

Public buildings renovation in Cieza by using local ERDF, Spain

Cohesion Fund (CF) European Regional Development Fund (ERDF) European Social Fund (ESF)



Background

These three instruments, CF, ERDF and ESF are the base to finance European regional and urban development through a coherent regional policy over the whole territory.

The Cohesion Fund is addressed to Member States whose Gross National Income (GNI) per inhabitant is less than 90% of the EU average. It aims to reduce economic and social disparities and to promote sustainable development. The ERDF aims to strengthen economic and social cohesion in the European Union by correcting imbalances between regions, while the ESF invests in people, with a focus on improving employment and education opportunities across the European Union. It also aims to improve the situation of the most vulnerable people at risk of poverty.

Objective

The main objective of these funding opportunities is financing investments or training. Due to low carbon economy is a priority for the European Union and its regional policy, these funds, can be used to finance energy efficiency improvements as well as the use of renewals in our municipalities.

Description of the funding opportunity

The three CF, ERDF and ESF are managed through the Common Provisions Regulation.

For the 2014-2020 period, the Cohesion Fund concerns Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia. It allocates a

total of 63.400 M€ to activities under the following categories:

- Trans-European transport networks;
- Environment: here, the Cohesion Fund can also support projects related to energy or transport or energy efficiency and use of renewable energy.

The ERDF focuses its investments on several key priority areas. This is known as “thematic concentration”:

- Innovation and research;
- Digital agenda;
- Support for small and medium-sized enterprises (SMEs);
- Low-carbon economy.

Finally, the ESF permits training people to acquire certain skills needed to carry our low carbon investments. Therefore, it does not finance investments but it is an important tool for building up knowledge and skills.

The three funds are managed firstly at national level and then at regional or local levels. This means that municipalities can apply for direct grants or soft loans either to the state or the regional governments, depending on the country.

Intensity and conditions of the grants depend on the financing tool designed by the country.

The new regional development and cohesion policy for the budget 2021-2027 is based on 5 main objectives:

- Smarter Europe, through innovation, digitisation, economic transformation and support to SMEs;

- a Greener, carbon free Europe, implementing the Paris Agreement and investing in energy transition, renewables and the fight against climate change;
- a more Connected Europe, with strategic transport and digital networks;
- a more Social Europe;
- a Europe closer to citizens, by supporting locally-led development strategies and sustainable urban development across the EU.

Between 65% to 85% of ERDF and CF resources will be allocated to the two first priorities, depending on Member States' relative wealth, which signify an important opportunity for low carbon investments at local level.

Pros and cons of these EU funds

The main advantages of the CF, ERDF and ESF are:

- Direct grants of soft loans that can reduce the economic effort of the local authority.
- Funds managed at national or regional level instead of EU level.
- Important budget.
- Reduction of the energy costs and the local carbon emissions.

However, these instruments have also some cons, like:

- In some cases, the documents required to apply the call can constitute an important access barrier.
- Long periods used by the responsible administration to assess and evaluate the proposals.
- High concurrence.

Energy buildings renovation in the municipality of Cieza, Spain

The municipality of Cieza needs to do a deep energy refurbishment of two main buildings: The City Council and the local Courthouse. Both buildings are protected as Patrimony of Cultural Interest. Therefore, conventional solutions are not valid to renovate the buildings envelopes.

This means that the architectural solutions proposed require higher economic resources. Therefore, the use of EU fund is, in this case, a substantial help.

In Spain, as in other member states during period 2014-2020, local ERDF are offered by a call which requires from the municipality an Integrated and Sustainable Urban Development Strategy (ISUDS). These strategies must include a specific chapter dealing the implementation of a low carbon economy.

Both actions, framed within the thematic objective related low carbon economy had a budget of 462,000 € for the envelop renovation and the new heating and cooling equipment. In addition, the local authority made use of

students of specific heating and cooling courses (financed by ESF) to install the equipment.

On the other hand, as both façades were protected, the technique used to implement a new isolation without affection to the present appearance of the buildings have been based on the use of external isolation directly over the bricks plus a mortar layer with the same aspect as the previous one.



Figure a. Thickness of the isolation layer

The main data of both buildings are (City hall/Local courts):

- Buildings surface: 1.492/1.490 m²
- Annual energy consumption (electricity): 61.193/44.252 kWh
- Annual energy cost: 4.895,45/3.540,17 €

Summary Table	
City & country	Cieza, Spain
Investment project	Public building renovation
Sector of SECAP	Public buildings
Year	2018
Funding opportunity	Use of ERDF
Energy saving	37.010 kWh/y
Cost saving	2.970 €
Green energy produced	N/A
Impact on the environment	12,25 tCO ₂ /y

Measures eligible for CF and ERDF

- Investments in renewables
- Investments in energy efficiency

This fact sheet is part of a series on funding opportunities, which can be found here: [html-link](#)