

Brussels, 7 October 2009

Investing in the future: Commission calls for additional €50bn in low carbon technologies

European Commission called public authorities, business, and researchers to join efforts in order to develop by 2020 the necessary technologies to address climate change, secure EU energy supply and ensure the competitiveness of our economies. In a proposal on "Investing in the development of low-carbon energy technologies", the Commission estimates that an additional investment of €50 billion in energy technology research will be needed over the next 10 years. This means almost tripling the annual investment in the European Union, from €3 to €8 billion. This represents a step forward in the implementation of the European Strategic Energy Technology Plan (SET-Plan), the technology pillar of the EU's energy and climate policy. Different sources of funding are considered, from public and private sectors at national and EU level, to be used in a coordinated way will also help to push forward a fast growing industrial sector and to create jobs

EU Commissioner for Science and Research, Janez Potočnik, said: "Up-grading investment in research in clean technologies is urgent if Europe is to make the road to Copenhagen and beyond cheaper. With today's estimates, the Commission wants to make the SET Plan a springboard to leap into a low carbon economy, which is only possible if public and private actors pool resources in a coherent way. Increasing smart investments in research today is an opportunity to develop new sources of growth, to green our economy and to ensure the EU's competitiveness when we come out of the crisis."

The Commissioner for Energy, Andris Piebalgs, said: "Previous industrial revolutions have proved that the right technologies can transform for the better the way we live. Today we have a unique opportunity to change an energy model based on polluting, scarce and risky fossil fuels, into a clean, sustainable and less dependent one. All depends on choosing the right technologies".

"The investment needs to develop clean and renewable energies can only be met through a wide range of financial instruments. The Commission and the EIB have already significantly increased funding for this purpose. But we need to mobilise more public and private sector funds. We propose to reinforce the Risk Sharing Finance Facility, further support venture capital and develop the Marguerite and other funds," said Joaquin Almunia, Commissioner for Economic and Monetary Affairs.

Key technologies and activities to be financed

The Commission, together with industry and the research community, has drawn up technology 'roadmaps' which identify key low carbon technologies with strong potential at EU level in six areas: wind, solar, electricity grids, bioenergy, carbon capture and storage (CCS) and sustainable nuclear fission. The additional costs would cover basic and applied research, demonstration and early market take up, excluding deployment activities. A new initiative on energy efficiency for up to 30 cities ('Smart Cities Initiative') has been proposed as first enabler for the mass market take-up of energy efficiency, renewables and energy network technologies.

A shared responsibility for cost effectiveness

The Commission calls for a coordinated and complementary action of relevant actors and for more risk-taking appetite. Public support is needed when the level of technological uncertainties and market risk is high. This should act as an incentive for the industry's involvement, supported by a stronger investment of banks and private investors into the companies that will drive the transition to a low carbon economy. The EIB intervention to increase lending to finance the SET Plan is also considered.

See also [MEMO/09/437](#) – Questions and answers

Websites:

SET plan: http://ec.europa.eu/energy/technology/set_plan/set_plan_en.htm

JRC support to the SET Plan/ <http://ec.europa.eu/dgs/jrc/index.cfm?id=4390&lang=en>

Strategic Energy Technologies Information System (SETIS): <http://setis.ec.europa.eu>

Previous IP and MEMO:

[IP/07/1750](#), [MEMO/07/494](#) and [MEMO/07/493](#) published on 22 November 2007:

[IP/08/1587](#), [MEMO/08/657](#), published 28 October 2008: