



PROJECT: EU4 Energy Transition: Covenant of Mayors in Western Balkans and Türkiye

**MLGP4Climate Türkiye Working Group 1 Meeting** 

## FINANCIAL MODELS, PROGRAMS, FUNDS FOR SECAP IMPLEMENTATION



Collaborate for Sustainable Future

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## EU4 Energy Transition Covenant of Mayors in the Western Balkans and Türkiye

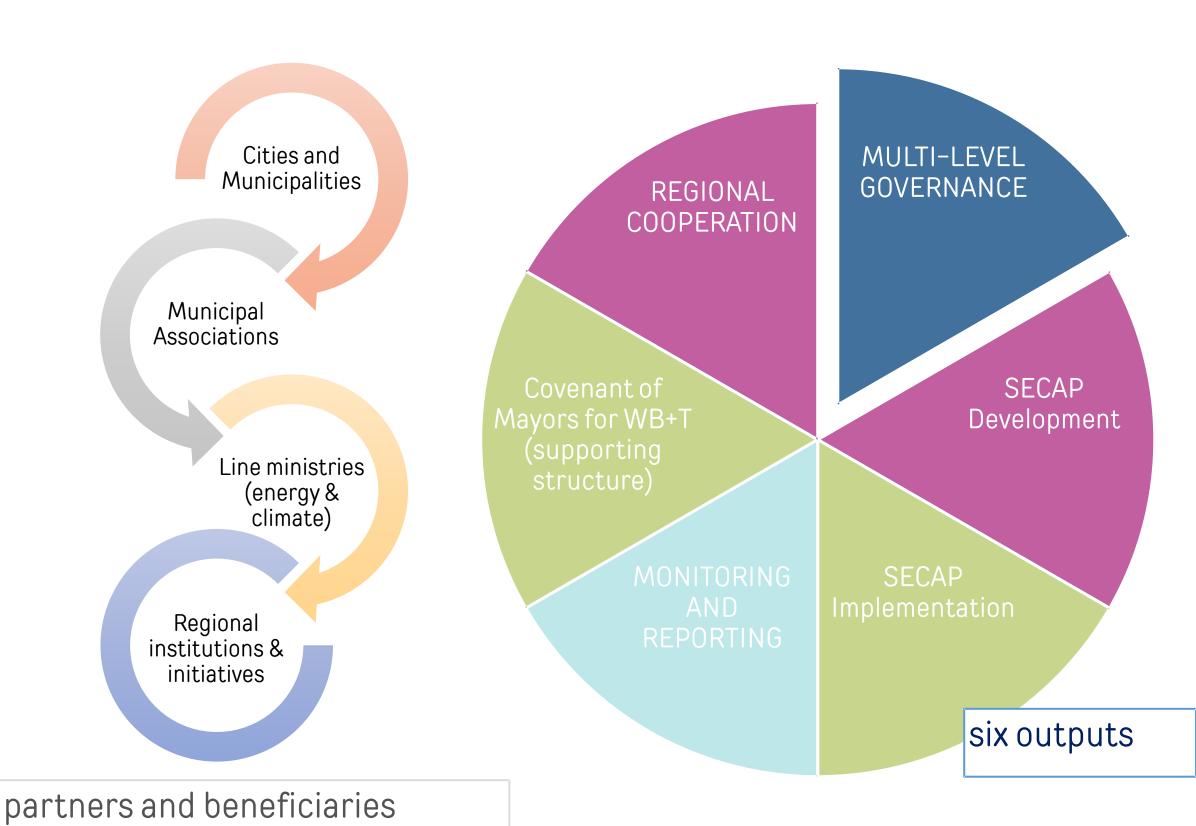
This Multi Donor Action is jointly co-financed by the European Union and the German Federal Ministry for Economic Cooperation and Development and implemented by GIZ in the Western Balkans and CPMA (Lithuanian Central Project Management Agency) in Türkiye.

#### **OVERALL OBJECTIVE**

To tackle climate change and deliver on the energy transition in the Western Balkans and Türkiye.

#### SPECIFIC OBJECTIVE

To support the Covenant o Mayors cities of the Western Balkans and Türkiye in delivering on their pledges under the 2030 energy and climate targets.





# The Covenant of Mayors is the world's largest movement for local climate and energy actions



The 3 pillars of signatories' commitments

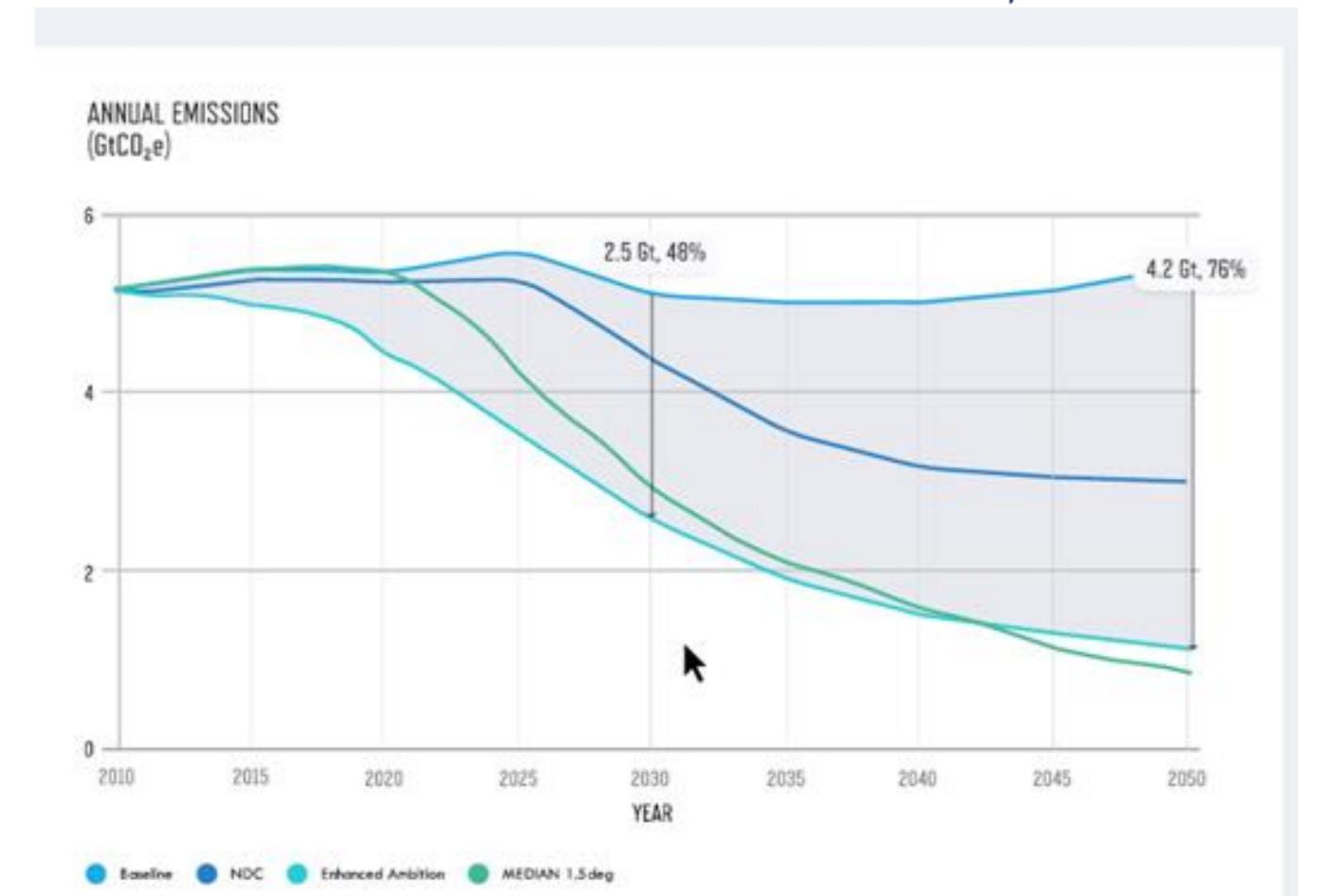
- Reducing GHG emissions by 40% (55%) by 2030
- Strengthening resilience
- Alleviating energy poverty





