EMPOWERING webinar
Financing solutions for SECAP
Support from the Covenant of Mayors

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The Covenant of Mayors for Climate & Energy

...brings together local and regional authorities voluntarily committed to implementing EU climate and energy objectives on their territory.
The Covenant of Mayors in key figures

7,200+ signatory cities,
Incl. 540+ signatories to the new Covenant of Mayors for Climate & Energy
ca. 360 regions, provinces, associations, local & regional energy agencies

35+ Associated Partners

5,600+ Action Plans developed
→ ... average CO₂-emission reduction of about 27% by 2020
Evolution of the initiative

Priority action in the EU Action Plan for Energy Efficiency

-20% CO₂ by 2020
Launch of the Covenant of Mayors

Launch of Mayors Adapt

Setting new commitments

-40% CO₂ by 2030


www.eumayors.eu
The Covenant of Mayors going global

2008
- Launch of the Covenant of Mayors (CoM)

2011
- CoM Office for Eastern Europe

2012
- CoM extends to South Mediterranean (CES-MED)

2014
- Mayors Adapt (sister initiative on adaptation)

2015
- New framework (merger w/ Mayors Adapt)

2016
- Going global!
  - CoM Office for Sub-Saharan Africa

2017
- Launch of the Global Covenant of Mayors for Climate & Energy

www.eumayors.eu
Multi-stakeholder involvement

**Awareness-raising**
- European Sustainable Energy Week - Energy Days

**Administrative, technical & promotional support**
- Covenant of Mayors Office

**Institutional support**
- European Commission
- European Parliament
- Committee of the Regions
- European Economic and Social Committee

**Financial support**
- European Structural and Investment Funds (ERDF...)
- European Funding Programmes (H2020, URBACT, LIFE, INTER-REG...)
- Project Development Assistance (ELENA, JASPERS...)
- Financial Institutions Instruments (EFSI, EEEF...)

**Implementation & networking support**
- Covenant Coordinators
- Covenant Supporters

**Scientific & methodological support**
- Joint Research Centre
- European Environment Agency
- Academic & Research Community

**Technological support**
- ICT for sustainable growth
- Smart Cities & Communities
- Associated Partners

Local authorities voluntarily committed to the Covenant of Mayors for Climate and Energy
The Covenant of Mayors going global

- European Union & EFTA
- Eastern Europe & South Caucasus
- Sub-Saharan Africa
- Latin America & the Caribbean
- North America
- Japan
- China & South-East Asia

Existing offices
Future offices
Supporting signatories

Covenant Capacity-Sharing Corner:

- **Discussion Forums** – Exchange With Your Peers
- **Resource Library** – Search, Add and Rate Resources

[www.eumayors.eu](http://www.eumayors.eu) > ‘My Covenant’
Supporting signatories

Capacity-building events:

- Webinars
- Workshops
- Finance working groups
- City-twinning programme
Supporting signatories

Helpdesk

- General helpdesk
- Country-specific helpdesks: Italy, Spain, Germany & Austria
CoMO offers on financing

- Capacity building & knowledge sharing
  - to increase understanding of public available financial resources
  - to improve local authorities access to public available financial resources

- to support wider implementation of innovative financial schemes & business models
CoMO offers on financing

• Financing *Coalition of the Willing*
  • to *connect* different EU wide *initiatives* around the topic financing sustainable local actions
  • to *bridge local* authorities *needs* with EU *funding* offerings
  • to *bridge local* authorities *needs* with *financial* institutions offerings
Interactive funding guide

http://www.covenantofmayors.eu/support/funding.html

Financing opportunities for Sustainable Energy & Climate Action Plans

Access to financing is key for transforming ambitious Sustainable Energy and Climate Action Plans into projects. The funding page supports the Covenant of Mayors community with clear and practical information on funding and financing opportunities.

The interactive funding guide gathers information on the funding initiatives managed by the European Union, the Member States and key financial institutions such as the European Investment Bank. Next to these, the guide includes information about support services and innovative financing schemes.

The useful links section collects the most relevant financing publications for the Covenant community including best cases examples and lessons learnt.

Interactive funding guide

Search  Support for  Support to  Country
What type of info?

