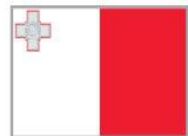


Proposed Changes to
Operational Programme I - *Fostering a competitive and sustainable economy to meet our challenges*

Monitoring Committee
24th November 2022



European Union
European Structural and Investment Funds



Background on the EERE Financial Instrument under PA 4

The main objective of the **EERE Malta Financial Instrument (FI)** under PA 4 to date was to provide better access to finance for both private individuals and enterprises through capital relief and loss protection via the provision of a capped guarantee for investments related to **Renewable Energy and Energy Efficiency**.

The instrument is being implemented in collaboration between the Managing Authority and the European Investment Fund.

The EERE Financial Instrument is currently on the market and is being implemented by two local banks namely, Bank of Valletta plc and APS Bank (Financial Intermediaries).

Implementation Status

EERE Malta

The EERE Malta has an ERDF contribution of €15M creating a portfolio value of loans of €45M, targeting households & enterprises wishing to invest in RES and EE measures in buildings and energy management systems.

By June 2022, 88 loans (86 private household, 1 corporate and 1 constituted body) were concluded with a committed amount of €2.3M.

An OP change is being proposed to widen the scope of this FI to accelerate the take-up of the instrument in the limited time still available, that is, until the end of December 2023, to include the possibility of loans for the **purchase of electric modes of transport**, both for the commercial and the domestic sector.

Proposed New Changes Rationale

- This investment in green transport modes will contribute towards the EU Sustainable and Smart Mobility Strategy and the commitment reached at a European level, whereby in October 2022 EU Member States adopted a deal which embraces a shift towards zero-emission mobility, which will see the phasing out of the sale of new combustion engine cars and vans by 2035.
- It also builds on the commitment set out in the OP to shift towards a more low-carbon transport sector, in line with Malta's National Electro-Mobility Action Plan to lower domestic, public, commercial or industrial GHG emissions.
- It also complements a commitment by the Government to introduce an additional 1,200 electric charging points for electric vehicles by the year 2024, greatly boosting the current availability of charging networks across the Maltese islands, over and above what has been funded under ERDF.

OP changes - overview

The proposed changes to OPI are being done in line with Article 30(1) of the CPR, with the over-arching aim of extending the scope of the Energy Efficiency and Renewable Energy (EERE) Malta Financial Instrument to:

- **include the possibility to purchase green forms of transport** for commercial and industrial use through the FI being funded under **PA 4 IP 4b** with the aim to reduce GHG emissions and improve air quality from the transport sector.
- include the EERE FI under **PA 7 IP7c** for individuals and entities who do not carry out an economic activity to **invest in green and clean transport** such as electric vehicles, pedelecs and e-scooters.

OP changes - overview

A proposal is also being put forward to **extend the target groups** for this FI under **PA 7**. These are to include:

- Commuters
- General Public
- Regulatory authorities
- Constituted bodies listed as core members of the Malta Council for Social Economic Development or included within the list under the Small Business Act Chapter 512
- NGOs
- Other organisations duly listed and registered in Malta, which do not qualify as ‘undertakings’ within the meaning of State Aid rules

Beneficiaries shall be Individuals, the Public Sector and the entities within the Private Sector which do not qualify as ‘undertakings’ within the meaning of State Aid rules.

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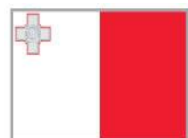
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