### GCOM SIGNATORY EMISSIONS SCENARIOS, 2010-2050



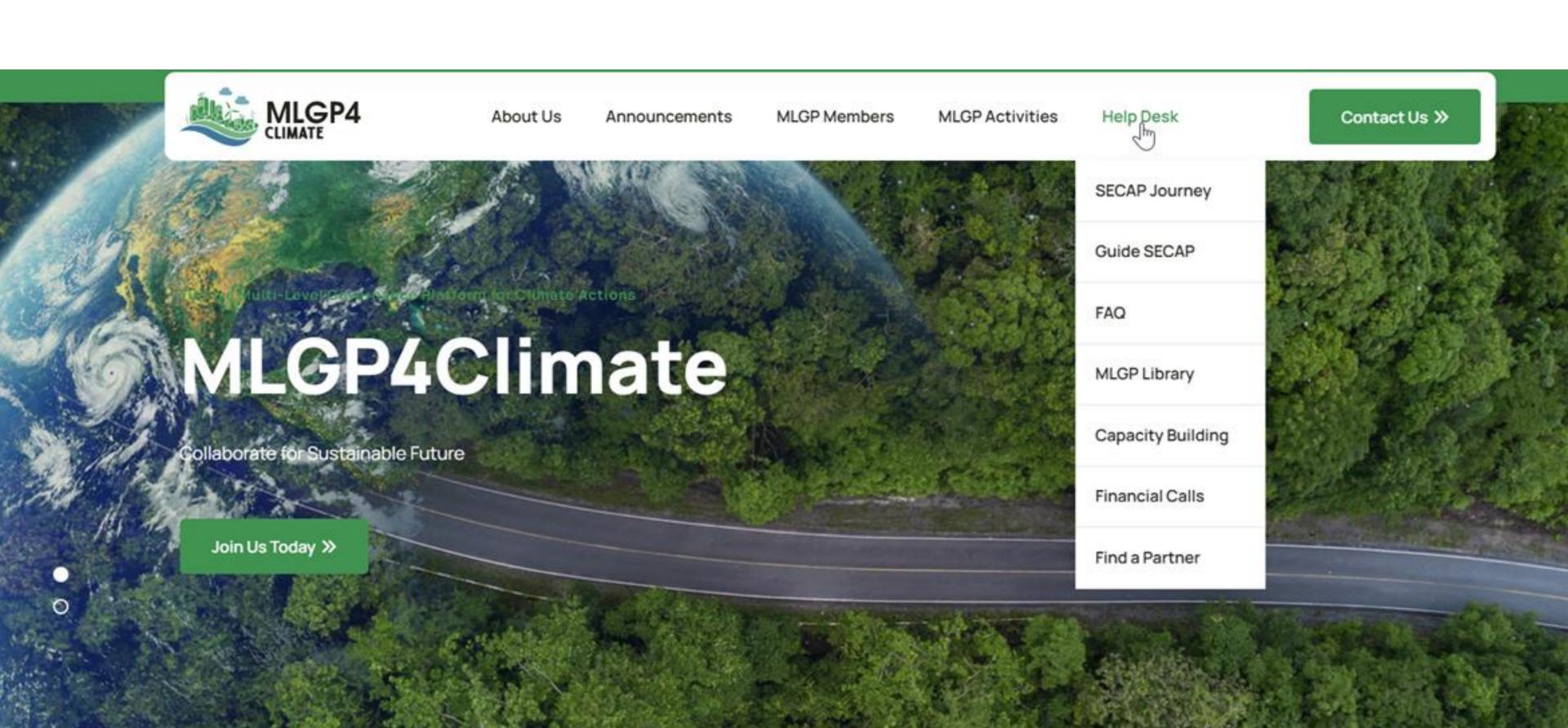






### **CoM Türkiye development**



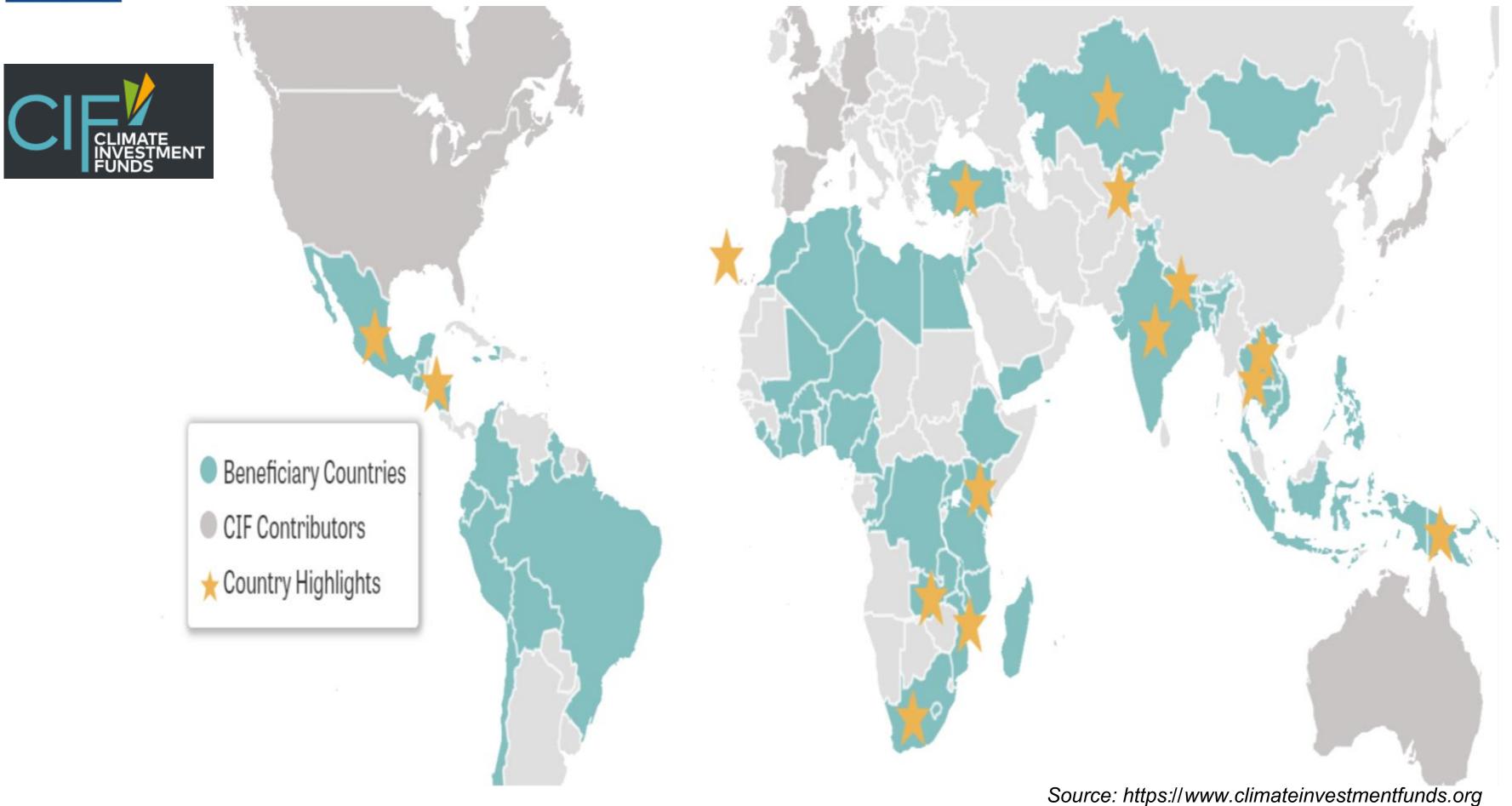


Sürdürülebilir Enerji ve İklim Eylem Planı (SECAP) SÜRDÜRÜLEBİLİR **GELECEK İÇİN** YOLCULUK



### Climate investment funds









### Funds and programs for climate actions

- Special Climate Change Fund (SCCF)
- Adaptation Fund
- Cohesion Fund
- European Regional Development Fund (ERDF)
- European Social Fund (ESF)
- European Investment Bank Funds (EIB)
- Least Developed Countries Fund (LDCF)
- Capacity-building Initiative for Transparency (CBIT)
- Nagoya Protocol Implementation Fund (NPIF)
- International Climate Initiative (IKI) Germany
- Lithuanian Environmental Investment Fund (LAAIF)
- Word bank, EBRDACP Trust Fund, EPTATF, FEMIP Trust Fund, Financial Inclusion Fund, EFSD+ Open Architecture TA envelopes, other blending resources
- Etc..



### Practical example:



## Lithuanian Environmental Investment Fund (LAAIF)



The establishment of the Lithuanian Environmental Investment Fund (LAAIF) was foreseen in the Strategy for Environmental Protection of Lithuania and the amended Statute of the Fund was approved in 2010.

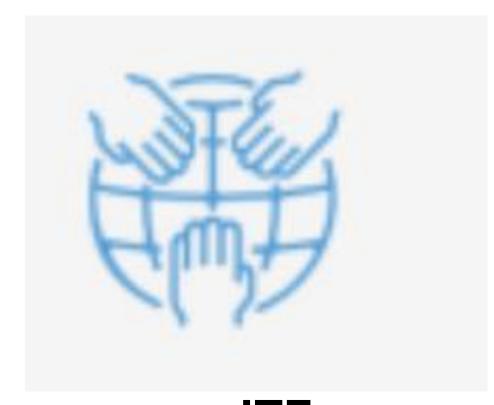