- Support to: Signatories, Coordinators, Supporters, Academia
- Support for: SECAP development, Hiring of experts, SECAP implementation (soft measures), SECAP implementation (hard measures)
- Managing structure & coordination
- Funding info
- Type of funding Grant, Financial instrument, Technical assistance, Financial instruments: loan, guarantee, equity
- Co-funding
- Leverage factor
- Project size
- Inspiring examples
- Who can apply
- Useful links
What type of funding?

1. European Structural and Investment Funds
   - Funding channelled via operational programmes in the Member States

2. European Funding Programmes
   - Direct funding grants from the European Commission or its executive agencies

3. Project Development Assistance
   - Direct funding grants to public bodies for developing bankable projects

4. Financial Institutions Instruments
   - Financial products such as loans, guarantees, equity and other risk-bearing mechanisms

5. Alternative Financing Schemes
   - Financial channels and instruments that have emerged outside of the traditional finance system
What types of EU Funding exist?

EU Member States/regions through OPs
Over 76% of the EU budget is managed by national and regional authorities, ESF, ERDF, etc.

European Commission (DGs and Agencies)
Roughly 22% are centrally managed programmes = Horizon 2020, LIFE+, Creative Europe, etc.

Grants, Tenders, Financial instruments, …
European regional development fund (ERDF) – promotes balanced development in the different regions of the EU.

European social fund (ESF) - supports employment-related projects throughout Europe and invests in Europe’s human capital – its workers, its young people and all those seeking a job.

Cohesion fund (CF) – funds transport and environment projects in countries where the gross national income (GNI) per inhabitant is less than 90% of the EU average. In 2014-20, these are Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.

European agricultural fund for rural development (EAFRD) – focuses on resolving the particular challenges facing EU's rural areas.

European maritime and fisheries fund (EMFF) – helps fishermen to adopt sustainable fishing practices and coastal communities to diversify their economies, improving quality of life along European coasts.
The ERDF

supports economic growth, job creation and reduction of regional disparities.

key priority areas:
• Innovation and research;
• Information and communication technologies;
• Competitiveness of small and medium-sized enterprises (SMEs);
• The low-carbon economy.

Urban areas are directly targeted by several of the ERDF investment priorities. This means e.g. greater opportunity for sustainable urban mobility, regeneration of deprived communities and improved research and innovation capacity. In each EU Member State, a minimum 5 % of the ERDF is earmarked for integrated sustainable urban development; its on-the-ground deployment is decided and directed by urban authorities.

Focus areas depend on the operational programmes. In order to be financed by ERDF the project has to be in line with the operational programme for your region/area. Applications can be done to the national managing authority.

It is also possible to use the ERDF in the form of financial instruments. For more info see this fi-compass fact-sheet.

All European Structural and Investment Funds (ESI Funds) including RRDF can be used in integrated packages at local, regional or national level through the use of territorial integrated instruments such as Community-led Local Development (CLLD) and Integrated Territorial Investments (ITI).
- EUR 33.25 billion for 2014-2020
- It promotes projects which fill the missing links in Europe's energy, transport and digital backbone
- It contains the call on ‘urban nodes’ and ‘blending call’
• Focus on the call of the 12 “urban partnership of the EU”
• Only public authorities are eligible
• Projects can be up to 5 million and are not transnational
• Part of the ERDF budget
• It focus on Macro-regional Strategies
• Different priorities
• Joint approach to tackle common issues through exchange projects
• EUR 359 million from the ERDF
• Focus on integrated approach to territorial development
• partners must identify a common interest and then work together for 3-5 years.
• EUR 3.6 billion for 2014-2020
• It focuses on environment and climate mitigation and adaptation
• It contains calls on technical assistance
to provide relevant solutions and improvement for cities, their inhabitants and businesses.

