

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

WP 4 – Task 1 / D 4.1

Updated version 2.0 from September 2022

Previous version 1.0 was published in February 2020

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This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 836819. The sole responsibility for the content of this report lies with the authors. It does not necessarily reflect the opinion of the European Union. Neither the INEA nor the European Commission are responsible for any use that may be made of the information contained therein.

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Bulgaria's coal region – 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):

- OP Environment (OPE)
- OP Innovations and Competitiveness (OPIC)
- OP Regions in Growth (OPRG)
- OP Science and Education for Smart Growth

The listed OPs able to support energy transition away from coal. The last OP can support activities such as education, training, and employment of youth and the unemployed.

Bulgaria plans to use primarily 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. "Bulgaria is eligible to apply for as much as €10.7 billion in EU subsidies and cheap loans to be used over the next six years with 38% of the direct aid earmarked for projects related to energy sector decarbonisation."¹

The allocated budget for OP Environment and relevant topics are presented in the table² below:

INDICATIVE ALLOCATION BY FUNDS		
	Source	Budget (in Euro)
1.	Cohesion Fund	359,791,316.00
2.	European Fund for Regional Development (CF 2)	1,139,758,777.00
3.	European Fund for Regional Development (TA)	32,040,000.00
Total Cohesion Fund		359,791,316.00
Total European Regional Development Fund		1,171,798,777.00
Total budget from the EU in 21-27		1,531,590,093.00

The OP E consists of five main priorities and technical assistance each with dedicated budget:

- Priority 1 "Water" – **715.41 M EUR**
- Priority 2 "Waste" – **312.65 M EUR**
- Priority 3 "Biological diversity" – **132.47 M EUR**
- Priority 4 "Risk and climate change" – **225.64 M EUR**

¹ Bulgaria's recovery plan aims at 2040 coal exit: PM, EURACTIV, 15 October 2021, <https://www.euractiv.com/section/energy-environment/news/bulgarias-recovery-plan-aims-at-2040-coal-exit-pm/>.

² https://www.eufunds.bg/sites/default/files/uploads/opos/docs/2022-07/OPE%202021-2027-TRG-01072022%20MMT-%20Final_0.pptx

- Priority 5 "Air" – **395.47 M EUR**
- Priority 6 "Technical assistance" – **41.56 M EUR**

The allocated budget for OP Innovation and Competitiveness in 2021-2027 is 1,228,150 M EUR. This includes two main priorities, linked specific objectives and technical assistance:

- Priority 1 "Innovation and growth"
 - SO1: "Development and strengthening of capacity for research and innovation and the deployment of advanced technologies" - **337,770 M EUR**
 - SO2: "Harnessing the benefits of digitization for citizens, companies, research organizations and public authorities" – **158 M EUR**
 - SO3: "Enhancing the sustainable growth and competitiveness of SMEs and creating jobs in SMEs, including through productive investments" – **205 M EUR**
- Priority 2 "Circular economy"
 - SO1: "Promoting energy efficiency and reducing greenhouse gas emissions" – **114 M EUR**
 - SO2: "Promoting the transition to a circular and resource-efficient economy" – **375,890 M EUR**
- Priority 3 "Technical assistance" – **37,490 M EUR**

The allocated budget for OP Regions in Growth in 2021-2027 is presented in the table³ below:

Priority	Category of regions	EU contribution	National contribution	Co-financing rate	Total
Priority 1 Integrated urban development	Less developed regions	334 247 902	58,984,924	15%	393 232 826
	Transition	100,000,000	42,857,143	30%	142,857,143
Total Priority 1 (ERDF)		434 247 902	101 842 067		536 089 969
Priority 2 regions Integrated development of the regions	Less developed	950 332 098	167 705 664	15%	1 118 037 762
	Transition	114,200,000	48,942,857	30%	163 142 857
Total Priority 2 (ERDF)		1,064,532,098	216 648 521		1,281,180,619
Priority 3 Technical assistance		22,290,000	3,933,529	15%	26,223,529
TOTAL		1,521,070,000	322 424 118		1,843,494,118

The Just Transition Mechanism

The Just Transition Mechanism (JTM) is part of a wider investment plan for a sustainable Europe and aims to financially help regions dependent on the fossil resources in achieving Europe's climate neutrality goal by 2050. The mechanism covers a selection of the most carbon-intensive territories that exploit coal resources and/or rely heavily on heavy industry. The mechanism covers typically areas smaller than regional units, going to [NUTS3](#) level or below. The mechanism consists of three pillars:⁴

- Just Transition Fund
- InvestEU Just Transition Scheme
- EIB Credit Facility

³ <https://www.eufunds.bg/bg/oprd/node/10490>

⁴ https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/finance-and-green-deal/just-transition-mechanism_en

The Territorial just transition plan (TJTP) is the basic document on the basis of which the subsequent implementation of the Just Transition Fund will take place. The funding is provided through the newly prepared Operational Program Just Transition (OP JT).

The mechanism can support a wide range of topics: small and medium enterprises, research and innovation, digitization, clean energy and energy savings, circular economy, land reclamation and new use, retraining and assistance in finding a job. Eligible applicants include: municipalities, regions, small and medium-sized enterprises, universities, research institutions and others. It is also possible to support large enterprises, including enterprises included in the EU Emissions Trading System (ETS). However, it is possible to support productive investments in large enterprises only on the condition that they are explicitly mentioned in the Territorial Just Transition Plans, which is preceded by the processing of a business analysis for the creation of jobs in the region.

The three main carbon intensive regions of Bulgaria have been developing their TJTPs since 2020. The preparation of Bulgaria's TJTPs has been delayed due to political instability and changes of governments in the last 2 years. Drafts from August 2022 are available for the TJTPs of: [Pernik](#), [Kyustendil](#), [Stara Zagora](#).

Under the Just Transition Fund, the 3 regions eligible are expected to receive 1.3 billion euros in EU funding up until 2030⁵.

1.2 Funding managed outside Bulgaria

1.2.1 Horizon Europe

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

Projects are typically €1-20 million. Most of the money for clean energy technology is under a cluster known as Climate, Energy & Mobility within Pillar II – Global challenges & European industrial competitiveness, 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.”⁶

The European Commission publishes “Work Programmes” that set out which 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”; the contact information for ones in Bulgaria responsible for energy are [available here](#).

1.2.2 LIFE Programme

The LIFE programme is the EU's dedicated funding instrument for the environment and climate action. The general objective of LIFE is to support the EU's Green Deal's objectives and to contribute to the implementation, update and development of EU environmental and climate policy and legislation by co-financing projects with European added value. The funding increase for 2021-2027 of almost 60% provides a total budget of €5.4 billion. This budget is split, with €3.5 billion going to Environment and €1.9 billion to Climate. Relevant sub-programmes for coal-regions in transition include: Circular economy and quality of life; Climate change mitigation and adaptation; and Clean energy transition.

⁵ https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_22_3582

⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018PC0435&rid=3>

Projects are funded through grants up to €10 million. Standard Action Projects, Strategic Integrated Projects, Strategic Nature Projects and Technical Assistance are co-financed with a rate up to 60% (By way of exception, a co-financing rate of up to 75% of the total eligible costs may be granted to LIFE Nature and Biodiversity proposals). Other Actions have co-financing rate of 95% of eligible costs, except for the small grants for biodiversity in ORs and OCTs that constitute the continuation of the BEST programme (which have a financing rate of 100%). Beneficiaries include local authorities, local agencies (i.e. city stakeholders) or NGOs.

More information is available [here](#) and open or upcoming calls are listed [here](#). Similar to Horizon Europe, technical assistance in preparing a proposal is available from Member State's National Contact Points (list available [here](#)).

1.2.3 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. For the 2014-2021 period, €210 million is available for projects, distributed through calls for proposals each offering typically €1 million 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:

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

Multi-partner projects are allowed where the lead partner would be from a 'beneficiary country', such as Bulgaria. Other Bulgarian entities can join the consortium, as well as 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.

New calls are published gradually and specifically for proposals in the "Environment" program, there are currently calls opened or planned for the end of 2022. You can find more information [here](#).

Example of open calls (as of 27 Sep 2022):

- "Energy efficiency in industry", closing 21 October 2022 with total funding of € 2.5 million. Funding rates as per standard State Aid rules. Application to be submitted in English via this [link](#).

1.2.4 European Investment Bank

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

A wide variety of pro-climate and pro-growth investment may be financed through this plan, and Part of the guarantee will be used to support loans under the **Just Transition Mechanism**.

InvestEU offers a single point of entry and its InvestEU Advisory Hub aids promoters of a project that it is at “any stage of the life-cycle”.⁷

1.2.5 Danube Region Programme 2021-2027

The Danube Region Program “finances projects for the development and practical implementation of policy frameworks, tools and services and concrete small-scale pilot investments”.⁸ The programme funds work under 10 Specific Objectives, themselves grouped under [4 Priorities](#). About half are relevant to Bulgaria’s coal regions. Examples of projects are given [here](#).