The main goal of the LAAIF is to support public and private sectors in realization of environmental projects to reduce the negative impact of economic activities on environment in compliance with the Environmental Strategy of the Republic of Lithuania.

The Fund supports investment projects in the form of soft loans and subsidies.





### **Just Transition Fund (JTF)**



JTF

 € 40 billion,
generating at least
€ 89-107 billion EUR
of investments



Fair Transition
Scheme
Mobilization
€ 30 billion
investment



EIB credit line
Loans of € 10 billion secured.
1.5 billion euros from the EU
budget, mobilizing up to € 30
billion investments



### In 2022 established EIB Global



- EIB Global is the arm of the European Investment Bank that works beyond the European Union.
- Launched in January 2022, it supports climate action, economic growth, and development.
   The great challenges of today are global – poverty, energy shortages, pollution, lack of clean water and sanitation, flooding, drought, extreme weather events.
- EIB Global is fighting all these problems and increasing the impact of limited development money.









## IPA, Twinning, Taiex



LIFE program



Horizon Europe

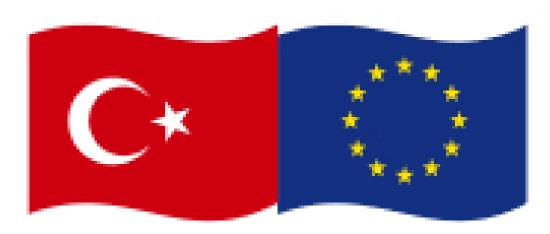


Other donors programs



### IPA for Türkiye: priority sectors





Bu proje Avrupa Birliği tarafından finanse edilmektedir.



