

Role of financial instruments in decarbonising our economies

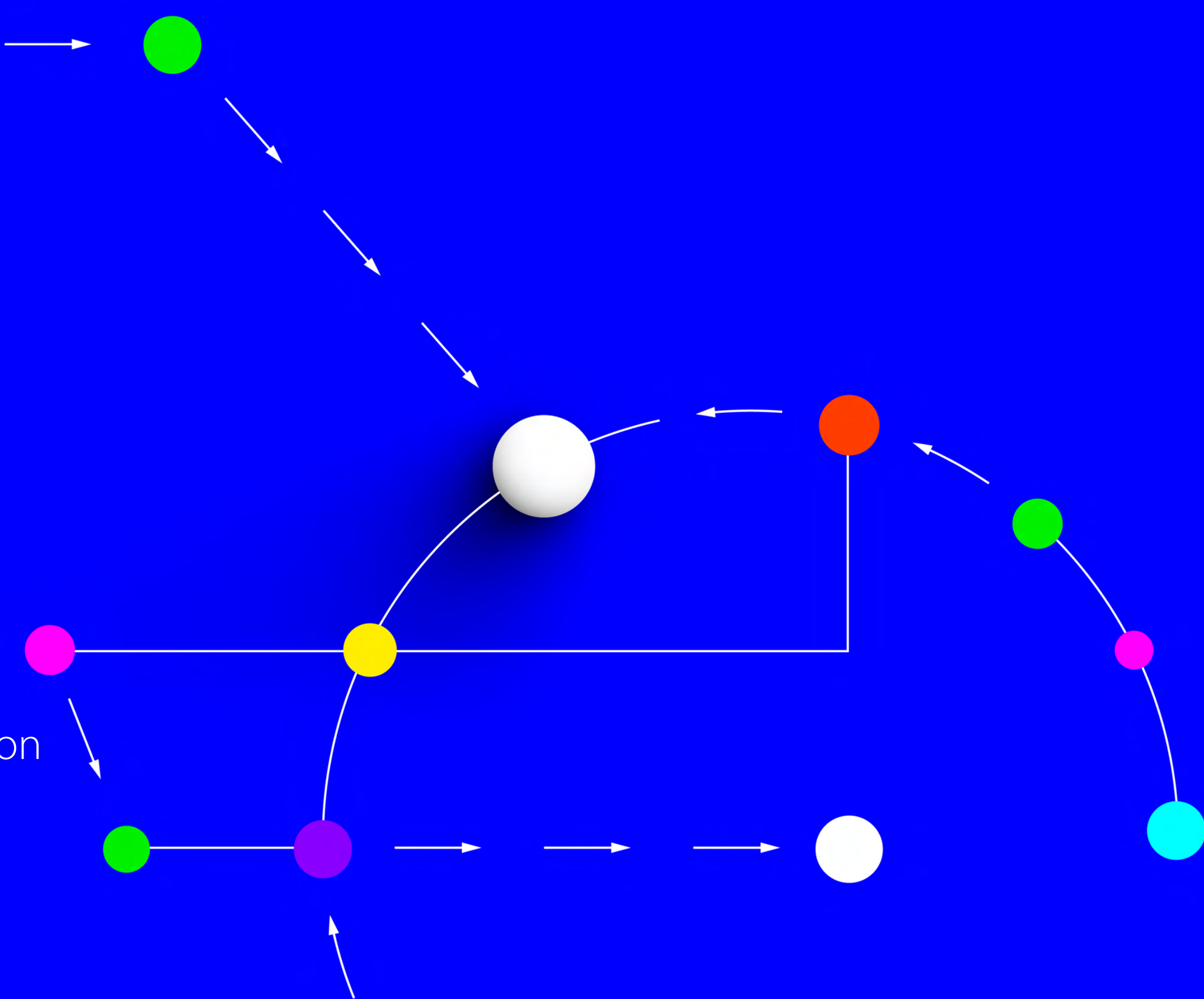
Ewelina Żaguń, Head of the Financial Instruments Section,
Marshal's Office of the Pomeranian Voivodeship, Poland

Corinne Uppman Helminen, Team Leader Financial Instruments,
Swedish Agency for Economic and Regional Growth

Ryan Decelis, Programme Manager (EU Funds), Planning & Priorities Coordination
Division, Office of the Prime Minister, Malta

Agne Kazlauskaite, Economic and Policy Officer, DG REGIO,
European Commission

Pavel Laube, Manager of Structured Finance, Národní rozvojová banka, Czechia

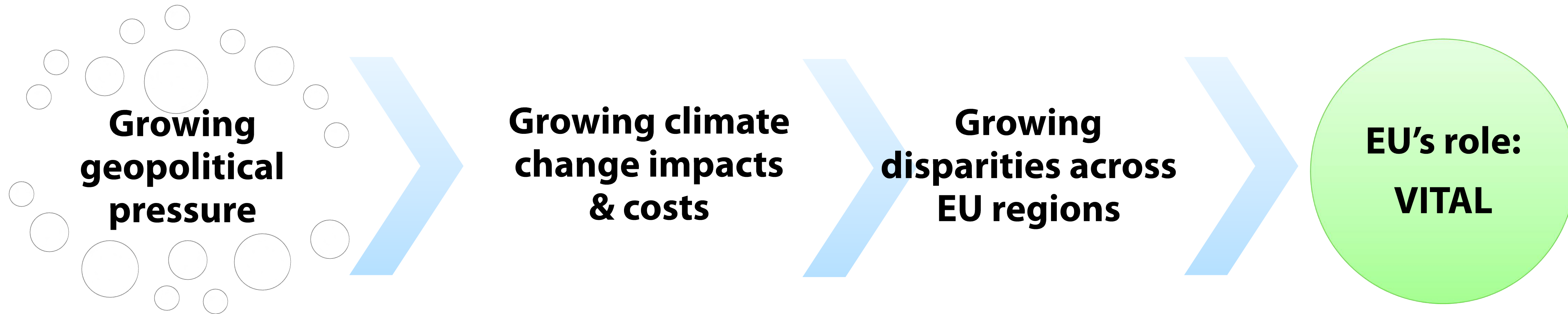


Financial instruments supporting decarbonisation of EU's economies – policy context

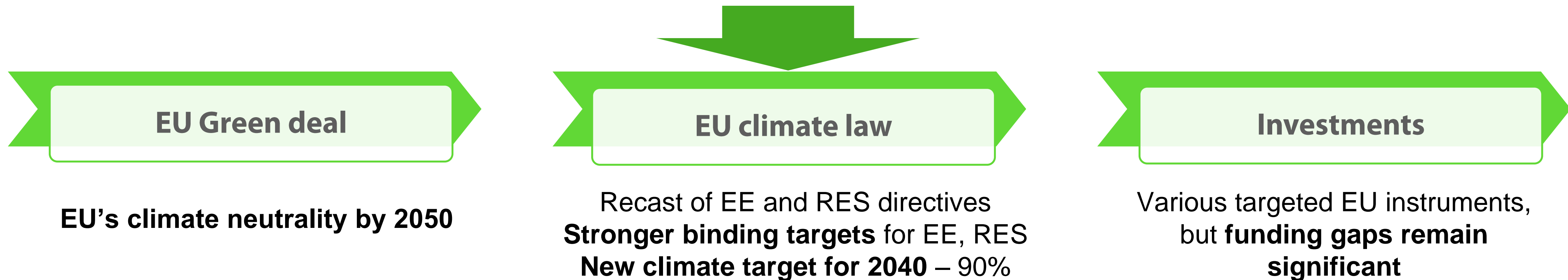
Agne Kazlauskaite,
Economic and Policy Officer, DG REGIO,
European Commission



Decarbonising Europe - why we need scale?



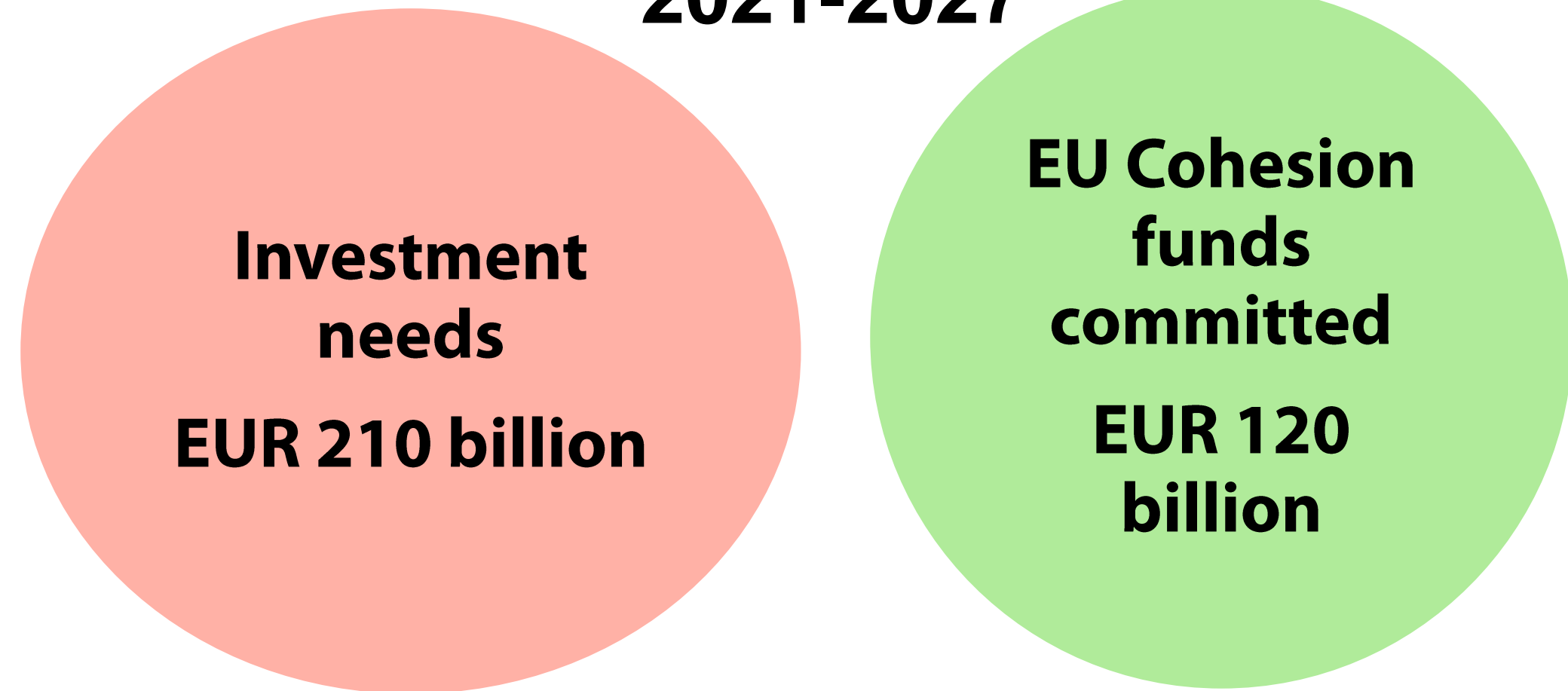
Potential loss - Union's GDP fall by around 7% by the end of the century in the absence of decarbonization measures



Despite positive achievements, EU is currently **not on track** to reach its 2030 climate objective – **need to step up implementation efforts & accelerate emissions reduction**

Cohesion policy funds - what's in our hands?

2021-2027



33% (ERDF) and 56% (Cohesion Fund)

A dedicated **GREEN** policy objective, Special **JTF objective**

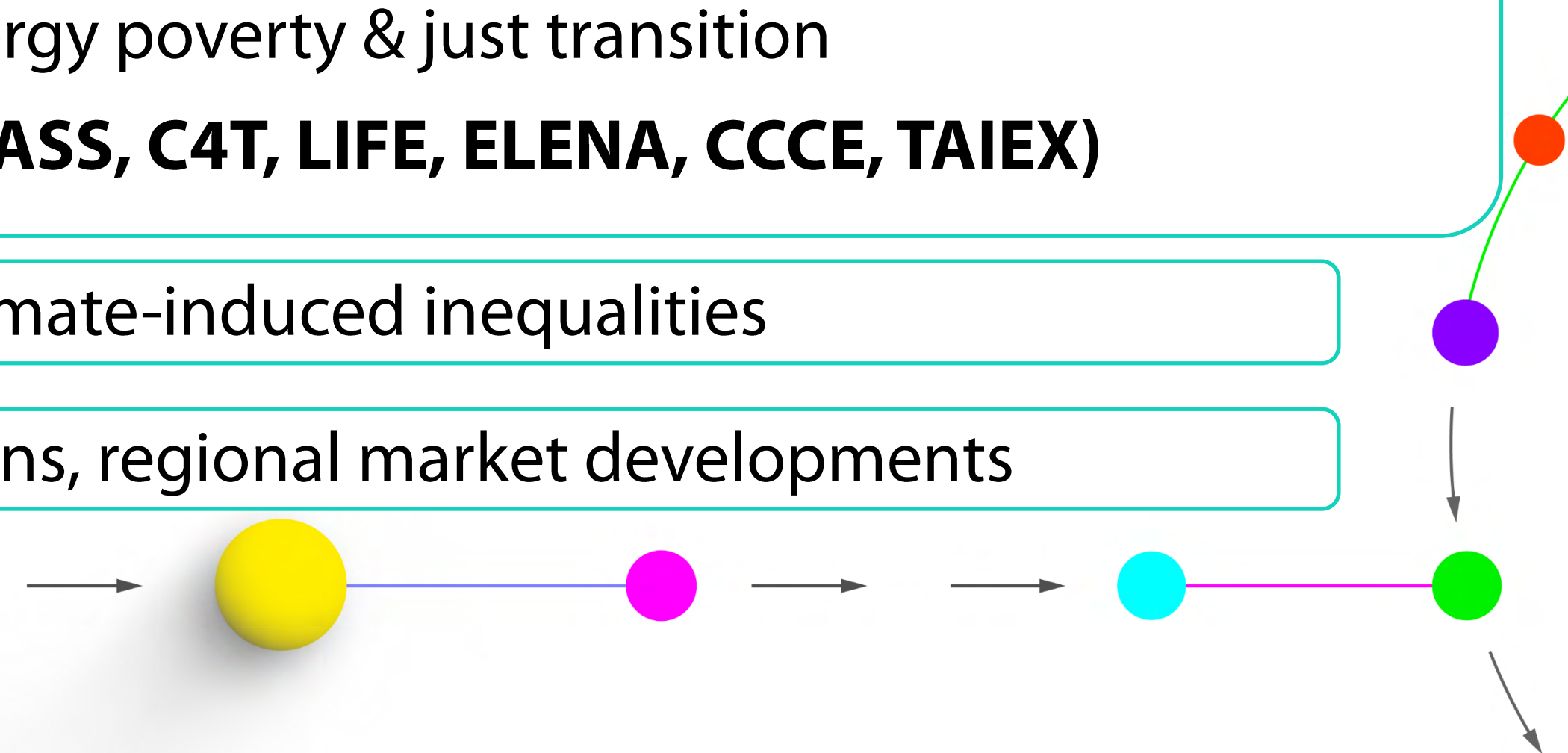
	PO1 Smarter Europe	PO2 Greener Europe	PO3 Connected Europe	PO4 Social Europe	PO5 Europe closer to citizens	JTF	TA
Total Amount, bn EUR	114.4	128.8	53.5	165.6	26.9	26.4	13.5
EU Fund, bn EUR	73.9	93.3	40.5	112.4	19.6	19.2	9.3

FOCUS: EE in buildings, RES, urban mobility, **greening of industry** & infrastructure, research & **“green” innovation, circular economy**, climate mitigation & adaptation, addressing energy poverty & just transition

Supporting regional capacity building – fundamental! (FI-COMPASS, C4T, LIFE, ELENA, CCCE, TAIEX)

Cohesion Policy - **tailored support** to address climate-induced inequalities

Decarbonisation opportunities – growth & jobs in regions, regional market developments



Financial instruments & decarbonisation – can we do more or differently?