Through the programme, 80% of costs are refunded.

Applications are by a call for proposals. At this moment, at least three calls for proposals are foreseen, whereas the [1st call for proposals](#) has been published in September 2022. There is a two-step evaluation for every call.

The maximum available budget per Priorities for the first call is:

- P1: €18,745,255
- P2: €34,530,733
- P3: €25,651,401
- P4: €S.O. 4.2-12,825,700

All projects need a minimum consortium of three partners from three different Danube countries, with the at least one partner being in a Member State of the programme area. Private profit-making organisations cannot be Lead Partners.

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

1.2.6 Modernisation Fund

The Modernisation Fund aims to support ten EU countries with lower-income in their transition to climate neutrality by modernising their power sector and wider energy systems, boosting energy efficiency, and facilitating a just transition. 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 [EU Directive 2003/87/EC](#).

Up to 100% of relevant costs can be covered for the cost difference between the new and old plant.

The total revenues of the Modernisation Fund for the whole EU may amount to EUR 48 billion from 2021 to 2030 at a carbon price of 75€ per tonne of tCO₂.⁹ Bulgaria is expected to receive 5.84% of the fund’s total, corresponding to 1.2€ billion over 2021-2030.

⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R0523>

⁸ <https://www.interreg-danube.eu/calls/dtp-projects>

⁹ https://climate.ec.europa.eu/eu-action/funding-climate-action/modernisation-fund_en

By the end of 2021, 8 out of the 10 EU member states under the Modernisation Fund had funded 26 investment proposals totalling 900€ million.¹⁰ Bulgaria is expected to submit its preselected projects to the EIB for the final selection by the end of 2022.¹¹

1.3 Further information

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

¹⁰ https://climate.ec.europa.eu/news-your-voice/news/modernisation-fund-invests-nearly-eu900-million-during-first-year-operation-2021-12-16_en

¹¹ https://climate.ec.europa.eu/system/files/2022-06/bg_mf_annual_report_2021_en.pdf

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

1.4 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 for the period 2021-2027 (available at the links below) cover a wide variety of areas that may be funded. These programmes provide funds in the form of grants, loans or other financial instruments.

Operational Program	Managed by
Transport (OP T)	Ministry of Transport
Integrated Regional Operational Program (IROP)	Ministry for Regional Development
OP Technologies and Application for Competitiveness (OP TAC)	Ministry of Industry and Trade
OP John Amos Comenius (formerly OP Research, Development and Education)	Ministry of Education, Youth and Sports
OP Environment	Ministry of the Environment
OP Just Transition Fund	Ministry of the Environment
OP Employment+	Ministry of Labor and Social Affairs
Technical Assistance	Ministry for Regional Development
OP Fisheries	Ministry of Agriculture

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

A new funding program focused on coal regions has been created and financed by the Just Transition Fund. Another novelty is that the Rural development program is now outside of the Cohesion Policy Funds.

The Just Transition Mechanism

The Just Transition Mechanism (JTM) is part of a wider investment plan for a sustainable Europe and aims to financially help regions dependent on the fossil resources in achieving Europe's climate neutrality goal by 2050. The mechanism covers a selection of the most carbon-intensive territories that exploit coal resources and/or rely heavily on heavy industry. The mechanism covers typically areas smaller than regional units, going to [NUTS3](#) level or below. The mechanism consists of three pillars:¹²

- Just Transition Fund
- InvestEU Just Transition Scheme
- EIB Credit Facility

¹² https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/finance-and-green-deal/just-transition-mechanism_en

Just Transition Fund

The Just Transition Fund is the first pillar of the Just Transition Mechanism. The Territorial just transition plan (TJTP) is the basic document on the basis of which the subsequent implementation of the Just Transition Fund will take place. The funding is provided through the newly prepared Operational Program Just Transition (OP JT).

OP Just transition¹³

OP TJ is a completely new program for the period 2021-2027 aimed at solving the negative impacts of the shift away from the coal in the most affected regions. The aim of the program is for funds from the Just Transition Fund to go to areas that are not covered by other operational programs. For the affected regions, these are extra funds compared to other regions. In Czechia, this applies to the regions of Karlovy Vary, Moravian-Silesian and Ústí.

A wide range of topics can be supported: small and medium enterprises, research and innovation, digitization, clean energy and energy savings, circular economy, land reclamation and new use, retraining and assistance in finding a job.

The Ministry of the Environment is preparing the exact wording of the program that will be based on the Territorial Just Transition Plans, which are in turn being prepared by the Ministry for Regional Development in cooperation with members of the so-called Transformation Platform.

The Just Transition Program supports a wide range of applicants: municipalities, regions, small and medium-sized enterprises, universities, research institutions and others. It is also possible to support large enterprises, including enterprises included in the EU Emissions Trading System (ETS). However, it is possible to support productive investments in large enterprises only on the condition that they are explicitly mentioned in the Territorial Just Transition Plans, which is preceded by the processing of a business analysis for the creation of jobs in the region.

The program is planned for the European programming period 2021-2027. Expenditures' eligibility starts in 2021 and ends in 2029, when the program will be finally closed.

The total allocation for Czechia is EUR 1.64 billion. The Just Transformation Fund thus disposes of the amount of CZK 42.7 billion¹⁴. After deducting funds for technical assistance, the regions will share a total of EUR 1.58 billion, or CZK 41 billion.

The coal regions will divide the funds according to five indicators, which reflect the current state of the individual regions and their future needs for a successful transition to a low-carbon economy. The indicators used are: population; GDP; unemployment; area affected by mining; and the number of employees in research and development.

Based on these indicators, the funds are distributed among the regions as follows:

- Karlovy Vary region – 15.3% (CZK 6.3 billion)
- Moravian-Silesian Region – 46.1% (CZK 18.9 billion)
- Ústí Region – 38.6% (CZK 15.8 billion)

Applications will be accepted based on calls published on the website, which is currently under preparation. First calls are to be launched in late 2022. Applicants will submit project applications through a common monitoring system for all EU funds.

¹³ https://www.mzp.cz/cz/opst_2021_2027

¹⁴ at the rate of 26 CZK/euro

InvestEU

The InvestEU Fund supports projects related to a just transition in a similar way to the Just Transition Fund. Primarily, InvestEU develops investments in socially or environmentally sustainable projects in regions that have an approved Territorial just transition plans (TJTP). Projects implemented in other regions can also be supported if the above-defined areas benefit from them. Support is given to projects that meet the needs of coal regions, are in accordance with the relevant regulation, and meet EIB and TJTP conditions.

In terms of the management structure, 75% of the program funds will be managed directly through the EIB Group, or through selected intermediaries to whom the EIB Group entrusts part of its competences. Other implementing partners can receive part of the remaining 25% of funds, within the framework of the corresponding call for implementing partners. In Czechia, the future involvement of the Czech National Development Bank is being considered in this context.

The following tools are available under the InvestEU fund:

1. loans (either directly financed by the EIB Group or indirectly through its intermediaries)
2. venture capital
3. guarantees

A combination of the above-mentioned tools might also be possible. The advantage of the EIB Group's products is the support of a wider range of meaningful projects, which, due to their higher risk, might not otherwise be supported through traditional financing offered by commercial banks. The usually longer repayment period of a loan, which depends on the specific project, can also be interesting for applicants. The final use of funds under the InvestEU Fund will be demand-driven and will depend on the list of planned projects and the capacity of the regions concerned.

The preparation of projects is already possible. Those interested in more detailed information about various support options can contact the [EIB's Prague branch](#), or use the advisory and technical assistance services within the [InvestEU Advisory Hub tool](#).

EIB Credit facility

The EIB Credit facility is the 3rd pillar of the Just Transition Mechanism and supports investments in the public sector, or investments by companies or other institutions that provide services of public interest on the territory of coal regions (with specific exceptions).

For the 2021-2027 period, the instrument seeks to leverage public and private investment in investment projects, thereby facilitating the transition to climate neutrality. Within the framework of the EU and the EIB, €10 billion has been set aside for this purpose, and another €1.5 billion is intended for the subsidy component of the instrument. Projects from each country have their own allocation (until the end of 2025), so there is no competition between countries.

Loans from the EIB should be environmentally sustainable and contribute to reducing the impacts of climate change, or adapting to it, or at least meeting the requirements of the "do no significant harm (DNSH)" principle and therefore not harm the environment. Projects must also be in accordance with the TJTP and the compliance must be documented in the application for project support (the project must correspond to the supported areas listed in the plan). Approval of the Czech TJTP by the European Commission is therefore a necessary condition for using this tool.

Support focuses on projects with a limited return on investment, which would not materialise without funding from the EIB credit facility. Projects implemented thanks to other European funding are excluded.

The above-mentioned loans include a subsidy component, which in the case of Czech coal regions corresponds to 25% (i.e. maximum) of the loan provided by the EIB. The loan component of the instrument is managed by the EIB, while the grant component is managed

by the European Commission. The practical part of the competences of the European Commission is carried out by the Agency for Climate, Infrastructure and the Environment (CINEA), which publishes the relevant calls for this instrument.