- Democracy & governance
- Civil society
- Rule of law & fundamental rights
- Home affairs
- Environment& climate action: Protecting the environment, tackling climate change, ensuring greater alignment with EU environment and climate acquis.
- Transport: Connecting to the TEN-T rail network; developing sustainable, low-carbon, intelligent and safe transport in line with EU standards.
- Energy: Improving Turkey's interconnectivity and integration with European electricity and gas markets; promoting energy efficiency and renewable energies in line with the EU resource efficiency and climate targets; aligning nuclear regulations with EU standards.
- Competitiveness & innovation
- Education, employment and social policies
- Agriculture& rural development
- Regional and territorial cooperation



### **Financial instruments**



### LIFE programme 2021-2027



LIFE has a total financial envelope of €5.43 billion (in current prices) for the period 2021-2027, with €1.94 billion reserved for the field of climate action. The climate action field, which is the relevant financial envelope for hydrogen-related projects, is subdivided into €947 million for the sub-programme 'Climate Change Mitigation and Adaptation', and €997 million for the sub-programme 'Clean Energy Transition



### Financial instruments



### Horizon Europe

Research and innovation funding programme until 2027

## Horizon Europe is EU's ambitious EUR 95,5 billion research and innovation programme



### New elements in Horizon Europe

- European Innovation Council: Support for innovations with potential breakthrough and disruptive
  nature with scale-up potential that may be too risky for private investors. This is 70% of the budget
  earmarked for SMEs.
- Missions: Sets of measures to achieve bold, inspirational and measurable goals within a set timeframe. There are 5 main mission areas as part of Horizon Europe.
- Open science policy: Mandatory open access to publications and open science principles are applied throughout the programme
   Factsheet: Open science in Horizon Europe
- New approach to partnerships: Objective-driven and more ambitious partnerships with industry in support of EU policy objectives



#### **HORIZON EUROPE**



#### SPECIFIC PROGRAMME: EUROPEAN DEFENCE FUND

Exclusive focus on defence research & development

Research actions

Development actions

#### SPECIFIC PROGRAMME IMPLEMENTING HORIZON EUROPE & EIT

Exclusive focus on civil applications



Pillar I
EXCELLENT SCIENCE

**European Research Council** 

Marie Skłodowska-Curie

Research Infrastructures



Clusters

PILIAR II
GLOBAL CHALLENGES &
EUROPEAN INDUSTRIAL
COMPETITIVENESS

- Health
- Culture, Creativity & Inclusive Society
- Civil Security for Society
- Digital, Industry & Space
- Climate, Energy & Mobility
- Food, Bioeconomy, Natural Resources, Agriculture & Environment

Joint Research Centre



European Innovation Council

European Innovation Ecosystems

European Institute of Innovation & Technology\* Fusion

Fission

Joint Research Center

Widening participation & spreading excellence

Reforming & Enhancing the European R&I system

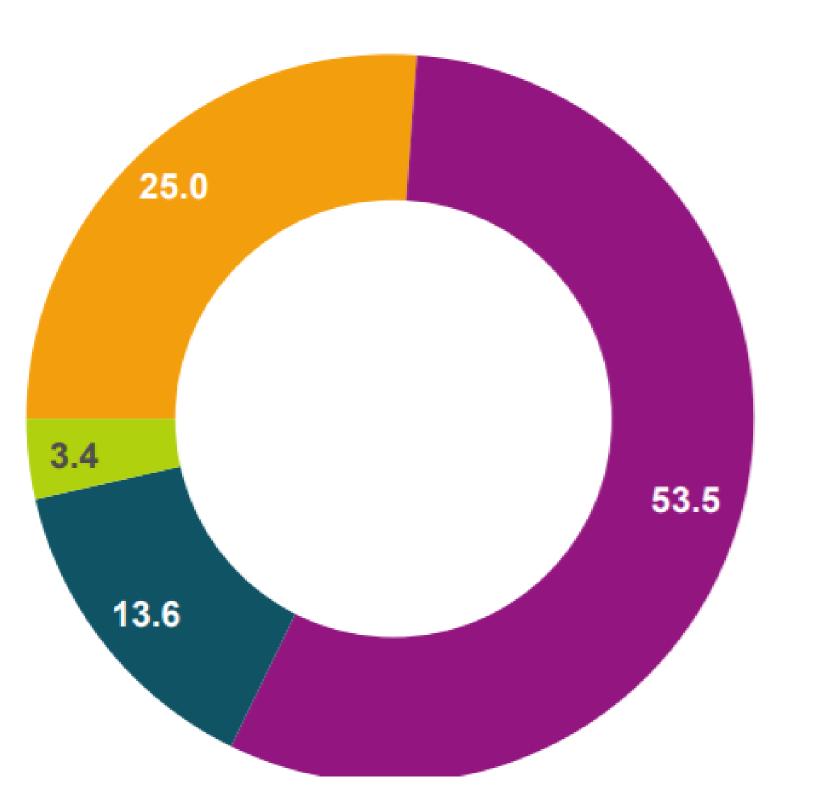
WIDENING PARTICIPATION AND STRENGTHENING THE EUROPEAN RESEARCH AREA

<sup>\*</sup> The European Institute of Innovation & Technology (EIT) is not part of the Specific Programme





## Horizon Europe budget: € 95,5 billion (2021-2027)



### Political agreement December 2020 € billion in current prices

- Excellent Science
- Global challenges and European ind. comp.
- Innovative Europe
- Widening Part and ERA





## Climate Action Network Europe (CAN Europe) Climate Action Engagement Fund Call is Open

#### **Deadline: 7 March 2025**

The Climate Action Engagement Fund will aim to provide financial support to CSOs/groups promoting just transition and climate justice in the European Union, Western Balkans and Türkiye, via awareness-raising, campaigning, mobilisation, public engagement and advocacy activities.

Each proposal should address one or more priorities:

- 1. Campaign for Just Transition
- 2. Promoting Social Justice and Inclusion
- 3. Supporting Organisations Without Access

#### to Climate Finance

#### **Fund Limits:**

- Category 1: €10,000 €100,000
- Category 2: €1,000 €10,000







## Interreg NEXT MED Program - Green Transition Projects Call

### Deadline: 15 April 2025

This call, which targets a wide range of stakeholders including national and regional public authorities, municipalities, civil society organizations (CSOs), universities, research institutions, and the private sector, requires the partnership of at least three organizations from three different countries.



Fund Limit: €83.7 million

Project Budgets: Between €700,000 and €3.5 million. (The Interreg NEXT MED

Program covers 89% of the total eligible costs, while the remaining 11% is

financed by the project partners.)

More information: <a href="https://www.interregnextmed.eu/call-for-proposals-on-green-transition-projects-launched-e83-7-million-for-a-climate-resilient-mediterranean/">https://www.interregnextmed.eu/call-for-proposals-on-green-transition-projects-launched-e83-7-million-for-a-climate-resilient-mediterranean/</a>



### Tips and recommendations









When you writing project you must me

## SMART

What I have in mind?