Good news!

Growing trust & good practice with EE FIs - allocations almost doubled (compared to 2014-2020) (20%)

Some MS piloting FIs for RES (17%), circular economy (7%),

FIs delivering for JTF – 3,5 % ! (in 9 MS)

CPR opportunity to combine FI+Grant - used in most MS

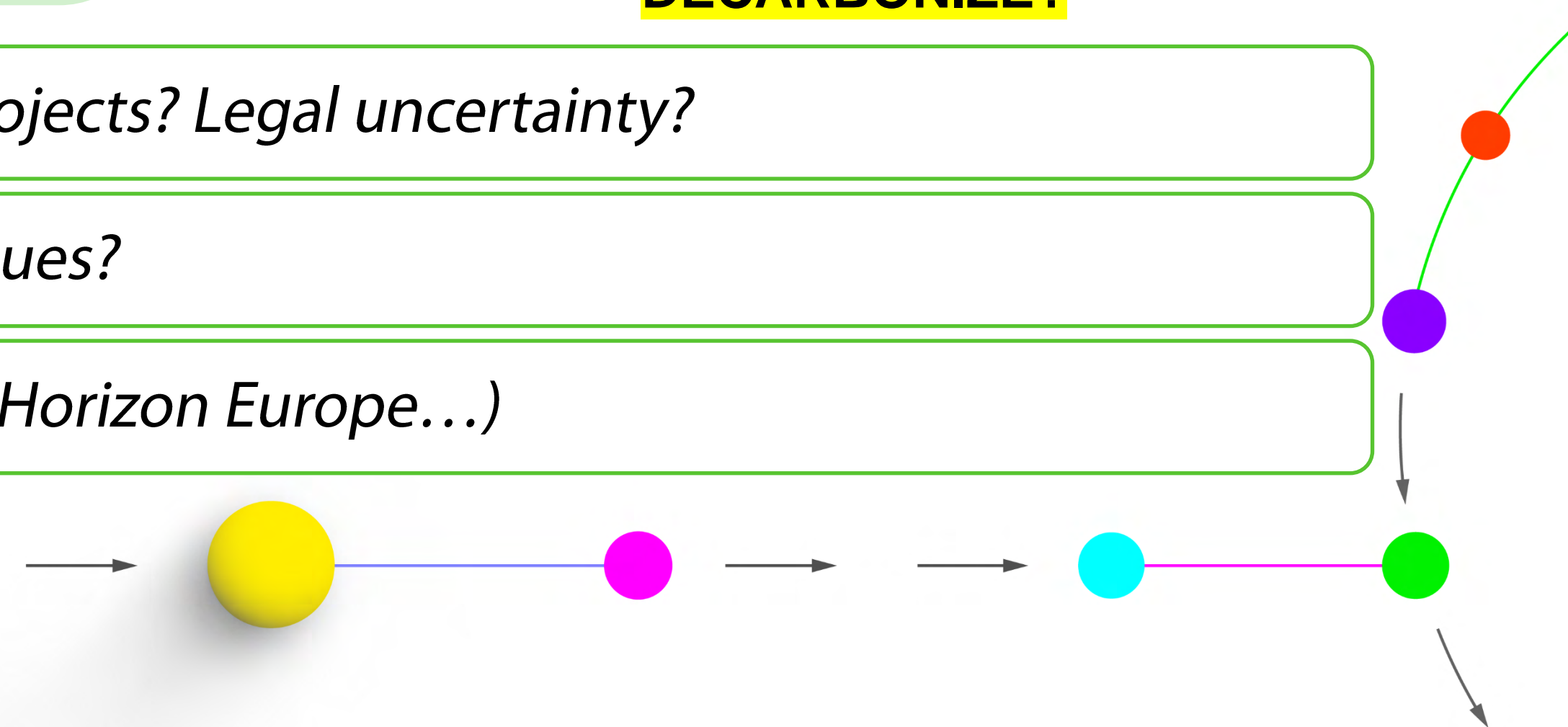


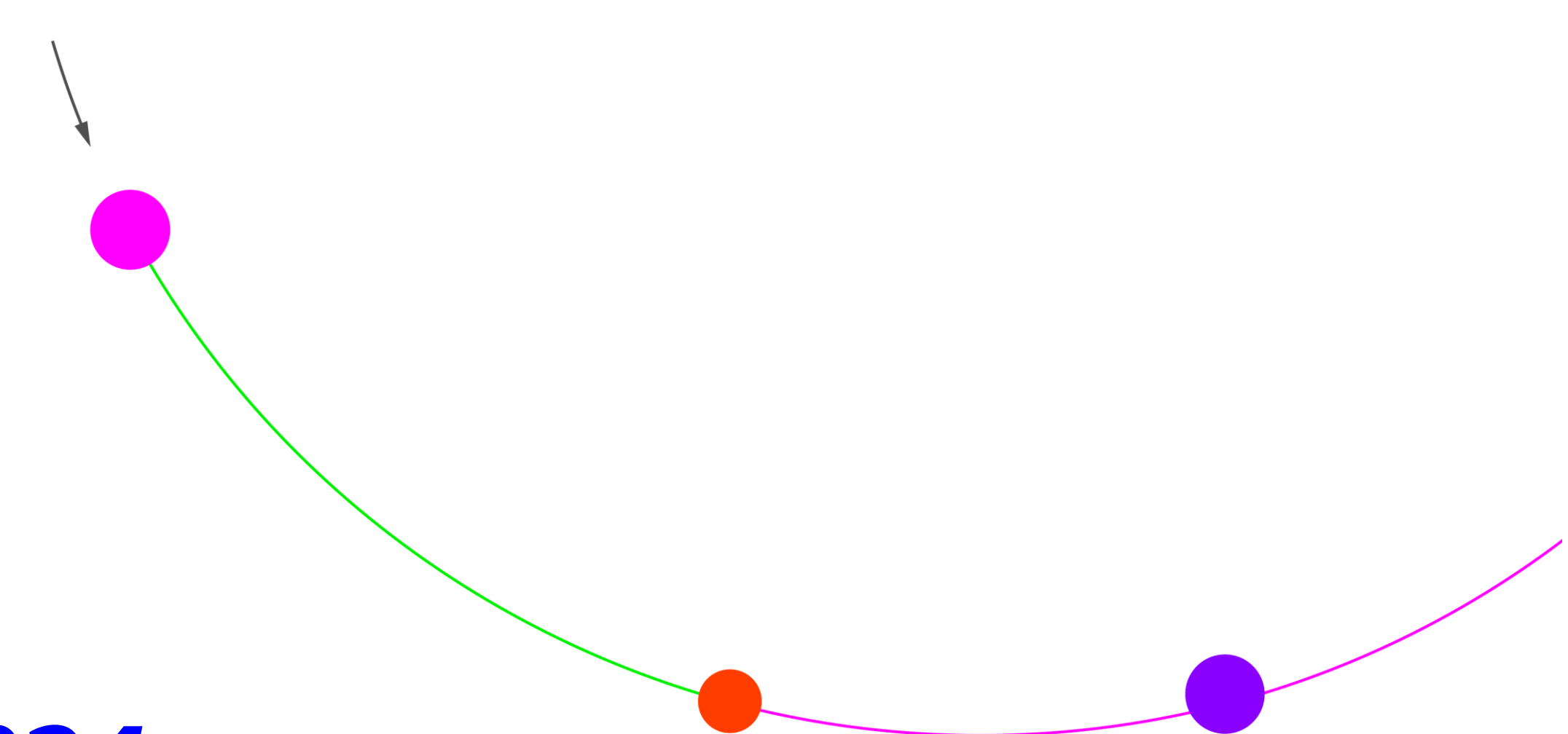
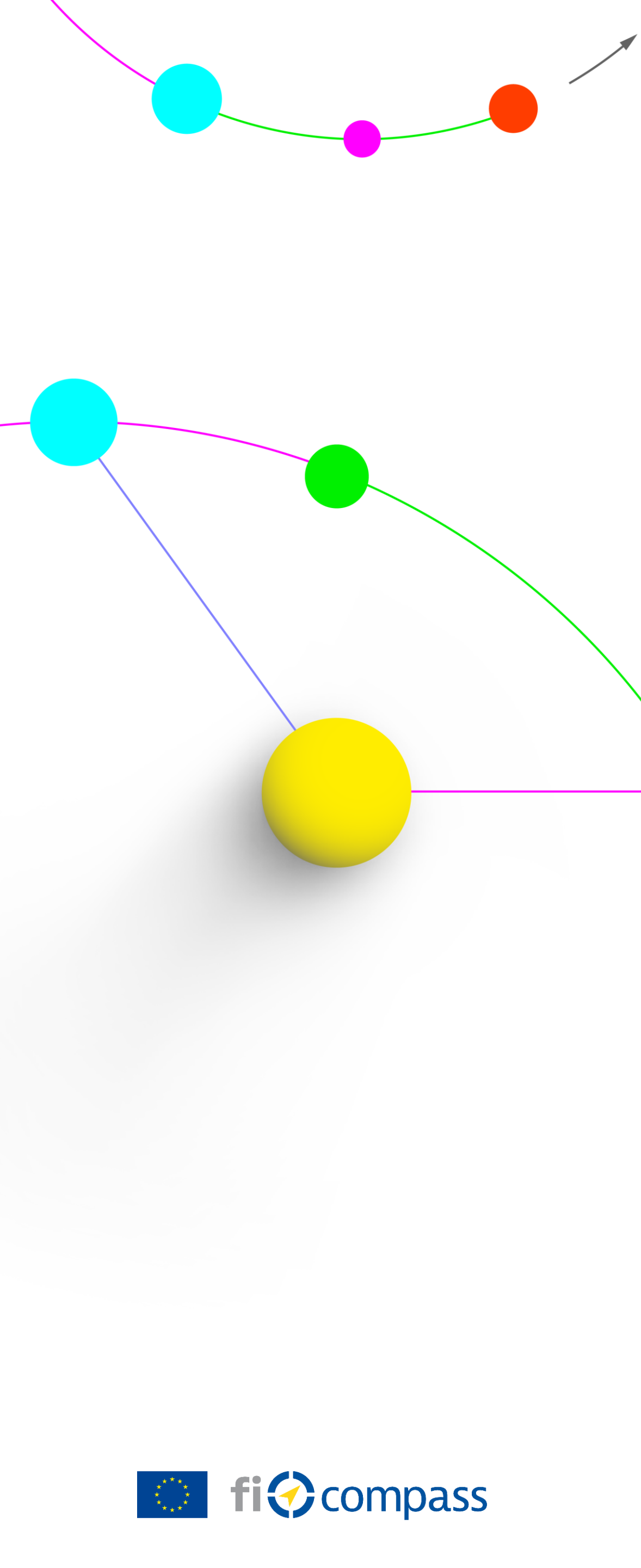
**QUESTION:
DO WE CAPTURE ALL FI POTENTIAL TO
DECARBONIZE?**

Lack of motivation or will? Lack of appropriate or high value-added projects? Legal uncertainty?

Structural issues in terms of capacities to plan & deliver? Permitting issues?

Too many (competing) funding streams and forms? 😊 (Cohesion, RRF, Horizon Europe...)





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Thank you

Role of financial instruments in decarbonising our economies

Ewelina Żaguń,
Head of the Financial Instruments Section,
Marshal's Office of the Pomeranian Voivodeship, Poland



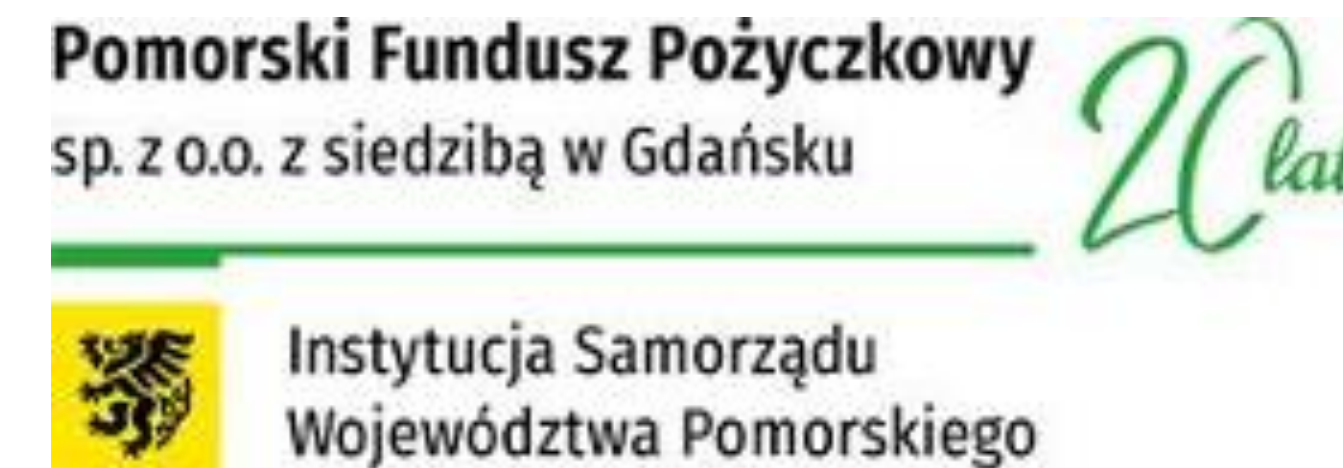
2014-2020 ERDF RES Loan in Pomorskie

What is eligible:

- Renewable energy installations with reasonable environmental effects and cost effectiveness. Supported installations should increase the capacity of renewable energy sources.
- Infrastructure to connect the source to the electrical grid, including micro-installations, which will generate electricity or heat.

The financial instruments prioritise projects that fit in with municipal low-carbon or energy supply policies or innovative projects to develop equipment and systems with the highest environmental impact (such as reducing greenhouse gas emissions).

