The future “Invest EU” scheme to be managed by the EIB, but underwritten with the EU budget, will be off-limits for the UK.

¹⁴ [Article 151](#)

¹⁵ <https://www.eib.org/en/projects/regions/index.htm>