For more information about any of the 3 funding mechanisms, one can contact the Ministry for Regional Development via restartregionu@mmr.cz or www.dotaceeu.cz/uhelneregion.cz

It is also possible to contact the relevant Regional offices:

- [Karlovy Vary region](#)
- [Moravian-Silesian Region](#)
- [Ústí Region](#)

1.5 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 at this time submitted through the same electronic portal [MS2014+](#) (there is no new electronic portal for the time being).

1.6 Forms of financing

Usually financing from national funds comes in the form of grants, the 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.

1.7 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.

1.8 EU co-financing rates

Rates of Cohesion Policy co-financing in Czechia have been modified by 2 factors. The first is an EU-wide change of co-financing rates between the EU's previous budget of 2014-2020 and

the current 2021-2027 (see comparison table [here](#)). The second is that as Czechia gets richer (i.e. its GDP / capita approaches the EU average), the EU contribution to project costs drops: Prague is a “more developed region” (co-financing 40-50%); Central Bohemia, South-East and South West are “regions in transition” (60-70% co-financing). The coal regions of South-West (that includes Ústí nad Labem and Karlovy Vary) and Moravian-Silesia are in the category of “less developed regions” and therefore maintain a higher co-financing rate of 80-85%.¹⁵

1.9 Funding managed outside Czechia

1.9.1 Horizon Europe

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

Projects are typically €1-20 million. Most of the money for clean energy technology is under a cluster known as Climate, Energy & Mobility within Pillar II – Global challenges & European industrial competitiveness, 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.”¹⁶

The European Commission publishes “Work Programmes” that set out which 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 contact information of ones for Czechia responsible for energy being [available here](#).

1.9.2 LIFE Programme

The LIFE programme is the EU’s dedicated funding instrument for the environment and climate action. The general objective of LIFE is to support the EU’s Green Deal’s objectives and to contribute to the implementation, update and development of EU environmental and climate policy and legislation by co-financing projects with European added value. The funding increase for 2021-2027 of almost 60% provides a total budget of €5.4 billion. This budget is split, with €3.5 billion going to Environment and €1.9 billion to Climate. Relevant sub-programmes for coal-regions in transition include Circular economy and quality of life; Climate change mitigation and adaptation; and Clean energy transition.

Projects are funded through grants up to €10 million. Standard Action Projects, Strategic Integrated Projects, Strategic Nature Projects and Technical Assistance are co-financed with a rate up to 60% (By way of exception, a co-financing rate of up to 75% of the total eligible costs may be granted to LIFE Nature and Biodiversity proposals). Other Actions have co-financing rate of 95% of eligible costs, except for the small grants for biodiversity in ORs and OCTs that constitute the continuation of the BEST programme (which have a financing rate of 100%). Beneficiaries include local authorities, local agencies (i.e. city stakeholders) or NGOs.

More information is available [here](#) and open or upcoming calls [here](#). Similar to Horizon Europe, technical assistance in preparing a proposal is available from Member State’s National Contact Points (list available [here](#)).

¹⁵ [EUR-Lex - 32021D1130 - EN - EUR-Lex \(europa.eu\)](#)

¹⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018PC0435&rid=3>

1.9.3 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 2014-2021, €184.5 million was available for projects, distributed through calls for proposals each offering typically €1 million 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:

1. Innovation, research, education and competitiveness
2. Social inclusion, poverty reduction and youth employment
3. Environment, energy, climate change and the low-carbon economy
4. Culture, civil society, good governance and fundamental rights
5. 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.

New calls are published gradually and specifically for proposals in the "Environment" program, there are currently calls opened or planned for the end of 2022. You can find more information [here](#).

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 Liechtenstein: <https://www.tacr.cz/en/kappa-programme-call-for-proposal-announcement/>

1.9.4 Danube Region Programme 2021-2027

The programme "finances projects for the development and practical implementation of policy frameworks, tools and services and concrete small-scale pilot investments".¹⁷ 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](#).

Through the programme, 80% of costs are refunded.

Applications are by a call for proposals. At this moment, at least three calls for proposals are foreseen, whereas the [1st call for proposals](#) has been published in September 2022. There is a two-step evaluation for every call.

The maximum available budget per Priorities for the first call is:

- P1: €18,745,255
- P2: €34,530,733
- P3: €25,651,401
- P4: €S.O. 4.2-12,825,700

¹⁷ <https://www.interreg-danube.eu/calls/dtp-projects>

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

Unlike Horizon Europe 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.

1.9.5 Modernisation Fund

For the period 2021-2030, the European Commission set up what is known as the “Modernisation Fund”, which offers European Union Member States billions in investment for the development of low-carbon technologies, modernisation of energy systems, and improvement of energy efficiency. It focuses on the following priority areas:

- the generation and use of energy from renewable sources;
- energy efficiency;
- facilities for the accumulation and distribution of energy.

The total sum available to the Czech Republic at the current prices of emission allowances is a minimum of 150 billion koruna. This sum is 15.6 % of the total resources in the Modernisation Fund. Financial measures from the Modernisation Fund will proceed through 9 separate programmes, in which the specific forms and conditions of support will be determined over time. It will be possible to draw funds from the Modernisation Fund in the Czech Republic over the next 10 years. The first standard RFPs from the HEAT programme in the Modernisation Fund were announced in April 2021, and further RFPs from the RES+ and ENERG ETS programmes in the first half of 2021. RFPs from other programmes of the Modernisation Fund will be announced in coming years.

The different programmes include:

- HEAT – Modernisation of heating systems
- RES+ New Renewable Energy Sources
- ENERG ETS – Improving energy efficiency and reducing greenhouse gas emissions in industry in EU ETS
- ENERG – Improving energy efficiency in business
- TRANSCo – The modernisation of transport in the business sector
- TRANSGov – The modernisation of public transport
- KOMUENERG – Community energy
- LIGHTPUB – Modernisation of public lighting systems

The State Environmental Fund of the Czech Republic has been determined as the beneficiary of resources from the Modernisation Fund in the Act on Trading in Emission Allowances and will take on the role of intermediary of this financial mechanism.

1.10 Further info

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

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

1.11 National funding including EU funds managed at national level

1.11.1 The kinds of projects 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 things in Brandenburg and Saxony. The annual [implementation report](#) of the state of Brandenburg for the year 2021 was accepted by the European Commission in July 2022. Saxony will receive 2.5 billion euros for the years 2021 to 2027 from the European Regional Development Fund (ERDF) and the European Social Fund Plus (ESF Plus).

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 To promote social inclusion and training To enhance the quality, innovation, security and flexibility of the labour market and workforce <p>Budget available 2014-2020: 452 M €</p>	<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> <p>Saxony will receive 590 million euros for the years 2021 to 2027 from European Social Fund Plus (ESF Plus).</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 https://www.xn--europa-frdert-sachsen-oec.de/de/info-portal/aktuelle-meldungen/auftaktveranstaltung-efre-esf-plus

The ERDF funds the same things in both regions:

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</p>

	<p>Budget used (as at 09/2019): 1.6 bn EUR</p> <p>Saxony will receive 1.95 billion euros for the years 2021 to 2027 from ERDF.</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 https://www.xn--europa-frdert-sachsen-oec.de/de/eu-fonds/foerderzeitraum-2021-2027
About funded projects:	
<p>TRACER was informed that “there are also currently not too many applications from Lusatia. The largest promoter is the Brandenburg Technical University Cottbus-Senftenberg.”</p>	<p>Examples:</p> <p>https://www.strukturfonds.sachsen.de/efre-projekte-in-sachsen-4441.html</p>
Outlook:	
	<p>TRACER was told that Saxony will pursue the same priorities as listed above in the 2021-2027 funding round.</p>
Contact person:	
	<p>Andrea Decker</p> <p>0049 351 5648555</p> <p>Andrea.Decker@smwa.sachsen.de</p>
Typical grant award:	
	<p>Estimated at 250 000 per project. Only a few are larger than 1 M €.</p>

The new EU funding period from 2021 to 2027 period for Saxony launched on July 7th, 2022, with a kick-off event between ERDF and ESF. For this period, Saxony will receive 2.5 billion euros for the years 2021 to 2027 from the ERDF and the ESF+. In addition, there are 645 million euros from the Just Transition Fund (JTF), which is intended to prepare and support restructuring in the Saxon coal regions.

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

The European Commission on 14 Jan 2020 proposed a Just Transition Fund of €7.5 billion. An unofficial estimate suggests that under the plans, German territories (defined at NUTS 3 level or smaller) will share €877 million. 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. Through the JTF, InvestEU Just Transition scheme, and EIB, there is a combined €150 billion in funding mobilized in 2021–2027.¹⁸

The initial €7.5 billion is topped up with €2.5 billion from the amended 2021–2027 Multiannual Financial Framework proposal, which adds €30 billion in transfers from the Next Generation EU. Therefore, the overall financing capacity of the JTF, including transfers and national co-financing, is supposed to equal €89 billion, according to the European Union's proposal from May 2020.

