



EU financing instruments for the Renovation Wave

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European Commission - DG ENER
Energy efficiency policy & financing

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Energy efficiency – A strong political momentum

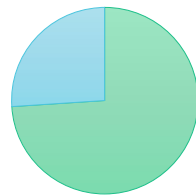
- Launch of **the Global Pledge on Renewables and Energy Efficiency** at COP28:
 - **double** the global average annual rate of **energy efficiency improvements** until 2030
 - place **energy efficiency as the "first fuel"** at the core of policymaking, planning, and major investment decisions
- **Fit for 55 package** – Adoption of the revised **EED & RED**, provisional political agreement on **EPBD recast**
 - **Regional & local authorities** are key actors in delivering on the EU climate & energy objectives

Renovation Wave

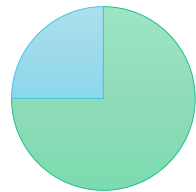
EU building stock – State of play

The building sector is one of the **largest energy consumers** in Europe, responsible for more than 1/3 of the EU's energy-related emissions

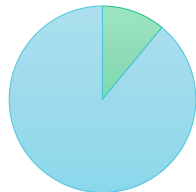
24 billion m² floor area, around **28 % non-residential**



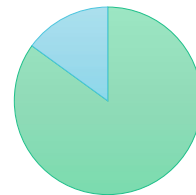
... **75 %** has **poor energy performance** ...



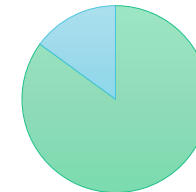
Only **11 %** of existing buildings undergo some level of **renovation** each year



85 % of existing EU dwellings were **built before 2000**, of which ...



... more than **85 %** will still be in place in **2050**



Recast of the Energy Performance of Buildings Directive (EPBD)

- **Provisional political agreement** reached on **07 December 2023** - *Text published by Council: <https://data.consilium.europa.eu/doc/document/ST-16655-2023-INIT/en/pdf>*
- For non-residential, Minimum Energy Performance Standards (MEPS)
 - By 2030, renovation of the 16% worst-performing buildings
 - By 2033, renovation of the 26% worst-performing buildings
- For residential
 - National trajectory to reduce the average primary energy use of the building stock
 - By 16% by 2030 and 20-22% by 2035 compared to 2020
 - At least 55 % of the savings in worst-performing buildings, defined as the 43% of the building stock with the lowest energy performance

Recast of the Energy Efficiency Directive (EED)

- Entered into force on **10 October 2023** – transposition period of **2 years**
- **Directive (EU) 2023/1791**
- Energy Efficiency remains long-term response to the crisis and climate objectives – **new binding EU energy efficiency target** & indicative national contributions: **11.7% for 2030**, reduction in primary and final energy consumption
- **Energy Efficiency First' Principle**, making it an integral part of policy and investment decisions
- Strengthened annual **energy savings obligation in end-use** to reach **1.9% by 2030** (average 1.49% for 2024-2030)

EED Articles 5 – 7

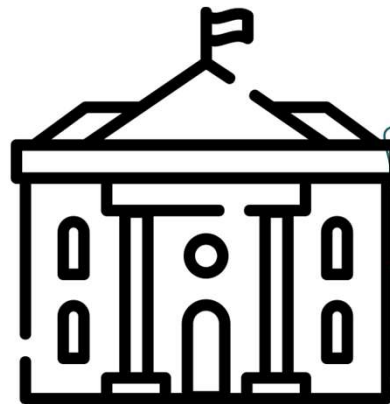
Exemplary role of public sector

Reduce total
final energy consumption
of all public bodies



1.9% each year

Renovate
heated / cooled buildings
owned by public bodies



NZEB

Zero-emission

3% each year

Purchase /
procurement



High energy efficiency
performance

Energy efficiency financing policy – Context

- Investment needs towards the EU 2030 energy efficiency targets and building renovation objectives are estimated at over **€ 300 billion per year**, with an annual investment gap of **at least € 165 billion**
- Although public financing for energy efficiency has grown significantly in recent years, most of the investments **must be mobilised from private capital** via an **efficient use of public financial support**
- It requires:
 - a strong **policy and legislative** framework
 - a strengthened **dialogue** between **public & private** actors
 - **public support actions** in a cost-effective way

