

Assessment of the ERDF's impact on the energy transition in Occitanie

SUMMARY

1- The energy transition, a major challenge in Occitanie

Occitanie has adopted a Green Deal (2020) which aims, among other things, for it to become the first positive energy region in Europe by 2050. Europe is contributing to the implementation of this Pact by mobilising dedicated funding, including the ERDF. The challenge today is to learn to adapt, to reduce our consumption and energy impact on the planet. This evaluation aims to measure the ERDF's contribution to meeting this challenge.

2- An evaluation that relied on a dozen complementary tools

Analysis of the documentation	Comprehension and contextualisation of the analysis for the ERDF-ESF-YEI OPs between 2014–2020 in Languedoc-Roussillon (LR) and Midi-Pyrénées et Garonne (MPG)
Programming review and mapping	Overview and thematic view of the programmes' progress, based on data as of 31 December 2020 transmitted by the Managing Authority
Interviews	25 interviews (partners and beneficiaries). Validation of the expectations, understanding and putting into perspective of the observations made and deepening of the results
Survey	Feedback from project leaders. 245 local stakeholders benefiting from an ERDF envelope for their energy transition project; more than 100 respondents; a return rate above 40%.
10 case studies	Illustrations of supported projects, further findings and results (3 projects for the LR OP and 3 for the MPG OP on energy efficiency; 1 project for the LR OP and 2 for the MPG OP on wood energy; 1 project for the MPG OP on methanization)
Two focus groups	Expert feedback on the work performed on the subject of methanization and wood energy
Benchmark	Comparison of the results with those of the 2014–2020 ERDF/ESF/YEI OPs from Hauts de France and Normandy on the themes of energy renovation (HDF OP) and renewable energies (HDF OP and N OP)
Quantitative analyses	Estimated results in terms of renewable energy production, reduction of greenhouse gases (GHGs)
Statistic modelling	Simulation of the effect the projects co-financed by the ERDF have had on employment and economic activities in the region

3- The contribution made by the European support of the energy transition during the 2014–2020 period: key figures

- **117.6 million euros were allocated by the ERDF in Occitanie** up to 31 December 2020, in particular for energy efficiency (66%): 51.1 million euros on programmes relating to the LR OP and 66.5 million euros on programmes relating to the MPG OP in favour of energy efficiency and renewable energy.
- The 2014–2020 ERDF/ESF/YEI programmes have, up to the end of 2020, made it possible to finance **442 different operations and 217 different beneficiaries¹** working towards the energy transition in Occitanie: 104 separate beneficiaries for 219 projects for the LR OP, 116 separate beneficiaries for 223 projects for the MPG OP.
- **Energy efficiency** (housing and public buildings) is a **priority investment area** for each intervention theme. The dedicated envelope has been almost balanced for the 2 OPs (in terms of their absolute value), but the share it represents is higher for the LR OP than that for the MPG OP (75% compared to 58%).
- In **the area of renewable energy sources**, financial investment is more significant under the MPG OP than under the LR OP, with wood energy and methanization being predominant.

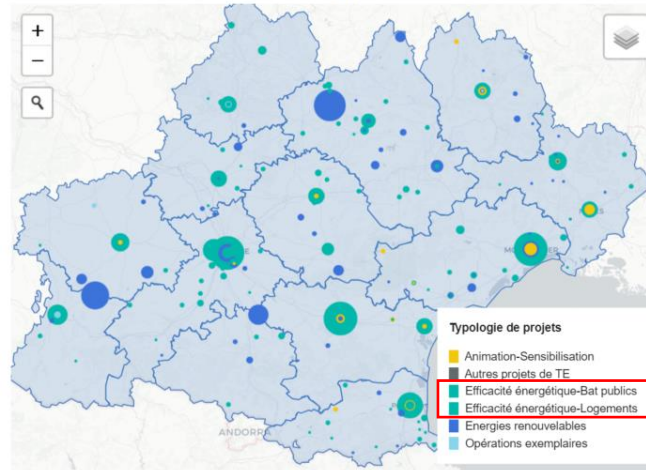
Breakdown by theme	ERDF-ESF-YEI 2014–2020 OP Languedoc-Roussillon		ERDF-ESF-YEI 2014–2020 Midi-Pyrénées		Total for Occitanie	
	No. of operations	Amount in euros (M€)	No. of operations	Amount in euros (M€)	No. of operations	Amount in euros (M€)
Energy efficiency	99	38.5	166	38.9	265	77.3
Renewable energy sources	44	7.7	43	25.4	87	33.1
Awareness raising	74	4.4	10	1.5	84	5.9

¹Three beneficiaries are covered by both the Languedoc-Roussillon OP and the Midi-Pyrénées and Garonne OP. All beneficiaries have been identified and located based on their SIRET number (Directory Identification System for Businesses, which identifies an address).