- Vibrant urban economies
- Welfare & finance
- Urban environmental resilience
• EUR 74 from the ERDF
• Focus on sustainable urban development
• Only public authorities are eligible
• It includes the call ‘action planning network’
• EUR 77.2 billion for 2014-2020
• Promotes research and development
• One of the focus is ‘Societal challenge’
• It includes the ‘smart cities’ calls
Smart cities and communities
LC-SC3-SCC-1-2018-2019: Smart Cities and Communities
IA between EUR 15 and 20 million, of which between EUR 6 to 8 million per lighthouse city and between EUR 0.5 and 1 million per follower city.
Proposals should include 2 lighthouse cities and 5 follower cities. All lighthouse cities must have a validated SEAP or SECAP (or similar). Projects should have a duration of 48 to 60 months.

Energy efficiency
• LC-SC3-EE-2-2018: Integrated home renovation services. CSA between EUR 0.5 and 1.5 million. Opening: 25 Jan 2018. Deadline: 04 Sep 2018
• LC-SC3-EE-8-2018: Capacity building programmes to support implementation of energy audits. CSA between EUR 1 and 2 million. Opening: 25 Jan 2018. Deadline: 04 Sep 2018
Horizon 2020 Project Development Assistance (PDA) is a technical assistance facility. The PDA will support building technical, economic and legal expertise needed for project development and leading to the launch of concrete investments, which are the final aim and deliverable of the project.

Project proposals:


Proposals should focus on one or more of the following sectors:

- existing public and private buildings including social housing, with the aim to significantly decrease energy consumption in heating/cooling and electricity;
- energy efficiency of industry and service;
- energy efficiency in all modes of urban transport (such as highly efficient transport fleets, efficient freight logistics in urban areas, e-mobility and modal change and shift);
- energy efficiency in existing infrastructures such as street lighting, district heating/cooling and water/wastewater services.

This PDA facility focuses on small and medium-sized energy investments of at least EUR 7.5 million to EUR 50 million.
LC-CLA-04-2018: Resilience and sustainable reconstruction of historic areas to cope with climate change and hazard events
Special condition: Consortia must include at least 3 historic areas from different Member States.

CE-SC5-03-2018: Demonstrating systemic urban development for circular and regenerative cities
Special conditions: Up to 20 % of the total costs of construction and installation of “infrastructure-targeted” interventions will be eligible for Horizon 2020 funding. Consortia must comprise at least 4 cities from different Member States or Associated Countries.

SC5-11-2018: Digital solutions for water: linking the physical and digital world for water solutions

SC5-13-2018-2019: Strengthening international cooperation on sustainable urbanisation: nature-based solutions for restoration and rehabilitation of urban ecosystems

SC5-17-2018: Towards operational forecasting of earthquakes and early warning capacity for more resilient societies

SC5-19-2018: International network to promote cultural heritage innovation and diplomacy
Horizon 2020 – mobility

LC-MG-1-2-2018: Sustainable multi-modal inter-urban transport, regional mobility and spatial planning
RIA between EUR 5 and 8 million. Deadline 30 January 2018 (First Stage) - 19 September 2018 (Second Stage)

LC-MG-1-3-2018: Harnessing and understanding the impacts of changes in urban mobility on policy making by city-led innovation for sustainable urban mobility
RIA between EUR 2 and 4 million. Deadline 30 January 2018 (First Stage) - 19 September 2018 (Second Stage)

MG-2-1-2018: Human Factors in Transport Safety
RIA between EUR 4 and 8 million. Deadline 30 January 2018 (First Stage) - 19 September 2018 (Second Stage)

MG-3-3-2018: "Driver" behaviour and acceptance of connected, cooperative and automated transport
RIA between EUR 3 and 4 million. Deadline 30 January 2018 (First Stage) - 19 September 2018 (Second Stage)

MG-4-1-2018: New regulatory frameworks to enable effective deployment of emerging technologies and business/operating models for all transport modes
CSA between EUR 1 and 2 million. Deadline 04 April 2018.