Fund of Funds: Financial Intermediary:

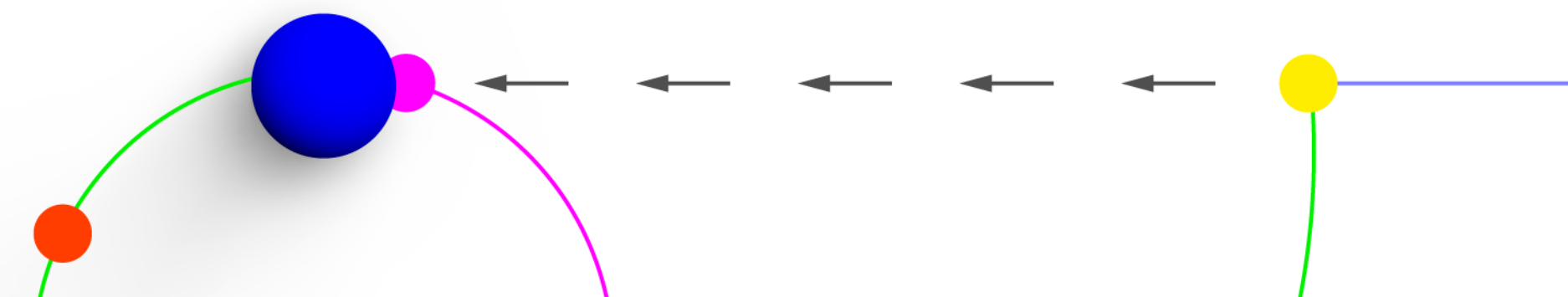


Key parameters:

Financial size:	EUR 31.5m from Regional OP, incl. EUR 28.8m ERDF EUR 2.7m national co-financing + EUR 1.0m from PFP (body implementing the FI)
Final recipients:	Investors (including entrepreneurs)
Loan value:	up to EUR 3.5m
Maturity:	up to 15 years
Estimated leverage:	1.1-1.2

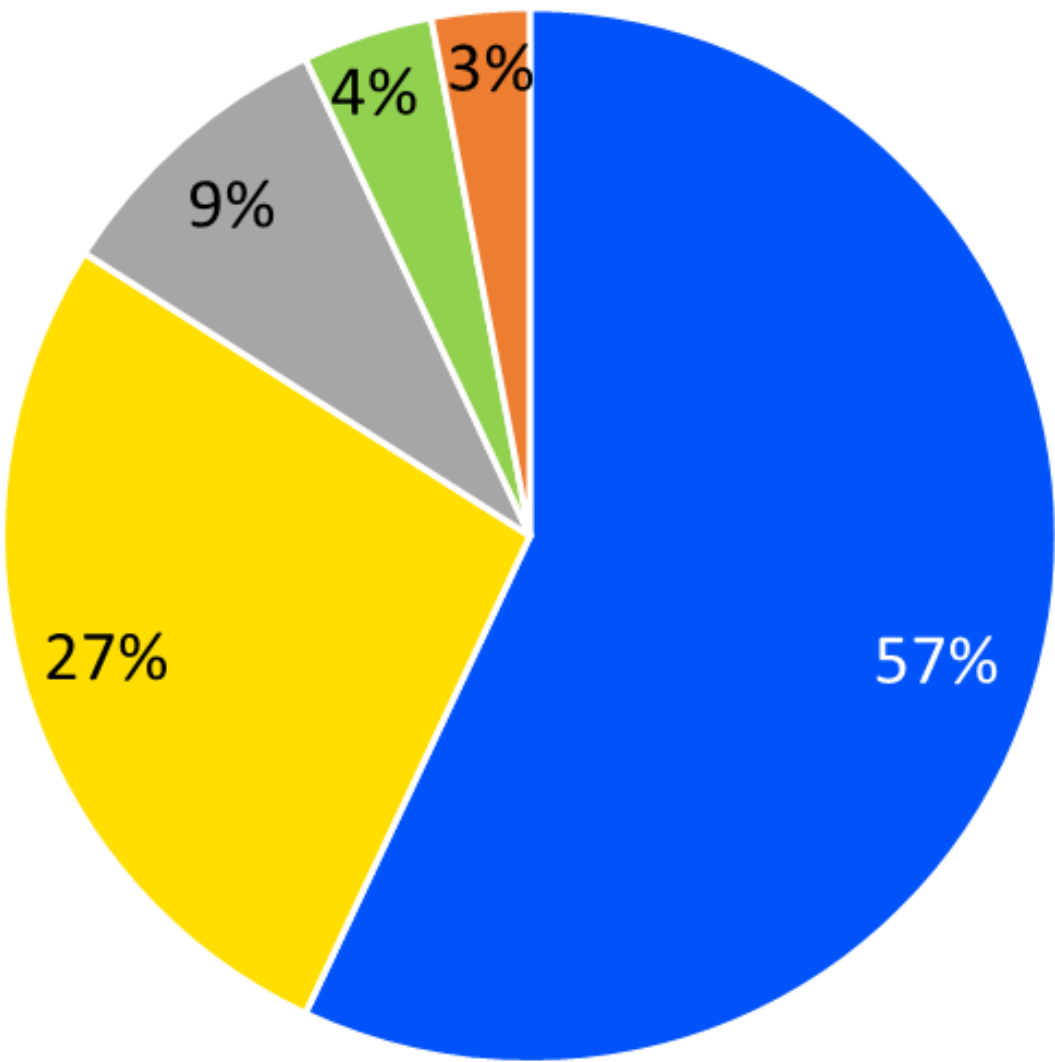
Key results:

Value of loans granted:	EUR 31.6m
Number of loans granted:	137
Additional capacity of renewable energy:	39.75 MW
Estimated annual decrease of GHG:	29.3 thousand tonnes of CO2 equivalent



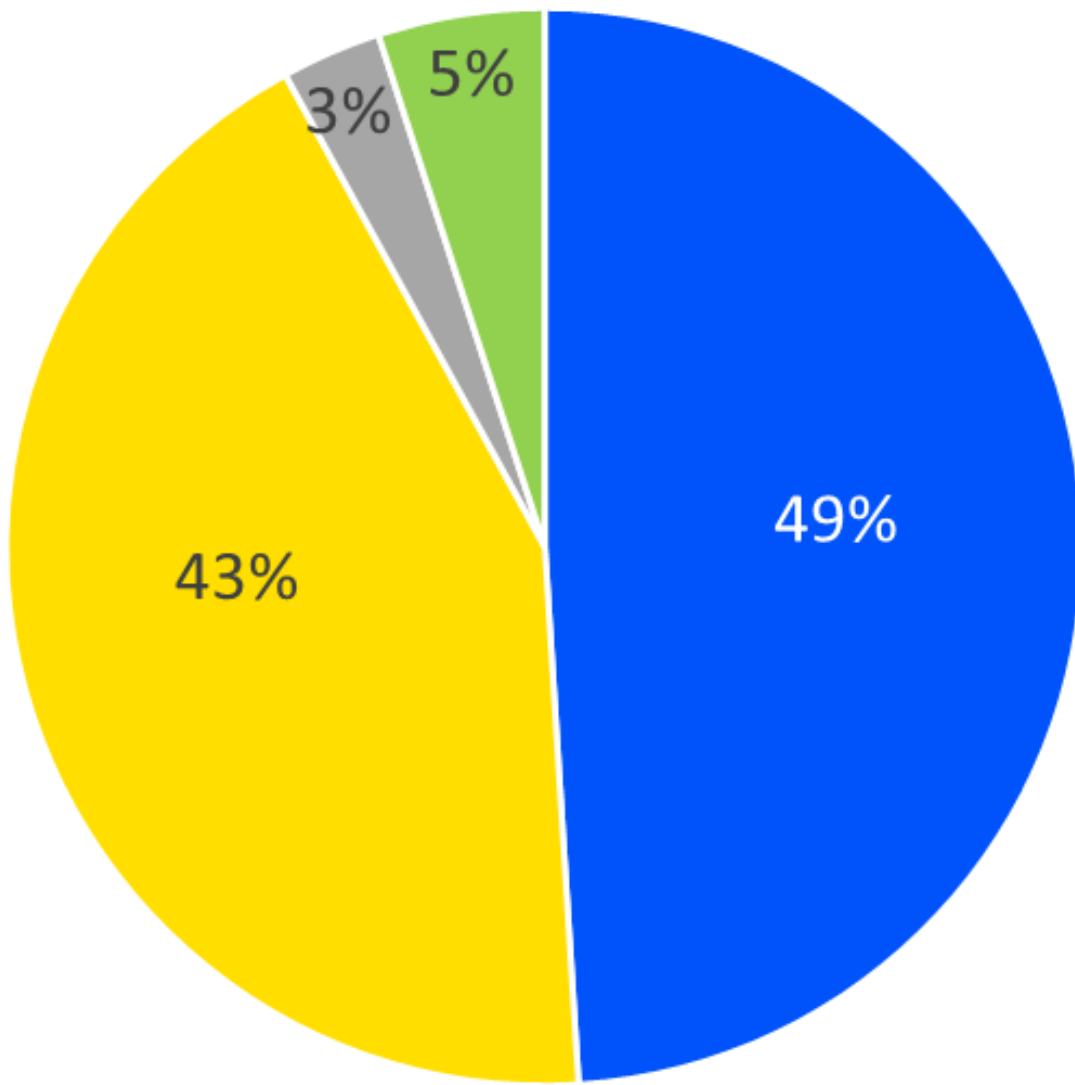
Range of RES projects and types of final recipients

Loan amount distribution by project type



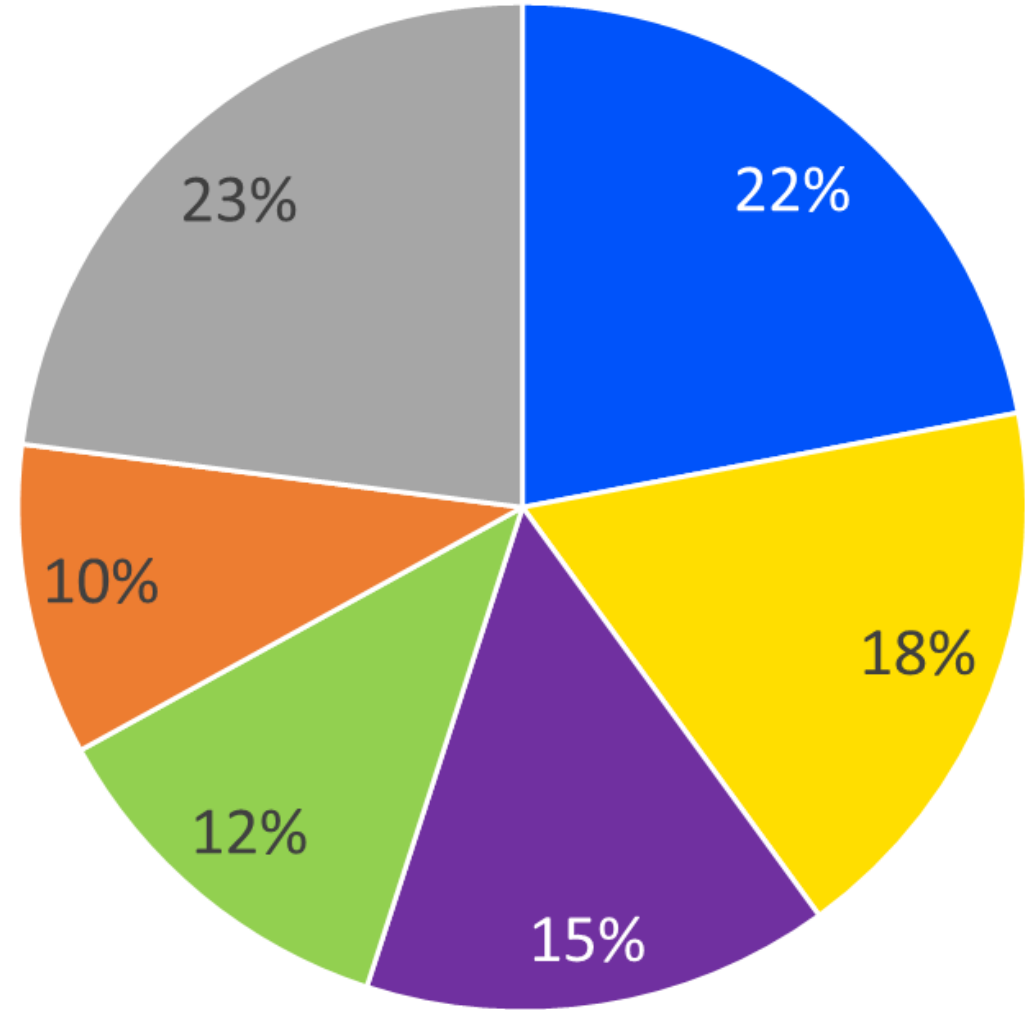
- PV installations for commercial buildings
- PV farms
- Heat pumps and combined RES systems (commercial)
- RES systems (residential and public)
- Biogas plants

Final recipient distribution by category

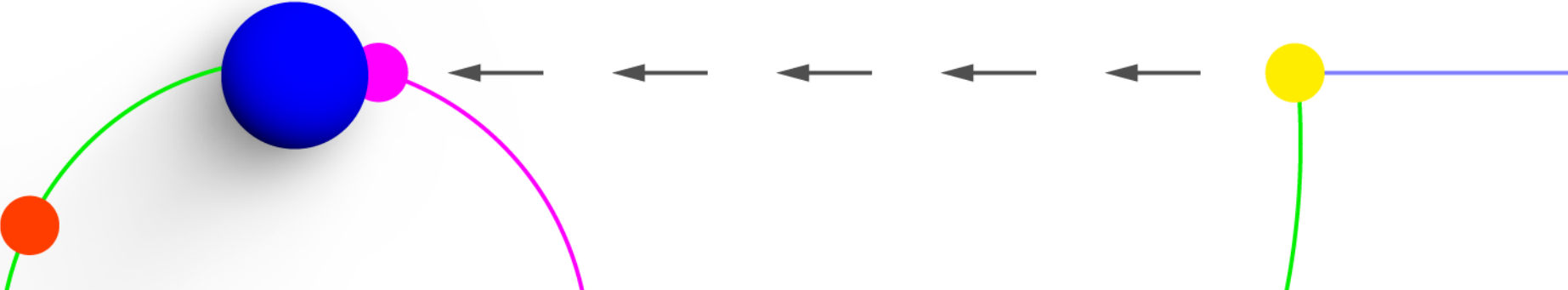


- Microenterprise
- SME (excl. micro)
- Other
- Large enterprise

Final recipient distribution by sector



- Manufacturing
- Agriculture, forestry and fishing
- Wholesale and retail trade
- Accommodation and food service
- Electricity, gas, steam and air conditioning supply
- Other



Examples of the support / 1

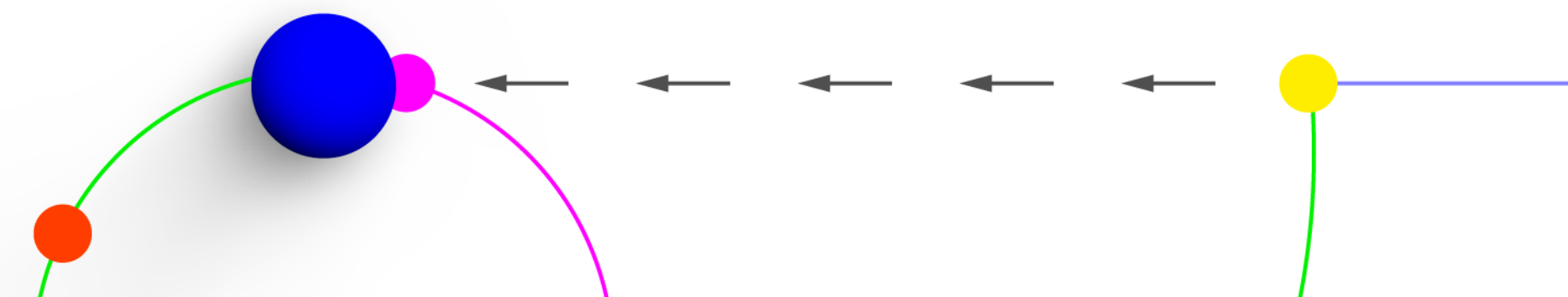
CET-EKO – agricultural biogas cogeneration plant

Sector: production of electricity

Total value of the investment: EUR 1.9 million

Loan amount: EUR 1.0 million

As a result of the project, a cogeneration unit was created producing electricity and heat. The installation uses agricultural biogas, contributing to the production of green energy, without dust and gas pollution.