Exemplary operations	1	0.05	4	0.7	5	0.8
Other Ecological Transition projects	1	0.4	0	0	1	0.4
TOTAL	219	51.1	223	66.5	442	117.6

- Whatever the theme and OP, the projects **cover the whole territory**, with a relative balance between urban and rural areas.

Un investissement prioritaire sur l'efficacité énergétique- Montants des projets (selon le SIRET)



Source: EDATER, SYNERGY database as of 31/12/2020, transmitted by the Managing Authority

4- The main findings and proposed recommendations of the evaluation

The ERDF implementation which has boosted programming linked to the energy transition:

- The organisation chosen (coordination of two of the Region's services: Europe Directorate/Ecological and Energy Transition Directorate) and the management choices helped to boost programming that relates to the energy transition: programming rates (still provisional in 2020) showed that more than 80% and 90% of beneficiaries were "satisfied" with the support offered by the Region.

Proposals for recommendations for the 2021–2027 period

- ➔ Continue the communication efforts regarding the role of the Region's different instructors and directorates
- ➔ Bring the Regional Services closer to those of the other Regions to launch a common approach for reporting difficulties and good practices or feedback on the impacts of OPs in terms of the energy transition

- Although organised in the same way, the two OPs differ in the management choices that contribute to their internal coherence (adaptation to local needs) and external coherence (complementarity in terms of territorial coverage and regional strategy) in favour of the energy transition.
- The cost of managing and implementing the two OPs in relation to the energy transition seems to be generally under control in Occitanie (no particular difficulty highlighted).

Proposals for recommendations for the 2021–2027 period

- ➔ In terms of resources, maintain the Region's capacity to act on this theme (at least the same number of Full Time Equivalent (FTE), at a constant level)

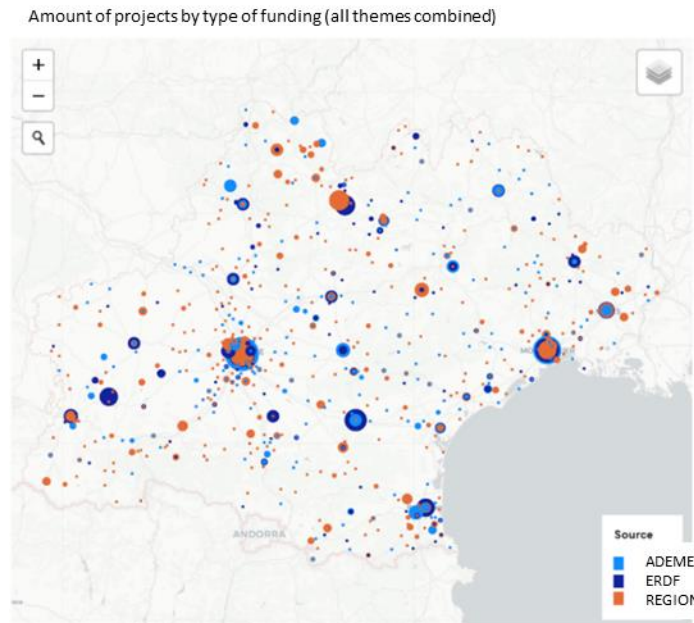
- The monitoring carried out by the Management Authority and local communication conducted in a complementary manner were two major levers in the programming to improve energy efficiency and the development of renewable energies (for 40% of respondents the momentum of local communication (EPCI, PETR) offers real support when setting up a project).

Proposals for recommendations for the 2021–2027 period

- ➔ Sustain/secure the collective and individual support of the project leaders who are already beneficiaries, taking into account the technicality/complexity of the projects covering this energy theme

- ➔ Refine the support for project leaders (possibly by type), including with regard to human modalities
- ➔ Maintain the momentum of local communication and anchor it as closely as possible to the territory

A balanced territorial network of projects related to the energy transition and local stakeholders:



- Whatever the OP, the map analysis of the projects revealed a fairly balanced distribution of projects, demonstrating the Managing Authority's ability to trigger local energy transition projects throughout the territory.
- The network of project promoters appeared to be very dense and to cover the Occitan territory quite widely, in both urban and rural areas, with complementary funding, depending on the departments and territory type.
- For both OPs, local stakeholders (including communities) have contributed by acting as information relays, and sometimes also as committed ERDF ambassadors and facilitators for new energy transition projects.