### When you writing project you must me

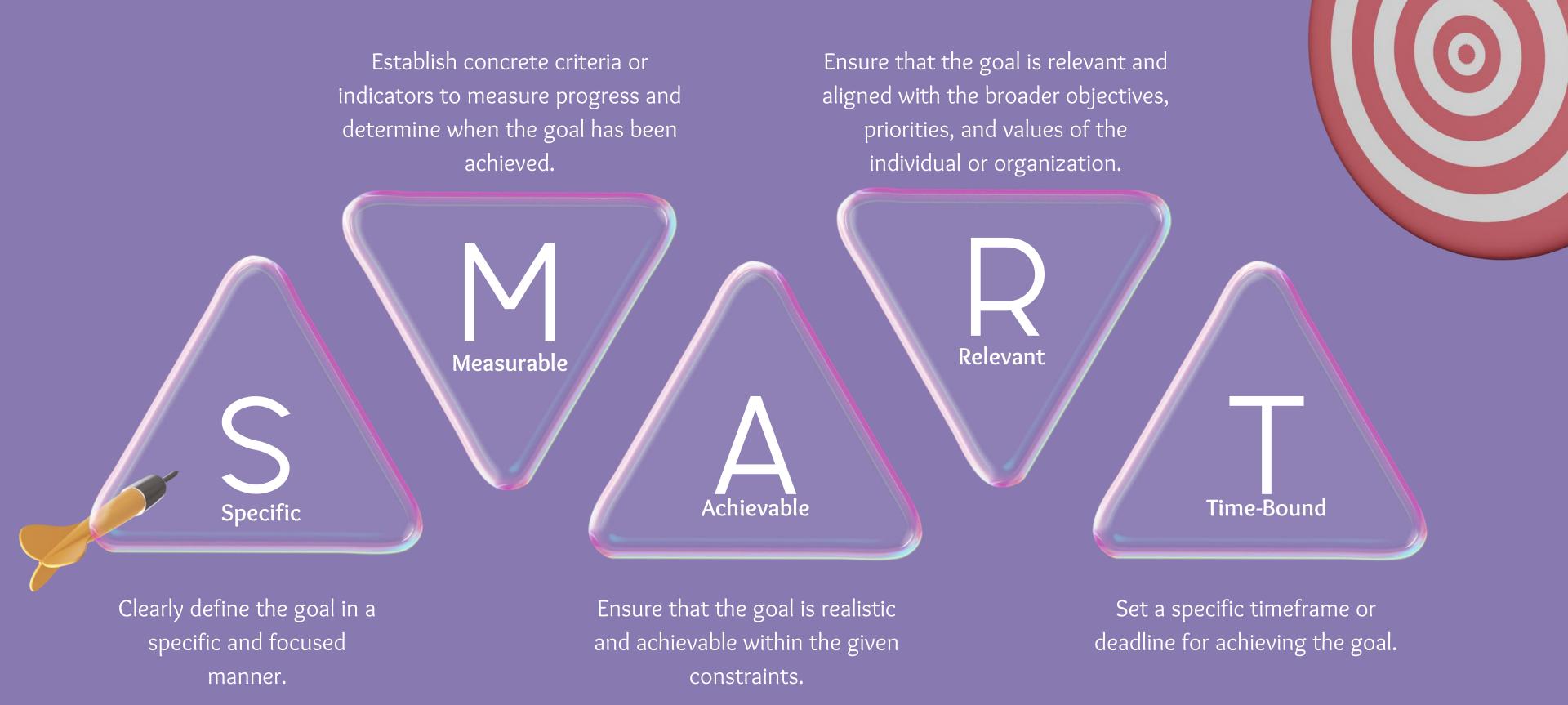
## SMART

What I have in mind? How related with logical fram





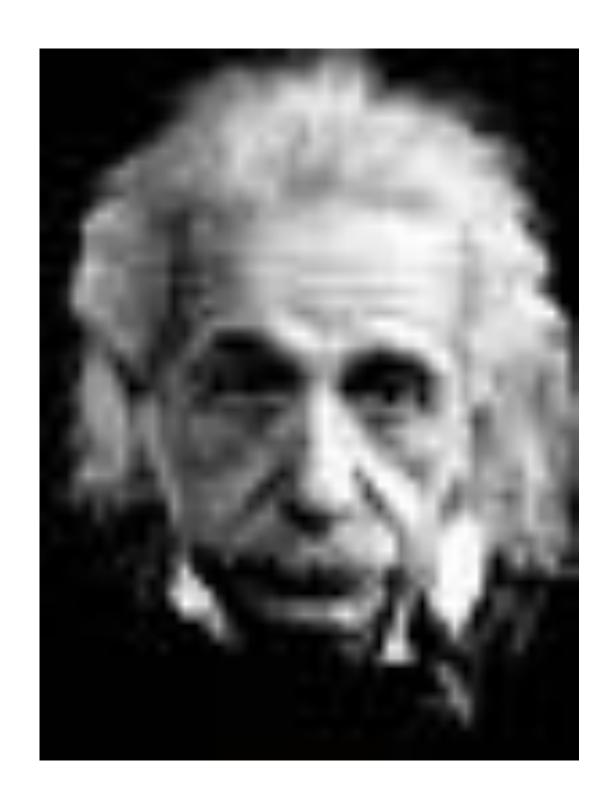






## Simlicity is geniuos





"The definition of genius is taking the complex and making it simple."

— Albert Einstein





## PRACTICAL EXAMPLES Financial models

The reality is, the only way to learn something new is to practice





## Practical example: San Javier, Spain improves public lighting energy efficiency through a soft loan

San Javier, Spain improves public lighting energy efficiency through a soft loan
Tinergie helps finance housing energy renovation through soft loans in Brest Métropole, France

#### **Soft loans**



EU Soft loans helped San Javier renew 4000 lighting points

Soft loans help energy renovation for households in

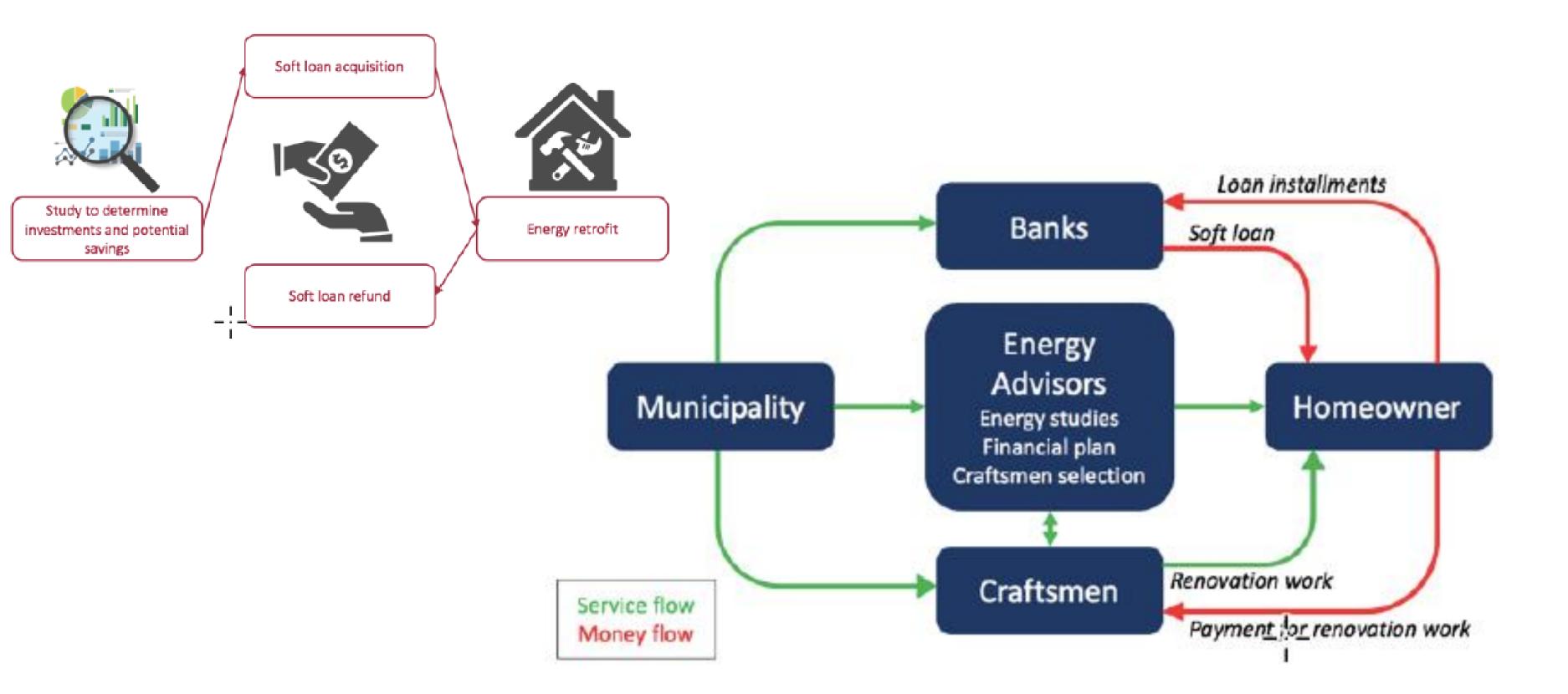
San Javier summary Table	
City & country	San Javier, Spain
Investment project	Public lighting renovation
Sector of SECAP	Public lighting
Year	2016
Funding opportunity	Soft loan
Energy saving	2.4 GWh/year
Cost saving	402 378 €/year
Green energy produced	N/A
Impact on the environment	26.5 % less than before

Brest summary Table		
City & country	Brest Métropole, France	
Investment project	Energy renovation and REs	
Sector of SECAP	Housing	
Year	2018	
Funding opportunity	Tinergie	