Examples of the support / 2

Siled: photovoltaic system

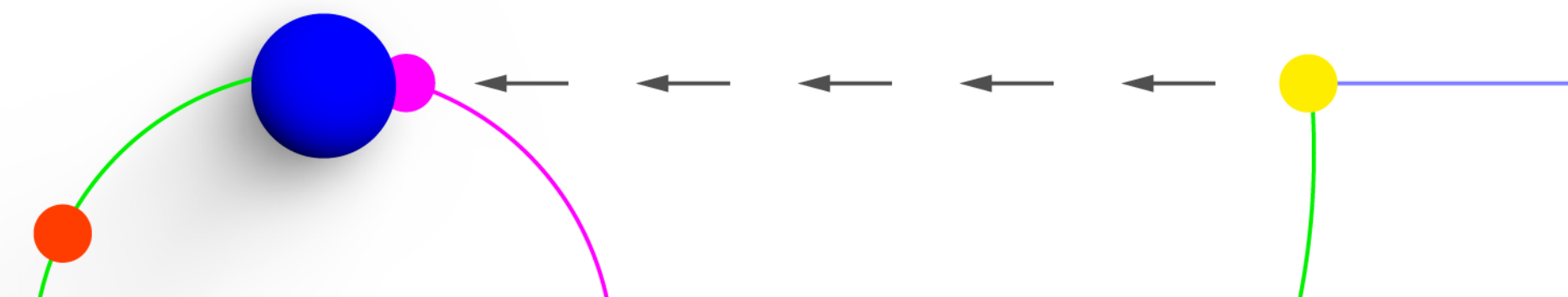
Sector: manufacture of electronic products

Total value of the investment: EUR 352k

Loan amount: EUR 253k



The project consisted of the construction of a photovoltaic installation on the roof of the production hall.



Examples of the support / 3

EKO-HOM – ecological educational maritime centre

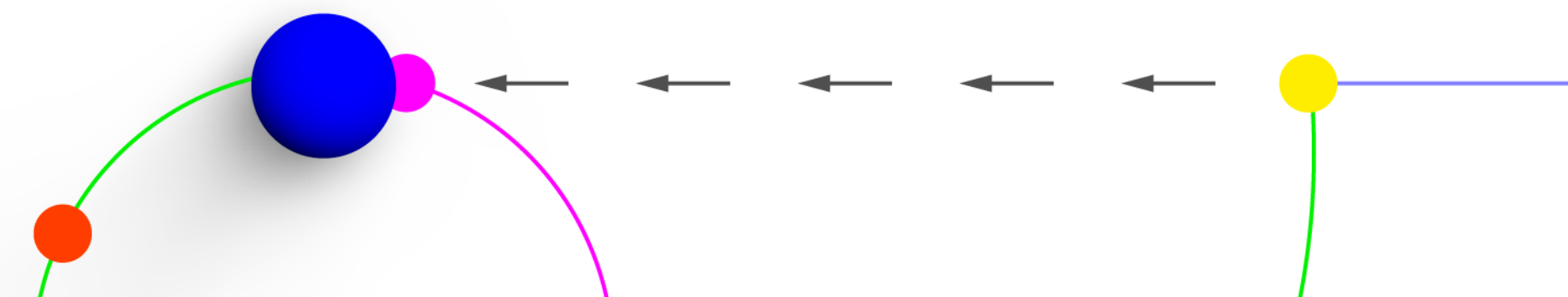
Sector: non-profit organisation

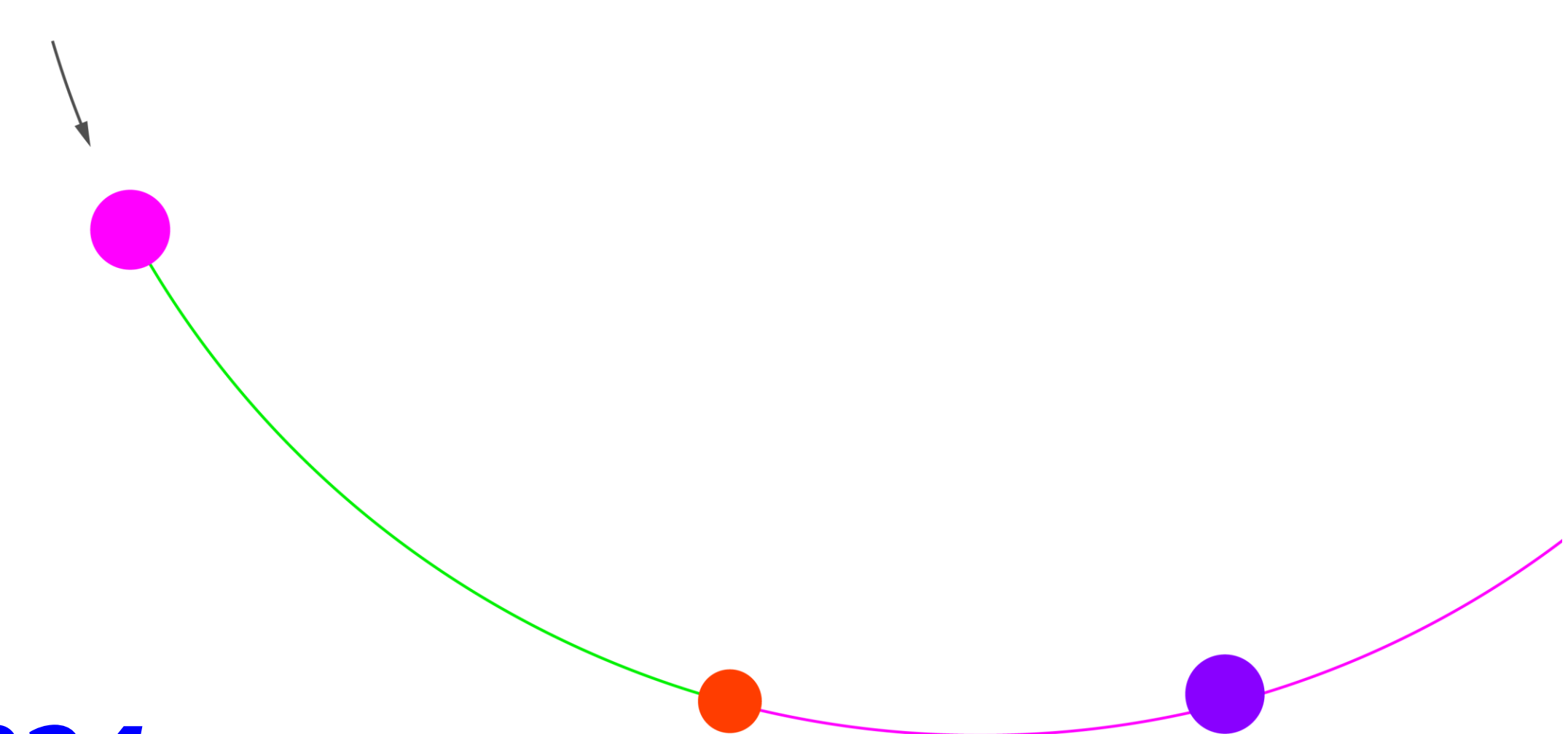
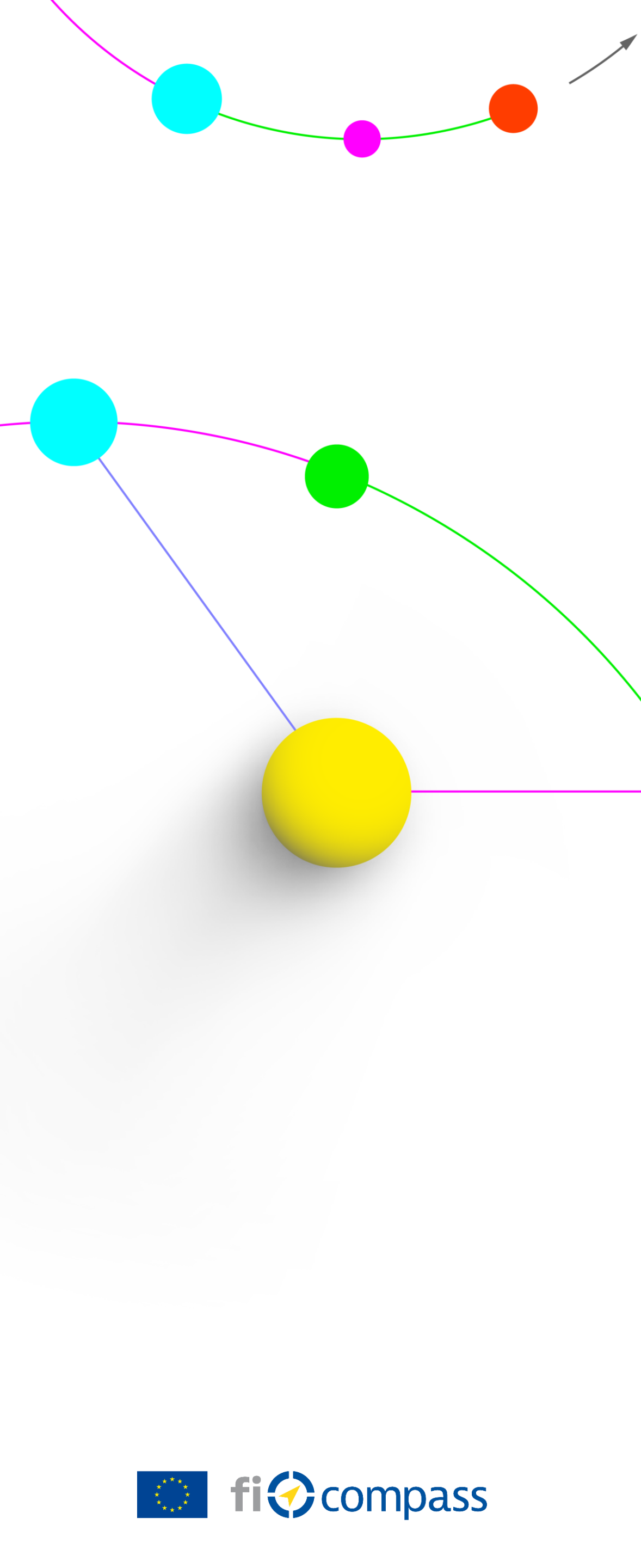
Total value of the investment: EUR 39k

Loan amount: EUR 35k



The project aims to use clean, renewable energy that will replace electricity produced from conventional sources, including fossil raw materials.



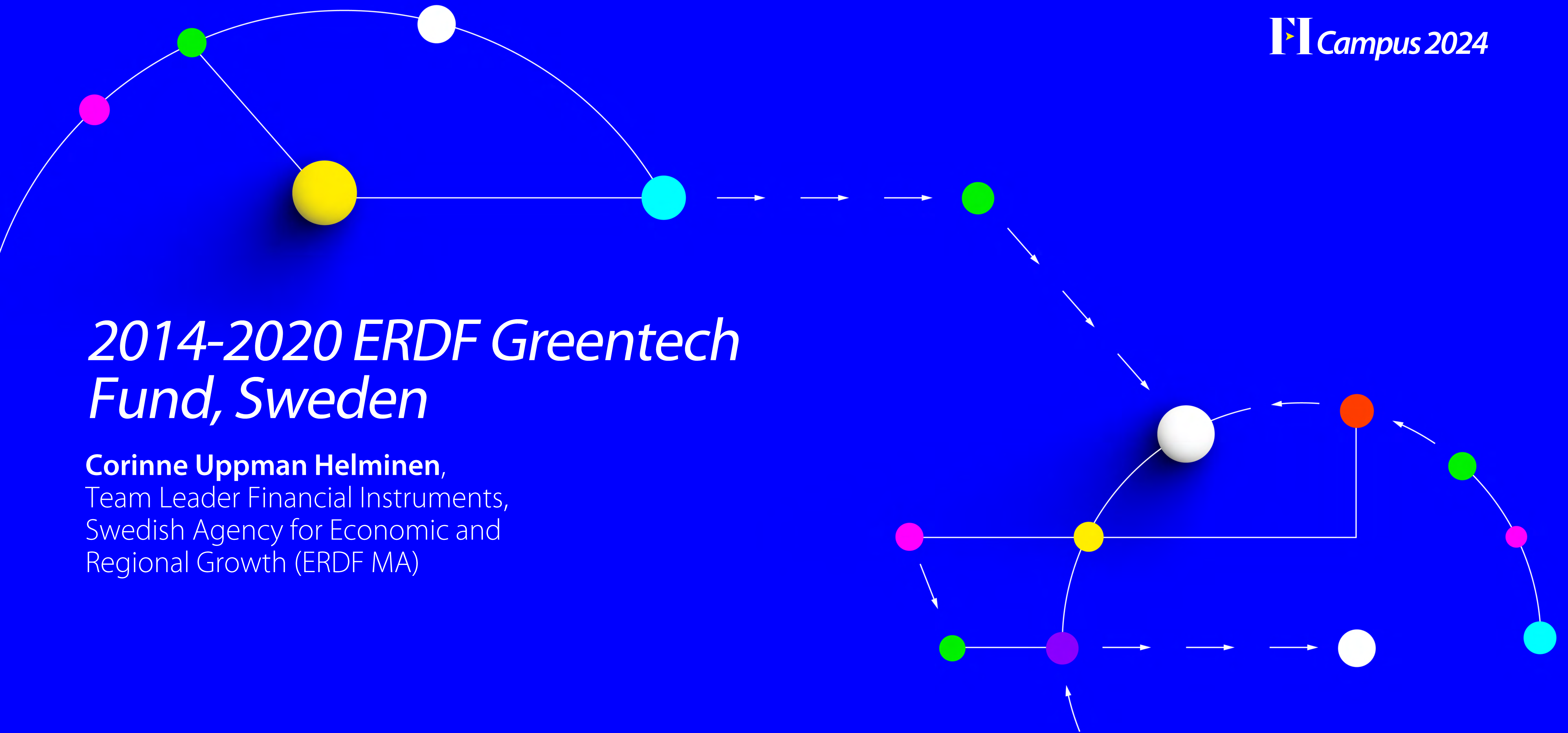


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2014-2020 ERDF Greentech Fund, Sweden

Corinne Uppman Helminen,
Team Leader Financial Instruments,
Swedish Agency for Economic and
Regional Growth (ERDF MA)



Almi Invest Greentech

Portfolio companies

bintel 

Klimato


z.trusion®
A Relieved technology


C GREEN


bower

ELONROAD

 EnginZyme


CORPOWER
OCEAN

 sensenode

GREENIRON

 NitroCapt

ENJAY

Beleco

MIMSI
aterials

QTAGG 

SPOWDI®
INVENTED FOR A GREENER TOMORROW


 MAVEN
WIRELESS

 GRAPHMATECH

ALTERED:

KATAM

saveGGY™


 ZPARQ

BiQfiber
BIOFIBER TECH SWEDEN AB

Cellfion 
Bio-based membranes for electrochemical applications

velove

 HAVREDALS

 epishine

 MIMBLY

modvion

SWEDISH
ALGAE
FACTORY



ecohelix

Saveggy - Fresh By Nature



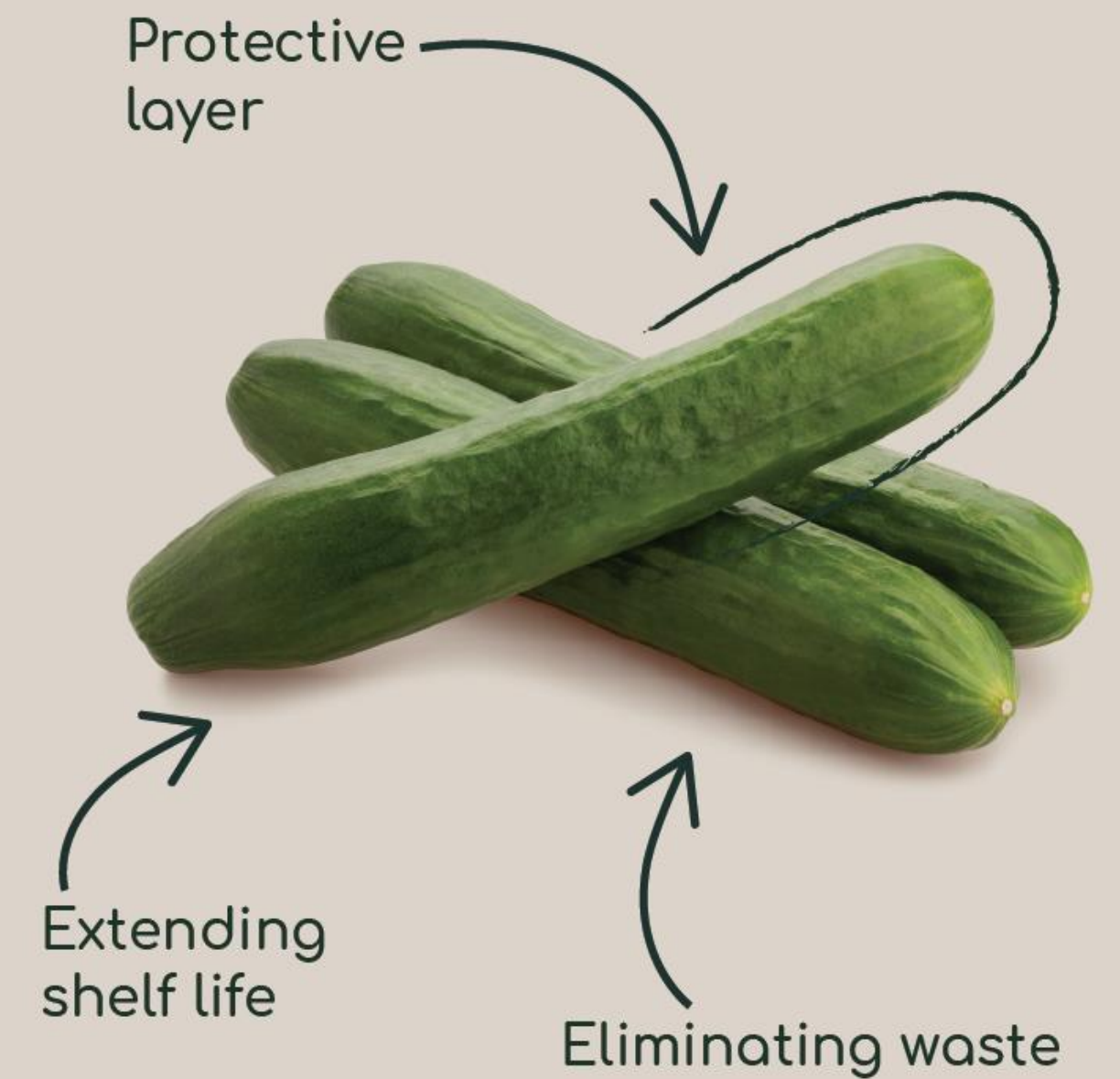
About the Company

Saveggy develops a bio-based, edible vegan coating. The protection extends the shelf life of fresh fruits and vegetables. It is easily applied by using dipping or spraying after harvest.

Facts	
Year invested	2022-Q1
Market	Global
Category	Food systems & Biosphere
Co-investors	Unconventional Ventures, LRF Ventures

Why we invested

- Globally up to 45% of the 1500 million tonnes of fruits and vegetables grown every year gets wasted.
- EU has banned single use plastic
- Saveggy's bio-tech innovative product is easily applied to the fruit and vegetables using simple machines, demanding low capex, thus easily integrated into existing value chains



- 100% plant based
- Free from additives
- NON GMO
- GMO free
- Edible
- Gluten free
- EFSA/FDA compl

Corpower Ocean – Wave power. To power the Planet



About the Company

Corpower Ocean is on a mission to power the planet with clean energy from ocean waves. The company develops a point absorber wave energy system.

CorPower Ocean’s innovations boost wave energy efficiency, cut costs, and enhance sustainability.

Facts	
Year invested	2018-Q4
Market	Global
Category	Energy Transition
Co-investors	SEB Greentech, InnoEnergy

Why we invested

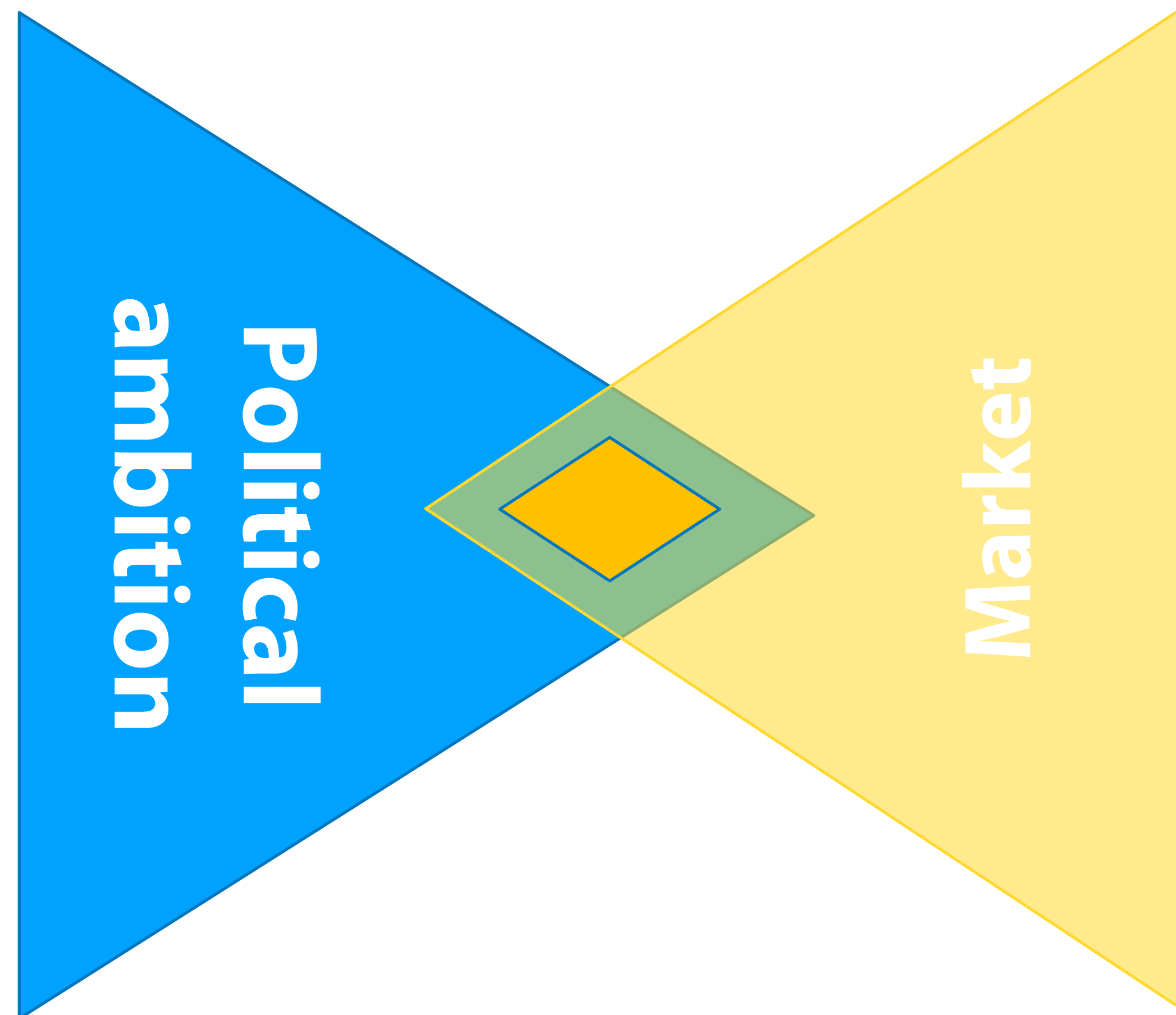
- Around 337GW of renewable ocean energy could be deployed globally by 2050, with a cumulative market potential of up to USD 600bn.
- A 10% market share of all installed wave power plants amounts to an annual CO2e reduction of 17m tonnes.



Aim for the golden intersection when constructing the mandate

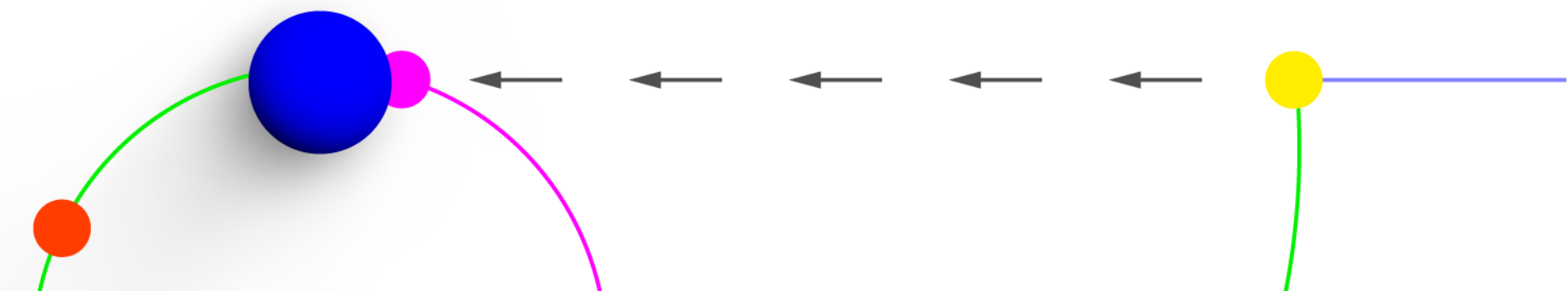
The fund shall invest in companies that contribute to

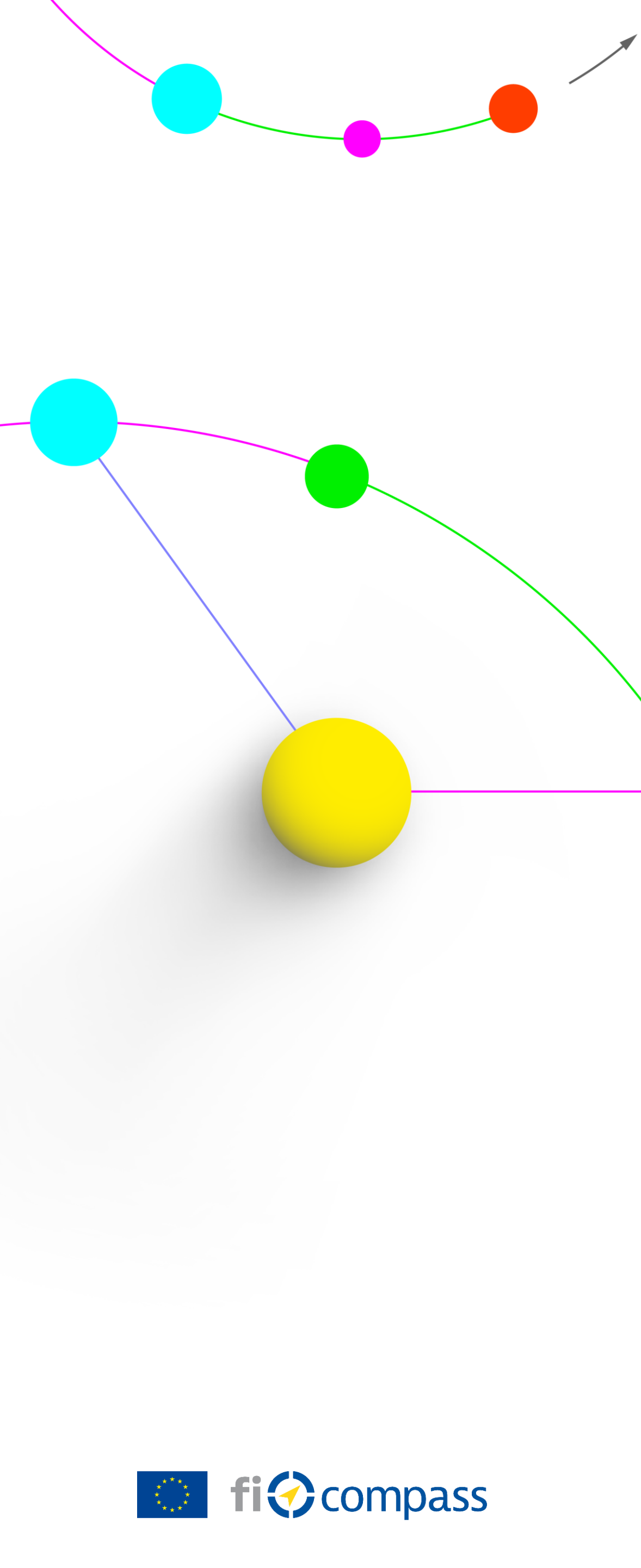
- commercialization of research and innovations
- application of low-carbon technology
- strengthened competitiveness



In a way that gives the companies the conditions for long-term growth through access to early and risk-averse capital as they can

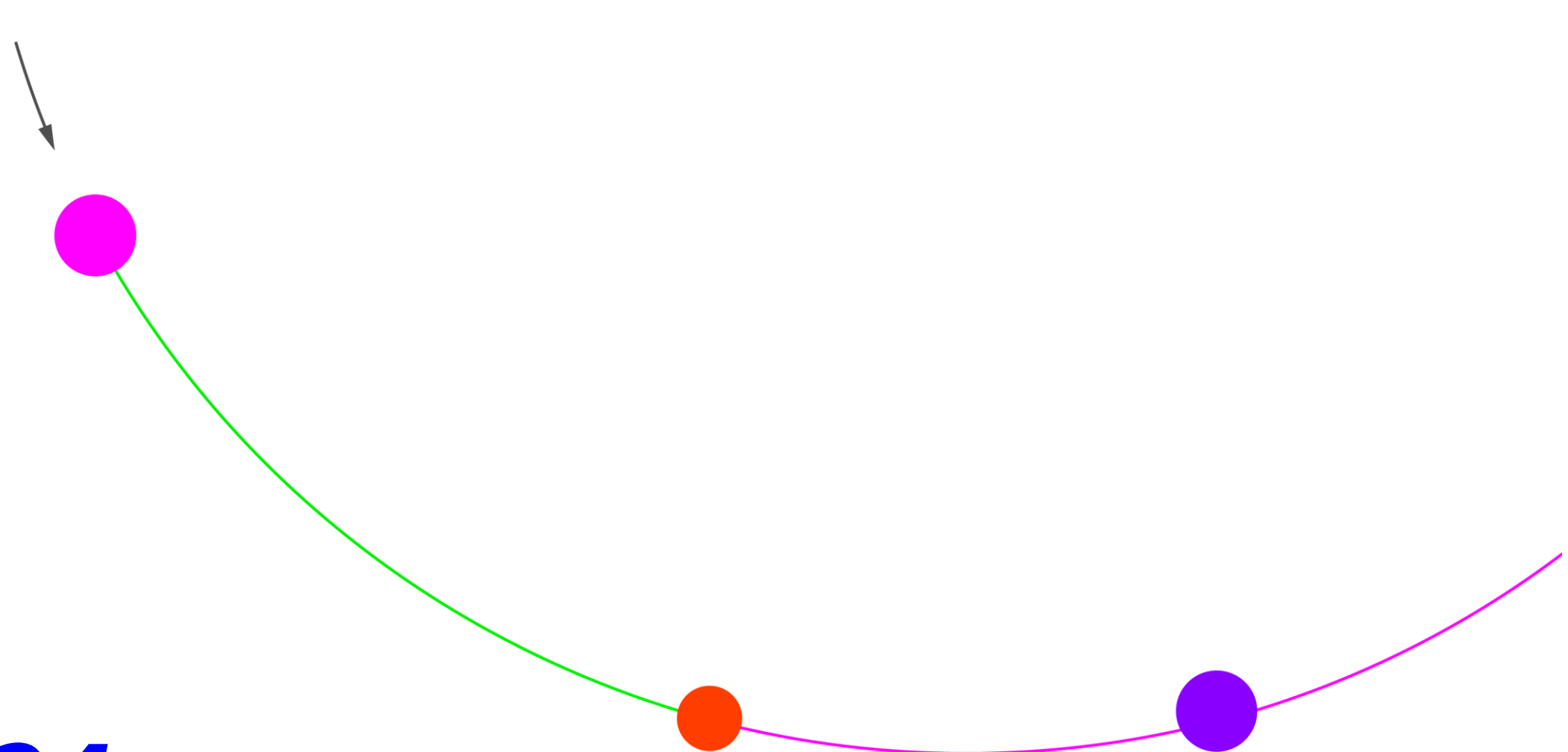
- build the business and
- strive towards their goals of profitability, customer satisfaction and endurance