Proposals for recommendations for the 2021–2027 period

- ➔ Maintain the momentum of local communication and anchor it as closely as possible to the territory
- ➔ Provide a recurring sequence of mobilisation of all relays for the beneficiaries, as potential carriers, or even identify an "Information-Communication" contact, which can act as a continuous field relay

Match the intervention fund to the needs of the territory's stakeholders:

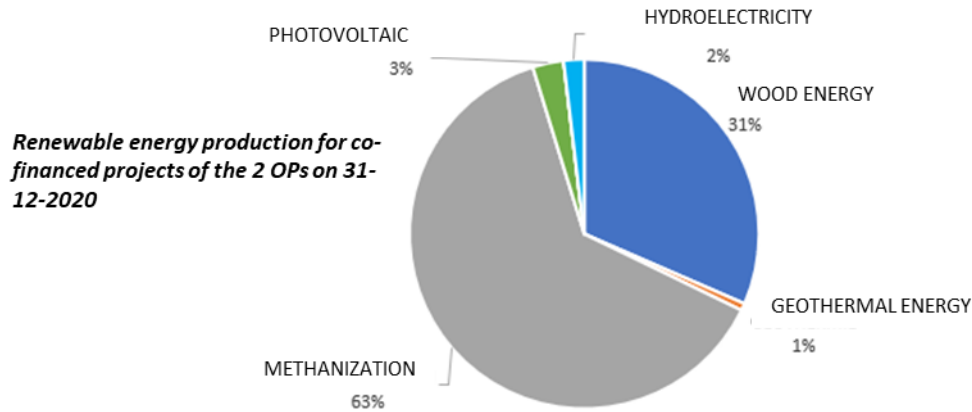
- Although some difficulties were identified by the project promoters, the various forms of co-financing (ADEME, Region, ERDF) are generally consistent with each other, and the methods of assistance from the Structural Funds are generally complementary to the subsidies and strategies implemented at the territorial or national level.
- Although the ERDF appears, at its margins, to be less well suited than other types of financing for certain investments (operating aid expenditure, intangible projects, etc.), it is still, overall, well suited to the needs on the ground in order to carry out actions linked to the energy transition.

Proposals for recommendations for the 2021–2027 period

- ➔ Define the best possible articulation between the different co-financing grants
- ➔ Define an overall communication strategy with the partners, which is driven by the leaders of potential projects and implemented from the start of the programming, and continuously thereafter

A contribution from the ERDF to the production/consumption of renewable energy in the regional territory:

- With 190 GWh/year of renewable energy produced during the term of the grant worth 32.6 million euros, the ERDF has contributed well to the development of renewable energy sources.



- The ERDF has mainly contributed to the development of biogas production (63%) and renewable heat production (32%).
- Compared to the quantity of RENS produced, the ERDF grant shows a ratio of 11.4 euros ERDF/MWh produced over 15 years, which is slightly higher than the costs observed within the framework benchmark for another OP but remains within the same order of magnitude.

Proposals for recommendations for the 2021–2027 period

- ➔ Improve the monitoring database to better quantify the ERDF's impact on renewable energy production (RES)
- ➔ Better distinguish between wood-burning and heating-network projects
- ➔ Actively promote geothermal energy, especially in areas that are sensitive to air quality
- ➔ Continuing ERDF support for methanization: impose strict criteria

Awareness and information measures are contributing to the emergence of renewable energy production projects:

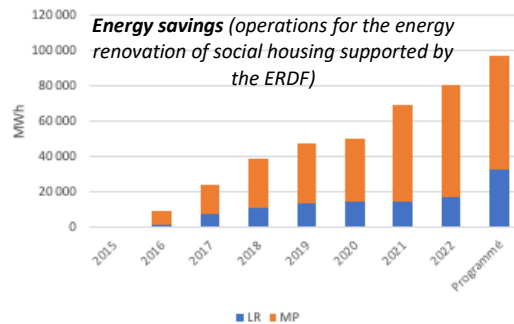
- Support for communication/promotional operations that make a case for the energy transition is not substantially the same from one OP to another. However, all the activities for communication and awareness raising performed during the 2014–2020 OPs framework have demonstrated their importance and relevance in boosting and encouraging the emergence of renewable energy production projects in the territory.

Proposals for recommendations for the 2021–2027 period

- ➔ Continue to strengthen communication activities among local stakeholders, in order to develop the promotion of and support for the development of renewable energy projects and regional dynamics
- ➔ For the methanization, systematise the consideration of the project's local and social acceptability

A decrease in energy consumption (and to a lesser extent in bills) and an improvement in the quality of life for households**Comparable results for the city's priority neighbourhoods (QPV):**

- Households that have benefited from co-financed operations for the energy renovation of social housing are experiencing a decrease in their energy consumption. This decrease is accompanied by a significant improvement in their comfort and a decrease in their energy bills, although there was a small deviation from the values calculated during the pre-work diagnoses.



Note: The "Scheduled" bar refers to ongoing transactions (no due date specified).

- Based on the monitoring elements available, the evaluation did not show a differentiated result for the QPVs. However, it did clearly show that, as in other urban neighbourhoods, the envelope dedicated to SOs for energy renovation operations for social housing in the priority neighbourhoods of the urban policy, did indeed allow for gains from the point of view of the households' living comfort.