Germany will receive a total of €2.5 billion for its territorial just transition programmes in four regions in transition: North Rhine-Westphalia; Saxony-Anhalt; Saxony; Brandenburg. The agreement on the German plans were announced by the European Commission on 21 October 2022. The final version of the plans is expected to be published by the regional authorities in the following months.

The Lusatian coal basin is shared between two German regions. According to the European Commission's announcement¹⁹, Saxony will invest on it €545 million, with a focus on reskilling 1300 people, increasing renewable energy, supporting circular economy approaches, driving the production of raw materials with hydrogen-based solutions and investing in green SMEs. Brandenburg will invest €785 million to move away from an economy based on fossil fuels, towards investments on bio-based materials, circular economy, a large hydrogen plant and renewable district heating.

1.11.2 How to find available funding

1.11.2.1 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 Infrastruktur, click '[Alle Infrastruktur-Förderprogramme](#)', for [Wohnungsbau](#) and [Arbeit](#) click 'Übersicht der Förderprogramme'. Programmes accepting proposals are in black type, those not 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').

¹⁸ Andrea Furnaro, Philipp Herpich, Hanna Brauers, Pao-Yu Oei, Claudia Kemfert, and Wesley Look. "German Just Transition: A Review of Public Policies to Assist German Coal Communities in Transition" <https://media.rff.org/documents/21-13-Nov-22.pdf>

¹⁹ https://ec.europa.eu/regional_policy/en/newsroom/news/2022/10/21-10-2022-eu-cohesion-policy-eur2-5-billion-for-a-just-climate-transition-in-germany

1.11.2.2 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):

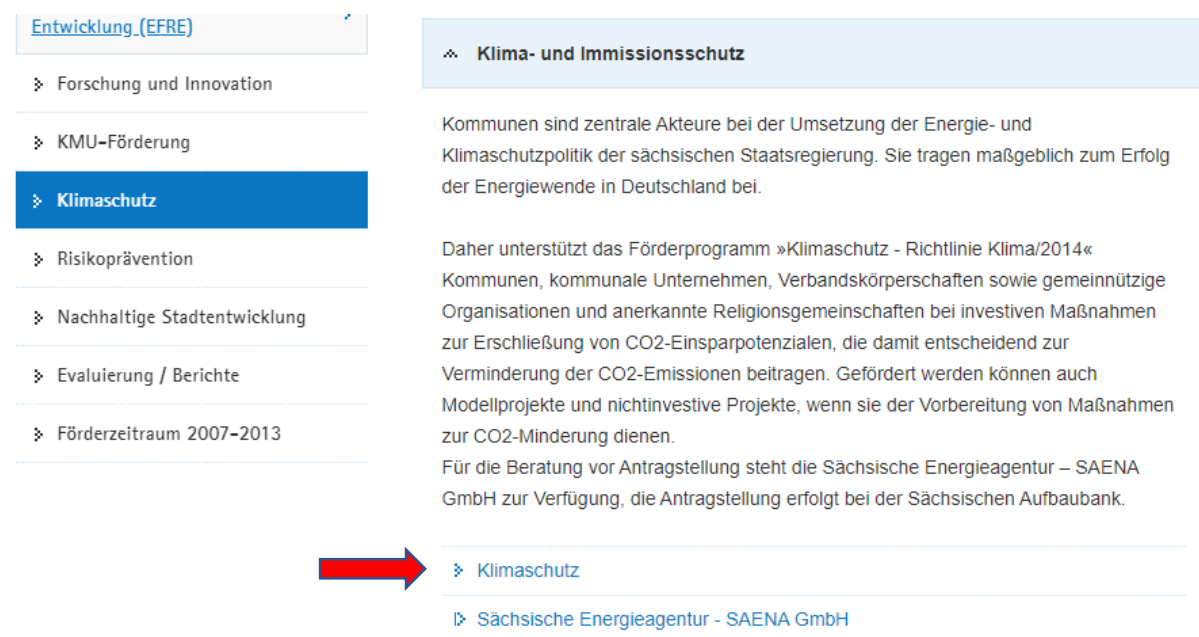


A submenu opens up with five items. In the screen shot below, I've clicked on 'Klimaschutz', which has opened another page to the right containing a further submenu.



The screenshot shows the website **sachsen.de** with a blue header. Below the header, there is a navigation bar with 'Sachsen' and 'Politik und Verwaltung'. A sub-header reads 'Strukturfonds in Sachsen'. On the left, a sidebar menu lists various funding areas: 'Strukturfonds in Sachsen', 'Europäischer Fonds für regionale Entwicklung (EFRE)', 'Forschung und Innovation', 'KMU-Förderung', 'Klimaschutz' (highlighted in blue), 'Risikoprävention', and 'Nachhaltige Stadtentwicklung'. On the right, the 'Klimaschutz' page is displayed with the title 'Klimaschutz' and the text '474,5 Millionen Euro fließen zwischen 2014 und 2020 in den Klimaschutz'. Below this, three sub-topics are listed: 'Zukunftsfähige Energieversorgung', '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 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 the 'Klimaschutz' page. On the left, the sidebar menu is visible with 'Klimaschutz' highlighted. The main content area has the title 'Klima- und Immissionsschutz' and the text: 'Kommunen sind zentrale Akteure bei der Umsetzung der Energie- und Klimaschutzpolitik der sächsischen Staatsregierung. Sie tragen maßgeblich zum Erfolg der Energiewende in Deutschland bei.' Below this, it states: 'Daher unterstützt das Förderprogramm »Klimaschutz - Richtlinie Klima/2014« Kommunen, kommunale Unternehmen, Verbandskörperschaften sowie gemeinnützige Organisationen und anerkannte Religionsgemeinschaften bei investiven Maßnahmen zur Erschließung von CO2-Einsparpotenzialen, die damit entscheidend zur Verminderung der CO2-Emissionen beitragen. Gefördert werden können auch Modellprojekte und nichtinvestive Projekte, wenn sie der Vorbereitung von Maßnahmen zur CO2-Minderung dienen. Für die Beratung vor Antragstellung steht die Sächsische Energieagentur – SAENA GmbH zur Verfügung, die Antragstellung erfolgt bei der Sächsischen Aufbaubank.' At the bottom, there are two links: 'Klimaschutz' and 'Sächsische Energieagentur - SAENA GmbH'. A red arrow points to the 'Klimaschutz' link.

1.11.3 Policies applicable in both Brandenburg and Saxony

1.11.3.1 First-come-first-served

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

1.11.3.2 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.

1.11.3.3 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.

1.11.3.4 No “pre-financing” on grants

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

1.11.3.5 Eligible costs

The type of costs that may be covered in ERDF projects, 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.

1.11.3.6 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.

1.12 Funding for Lusatia as a coal region in transition

Table 1: 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](#) took applications from individuals and organisations till 15 March 2020. 1.5 M EUR in prizes of 5000-15000 € was awarded. Examples of the projects funded in the 2019 are available in [this presentation](#).

The project ended in 2020, concluding with the "Lusatia 2050 Development Strategy", a framework for shaping a sustainable future for Lusatia and a basis for structural changes to the region.

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)	About 12 bn €	Fed Gov
Cofinanced	200 M €	Brandenburg / Saxony

1.13 Structural Strengthening Act

Below is a [slide from a presentation](#) at 6th Coal Regions in Transition Working Group (Oct 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“



1.14 Funding managed outside Germany

1.14.1 Horizon Europe

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

Projects are typically €1-20 million. Most of the money for clean energy technology is under a cluster known as Climate, Energy & Mobility within Pillar II – Global challenges & European industrial competitiveness, 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.”²⁰

The European Commission publishes “Work Programmes” that set out which 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 contact information of ones for Germany responsible for energy being [available here](#).

1.14.2 European Investment Bank

The EU budget will be used to guarantee loans and many other forms of financial instrument under the “InvestEU” programme. The EU has set the rules for InvestEU, which will be managed by the EIB on its behalf. Invest EU is the successor of the Juncker Plan, aka 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 Just Transition Mechanism.

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

The first project to receive a loan in Germany by EIB under the InvestEU programme, announced in August 2022, was municipal social and affordable housing provider hanova.²¹ Hanova, based in Saxony, will receive €60 million for the housing project which aligns with the energy standards set in the EU’s Energy Performance of Buildings Directive.

1.15 Further information

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

²⁰ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018PC0435&rid=3>

²¹ https://ec.europa.eu/commission/presscorner/detail/en/ip_22_5226

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

1.16 EU Funds for the coal region of Western Macedonia

1.16.1 Funds administered nationally – National Operational Programmes

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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](#)

1.16.2 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.

1.16.3 Just Transition Fund

The European Commission on 14 Jan 2020 proposed a Just Transition Fund of €7.5 billion. Greece became the first Member State to be supported with a €1.38 billion investment through the Just Transition Fund when the European Commission approved the Partnership Agreement with Greece in July 2021.²² 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 latest version of the Greek plan can be accessed [here](#). The expected outputs from the plan (e.g. renewable energy capacity installed, number of people supported) can be seen [here](#).

Upon request by the Greek Authorities, the Commission also provided specific technical support for the preparation of the TJTPs in terms of capacity building for its effective delivery and in the design of its governance system.²³ The support was provided by the Technical Support Instrument under DG REFORM.²⁴ The Technical Support Instrument (TSI) is the EU programme that provides tailor-made technical expertise to EU Member States to design and implement reforms; it is the successor programme of the Structural Reform Support Programme (2017-2020). The support is driven by demand and does not require co-financing from Member States. As part of TSI, the Commission provided the Greek authorities with technical experts who assessed the impact of the transition on the economy and employment, later delivering recommendations for the transition. The project was a major element in the preparation of the Greek strategy for the transition from coal and provided input to the National Just Transition Development Plan (SDAM).

The European Commission also approved EU regional aid for Greece under the framework for the revised Regional Aid Guidelines (RAG) for the period January 2022 to December 2027.

²² https://ec.europa.eu/commission/presscorner/detail/en/ip_22_3711

²³ https://reform-support.ec.europa.eu/what-we-do/green-transition/preparing-managed-transition-coal-dependent-regions-western-macedonia_en

²⁴ https://ec.europa.eu/info/publications/technical-support-instrument-financing-decisions-and-annual-work-programmes_en

RAG enables Member States to reduce disparities in European regions in terms of economic well-being, income and unemployment also provide greater opportunities for Member States to support regions facing transition (such as a coal transition) or structural challenges (such as depopulation), to contribute to the green and digital European flagship objectives.

1.16.4 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.

1.16.5 Forms of funding

The region offers grants, and to projects requesting from €0.1 million to €70 million.

1.17 Funding managed outside Greece

1.17.1 Horizon Europe

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

Projects are typically €1-20 million. Most of the money for clean energy technology is under a cluster known as Climate, Energy & Mobility within Pillar II – Global challenges & European industrial competitiveness, 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.”²⁵

The European Commission publishes “Work Programmes” that set out which 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 contact information of ones for Greece responsible for energy being [available here](#).

1.17.2 LIFE Programme

The LIFE programme is the EU's dedicated funding instrument for the environment and climate action. The general objective of LIFE is to support the EU's Green Deal's objectives and to contribute to the implementation, update and development of EU environmental and climate policy and legislation by co-financing projects with European added value. The funding increase for 2021-2027 of almost 60% provides a total budget of €5.4 billion. This budget is split, with €3.5 billion going to Environment and €1.9 billion to Climate. Relevant sub-

²⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018PC0435&rid=3>

programmes for coal-regions in transition include Circular economy and quality of life; Climate change mitigation and adaptation; and Clean energy transition.

Projects are funded through grants up to €10 million. Standard Action Projects, Strategic Integrated Projects, Strategic Nature Projects and Technical Assistance are co-financed with a rate up to 60% (By way of exception, a co-financing rate of up to 75% of the total eligible costs may be granted to LIFE Nature and Biodiversity proposals). Other Actions have co-financing rate of 95% of eligible costs, except for the small grants for biodiversity in ORs and OCTs that constitute the continuation of the BEST programme (which have a financing rate of 100%). Beneficiaries include local authorities, local agencies (i.e. city stakeholders) or NGOs.

More information is available [here](#) and open or upcoming calls [here](#). Similar to Horizon Europe, technical assistance in preparing a proposal is available from Member State's National Contact Points (list available [here](#)).

1.17.3 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 was available for projects, distributed through calls for proposals each offering typically 1 M EUR in total and open for at least 2 months. Past and ongoing projects, along with new calls, in Greece are displayed [here](#).

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

Most 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 to support preparing proposals where the idea is to involve an EEA partner in the project.

1.17.4 European Investment Bank

The EU budget will be used to guarantee loans and many other forms of financial instruments under the "**InvestEU**" programme. The EU has set the rules for InvestEU, which will be managed by the EIB on its behalf. InvestEU 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 investments may be financed. For example, in 2021, Greece became the largest per capita beneficiary of the EIB and EIF financing with €2.7 billion through a new European Guarantee Fund COVID response.^{26,27} Greece was also a leading beneficiary of the European Guarantee Fund, launched by the European Investment Bank Group and EU member states, within weeks of the pandemic to support struggling

²⁶ <https://www.eib.org/en/press/all/2022-081-record-eur-4-85-billion-eib-group-engagement-in-2021-including-eur-2-7-billion-through-new-egf-covid-response.htm>

²⁷ https://www.eib.org/attachments/publications/eibis_2021_greece_en.pdf

businesses. In 2022, €5 billion of Recovery and Resilience Facility (RRF) investments were allocated to Greece; these investments will be managed by the EIB.

Invest EU will offer a single point of entry and its InvestEU Advisory Hub will aid promoters of a project that 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.”

1.17.5 Modernisation Fund (ETS)

The Modernisation Fund currently supports ten EU countries with lower-income in their transition to climate neutrality by modernising their power sector and wider energy systems, boosting energy efficiency, and facilitating a just transition. At least 70% of investments must go towards: Modernisation of energy systems; Improvements in energy efficiency; Just transition in carbon-dependent regions

Up to 100% of relevant costs can be covered for the cost difference between the new and old plant. The total revenues of the Modernisation Fund for the whole EU are estimated at €48 billion from 2021 to 2030 at a carbon price of 75€ per tonne of tCO₂.²⁸

While Greece was not included in the original ten countries that benefit from the fund, it is expected to be added along with Slovenia during the revision of the ETS regulation. It is expected that Greek projects can benefit from the Modernisation Fund as of 2023-2024.

1.18 Further information

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

²⁸ https://climate.ec.europa.eu/eu-action/funding-climate-action/modernisation-fund_en

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

1.19 National funding including EU funds managed at national level

1.19.1 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

1.19.2 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**.

1.19.3 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.

1.19.4 Kinds of projects funded

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
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1.19.5 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 voivodeship must be spent on a project carried out in that voivodeship.

1.20 Just Transition Mechanism

The Just Transition Mechanism (JTM) is part of a wider investment plan for a sustainable Europe and aims to financially and practically help regions dependent on the fossil resources in achieving climate neutrality goal by 2050. The aid will go mainly to regions dependent on fossil resources. The mechanism consists of three pillars.

1.20.1 Just Transition Fund

The Just Transition Fund is the first pillar of the Just Transition Mechanism. In order to receive the funds, Poland had to prepare Territorial Just Transition Plan (TJTP). TJTPs are developed at the sub-regional level (NUTS-3); therefore, Poland prepared the document for each territory where it plans to use the Just Transition Fund. The TJTPs detail the regions' plans for phasing out coal and developing alternative development actions, and it is the basic document on the basis of which the subsequent implementation of the Just Transition Fund will take place.

The Fund will be provided with €17.5 billion (in 2018 prices; €19.3 billion in current prices), of which €7.5 billion will be financed under the EU budget for 2021 to 2027, while the remaining €10 billion will be external revenues assigned from the Recovery and Resilience Facility (and as such will be made available from 2021 to 2023).²⁹ The Fund's aim is to mitigate the socio-economic costs of transition away from coal and support economic projects: investments in small and medium enterprises; creation of new companies; research and innovation; reclamation of former mining areas; production of clean energy; upgrading and retraining workers; job search assistance and active inclusion programmes for job seekers; and the conversion of existing installations emitting large quantities of carbon dioxide, if such investments would lead to significant reduction of emissions and protection of jobs.^{30,31}

The funds will be distributed among the regions as follows:

- Eastern Wielkopolska (in NUTS-3 terms located in the Koniński sub-region)
- Wałbrzyski sub-region (part of Lower Silesia)
- Upper Silesia (seven NUTS-3 subregions, i.e. Katowicki, Bielski, Tyski, Rybnicki, Gliwicki, Bytomski, and Sosnowiecki) with
- its main city of Katowice (Slimko et al., 2021, p. 7). The following regions are not yet officially

²⁹ <https://euagenda.eu/upload/publications/2022-04-just-transition-in-7-ceecs.pdf>

³⁰ <https://www.youtube.com/watch?v=Ymgfp7SOjNQ>

³¹ https://ec.europa.eu/regional_policy/en/funding/jtf/just-transition-platform/events/latest-events

- confirmed as recipients of JTF funding: Łódzkie (two NUTS-3 subregions: Piotrkowski and
- Sieradzki) with the main mining and energy-sector related town of Bełchatów; Lubelskie
- (three NUTS-3 sub-regions, i.e., Lubelski, Chełmsko-Zamojski, and Bialski) with just
- transition activities mainly focusing around the Bogdanka mine; Zgorzelec county (in NUTS3 terms, located inside the Jeleniogórski sub-region of the Lower Silesia voivodeship), focusing
- mainly around the Turów mine; and Western Małopolska

To illustrate, in addition to €600 million in regular funds for regional development, the Silesia region may benefit from €540 million under the Just Transition Fund.

The Just Transition Fund will be used primarily to provide grants; the dedicated transition scheme under InvestEU will crowd in private investments, and the partnership with the EIB will leverage public financing

Invest EU scheme will cover projects for energy and transport infrastructure, including gas infrastructure and district heating, as well as decarbonisation projects. Under the public loan facility with the EIB, public authorities will be enabled to implement measures to facilitate the transition to climate neutrality. Projects will range from energy and transport infrastructure, to district heating networks, and energy efficiency measures including renovation of buildings.³²

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https://www.funduszeuropejskie.gov.pl/media/86341/Proposal_for_a_Regulation_of_the_European_Parliament_and_of_the_Council_establishing_the_Just_Transition_Fund.pdf

1.21 Funding managed outside Poland

1.21.1 Horizon Europe

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

Projects are typically €1-20 million. Most of the money for clean energy technology is under a cluster known as Climate, Energy & Mobility within Pillar II – Global challenges & European industrial competitiveness, 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.”³³

The European Commission publishes “Work Programmes” that set out which 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 available [here](#).

1.21.2 LIFE Programme

The LIFE programme is the EU's dedicated funding instrument for the environment and climate action. The general objective of LIFE is to support the EU's Green Deal's objectives and to contribute to the implementation, update and development of EU environmental and climate policy and legislation by co-financing projects with European added value. The funding increase for 2021-2027 of almost 60% provides a total budget of €5.4 billion. This budget is split, with €3.5 billion going to Environment and €1.9 billion to Climate. Relevant sub-programmes for coal-regions in transition include Circular economy and quality of life; Climate change mitigation and adaptation; and Clean energy transition.

Projects are funded through grants up to €10 million. Standard Action Projects, Strategic Integrated Projects, Strategic Nature Projects and Technical Assistance are co-financed with a rate up to 60% (By way of exception, a co-financing rate of up to 75% of the total eligible costs may be granted to LIFE Nature and Biodiversity proposals). Other Actions have co-financing rate of 95% of eligible costs, except for the small grants for biodiversity in ORs and OCTs that constitute the continuation of the BEST programme (which have a financing rate of 100%). Beneficiaries include local authorities, local agencies (i.e. city stakeholders) or NGOs.

More information is available [here](#) and open or upcoming calls [here](#). Similar to Horizon Europe, technical assistance in preparing a proposal is available from Member State's National Contact Points (list available [here](#)).

1.21.3 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.

³³ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018PC0435&rid=3>

From 2014-2021, around €750 million was available for projects, distributed through calls for proposals each offering typically €1 million 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:

1. Innovation, research, education and competitiveness
2. Social inclusion, poverty reduction and youth employment
3. Environment, energy, climate change and the low-carbon economy
4. Culture, civil society, good governance and fundamental rights
5. 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 opened in 2020:

- €165 million 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>

1.21.4 Modernisation Fund

The Modernisation Fund aims to support ten EU countries with lower income in their transition to climate neutrality by modernising their power sector and wider energy systems, boosting energy efficiency, and facilitating a just transition. Grants totalling roughly €3 billion (our estimate) are set to be available in Poland from 2021-2030 under this scheme. More than 43% of all the funds will be allocated to Poland.

At least 70% of investments must go towards: Modernisation of energy systems; Improvements in energy efficiency; Just transition in carbon-dependent regions

To view the legal basis of the fund, see paragraph 2 of Article 10d of the [ETS Regulation](#). Up to 100% of relevant costs can be covered (i.e. the cost difference between the new and old plant).

In its first year of operation, the Modernisation Fund made available €898.43 million to eight beneficiary countries to help modernise their energy systems, reduce greenhouse gas emissions in energy, industry, transport and agriculture and support them in meeting their 2030 climate and energy targets. There were €346.40 million of investments confirmed in Poland in this first year.

[In June 2022](#), the Modernisation Fund made available €2.4 billion to seven beneficiary countries, with investments reaching €244.2 million confirmed for Poland. This concluded the third investment cycle of the Modernisation Fund and represents a sharp increase in spending compared to previous investment cycles.

1.22 Further info

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

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

1.23 National funding including EU funds managed at national level

1.23.1 One source of information

Information on all European funds is available [here](#), including European Structural and Investment Funds (ESIF) which funds 7 Operational Programmes in Romania. ESIF can be considered 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

As of September 2022, 9,682 projects were contracted at the national level, with budgets totalling €35.43 billion and total eligible expenses of €34.47 billion. European Commission co-financing is €28.06 billion and the national contribution is €2.75 billion.³⁴

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 of December 2019, the Regional Operational Programme for the West Region (covered by ADR Vest), had signed contracts to the value of €799 million, even though the budget available to the West Region was €719 million. The expectation was that at least €80 million of funds originally intended for other Romanian regions will be transferred to ADR Vest to honour the contracts. ADR Vest has started the process of programming and developing the Regional Operational Program for the years 2021-2027, taking into account the needs of the region in close collaboration with regional partners.³⁵

Only the following Priority Axes are still open to applications: 2, 8 and 9³⁶.

So far projects in Jiu Valley have focused on

³⁴ <https://www.fonduri-ue.ro/statistici>

³⁵ <https://adrvest.ro/por-2021-2027/>

³⁶ [Status summary 31 Dec 2019 \(in Romanian\)](#)

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

1.23.2 Cohesion Policy and the Just Transition Fund

Romania will receive a total of €31.5 billion from Cohesion Policy in 2021-2027 in the framework of its Partnership Agreement with the Commission to promote the economic, social and territorial cohesion of its regions and its green and digital transition. The [Partnership Agreement](#), approved in July 2022, dictates the implementation of these investments through 8 regional programmes and 9 national programmes

The EU funds (comprised of ERDF, ESF+, the Cohesion Fund, JTF, and EMFAF) will also support the development of the Romanian economy through the following targeted areas:³⁷

- €4.33 billion from the European Regional and Development Fund (ERDF) will support Romania's innovative economic transformation, including SMEs, R&I, business-academia collaboration, and digitalisation services.
- €6.75 billion from the ERDF and Cohesion Fund will be invested in the green transition, including environmental infrastructure projects, risk management and sustainable urban mobility measures.
 - €2.3 billion of these funds will focus on improving energy efficiency (through RES and smart metering) and decarbonising residential and public buildings.
 - €2.34 billion will support the water and wastewater sector, especially in terms of improving the circular economy of the water sector
 - €2.14 billion from the Just Transition Fund (JTF) will aim to reduce the social and economic impact of the green transition, particularly targeting Romanian regions affected by the phasing out of coal.
- €2.3 billion will be invested in healthcare topics, improving the quality, effectiveness and access to the health sector.
- €7.2 billion from the Cohesion Fund and the ERDF will focus on transportation and improving sustainability in the transportation sector with a particular focus on railways and the expansion of sustainable public transport in cities.
- €7.3 billion from the European Social Fund Plus (ESF+) will be dedicated to employment issues, from improving access to employment to inclusive education and new skills and training opportunities.
- €3.5 billion from ESF+ will be centered on capacity building for civil society, including access to early education and vocational training.
- €3.3 billion from ESF+ will address childhood poverty, improve quality of social, educational and health services
- €162.5 million from the European Maritime Fisheries and Aquaculture Fund (EMFAF) will be invested in sustainable fisheries and modern fishing infrastructure, conservation of aquatic biological resources in the Black Sea and enforce fisheries control activities.

Apart from Romania's Partnership Agreement, the European Commission also adopted in July 2022 the [first Instrument for Pre-Accession Assistance-ERDF cross-border cooperation programme](#) between a Member State and a candidate country: the Interreg IPA programme between Romania and Serbia. Worth €74 million, the programme includes three Romanian counties (Mehedinti, Caras-Severin, Timis) and six Serbian districts and will finance, among

³⁷ https://ec.europa.eu/commission/presscorner/detail/en/IP_22_4662

others, investments in energy efficiency and renewable energy, public infrastructure measures, education opportunities, and the restoration of natural areas (i.e., forests and riverbanks).

1.23.3 Forms of funding

Grants are usually the funding form offered to public entities (usually), 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.

1.23.4 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.

1.23.5 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.

1.23.6 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.

1.23.7 Project duration

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.

1.23.8 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.

1.23.9 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/>

1.23.10 For West Region (ADR Vest) specifically

www.adrvest.ro for calls for proposals and the accompanying [application guides](#)

1.24 Funding managed outside Romania

1.24.1 Horizon Europe

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

Projects are typically €1-20 million. Most of the money for clean energy technology is under a cluster known as Climate, Energy & Mobility within Pillar II – Global challenges & European industrial competitiveness, 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.”³⁸

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

³⁸ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018PC0435&rid=3>

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 available [here](#).

