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Subject: The shift towards a low-carbon economy: the contribution of Cohesion Policy and more generally of the European Structural and Investment Funds

- Council conclusions (18 November 2015)

Delegations will find in the annex the Council conclusions on the shift towards a low-carbon economy: the contribution of Cohesion Policy and more generally of the European Structural and Investment Funds, adopted by the Council at its 3427th meeting held on 18 November 2015.

**Council Conclusions on
the shift towards a low-carbon economy: the contribution of Cohesion Policy and more
generally of the European Structural and Investment Funds**

THE COUNCIL OF THE EUROPEAN UNION:

- (1) RECALLING the Council conclusions on the Sixth report on economic, social and territorial cohesion: investment for jobs and growth¹;
- (2) RECALLING the Council Conclusions on the implementation challenges of the cohesion policy 2014-2020 of 23 June 2015²;
- (3) RECALLING the Council conclusions on the preparations for the 21st session of the Conference of the Parties (COP 21) to the United Nations Framework Convention on Climate Change (UNFCCC) and the 11th session of the Meeting of the Parties to the Kyoto Protocol (CMP 11) (Paris, 30 November - 11 December 2015) of 18 September 2015, which underline the critical importance of the 2015 Paris Conference as a historic milestone for enhancing global collective action and accelerating the global transformation to a low-carbon and climate-resilient society and elaborate on the main elements of the EU position in view of the Paris Conference³;
- (4) UNDERLINING the need to pursue transformative pathways towards a long-term vision of global and sustainable climate neutrality and climate resilience in the second half of this century;

¹ Doc. 15802/14, 19 November 2014.

² Doc. 9622/1/15, 23 June 2015.

³ Doc. 11926/15.

- (5) UNDERLINING, in reference to its conclusion of the COP 21 preparations, that Cohesion Policy, and more generally, the European Structural and Investment Funds (ESIF)⁴, contribute strongly to the fulfilment of the EU targets with respect to combatting climate change and supporting the shift towards a low-carbon economy by its targeted investment at national, regional and local level;
- (6) RECALLING the Council conclusions on climate finance of 10 November 2015⁵;
- (7) TAKING NOTE of the Communication from the Commission to the European Parliament and the Council on the Paris Protocol – A blueprint for tackling global climate change beyond 2020⁶;
- (8) TAKING NOTE of the Commission's Non-paper providing information on the ESIF 2014-2020 support for the shift towards a low-carbon economy⁷;
- (9) RECOGNISING that cohesion policy is the main investment policy at EU level for pursuing economic, social and territorial cohesion and one of the main investment policies to achieve the objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth;

⁴ European Regional Development Fund (ERDF); European Social Fund (ESF); Cohesion Fund (CF); European Agricultural Fund for Rural Development (EAFRD); European Maritime and Fisheries Fund (EMFF). Cohesion policy includes ERDF, ESF and CF.

⁵ Doc. 13478/15.

⁶ COM(2015) 81 final, 25.2.2015.

⁷ Commission Non paper on European Structural and Investment Funds 2014-2020: Supporting the shift towards a low-carbon economy. All data provided by the Commission and used for this set of Council Conclusions are based on adopted or draft operational programmes as of October 2015.

- (10) **HIGHLIGHTS** that in the context of growing awareness of the consequences of climate change and the needed transformation towards low-carbon and climate-resilient sustainable economies, the EU has committed itself to reducing domestic greenhouse gas emissions by at least 40% by 2030 compared to 1990 as well as increasing energy efficiency and the share of renewable energy by at least 27% by 2030⁸ and confirmed its objective, in the context of necessary reductions according to the IPCC by developed countries as a group, to reduce emissions by 80-95% by 2050 compared to 1990⁹;
- (11) **RECALLS** the fact that the EU's far-reaching climate and energy policy is now matched with further increased and targeted ESIF investment support to accelerate Europe's shift towards a low-carbon economy. In the same spirit, **RECALLS** that the ESIF framework, with its reinforced focus on results, also introduces a legal requirement for the horizontal integration of the sustainable development principle in the preparation and implementation of all ESIF programmes and that mainstreaming of climate change aspects is becoming one of the significant instruments available in driving investment;
- (12) **WELCOMES** the fact that the ambitious political objective that climate change-related action would represent at least 20% of the EU budget for the 2014-2020 period is strongly supported by the ESIF for which the overall climate-related expenditure at EU level, estimated on the basis of the latest information from the Commission, will be 25%. **HIGHLIGHTS** furthermore that the methodology for determining the ESIF support for climate change objectives, has allowed streamlining the process of data collection whilst avoiding additional administrative burden;

⁸ EUCO 169/14

⁹ EUCO 2/1/11REV 1.