Proposals for recommendations for the 2021–2027 period

➔ Systematically identify operations carried out in the territories of the City's Priority Neighbourhoods (QPV) for differentiated monitoring

A significant impact of the projects on economic activity and job creation in the energy, eco-renovation and eco-construction sectors:

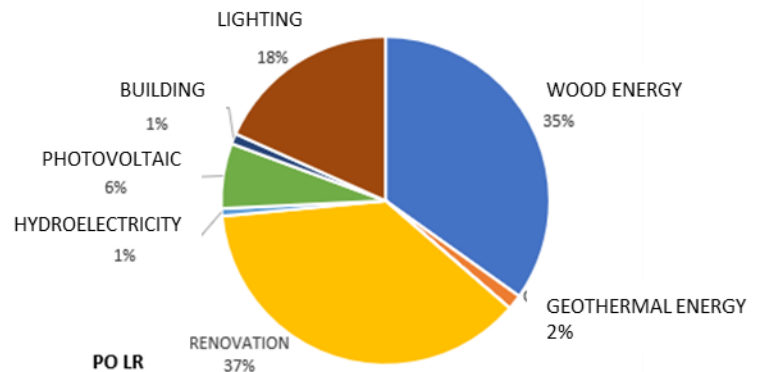
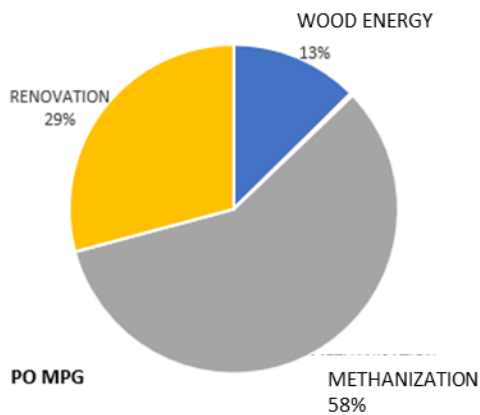
- The operations supported by the ERDF contributed to creating nearly 405 Full-Time Equivalents (FTEs) on average per year during the 2017–2021 period, during the activity's peak linked to the implementation of the operations, thus reflecting a momentum that was strongly driven by the construction jobs linked to the energy renovation.
- According to the activity sectors concerned by the operations, ERDF financing did have an effect on employment and businesses but one that was differentiated (Building and Public Works was the main sector benefiting from the effect of ERDF financing) and influenced by the regional economic structure.
- Communication and support projects for project leaders and local stakeholders have generally helped to stimulate local sectors, even if this impact remains difficult to estimate quantitatively. The ERDF funds broadly contribute to supporting positive trends in employment in the areas specifically related to energy management (insulation works, air conditioning, etc.).

Proposals for recommendations for the 2021–2027 period

- ➔ In terms of eco-renovations and with regard to the issue of employment and its estimation, launch a regional study into the question of the supply of materials
- ➔ As far as possible, incorporate criteria for the traceability of the equipment and materials listed in the Specifications and the submission of applications for Calls for projects
- ➔ Improve the monitoring database to better quantify the ERDF's impact on the field of eco-renovation
- ➔ In terms of energy production, open a study into the issue of the supply of wood and the criteria to be implemented for the 2021–2027 period

A reduction in GHG emissions in the areas covered by European funds:

- European funds have allowed for a reduction in greenhouse gas (GHG) emissions in the areas they cover (energy efficiency of buildings and renewable energy production): 56,000 tCO₂e/year will be avoided thanks to projects supported by the MPG OP, which is equivalent to the emissions linked to a year's output of a town of 8,600 inhabitants; 26,000 tCO₂e/year thanks to projects supported by the LR OP, which is equivalent to the annual emissions of a town of 4,000 inhabitants.

Breakdown of emissions saved in tCO2e

- These GHG savings remain marginal in terms of the regional emissions but are linked to important projects.
- These GHG savings result from reasonable costs. For the energy sobriety component (renovation works), the costs are higher than for the renewable energy component, which justifies the public authorities' intervention via the ERDF, which makes these operations possible.

Proposals for recommendations for the 2021–2027 period

➔ Mobilise the ERDF OP Areas of Intervention (Aols) with the highest coefficient to calculate the support for climate change objectives

An effect of (exemplary) project funding on the emergence of new projects:

- Financing projects via the ERDF has made it possible, if not to create new projects, to at least amplify information on the area's achievements and potential and to strengthen local ecosystems/sectors.
- On the ground, the mobilisation of ERDF funding has been broadly chosen to support future energy transition projects during the 2021–2027 period.

Proposals for recommendations for the 2021–2027 period

➔ Continue to strengthen communication activities among local stakeholders, in order to develop the promotion and support of the development of renewable energy projects and regional momentums