1.24.2 LIFE Programme

The LIFE programme is the EU’s dedicated funding instrument for the environment and climate action. The general objective of LIFE is to support the EU’s Green Deal’s objectives and to contribute to the implementation, update and development of EU environmental and climate policy and legislation by co-financing projects with European added value. The funding increase for 2021-2027 of almost 60% provides a total budget of €5.4 billion. This budget is split, with €3.5 billion going to Environment and €1.9 billion to Climate. Relevant sub-programmes for coal-regions in transition include Circular economy and quality of life; Climate change mitigation and adaptation; and Clean energy transition.

Projects are funded through grants up to €10 million. Standard Action Projects, Strategic Integrated Projects, Strategic Nature Projects and Technical Assistance are co-financed with a rate up to 60% (By way of exception, a co-financing rate of up to 75% of the total eligible costs may be granted to LIFE Nature and Biodiversity proposals). Other Actions have co-financing rate of 95% of eligible costs, except for the small grants for biodiversity in ORs and OCTs that constitute the continuation of the BEST programme (which have a financing rate of 100%). Beneficiaries include local authorities, local agencies (i.e. city stakeholders) or NGOs.

More information is available [here](#) and open or upcoming calls [here](#). Similar to Horizon Europe, technical assistance in preparing a proposal is available from Member State’s National Contact Points (list available [here](#)).

1.24.3 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 2014-2021, ca. 460 M EUR was 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:

6. Innovation, research, education and competitiveness
7. Social inclusion, poverty reduction and youth employment
8. Environment, energy, climate change and the low-carbon economy
9. Culture, civil society, good governance and fundamental rights
10. 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>

1.24.4 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 InvestEU, which will be managed by the EIB on its behalf. InvestEU is the successor of the Juncker Plan, aka 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](#).

The EIB’s InvestEU scheme combines thirteen centrally managed EU financial instruments and the European Fund for Strategic Investments into one instrument and it aims to mobilise more than €372 billion of public and private investment through an EU budget guarantee of €26.2 billion.

1.24.5 Danube Region Programme 2021-2027

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](#). Examples of projects are given [here](#). Around 80% of costs are refunded.

Applications are by a call for proposals. At this moment, at least three calls for proposals are foreseen, whereas the [1st call for proposals](#) has been published in September 2022. There is a two-step evaluation for every call.

The maximum available budget per priorities for the first call is:

- P1: €18,745,255
- P2: €34,530,733
- P3: €25,651,401
- P4: €S.O. 4.2-12,825,700

All projects need a minimum consortium of three partners from three different Danube countries, with the at least one partner being in a Member State of the programme area. Private profit-making organisations cannot be Lead Partners. Unlike Horizon Europe 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.

1.24.6 Modernisation Fund

The Modernisation Fund aims to support ten EU countries with lower-income in their transition to climate neutrality by modernising their power sector and wider energy systems, boosting energy efficiency, and facilitating a just transition. Grants totalling roughly €4 billion (our estimate) are to be available in Romania in the period 2021-2030 under this scheme. Almost 12% of all the funds will be allocated to Poland.

At least 70% of investments must go towards:

- Modernisation of energy systems

- Improvements in energy efficiency
- Just transition in carbon-dependent regions

You can see the legal basis of the fund under Paragraph 2 of Article 10d of the [ETS Regulation](#). Up to 100% of relevant costs can be covered (i.e the cost difference between the new and old plant).

In its first year of operation, the Modernisation Fund made available €898.43 million to eight beneficiary countries to help modernise their energy systems, reduce greenhouse gas emissions in energy, industry, transport and agriculture and support them in meeting their 2030 climate and energy targets. There were €22.99 million of investments confirmed in Romania in this first year.

[In June 2022](#), the Modernisation Fund made available €2.4 billion to seven beneficiary countries, with investments reaching €1391.6 million confirmed for Romania. This concluded the third investment cycle of the Modernisation Fund and represents a sharp increase in spending compared to previous investment cycles.

1.25 Further info

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

1.26 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.

Serbia's coal region – a summary of sources of public funding for non-coal projects

1.27 The EU is the largest provider of financial assistance to Serbia

- €2.5 billion in EU pre-accession funds 2007-2020
- For 2021-2027, the funding for the whole enlargement region is €14.162 billion
- €6.3 billion provided in European Investment Bank loans since 1999
- €444 million provided to date in Western Balkans Investment Framework grants, leveraging investments estimated at € 7 billion

Source EC [factsheet 2022](#)

The largest source of pre-accession funds is the Instrument for Pre-Accession Assistance (now in its second iteration as 'IPA III' for the period 2021-2027. It is worth 14.1 bn EUR across the whole enlargement region) of which 42% should go to 'Green agenda and sustainable connectivity'. In 2022, the [financial programming](#) foresees 1.9 bn EUR going to the enlargement region.

The EU also aims to muster additional funds through the mobilisation of a new Western Balkans Guarantee facility³⁹, with the ambition to potentially raise investments of up to 20 billion EUR.

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](#).

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

The more detailed programme level data is also obtainable by clicking the links under the section 'IPA III 2021-2027' in the [at the bottom of this EU webpage](#) (Picture 1):

39 "The Western Balkans Guarantee Facility is to be established under the post-2020 EU External Action Guarantee and the European Fund for Sustainable Development Plus. It will include provision of EU budgetary guarantees to the European Investment Bank as well as to other implementing partners, for the benefit of financing operations and investment programmes that implement the policies established in IPAIII and this Economic and Investment Plan." [COM\(2020\) 641 final – Communication on An Economic and Investment Plan for the Western Balkans](#)

For specific information (programme level), see below.

<p>— IPA III 2021 - 2027</p> <p>C(2021) 9653 COMMISSION IMPLEMENTING DECISION of 15.12.2021 on the financing of the annual action plan in favour of the Republic of Serbia for 2021</p> <ul style="list-style-type: none"> • IPA III/2021/043-652/1 – Annex 1 – European Integration Facility • IPA III/2021/043-652/2 – Annex 2 – EU for Connectivity and Green Agenda • IPA III/2021/043-652/3 – Annex 3 – EU for Sustainable Economy, Agriculture and Rural Development • IPA III/2021/043-652/4 – Annex 4 – Enabling a More Responsive Healthcare System
+ IPA III 2021-2027: Cross-Border Cooperation Programmes
+ IPA II 2014-2020: Country Action Programmes
+ IPA II 2014-2020: Cross-Border Cooperation Programmes
+ IPA 2007-2013: Transition Assistance and Institution Building
+ IPA 2007-2013: Cross-Border Co-operation

Picture 1 – the links under ‘IPA III 2021-2027’ on [this page](#) show programme level information under the IPA III instrument for 2021-2027

1.27.1 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”⁴⁰, destined for 2025.

1.28 Funding managed outside Serbia

1.28.1 Horizon 2020 and Horizon Europe

Serbia is classified as an ‘associated country’ in the new Horizon Europe research and development programme of the European Commission, hence it can participate under equivalent conditions as legal entities from the EU Member States, unless specific limitations or conditions are laid down in the work programme and/or call/topic text.

Projects are typically €1-20 million. Most of the money for clean energy technology is under a cluster known as Climate, Energy & Mobility within Pillar II – Global challenges & European industrial competitiveness, 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.”⁴¹

The European Commission publishes “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 one in Serbia responsible for energy being [available here](#).

⁴⁰ From <http://www.mei.gov.rs/eng/funds/eu-funds/cohesion-policy/>

⁴¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018PC0435&rid=3>

1.28.1.1 European Investment Bank

Entities located in Serbia may receive loans and financial instruments from the EIB. The funding is provided by intermediaries⁴² if the project seeks financing < €25 million. 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.

Serbian entities can also receive financing under the EIB's InvestEU scheme, which combines thirteen centrally managed EU financial instruments (e.g. InnovFin, COSME, etc.) and the European Fund for Strategic Investments into one instrument. The InvestEU aims to mobilise more than €372 billion of public and private investment through an EU budget guarantee of €26.2 billion.

1.28.2 Danube Region Programme 2021-2027

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](#). Examples of projects are given [here](#). Approximately 80% of costs are refunded.

Applications are by a call for proposals. At this moment, at least three calls for proposals are foreseen, whereas the [1st call for proposals](#) has been published in September 2022. There is a two-step evaluation for every call.

The maximum available budget per Priorities for the first call is:

- P1: €18,745,255
- P2: €34,530,733
- P3: €25,651,401
- P4: €S.O. 4.2-12,825,700

All projects need a minimum consortium of three partners from three different Danube countries, with the at least one partner being in a Member State of the programme area. Private profit-making organisations cannot be Lead Partners.

Unlike Horizon Europe 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.

1.29 Further information

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

⁴² List on [EIB website](#) and [COSME website](#)

Ukraine's coal region – a summary of sources of public funding for non-coal projects

1.30 European Bank for Reconstruction and Development EBRD

The EBRD offers the set of financing instruments illustrated in the Table 1. It is the biggest funder of RES and EE projects in the 38 Eastern European countries that it serves⁴³. Its focus is on providing finance to the private sector⁴⁴.