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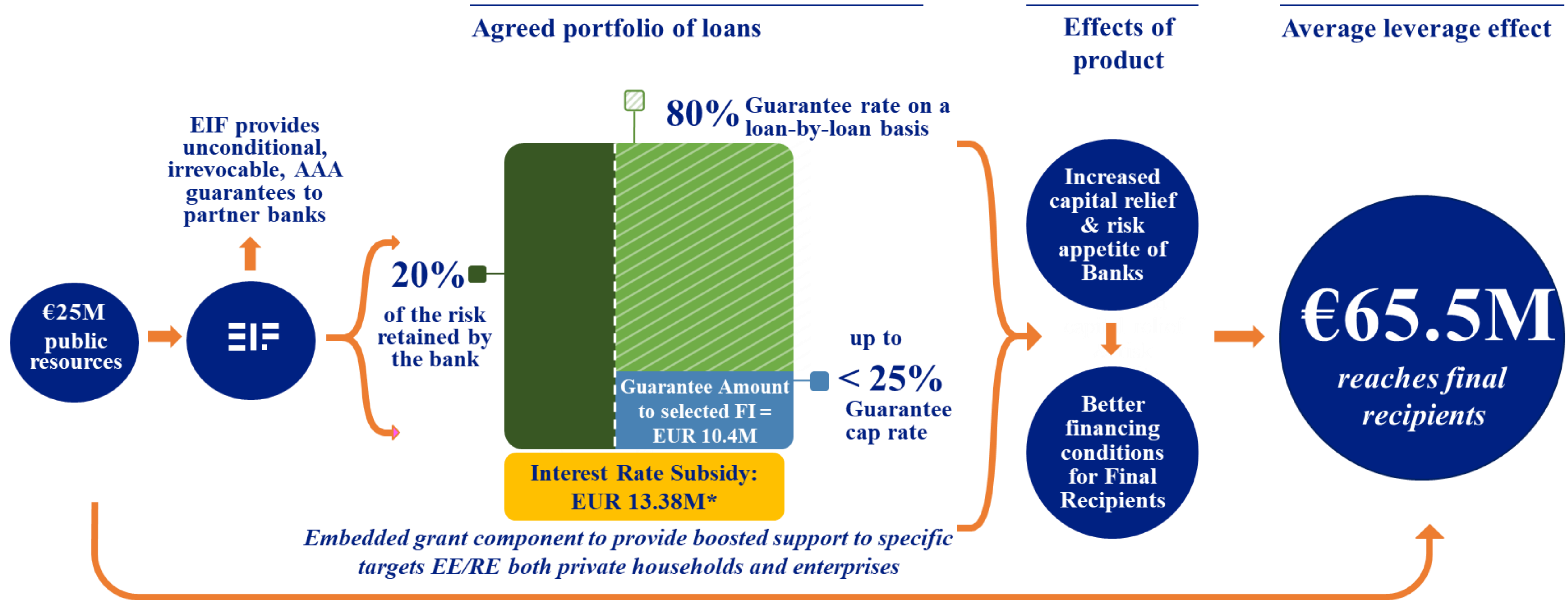


Energy Efficiency Renewable Energy (EERE) Financial Instrument

Ryan Decelis,
 Programme Manager (EU Funds),
 Planning & Priorities Coordination Division,
 Office of the Prime Minister, Malta



Combined financial instruments



* Up to 5.15% p.a. of Interest Rate Subsidy during 10 years

Eligible Measures

Energy Efficient Investments

- Energy Management Systems
- Insulation

Renewable Energy Investments

- Photovoltaic Systems
- Space Heating

Green Modes of Transport

- Electric Vehicles

Eligible Applicants

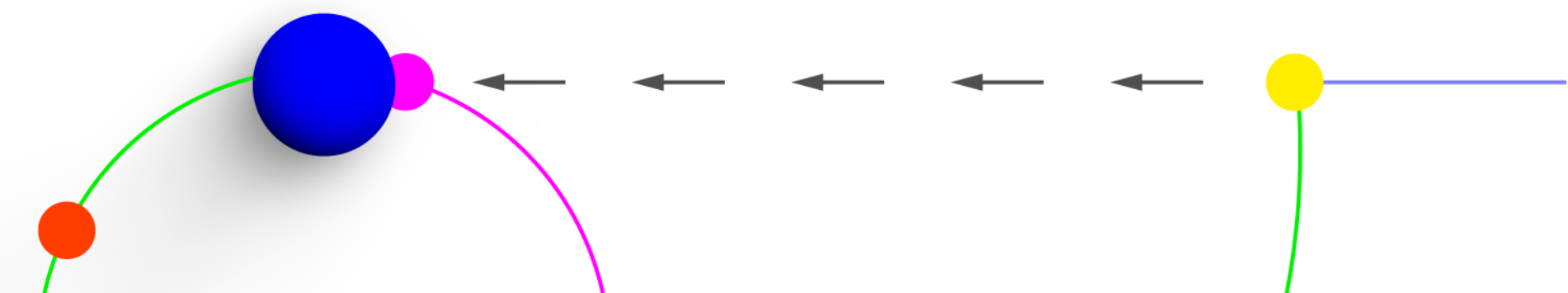
Private Individuals

SMEs

Mid-Cap Enterprises

Large Enterprises

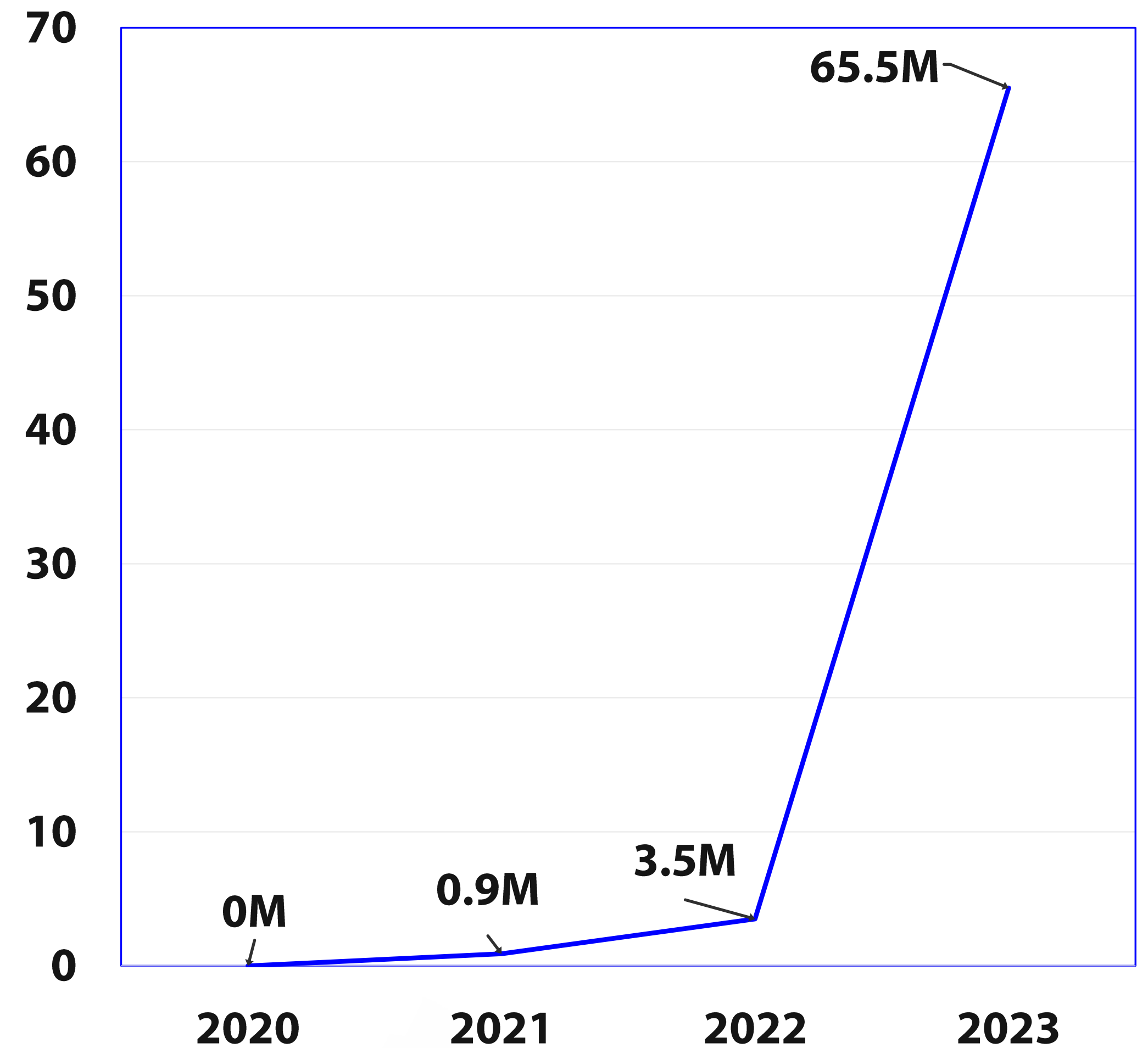
Public/Private Sector entities



Actions taken to address challenges faced by EERE FI

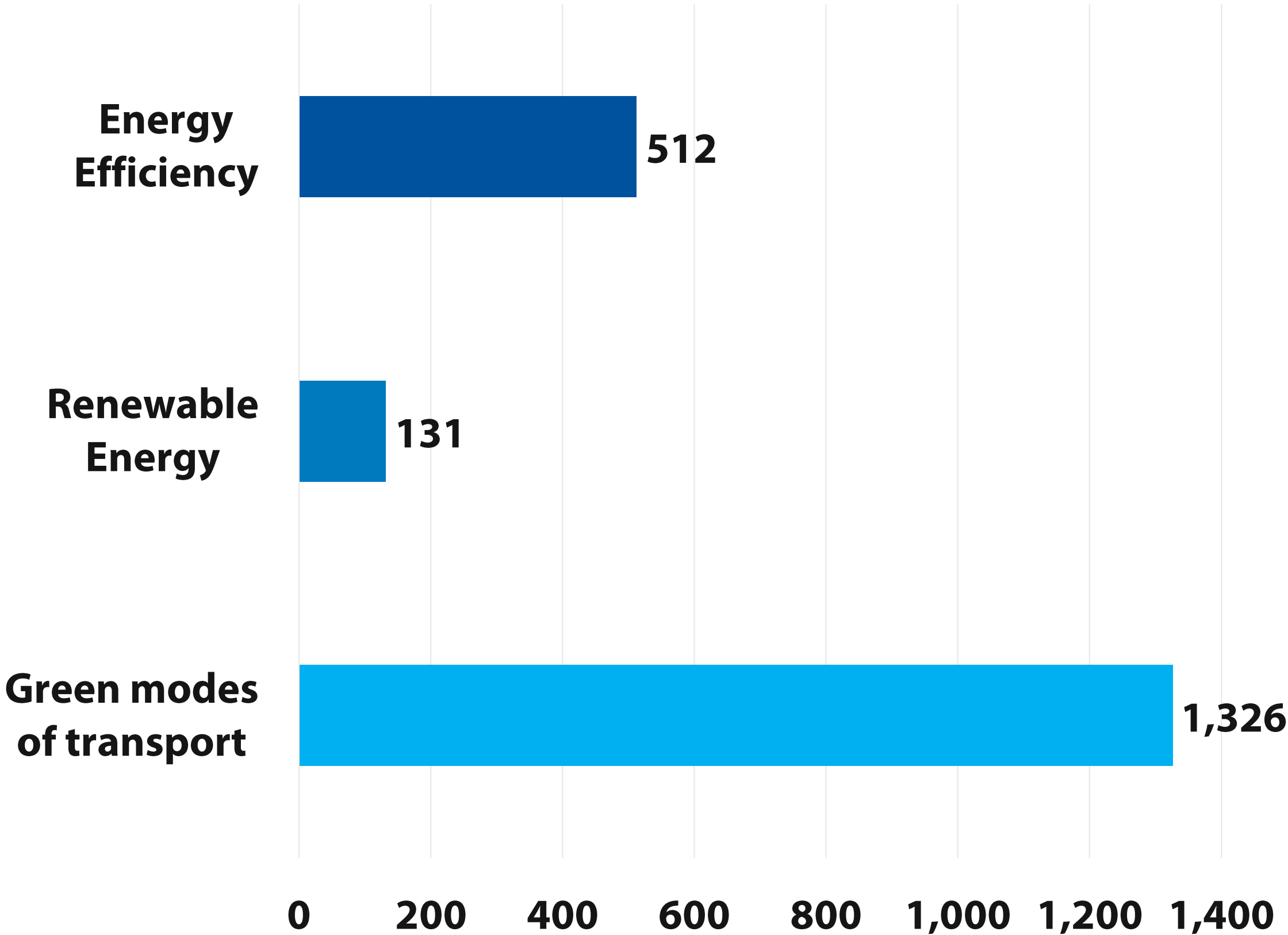
- Increase the Interest Rate Subsidy to provide 0% interest rate loan to Final Recipients
- Extension of eligibility criteria (*eligible measures and eligible applicants*)
- Marketing campaign organized by Advisory Service (*new logo, website, brochure, video testimonials, social media, press*)
- Marketing campaigns organised by APS and BoV
- Strong technical assistance provided by EIB
- Use of both de minimis and GBER regimes
- Awareness raising events
- Increase in Budget Allocation by EUR 10 million

Loan Amount Committed (EUR)