- (13) **HIGHLIGHTS** therefore that the ESIF for the 2014-2020 period provide substantial funding of EUR 45 billion for supporting the shift towards a low-carbon economy (Thematic Objective 4), and more broadly, as estimated on the basis of the latest preliminary information from the Commission, of more than EUR 110 billion for climate-related measures in the EU (for mitigation and adaptation) across all thematic objectives, and that this spending is also complemented by significant national public and/or private co-financing and **UNDERLINES** that ESIF represent the largest allocation of the EU budget for 2014-2020 to support low-carbon investments;
- (14) **STRESSES** that the rules governing the European Regional Development Fund (ERDF) for 2014-2020 require a mandatory minimum spending to support the shift towards a low-carbon economy in all sectors;
- (15) **WELCOMES** the fact that Member States committed far beyond the legally required minimum, confirming the importance they attach to investments in this area, with an amount of around EUR 40 billion allocated to this objective from the ERDF and the Cohesion Fund (CF), as estimated on the basis of the latest information from the Commission, and **HIGHLIGHTS** that this corresponds to a more than doubling of funding in the low-carbon economy across the EU, compared to similar allocations in the 2007-2013 period. **RECOGNISES** nevertheless the difficulties found in certain regions, such as the outermost regions and islands, to identify investments in this area;
- (16) **RECOGNISES** the benefits of using financial instruments, where appropriate in combination with grants, under Thematic Objective 4 in order to increase the leverage and impact of the ESIF and **HIGHLIGHTS** the opportunities offered for Member States by the improved legal framework for the period 2014-2020 and the Investment Plan for Europe;

- (17) EMPHASISES that the ESIF contribution goes beyond funding opportunities by offering a policy framework for integrated territorial and urban development and a number of enabling conditions, such as capacity-building, technical assistance, cross-border cooperation, and support for rural, insular and coastal communities. RECALLS therefore that ESIF, and cohesion policy in particular, thanks to this territorial approach and delivery mechanisms, help regions and Member States to achieve the low-carbon emission goals in accordance with and building on their internal potentials;
- (18) UNDERLINES therefore that, in addition to allocations dedicated to investments under the Thematic Objective 4, the ESIF also contribute – directly and indirectly – to supporting the shift towards a low-carbon economy and sustainable growth of EU economies through other thematic objectives in a wide range of areas (e.g. research and innovation, ICT, SMEs, environment, creation and support of green jobs, and acquiring the respective skills for these jobs, sustainable transport and smart energy infrastructure) and through integrated urban development, thus increasing the leverage of the policy in progressing towards climate objectives;
- (19) EMPHASISES that the new elements of the ESIF implementation system strengthening their results orientation should allow a better monitoring of the results of the projects under the Thematic Objective 4 and facilitate the implementation process by creating the necessary prerequisites for the effective and efficient use of the EU funding;
- (20) EMPHASISES the Member States' strong commitment to strive for an effective and rapid implementation of their action plans related to the ex-ante conditionalities in the area of low-carbon economy, along the lines defined in the Common Provision Regulation¹⁰. STRESSES the need for the Commission to work closely together with Member States in the process of monitoring these related ex-ante conditionalities and their fulfilment progress;

¹⁰ Regulation (EU) No. 1303/13 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320).

- (21) **UNDERLINES** that development and implementation of high quality low-carbon projects is crucial for success and **STRESSES** that continuous involvement from local, regional and national authorities and stakeholders is important as regards the ESIF and also other EU and national programmes and schemes;
- (22) **UNDERLINES** the importance of Member States ensuring a continuous coordination between all ESIF and seeking to exploit the possibilities for complementarities and synergies with other EU and national programmes and schemes contributing to low-carbon investments. **CALLS** on Member States to make full use of the implementation support offered by the Commission. **CALLS** on the Commission to continue supporting and providing guidance for Member States in maximising these potential synergies and complementarities;
- (23) **LOOKS FORWARD** to examine the results of the 21st session of the Conference of the Parties (COP 21) to the United Nations Framework Convention on Climate Change (UNFCCC) in the context of the ESIF implementation in the field of transition towards a low-carbon economy.
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