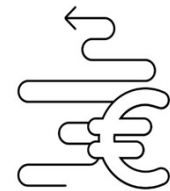
Energy efficiency financing policy – Legislation

- **Legal basis/vehicles:**

- Sustainable Finance Framework – EU Taxonomy and disclosure requirements
- Energy legislation - EED (Art. 30, 21), EPBD recast (Art. 17)

- **Objectives:** Remove regulatory barriers, develop favorable conditions and predictability, support financing instruments to better match investment supply and demand

EED Art. 30 obligation for Member States to promote innovative financing scheme leveraging private investments



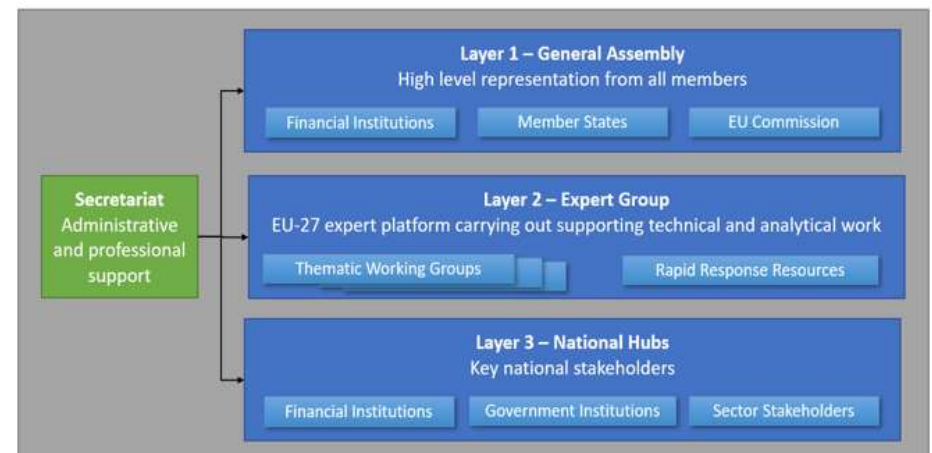
- Ensures **wide and non-discriminatory offer** by financial institutions
- Introduces **reporting requirements** on EE financing (volume, lending products, leverage)
- Strengthens **cooperation** between **public and private financial institutions**

Next steps: report to co-legislators on EE financing; recommendation to Member States & market actors on ways to unlock private investments

European Energy Efficiency Financing Coalition

- **Aligned to EED Art. 30:**

- Brings the European Commission, Member States and financial institutions together
- Three-level structure providing (i) political mandate, (ii) technical expertise and (iii) national dialogue
- To be launched in April 2024



- **Objective:** Mobilise private financing for energy efficiency at scale

- **Focus on implementation:** importance of National Hubs to get closer to the national and local reality (integrating existing initiatives e.g. SEIF)

Energy efficiency – Overview of EU support & funding

- For 2021-2027, the EU committed over EUR 190 billion to energy efficiency, largest share from the Recovery & Resilience Facility (RRF)
- Most EU funding for **regional and local actions** is implemented by national authorities, notably through Cohesion policy instruments - [National single portals - European Commission \(europa.eu\)](#)
- Additional EU support for **regional and local authorities**, to develop **energy efficiency** projects and activate investments, is available through centralised initiatives... including:
 - Horizon Europe
 - LIFE - Clean Energy Transition (LIFE-CET)
 - Invest EU, including the European Local ENergy Assistance (ELENA)
 - European Energy Efficiency Fund (EEEF)

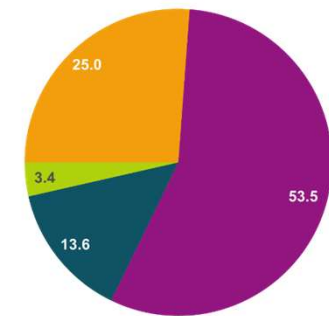
Horizon Europe – Cluster 5

Climate, energy & mobility

- **Horizon Europe** – EU’s key funding programme for R&I, contributing to climate neutrality, SDGs, boosting EU’s competitiveness and growth
- €4.5 bn (2021-2027) for **energy** topics
- €630 million for a “Highly energy-efficient and climate neutral European building stock”:

Years	Topics #	Funding (M€)	Built4people
2021/2022	14 topics	196 M€	124 M€ / 8 topics
2023/2024	17 topics	172 M€	94M € / 10 topics

- Ongoing call’s deadline 18/04 – 2nd 2024 call opens on 17/09

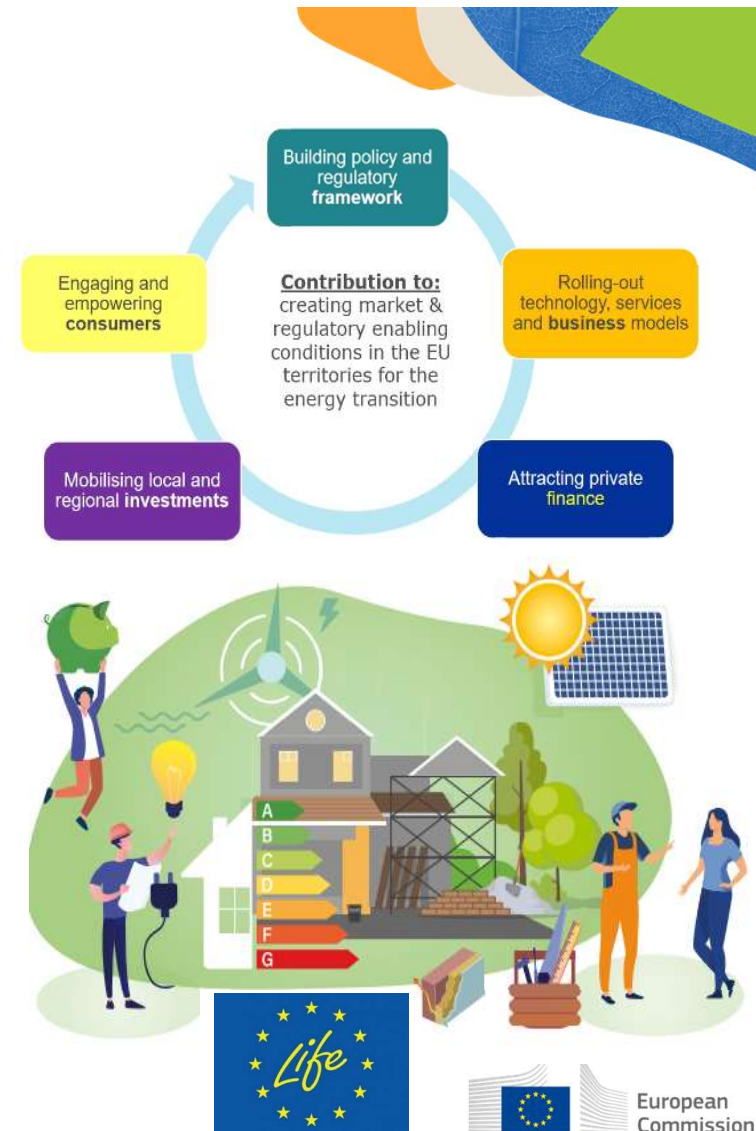


Budget: €95.5 bn (2021-2027)

- Excellent Science
- Global challenges and European ind. comp.
- Innovative Europe
- Widening Part and ERA

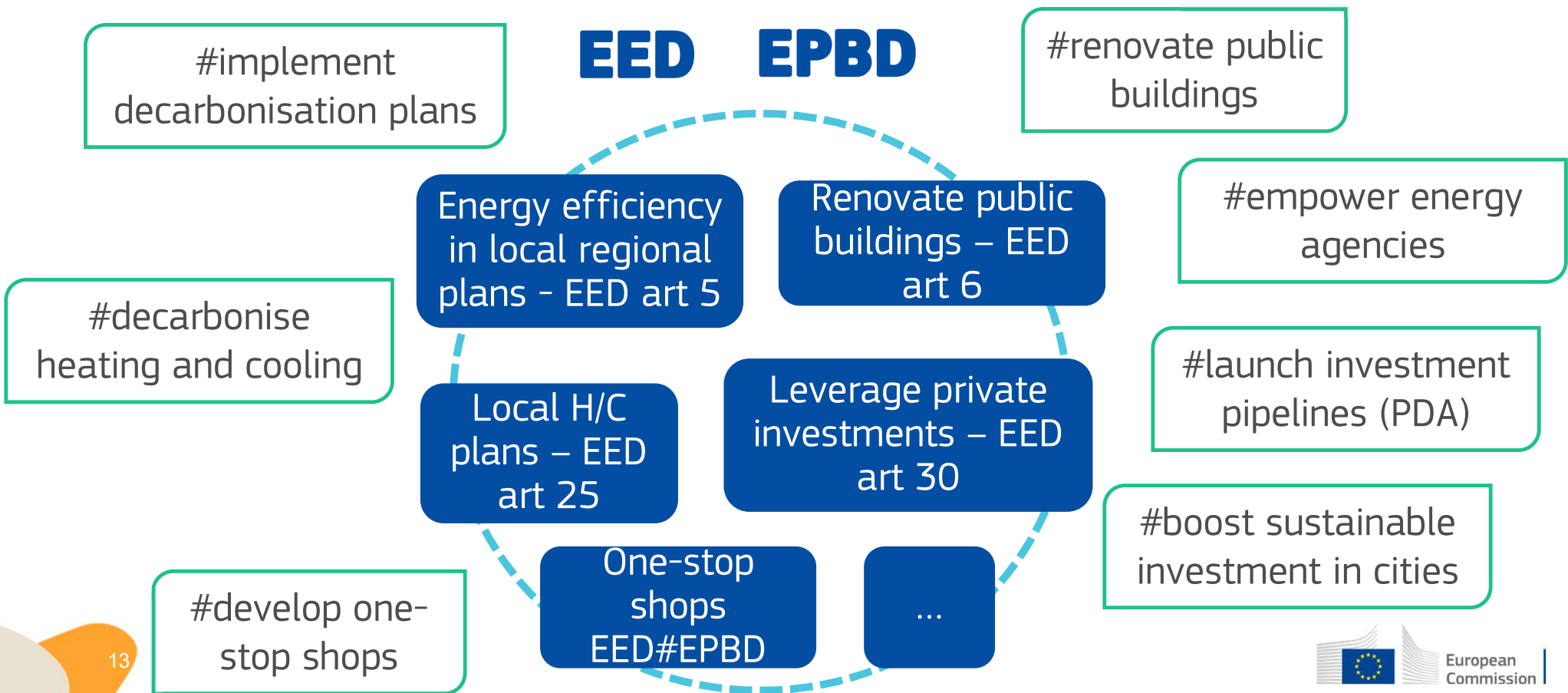
LIFE – Clean Energy Transition

- Facilitates the transition to **clean energy** with EUR 1 billion over the period 2021-2027
- Key **policy-support** programme for implementing the **EED, EPBD, RED...**
- Remove **market barriers**, improve **access to finance**
- Funding of key areas, including:
 - Cities and regions
 - District H&C, energy communities
 - Building renovation, home renovation services
 - Energy poverty...



LIFE – Clean Energy Transition

Support for implementing the EED & EPBD



LIFE – Clean Energy Transition

Support to cities and regions

#boost sustainable investment in cities

- **Cities & Regions:** building capacity of cities and regions to develop and implement +700 policies and plans (SECAPs)
- **Project Development Assistance:** triggered +€760 million investments and additional €680 million expected notably in building renovation and DH upgrade, leverage factor +1:25
- **One-Stop-Shops:** 35+ projects working on integrated home renovation services in 16 countries
- **EU City Facility:** 280 cities already selected for developing their investment concept



More reading...

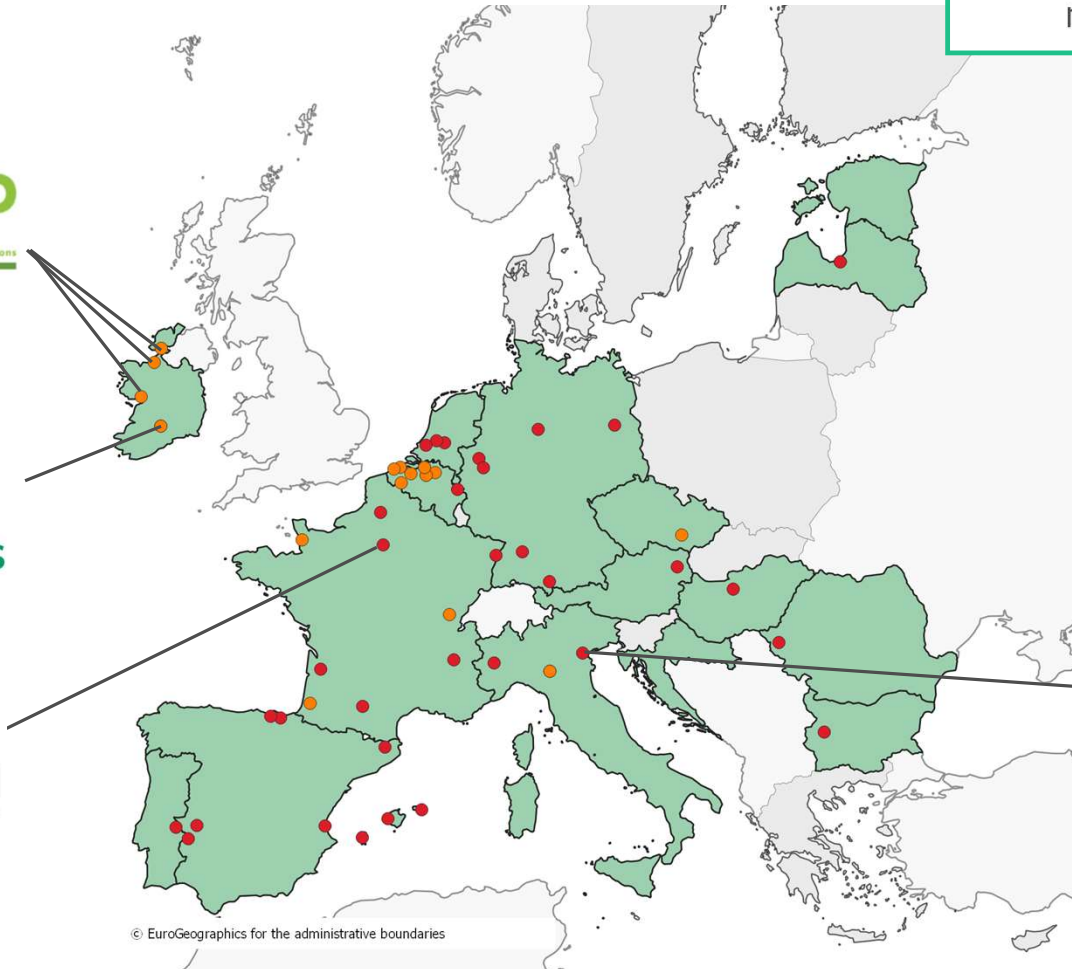
[Local authorities](#) leading the way towards decarbonising Europe

[Private finance for energy efficiency](#) - new solutions for funding Europe's energy transition

[Deep Renovation](#) - New approaches to transform the renovation market

LIFE – Clean Energy Transition Support home renovation services

#accelerate home renovation



© EuroGeographics for the administrative boundaries



36 home renovation services

16 Member States covered



LIFE – Clean Energy Transition

Renovation wave in the public sector

- Establishment of a One-Stop-Shop facility in the North-West - [Croatia](#)
- Transforming Renovation in the Southern Seaboard Region - [Ireland](#)
- Global assistance service for low energy investments toward a fossil free public sector – [Italy](#)
- Public building regional renovation service package for large scale deployment – [France](#)
- JINAG Energy Unit - system support of the renovation wave in the South Moravian Region – [Czechia](#)

#renovate public buildings



LIFE – Clean Energy Transition European City Facility

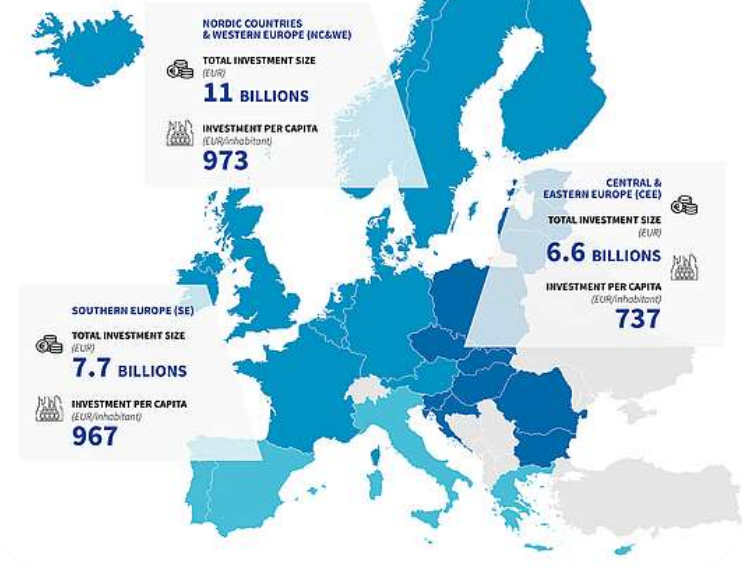
- Transform energy climate strategies into financing and implementation of sustainable energy projects
- €60 000 EUR (lump sum) + technical support to formulate investment programmes
- **National support network** across Member States – in your language
- +940 applications and +280 selected cities ([map](#)), +420 investment concepts by 2027
- Next call in Autumn 2024

#boost clean energy investment in cities



Investment Size

Overview - Expected investment size of selected applications - Four EUCF calls



LIFE – Clean Energy Transition Calls for proposals 2024

- Will be published on the EU Funding & Tender portal on **18 April 2024**
- **EU information days** 23 to 26 April 2024 to guide potential applicants
- Submission deadline:
19 September 2024



Invest EU advisory services - European Local ENergy Assistance (1/2)

- Part of **Invest EU** – the EC programme supporting investment, structural reforms and fiscal responsibility
- Provides **EU guarantees** to boost investments, also **advisory services**
- **ELENA** is a successful **EU technical facility**:
 - investment programmes/project **preparation**
 - **energy efficiency**, sustainable residential and urban mobility projects – contribute to the renovation wave
 - 15 years of experience (started in 2009)
 - 144 projects financed in 24 EU Member States
 - 8.2 billion of investments (**leverage** factor of **32**)



Recent projects (2022)

PL - EE in Multi-Family Residential Buildings (1,9M€ contribution)
Renovation of 185 buildings, 40% EE and 60% GHG saved on average

NL - Healthy homes (2,8 M€ contribution)
Renovation of 1,200 apartments to reach NZEB standards (78% savings)

FR - Bordeaux energy positive (2,5M€ contribution)
Renewable DH networks and renovation of non-residential buildings (public & private)



Invest EU advisory services - European Local ENergy Assistance (2/2)



- When applying to ELENA, some **general rules** to consider :



Minimum investment of **€30m** - Grant covers up to **90% of costs** related to **project development support**



Level of maturity - preparatory studies carried out and main decisions taken (demonstrate high probability that project will be implemented)



Leverage factor - **20 for sustainable energy, 10 for residential buildings**



3-year implementation period for EE projects

Final beneficiary (applicant) doesn't have to be the one who is implementing the investment

European Energy Efficiency Fund (EEEF)

- **Investment fund** with EC as co-investor – also provides TA services
- Supports the transition to resilient, energy efficient and green infrastructure:
 - energy efficiency, small-scale renewable and clean urban transport projects
 - currently 5 investors
 - 53 public and municipal authorities involved
 - 16 active investments in 9 EU Member States
 - 197 million committed



Exemplary projects

IT - University Hospital S. Orsola Malpighi in Bologna
SPV to improve energy efficiency and heat distribution

PT - Vila do Conde
LED-based street lighting - 77% energy gains resulting in 3,2M€ economy for the municipality over the 12 yrs concession

LT – VIPA
Partnership with National Investment Development Agency to support projects with min.30% energy savings

Relevant networks and initiatives

- **Covenant of Mayors** facilitates access to EU funding
- **Sustainable Energy Investment Forum** facilitates dialogue between the financial sector, public authorities and all stakeholders involved in delivering investments in sustainable energy at EU and national levels
 - **Covenant of Mayors Investment Forum** – Energy efficiency marketplace brings together cities, financial institutions and other actors to exchange on good practices and successful solutions to common challenges
- **Smart Cities Marketplace** helps cities and towns of all sizes to deliver more sustainable urban environments by facilitating access to information needed to explore, shape and set up successful sustainable urban projects



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