### Financial model: Soft loans



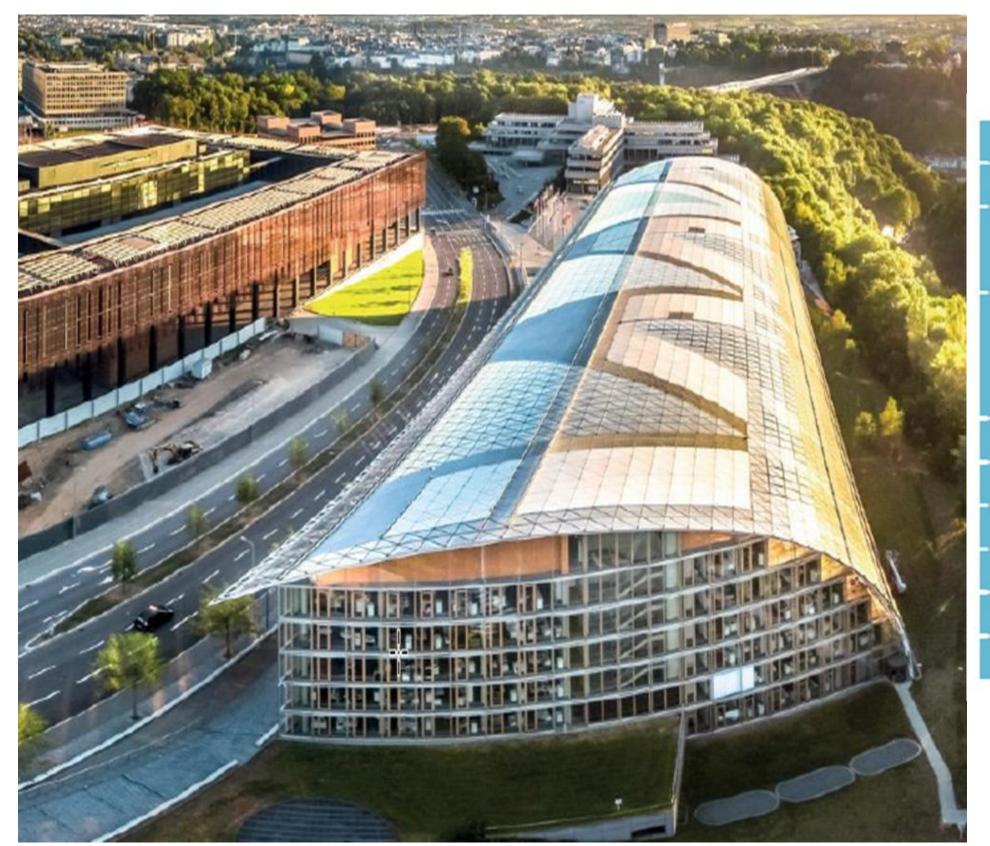




### Practical example: EIB funds



Private residential buildings renovation in the region of Ile de France

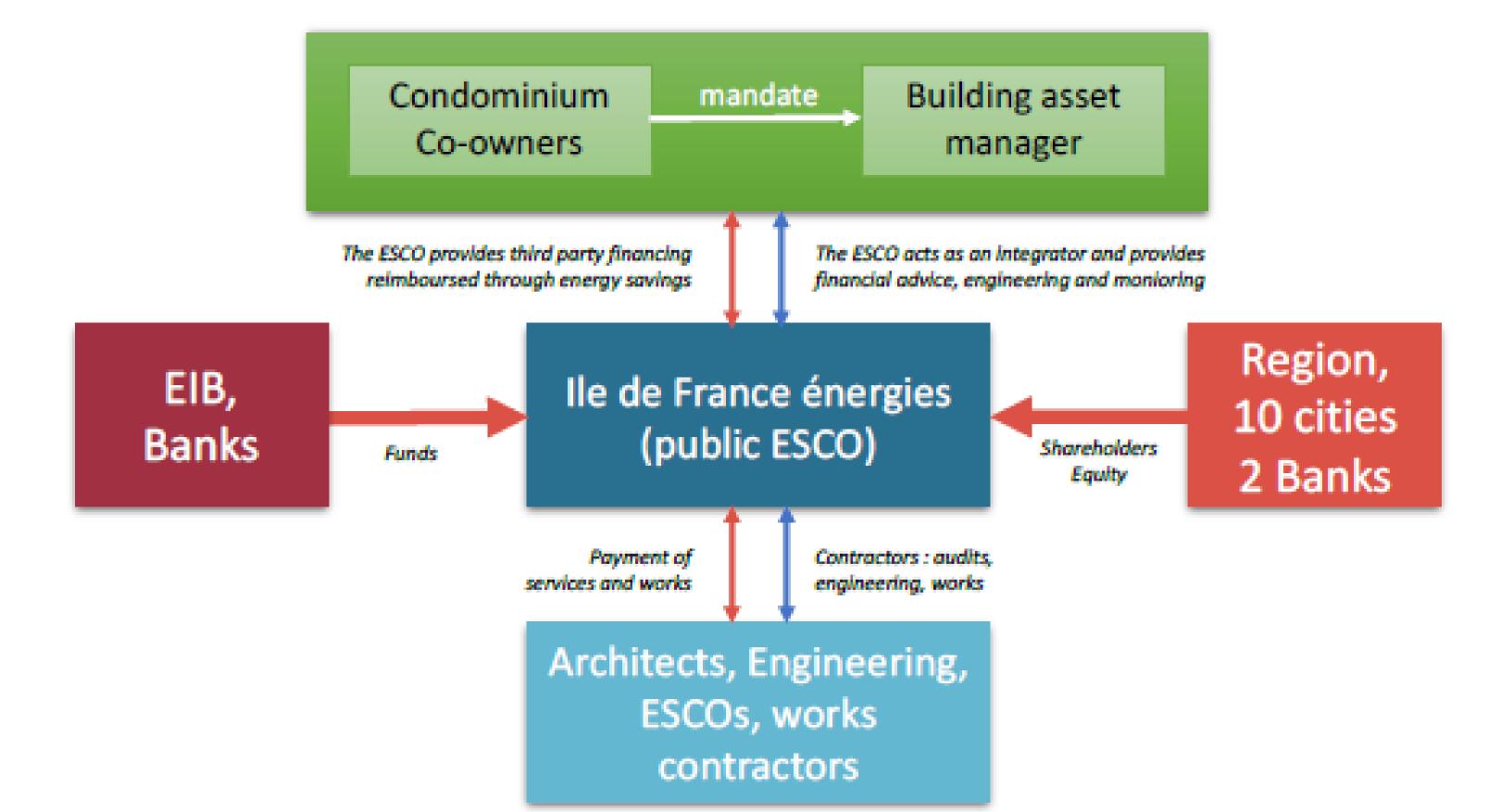


Summary Table	
City & country	lle de France, France
Investment project	Residential buildings renovation
Sector(s)	Industry - Construction Energy - Electricity, gas, steam and air conditioning supply
Year	2013-2016
Funding opportunity	IEE MLEI-PDA
Energy saving	17,490 MWh
Investments	35,5 million €
Number of Jobs created	592
Impact on the environment	4,560 tCO <sub>2</sub> /y







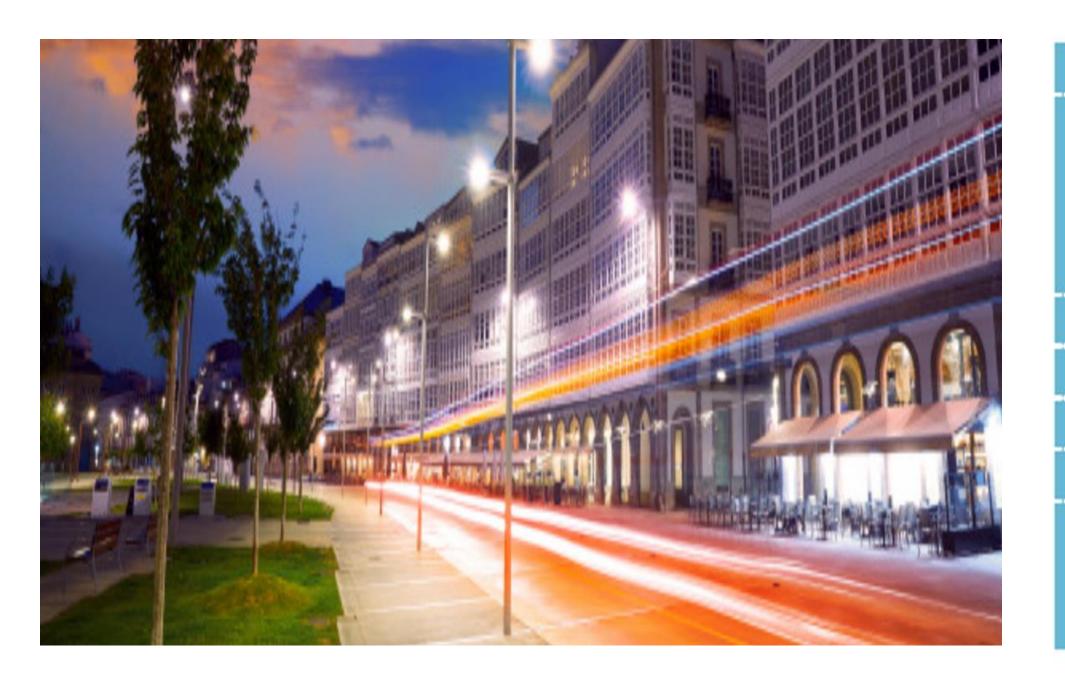






### Practical example: LIFE AND HORIZON 2020 programmes

Development of sustainable energy and climate action plans and climate adaptation measures in 6 municipalities