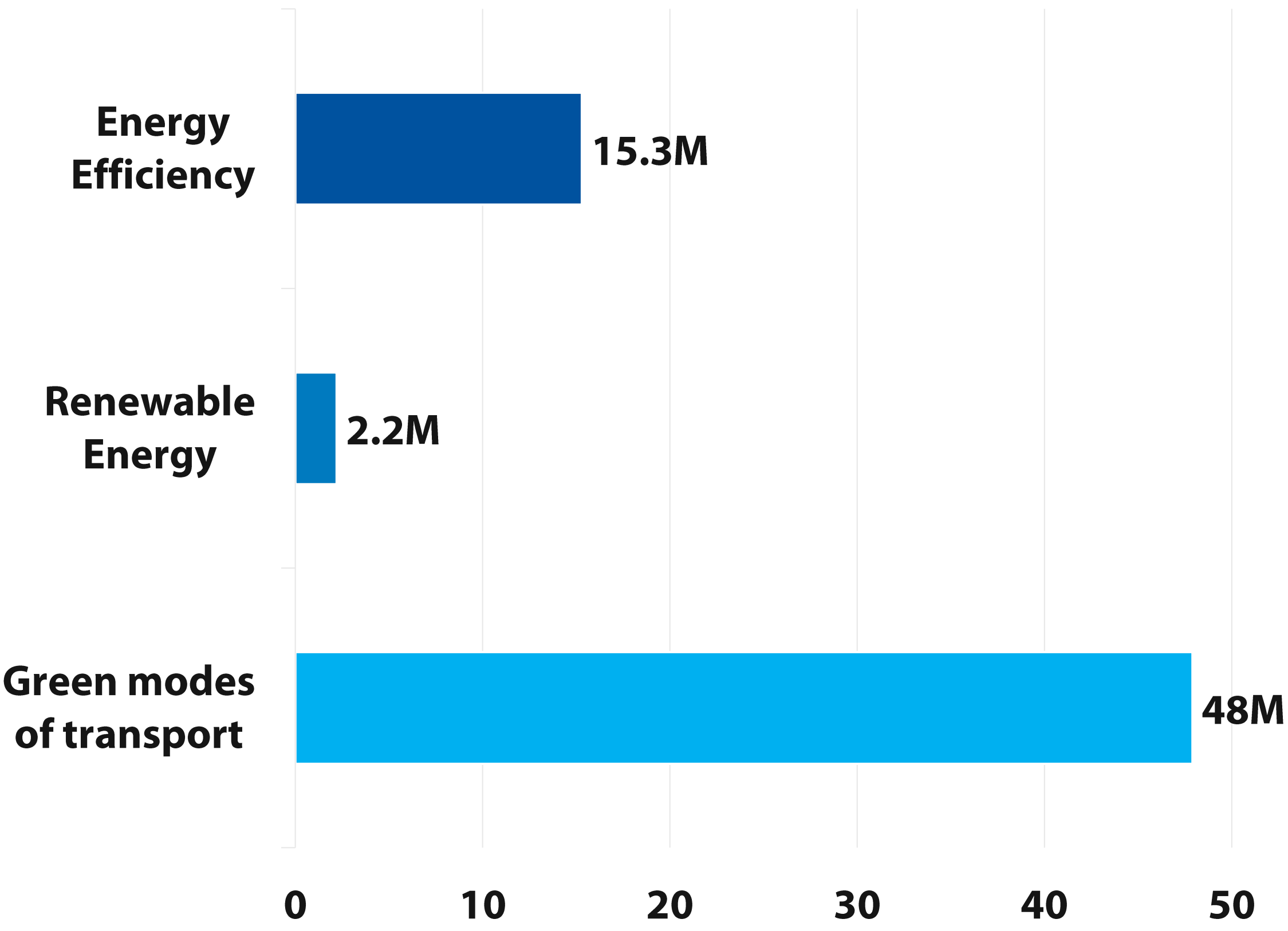


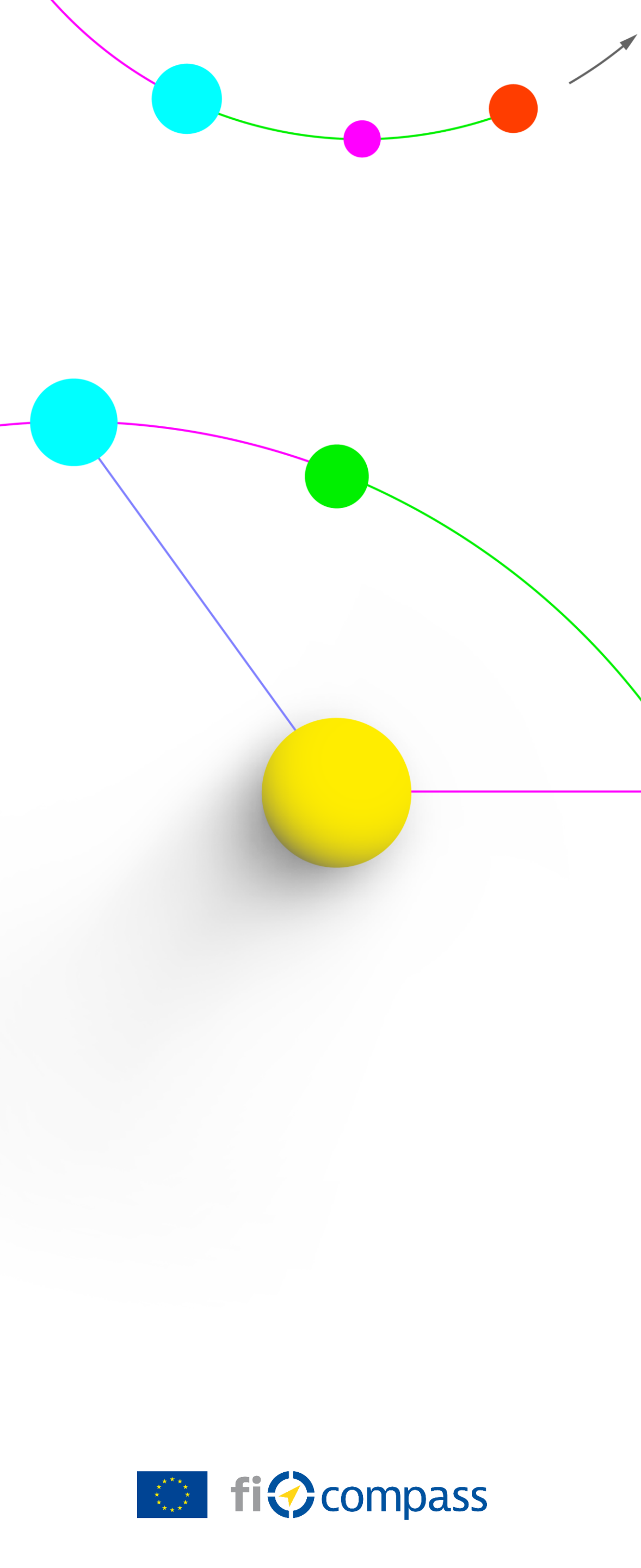
EERE FI - Loans awarded

Number of Loans



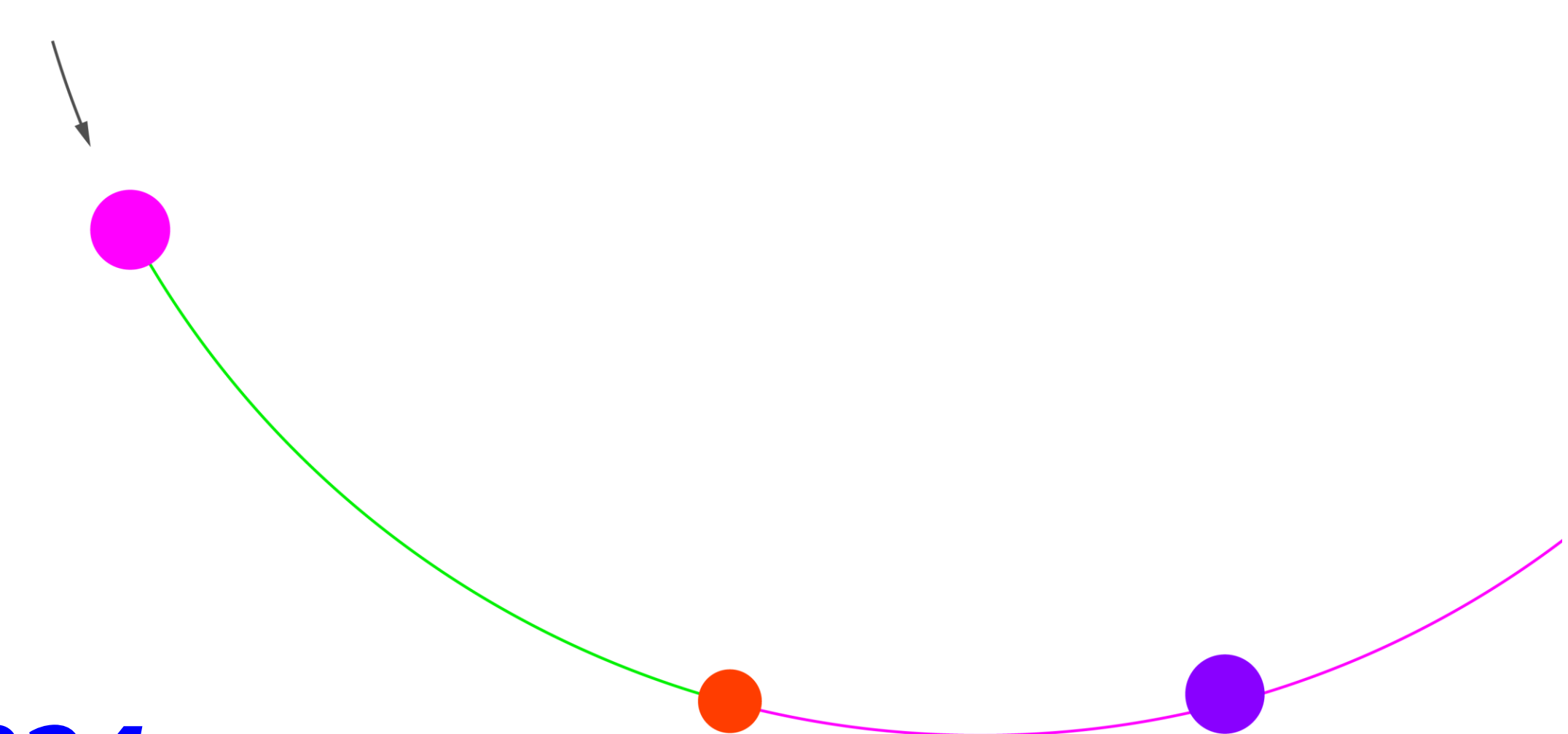
Loan Amounts Committed (EUR)





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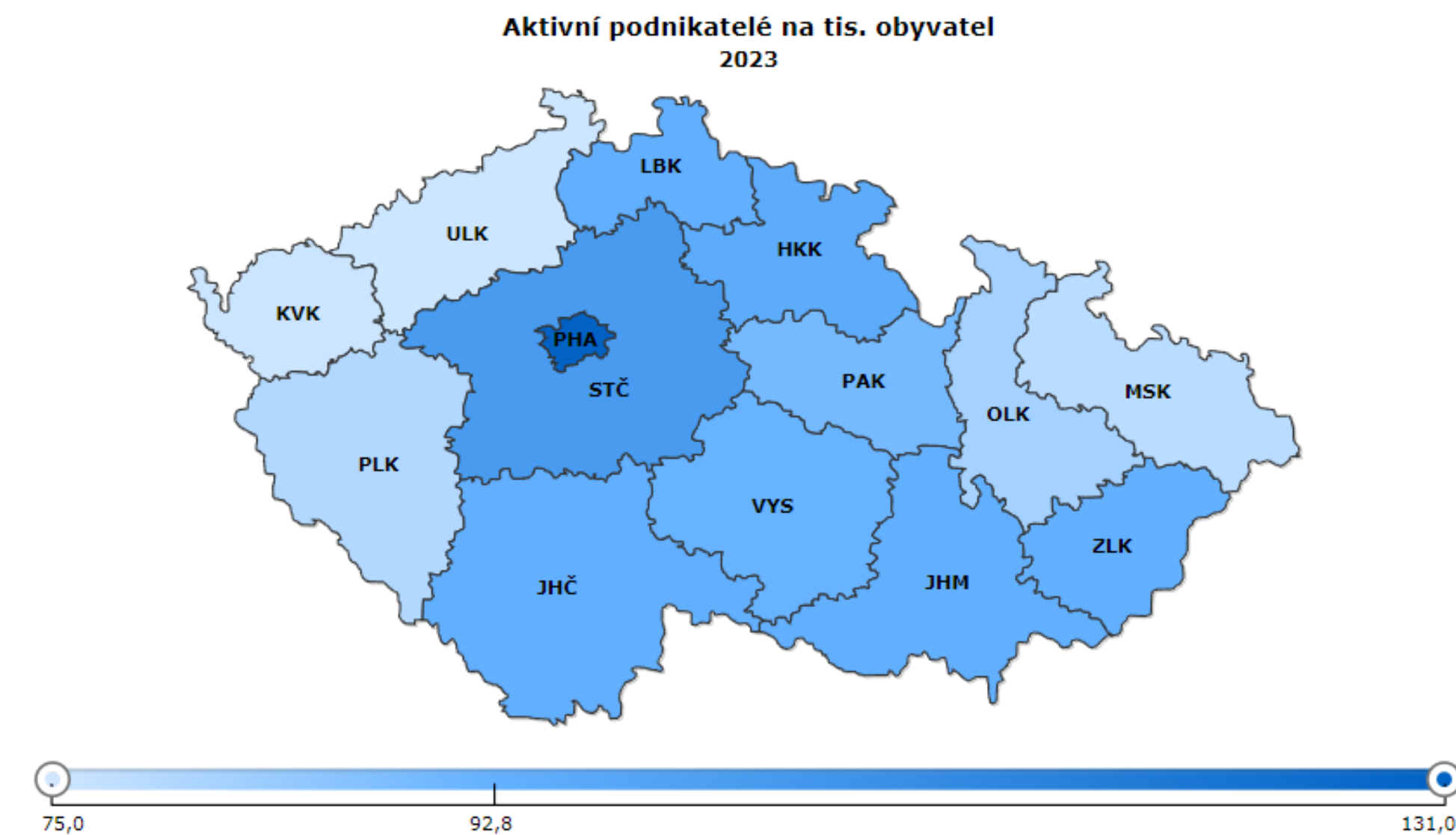
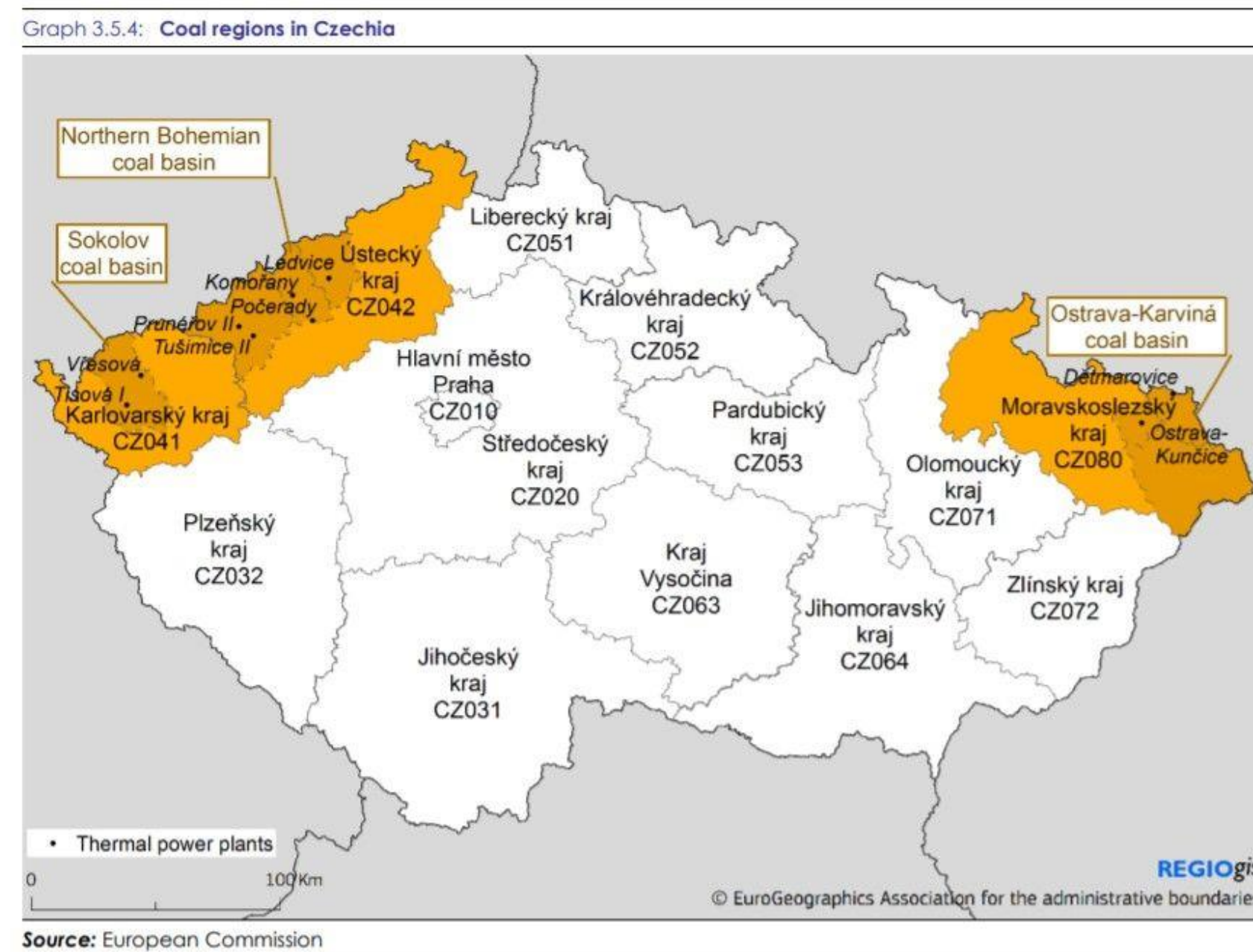


Transformation loan and Brownfield fund

Pavel Laube,
Member of the Management Board,
Národní rozvojová banka, Czechia

Just Transition Fund in Czechia

- Operational Programme Just Transition managed by the Ministry of Environment aims to mitigate the impacts of the transition process on the economy, the population and the environment, in particular to provide jobs for workers leaving the coal industry.
- Karlovy Vary, Moravian-Silesian and Ústí nad Labem regions will share CZK 41 bil (EUR 1,6 bil) – out of it CZK 2,8 bil. for financial instruments.