LC-GV-01-2018: Integrated, brand-independent architectures, components and systems for next generation electrified vehicles optimised for the infrastructure
IA between EUR 3 and 5 million. Deadline 4 April 2018.
Horizon 2020 – food&biowaste

CE-SFS-25-2018: Integrated system innovation in valorising urban biowaste

SFS-38-2018: Highly efficient management of soil quality and land resources
RIA up to EUR 5 million. Opening: 31 Oct 2017. Deadline 13 Feb 2018 (First Stage) - 11 Sep 2018 (Second Stage)

BG-02-2018: Blue Bioeconomy Public-Public Partnership

RUR-01-2018-2019: Building modern rural policies on long-term visions and societal engagement

RUR-02-2018: Socio-economic impacts of digitisation of agriculture and rural areas
RIA up to EUR 5 million. Opening: 31 Oct 2017. Deadline: 13 Feb 2018 (First stage), 11 Sep 2018 (Second stage)

RUR-04-2018-2019: Analytical tools and models to support policies related to agriculture and food

RUR-09-2018: Realising the potential of regional and local bio-based economies
Thank you!
PROCUREMENT

- As a strategic tool in sustainability context

Fredric Norefjäll,

13 March 2018

Research Institutes of Sweden
Samhällsbyggnad
Energi & Cirkulär Ekonomi
The procurement process in context
Drivers behind the needs

Policy

Needs

Evaluation

Market

Management

Strategy

Procurement

Eco innovators

Internal Policy makers

- Market/national economy
- Goal related efficiency
- Environment impact
- Socially responsible
- Innovation system impact
A strategic tool…
…with market impact…
...demand capacity building.

Initiation and Spear head

Early adaption and procurement of higher performance products

Procurement raising volume of high performance green products

National GPP policy including targets on GPP procurement. Organisaton, knowledge and structures to enforce GPP policy. Understanding and culture of GPP.
Transformative innovation

Degree of social change

Break patterns

"Business as usual"

Gradual

Radical

Technological development

Transformative solutions
Needs assessment

• Identification of societal challenges, public authority mission-related problem or unmet need, performance gap that concern local public service delivery and impact negatively on the quality, sustainability and/or cost of public services offered

• Cross-organizational coordination to bundle the public demand to influence the structure of the supply side (market power) and create incentives for firm to innovate additionally

• Use a methodology to rank-order the perceived needs, evaluated in terms of size, scale and cost of the problem and the potential absorptive capacity of market for diffusion (no uniqueness or tailored features).
Are there conditions for a successful procurement?

1. Procurer & EU ambitions aligned
2. EU ambitions and market aligned
3. Procurers needs & Market aligned
4. Possible procurement impact
Prioritize aspects of needs

On what level in the waste hierarchy is the need? What change could the solutions create? What size and impact is probable?

How will the solutions to the need reduce eco impact? Will it reduce environmental footprint? Other environmental improvements?

Is it possible to procure a solution to the need? Is procurement only a part of the changes needed for the solution?

How big is the efficiency gains or savings if the need is met? What is the impact on more efficient waste handling?

Is there leverage from buyers groups potentially interested in meeting the needs? Is this interesting for a larger group of buyers?

Is there interest and the right conditions for collaborative initiative? Within the project? In real world?

Leverage from buyers groups

Scale up & crossborder potential

Efficiency gains

Eco-impact

Procurability
ICLEI procurement forum

https://procurement-forum.eu/

http://www.sustainable-procurement.org/
From product improvement to transformative system innovation

SCOPE OF CHANGE

System level (socio-economic transition)

Sub-systems (value chains, sectors etc)

Components of the systems (products, services, technologies)

SYSTEM ADAPTATION

Eco-label and eco-vouchers
Product sharing
Value chain optimisation
Material efficient manufacturing
Process improvement (e.g. EMAS)
Product improvement

INCREMENTAL INNOVATION

Transformative System Innovation

Sustainable city
Industrial symbiosis
Extended producer’s responsibility
Functional sales
New products (goods and services)
Sustainable mobility

RADICAL CHANGE

DEGREE OF CHANGE

Source: Miedziński (forthcoming)
What?

Webb Conference

Public transport

Carpooling /sharing

Cars

A1 → A2

B

C

D
# Interviews (work in progress)

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- **High friction**
- **Medium friction**
- **Low friction**
- **Not assigned**
How?

Eco innovators

Needs
Evaluation
Procurer
Management
Procurement

Market
Strategy

Policy makers
Decision makers
(UDMs Ultimate Decision makers)

Economical buyers
Recommenders
Influencers
TACK!

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