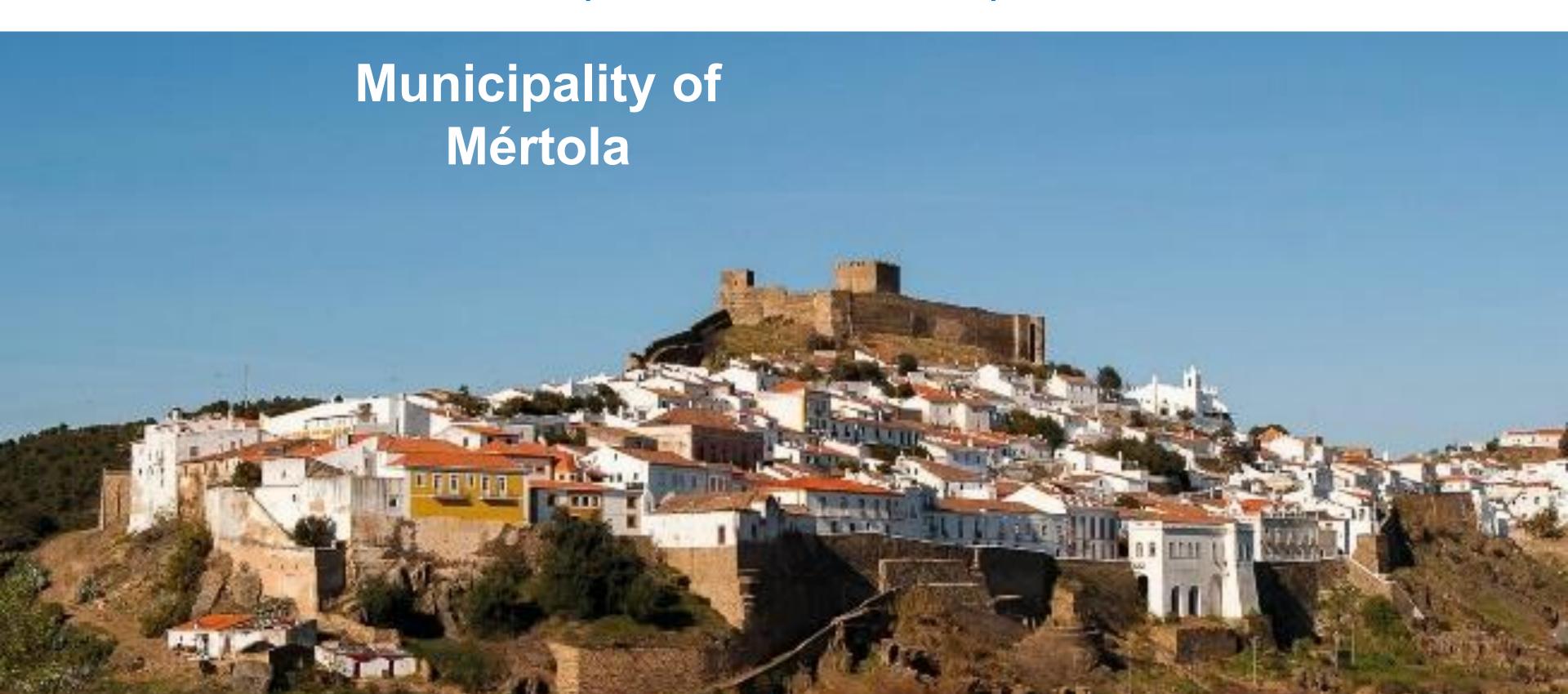
Summary Table	
City & country	Águilas, Lorca and Cartagena in Spain, Smiltene in Latvia, Mértola and Alfândega da Fé in Portugal
Investment project	Adaptation projects
Sector of SECAP	Public lighting
Year	2017 - 2021
Funding opportunity	EU co-finance (from 55%)
Results	Significantly improved resilience against climate change consequences.



### Practical example: LIFE AND HORIZON 2020 programmes



Development of sustainable energy and climate action plans and climate adaptation measures in 6 municipalities





### **Practical example: Energy Cooperatives**



#### Municipalities join hands through an energy cooperative

Depending on national legislation, energy cooperatives can also foster cooperation between municipalities, as has been the case in a southern German region. In the county of "Neustadt an der Waldnaab", 17 municipalities have formed an energy cooperative called "NEW-Neue Energien West eG" in order to jointly implement renewable energy projects. The 17 member municipalities have purchased shares of at least 5000 euros each. The cooperative's governing board is led by three mayors, with other municipal representatives on the advisory board.





### Practical example: Energy Cooperatives





#### The main advantages are:

- Leverage private capital for local energy projects
- Generate revenue that stays in the local community and can be reinvested
- to address local (societal) needs
  - Considerably increase social acceptance of local renewable energy deployment
  - Provide affordable access to local renewable energy and energy services to citizens
  - Create opportunities to cooperate with motivated local citizens who may provide (technical) expertise to the cooperative on a voluntary basis



## Review 8 project ideas and next steps



Küçükçekmece municipality – Energy park Antalya metropolitan municipality – Energy desk development Bandirma municipality – Pilot Practices for Net Zero Emissions in Municipal Buildings

Bandirma municipality – Artificial Intelligence Supported Integrated Energy Management System for Municipalities in Türkiye Van municipality – Zero Waste and Sustainability Themed Ecology Museum

Ortahisar Municipality -Climate Change Awareness Centre Project Şanlıurfa Metropolitan Municipality -Pellet Production Plant Mersin Yenisehir Municipality - Preferring environmentally friendly vehicles in the municipality's vehicle fleet Improvements in solid waste (organic waste and landfill waste) management

Increasing the use of renewable energy in agricultural and rural irrigation







## Key findings and next steps

### What is climate finance?

Climate finance refers to local, national

or transnational financing—drawn from public, private and alternative sources of financing—that seeks to support mitigation and adaptation actions that will address climate change.

The Convention, the Kyoto Protocol and the Paris Agreement call for financial assistance from Parties with more financial resources to those that are less endowed and more vulnerable



### Key findings and next steps



## SECAP finance model development

SECAP STRATEGIC DOCUMENT- ROADMAP

IMPLEMENTATION PROGRAMING FOR CONCRETE MEASURES FROM SECAP

SMALL SCALE PROJECTS BY
INTERNATIONAL CALLS AND GRANT
PROJECTS

FINANCIAL MODEL DEVELOPMENT MUNICIPALITY FINANCE, DONORS, PPP



### Key findings and next steps



## SECAP finance model development

SECAP STRATEGIC DOCUMENT- ROADMAP

#### Next steps

- Survey until 6 February 2025
- Analysis consultation with experts and financial donors
- Reccomendation and discussion with experts/ consultation for shared project ideas for finance modeling
- Next MLG WG2 meeting on 20 February 20225





## Be the change that you wish to see in the world