Table 3 Summary of EBRD's financing instrument offer. Combinations of instrument are possible, so is 'structure equity – equity with some debt-like characteristic'. Slide from [July 2019 presentation to Coal Regions in Transition Working Group](#). More details are available here: [Debt](#), [Equity](#), [Guarantees](#)

Financing instruments

Exact terms depend on specific client needs and market conditions



European Bank
for Reconstruction and Development

	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

In 2020, the EU made available €50 million 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."⁴⁵

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](#).

NB: Since Ukraine operates within a wartime economy, with the heavy devastation of infrastructure and production capacities, majority of recent loans or guarantees from EBRD is going to mitigating effects of the current situation.

⁴³ Statement by EBRD [11:24:50](#)

⁴⁴ [11:26:25](#)

⁴⁵ [EBRD press release 20 Jan 2020](#)

1.31 An initiative for coal regions in transition in the Western Balkans and Ukraine

The Initiative for coal regions in transition in the Western Balkans and Ukraine was launched in December 2020 and aims to help countries and regions with a just transition away from coal towards a carbon-neutral economy.

For Ukraine, four regions have been initially identified and are eligible to participate, on a voluntary basis, in the initiative. These regions include Donetsk region, Luhans'k region, Lviv region, Volyn region. The platform will enable region-wide, multi-stakeholder dialogue, sharing experiences and best practices on transition-related issues and encourage relations-building between coal regions in transition. Capacity among relevant stakeholders will be built through a [Coal Regions Learning Academy](#) that will offer dedicated trainings on governance, community engagement, environmental reclamation, and repurposing of land and assets.

Technical assistance will be offered to the selected pilot regions to develop transition roadmaps for relevant public authorities, with the aim of helping coal regions access financing for transition projects or programmes available from the European Commission, the World Bank, the EBRD and the EIB.

1.32 EU-originating funding

1.32.1 Horizon Europe

Ukraine is classified as an 'associated country' in the new Horizon Europe research and development programme of the European Commission, hence it can participate under equivalent conditions as legal entities from the EU Member States, unless specific limitations or conditions are laid down in the work programme and/or call/topic text.

Projects are typically €1-20 million. Most of the money for clean energy technology is under a cluster known as Climate, Energy & Mobility within Pillar II – Global challenges & European industrial competitiveness, 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.”⁴⁶

The European Commission publishes “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.

1.32.2 European Investment Bank

Entities located in [Ukraine](#) may receive loans and financial instruments from the EIB. Public authorities requiring loans > €25 million apply via the EIB's local office in Kiev. Loans < €25 million are provided by intermediaries⁴⁷ if the project seeks financing < €25 million. A wide variety of pro-climate and pro-growth investment may be financed.

Ukrainian entities can also receive financing under the EIB's InvestEU scheme, which combines thirteen centrally managed EU financial instruments and the European Fund for Strategic Investments into one instrument. The InvestEU aims to mobilise more than €372 billion of public and private investment through an EU budget guarantee of €26.2 billion.

⁴⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018PC0435&rid=3>

⁴⁷ List on [EIB website](#) and [COSME website](#)

1.32.3 Danube Region Programme 2021-2027

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](#). Examples of projects are given [here](#). Around 80% of costs are refunded.

Applications are by a call for proposals. At this moment, at least three calls for proposals are foreseen, whereas the [1st call for proposals](#) has been published in September 2022. There is a two-step evaluation for every call.

The maximum available budget per Priorities for the first call is:

- P1: €18,745,255
- P2: €34,530,733
- P3: €25,651,401
- P4: €S.O. 4.2-12,825,700

All projects need a minimum consortium of three partners from three different Danube countries, with the at least one partner being in a Member State of the programme area. Private profit-making organisations cannot be Lead Partners.

Unlike Horizon Europe 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.

Wales's coal regions – a summary guide on sources of public funding for non-coal projects

The last deep mine in Wales, Tower Colliery, 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.

1.33 EU funds managed at national level (Wales)

1.33.1 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 Table 4.

Table 4 Wales's four mechanisms for distributing EU European Structural and Investment Funds

West Wales and Valleys ERDF: 5 priorities <ul style="list-style-type: none"> • Research and Innovation • SME Competitiveness • Renewable Energy and Energy Efficiency • Connectivity and Urban Development • Technical Assistance Funding overcommitted by 9% (180 M £)	East Wales ERDF (same 5 priorities): <ul style="list-style-type: none"> • Research and Innovation • SME Competitiveness • Renewable Energy and Energy Efficiency • Connectivity and Urban Development • Technical Assistance Funding overcommitted by 6% (26 M £)
West Wales and Valleys ESF: 5 priorities <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 Funding overcommitted by 36% (330 M £)	East Wales ESF (same 5 priorities): <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 Funding overcommitted by 35% (121 M £)

Sources of information for Table 4:

- [Gov.wales](http://gov.wales)
- Europa.eu ([West Wales and the Valleys](#); [East Wales](#))

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.

1.33.2 Example projects

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

1.34 UK replacement for the Operational Programmes post-2020

Prior to Brexit, Wales received investments from a number of EU investment programmes, including ESF, ERDF, CAP, Rural Development Programme, Horizon2020, EU Health Programme and Erasmus+, which totaled around £680 million per year in EU funding.⁴⁸ The Welsh Government's approach to developing a future regional investment policy was set out in a policy paper published in December 2017.⁴⁹ Following publication, a range of engagement activities was held with partners and stakeholders. A summary report of the findings was published in July 2018.⁵⁰ As part of the Withdrawal Agreement, the UK continued to participate in all EU funding programmes in the 2014-2020 framework until their closure.⁵¹ 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.**⁵² Priorities for future investment and a mix of national, regional and local delivery approaches were drafted:

- a. Reducing income inequalities for people
- b. More productive and competitive businesses
- c. Transition to a zero-Carbon economy
- d. Healthier and more resilient communities

In April 2022, the UK Government announced the [UK Shared Prosperity Fund](#), delivering £585 million in funding to Wales to match EU investment but giving control to local leaders who will draw up plans in 2022.⁵³ The Fund will be allocated to local priorities based on a conditional allocation of funding over the next three years, ranging from focus areas of building renovations to reducing crime and improving employment opportunities to tackle economic decline and geographical disparities in Wales and across the UK. The first payments are expected in October 2022 and the funding period is from April 2022 to March 2025, allocating £2.6bn across the UK between 2022 and 2025, with £1.5bn per year by March 2025. The Welsh Government, however, contrasted the £585m over three years from the Shared Prosperity Fund that Wales will be receiving with the £375m per year it was previously getting from the EU.⁵⁴

⁴⁸ https://www.nhsconfed.org/sites/default/files/media/European-funding-after-Brexit_0.pdf

⁴⁹ Welsh Government (2017) Regional investment in Wales after Brexit. Securing Wales Future, <https://gov.wales/docs/wefo/publications/171213-regional-investment-after-brexit-en.pdf> (accessed 5 August 2019).

⁵⁰ 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).

⁵¹ <https://senedd.wales/laid%20documents/cr-ld11748/cr-ld11748-e.pdf>

⁵² 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-brexit>

⁵³ <https://www.gov.uk/government/news/communities-in-wales-handed-control-of-585-million-to-level-up-in-wales>

⁵⁴ <https://gov.wales/uk-government-plans-replace-eu-funds-fails-wales-financially-and-deliberate-and-unacceptable>

The Welsh Government also worked with OECD to set up a Regional Investment for Wales Steering Group, to lead on future arrangements. The work with OECD was a two-year project (which ended in December 2020) 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).⁵⁵ Since the completion of the OECD project, Welsh Government officials worked with the OECD to develop a new project (beginning in September 2021) to support the implementation of some recommendations from the OECD’s recently published report [‘The Future of Regional Development and Public Investment in Wales’](#).

1.35 EU funding

1.35.1 Horizon Europe

The United Kingdom is classified as an ‘associated country’ in the new Horizon Europe research and development programme of the European Commission, hence it can participate under equivalent conditions as legal entities from the EU Member States, unless specific limitations or conditions are laid down in the work programme and/or call/topic text.

Projects are typically €1-20 million. Most of the money for clean energy technology is under a cluster known as Climate, Energy & Mobility within Pillar II – Global challenges & European industrial competitiveness, 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.”⁵⁶

The European Commission publishes “Work Programmes” that set out which 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 one in the UK responsible for energy being [available here](http://www.c-energy2020.eu/ncpmap/)<http://www.c-energy2020.eu/ncpmap/>.

NB: Until association agreements start producing legal effects either through provisional application or their entry into force, the transitional arrangement set out in the General Annexes to the Horizon Europe Work Programme 2021-2022 is applicable with regard to the UK, with which association negotiations are being processed or where association is imminent.

⁵⁵ <https://gov.wales/strategic-forum-regional-investment-wales-oecd-project-update-html>

⁵⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018PC0435&rid=3>