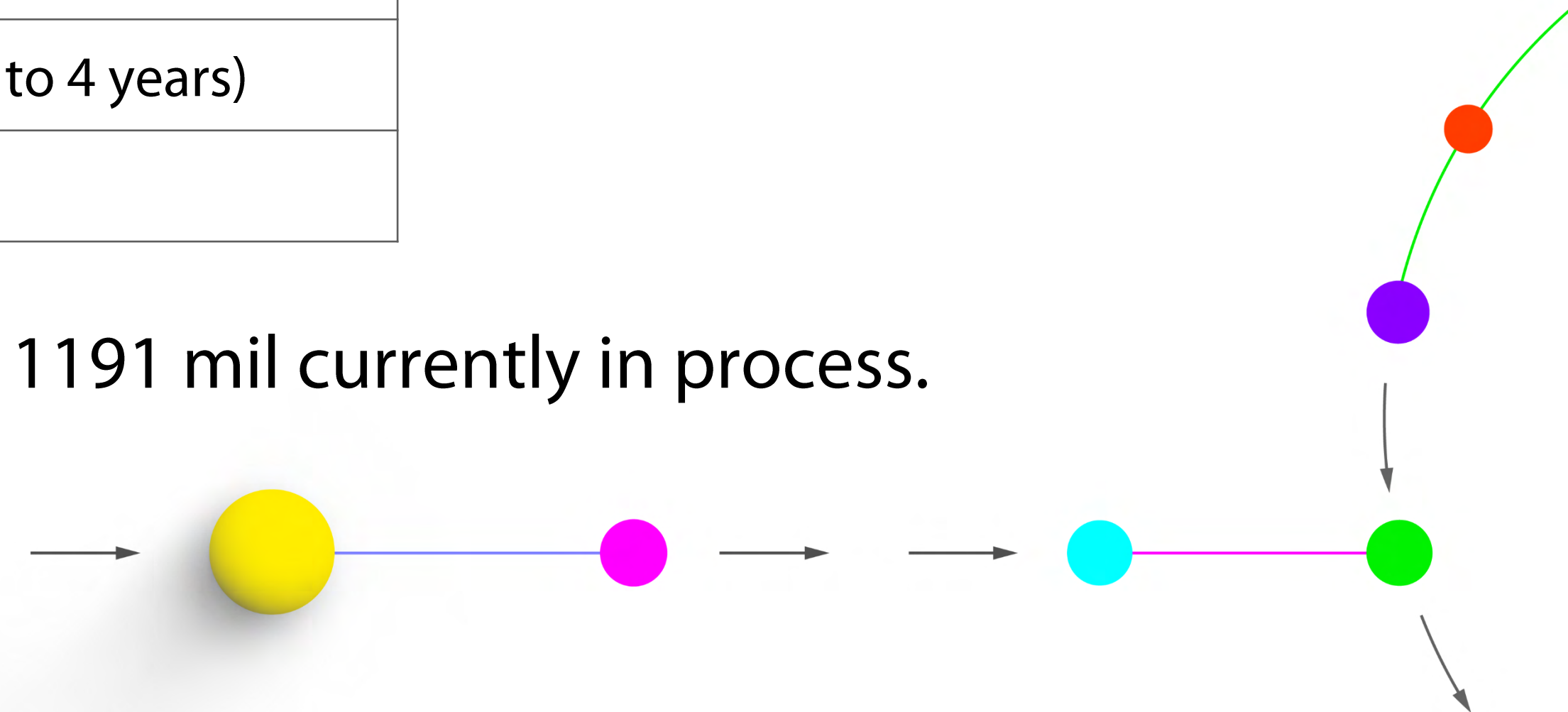
Transformation loan

- Interest-free loan directly provided by National Development Bank dedicated to support investments of SMEs active in JTF regions.
- Supported sectors: manufacturing and construction, retail and wholesale trade, transportation and storage, cultural, entertainment and recreational activities
- Funded activities: acquisition of machinery and equipment, technical upgrade of buildings, acquisition of technological procedures, programs, licenses and software (DNSH and energy efficiency conditions included)

- Parameters:

Allocation	CZK 1,8 bil
Loan amount	CZK 0,5-100 mil (up to 90% of eligible expenses)
Maturity	up to 10 years (grace period up to 4 years)
Interest rate	0%

- Results: 87 loans for CZK 514 mil signed, 64 loans for CZK 1191 mil currently in process.

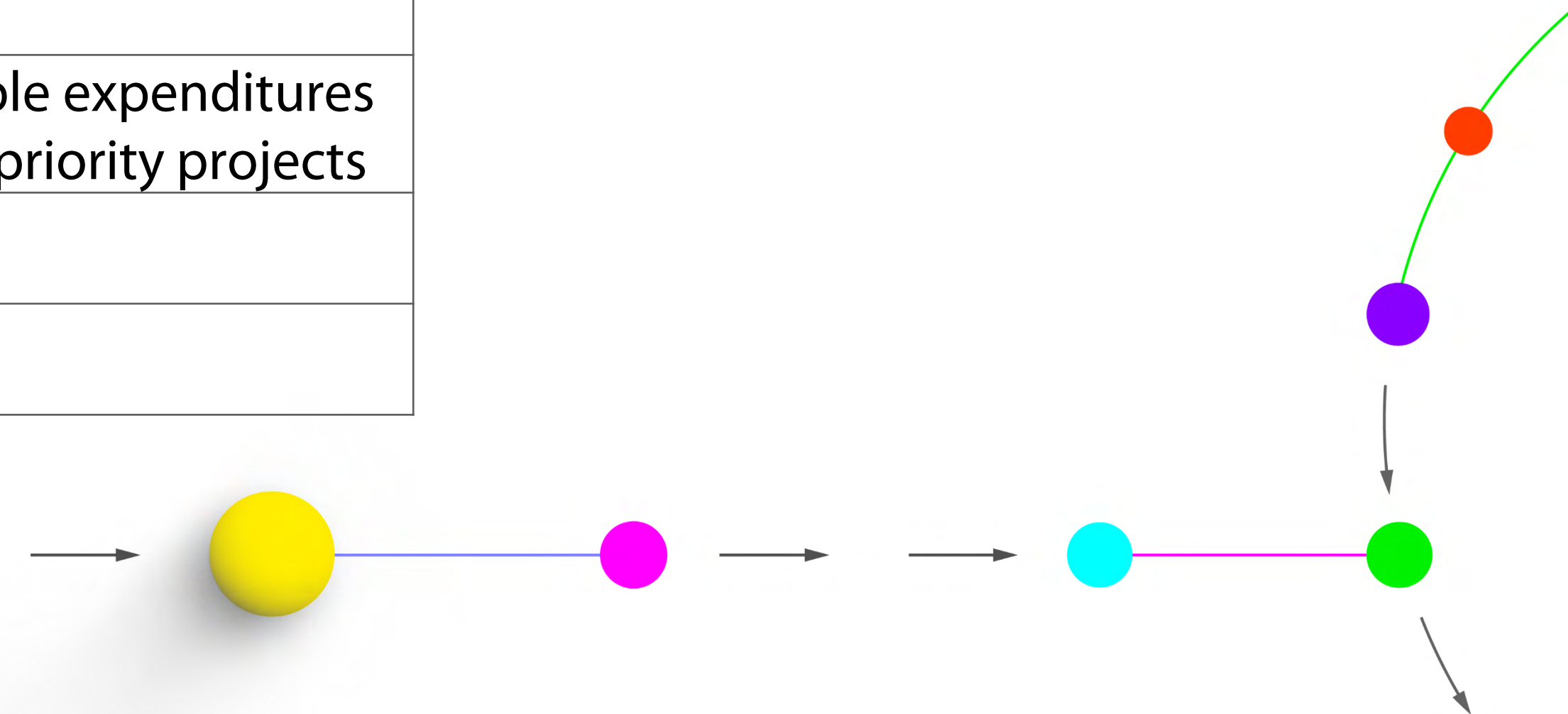


Brownfield fund

- Mezzanine financing for projects of brownfield regeneration in Moravian-Silesian region provided through financial intermediaries (selected by holding fund - National Development Investments)
- The project should be always co-financed by a commercial senior loan (subordination of mezzanine)
- Supported activities: strategic priority projects (regeneration of large coal mining brownfields) / local projects (smaller brownfields for development/reconstruction)
- Supported sectors: modern business infrastructure / housing

- Parameters:

Allocation	CZK 1 bil
Loan amount	Up to CZK 120 mil and 40% of eligible expenditures (local projects), possibly higher for priority projects
Maturity	5-10 years
Interest rate	0,5-2,5% p.a.

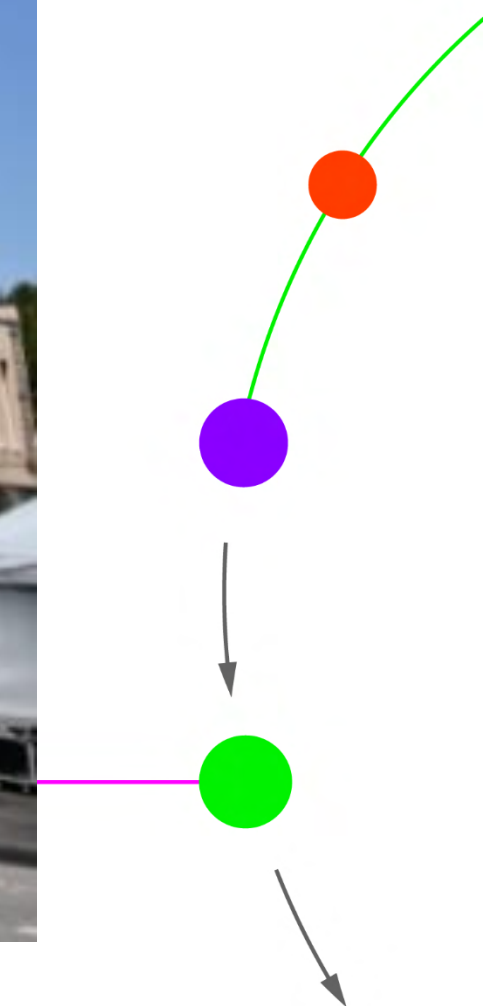


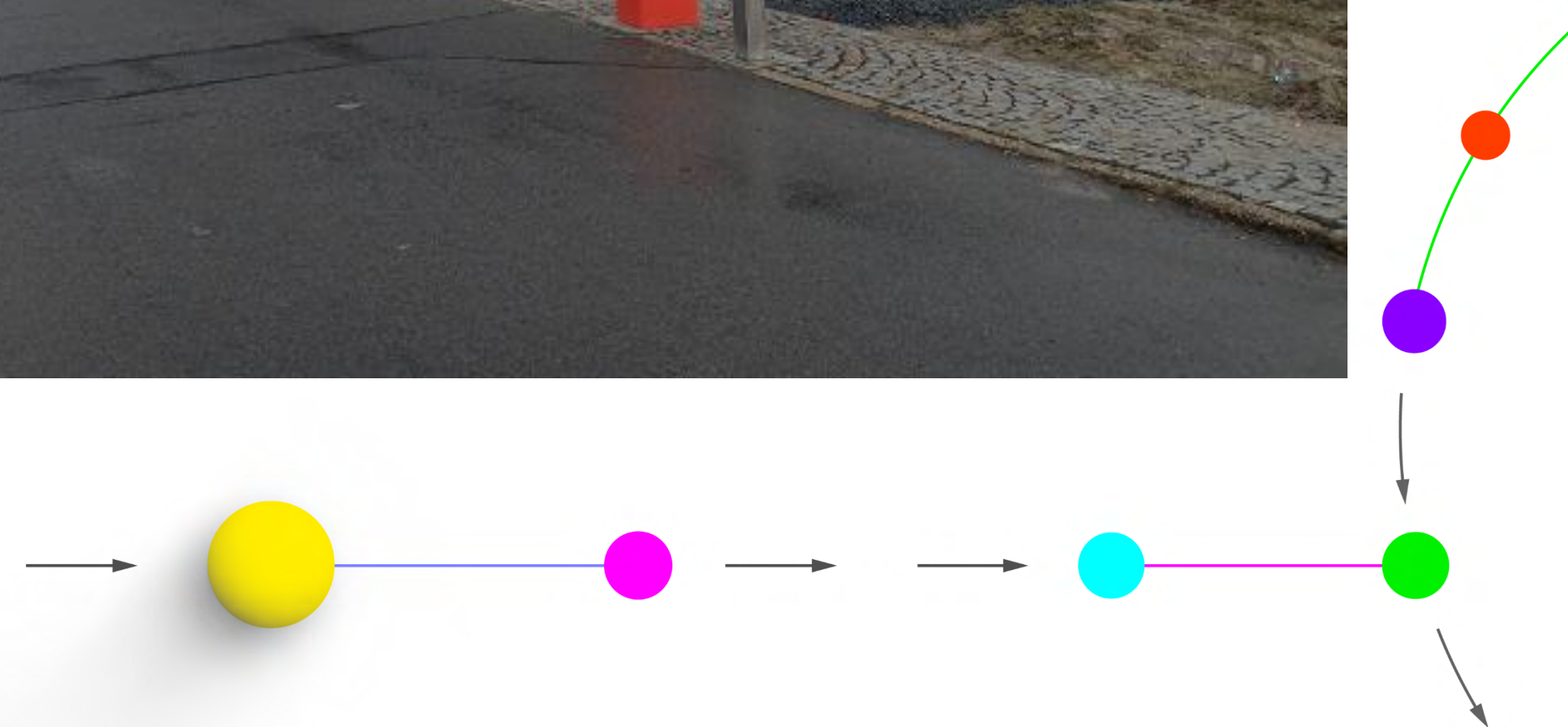
Projects (Transformation loan)

- New production technology (modern industrial mixer, melangeur and filler) for a family company engaged in the handmade production of chocolate and chocolate candies (CZK 664 000 loan).
- A private dental clinic in Litoměřice. The Acquisition of a high-precision CNC machine to increase the export capacity of a family engineering company (CZK 13,5 mil loan)
- Interior reconstruction and acquisition of medical devices and equipment to expand a dental clinic. (CZK 3,55 loan)



Projects (Brownfield fond)







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