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EU and EIB Unlock €2.7 Billion for Clean Energy Projects in Central and Eastern Europe via Modernisation Fund

Key policies: *Modernisation Fund, EU Emissions Trading System (EU ETS), European Green Deal, REPowerEU Plan, Fit for 55 Package, Cohesion Policy, Just Transition Fund, Commission Implementing Regulation, EU ETS Directive*

The European Commission and the European Investment Bank (EIB) have today announced the disbursement of **€2.7 billion** from the **Modernisation Fund** to support **39 clean energy projects** across **eight EU Member States**, including **Slovenia's first-ever investment** under this mechanism. This significant funding boost, sourced from revenues generated by the **EU Emissions Trading System (EU ETS)**, aims to help lower-income EU countries accelerate their green transition and meet their **2030 climate and energy targets**.

This latest allocation brings the **total disbursements from the Fund in 2024 to €5.67 billion**, supporting **77 projects** in **11 countries**, with the largest investments directed to **Poland (€1.733 billion)**, **Romania (€1.956 billion)**, and **Czechia (€1.283 billion).**

Driving the Clean Energy Transition

The projects funded under the Modernisation Fund this year focus on:

- Renewable electricity generation
- Energy storage solutions
- Upgrades to electricity grids and district heating systems
- Energy efficiency improvements in buildings and industry
- Phasing out coal in favour of cleaner energy sources

Notable initiatives include:

- Bulgaria: Strengthening electricity transmission for better renewables integration.
- Czechia: Lowering CO_2 emissions in heat production.
- Lithuania: Renovating apartment buildings to achieve Energy Class B and 40% energy savings.
- Slovenia: Investing in renewable electricity generation and energy storage capacity**.**

Modernisation Fund: Now Supporting 13 Member States

Launched in 2021, the Modernisation Fund originally covered 10 countries and was expanded in 2024 to include Slovenia, Greece, and Portugal. The Fund is a key element of the EU's green financing strategy, complementing instruments such as the Cohesion Policy, Just Transition Fund, and REPowerEU. It plays a pivotal role in advancing the Fit for 55 package and the EU's long-term climate neutrality goals.

This project is supported by the Interreg Danube Region Programme co-funded by the European Union.

Next Funding Round

Member States can submit proposals for the next disbursement round by:

- **21 January 2025** for non-priority investments
- **18 February 2025** for priority investments (e.g., renewables, energy efficiency, emission reductions)

All projects are assessed by the EIB, whose role is ring-fenced from its standard operations to ensure neutrality, in line with the EU ETS Directive and Commission Implementing Regulation.

With over €15.45 billion allocated since 2021, the Modernisation Fund is proving to be a powerful tool in reshaping Europe's energy systems and supporting a fair, inclusive transition for all.

Source: https://ec.europa.eu/commission/presscorner/detail/en/ip_24_6426