

The background of the slide is a photograph of a landscape with rolling green hills. Several white wind turbines are visible, some in the foreground and others further back on the hills. The sky is blue with scattered white clouds. The overall scene suggests a focus on renewable energy.

C4E Forum

How to make the new budget work for EE investments in the CEE Region

Raphael Hanoteaux

CEE

**bankwatch
network**

EU Instruments for Energy Efficiency

Cohesion Policy

- Support for energy efficiency tripled between 2008 and 2014

European Fund for Strategic Investments (the Juncker Plan)

- 16% of EFSI guarantees in the energy sector targeted energy efficiency
- Uneven geographical spread

Clean Energy Package

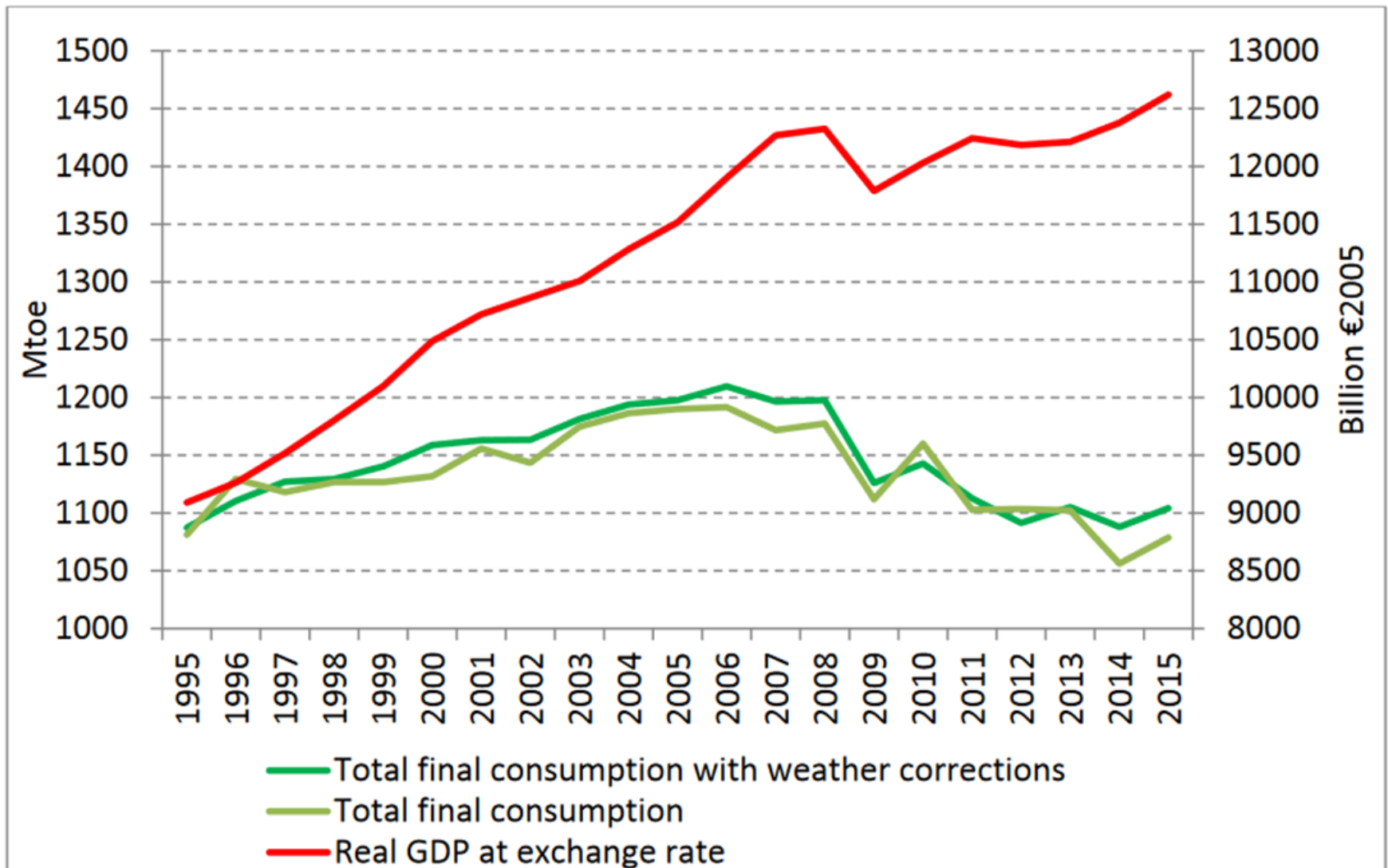
- Revision of directives on Energy Efficiency

Increasing role for financing instruments

- Smart Finance for Smart Buildings: Deploying Financial Instruments and flexible energy efficiency and renewable financing platforms / Building on EFSI blending with ESIF funds
- The De-risking Energy Efficiency Platform

Some effects: Real decoupling thanks to energy savings, but still not enough

Figure 1: GDP and weather corrected final energy consumption in 1995-2015¹⁰



What lessons to draw ?

In a nutshell: Current framework for supporting Energy Efficiency enabled progress, but economic growth is still pushing the energy demand up. More efforts are needed to prevent further increase of energy consumption.

- **18 Member States** already on track for 2020 targets (including most CEE states)
- **Regulation on the Governance of the Energy Union** should improve coordination and link the different 2030 objectives: Energy efficiency / Renewables / GHG reduction
- BUT we need more ambition to achieve full savings potential : within the CEP, and within the Budget

How to improve the budget to support EE ?

EU level Recommendations



- **Consistence between mechanisms**
 - > National and European mechanisms should coordinate and complement each other
- **A new flexibility mechanism or “Performance reserve”**
 - > An incentive system “more for more” should be put in place. Most ambitious Member-States should receive more money from the budget.
- **Accessibility and availability**
 - > Aggregating projects, assisting municipalities and communities to access funds should be a priority

What's Next ?

Funds level Recommendations

- **Binding climate action targets** should be high, properly tracked and proofed.
- **Cohesion Policy:**
 - **Targets regarding climate and environment should be higher and more precise** (sub-target for Energy efficiency)
 - **Cohesion Policy Programming should go hand in hand with the development of National Energy and Climate Plans.**
- **Common Provision Regulation:** “Enabling conditions” point in that direction and ask for national long term renovation strategy to be in place.



What's Next ?

Funds level Recommendations (cont.)

- Need **technical assistance** arrangements for prosumer and community-led energy projects.
- **InvestEU:**
 - Include a 50% target for climate and environment spending
 - As part of this objective, **an additional 20% target for energy savings should be created**, as within energy efficiency lays the largest funding gap in the EU to reach the 2030 energy and climate targets



What's Next ?

Recommendations at CEE level


- **InvestEU: Improve the geographical spread**
 - InvestEU Fund should further promote energy and resource efficiency especially in **Cohesion countries**.
- **Specific loan schemes and grants tailored** (for socially vulnerable and community power projects)
- **Provide technical support**
- **Raise awareness about innovative solutions and various EU funds**



In a nutshell

- Increasing support for Energy Efficiency within the budget in the last 10 years
- Energy efficiency is recognized as a crucial issue in fighting climate change and supporting transformation of energy systems
- Policy and legislative efforts have had good effects
- This is not over ! The next EU budget must:
 - Increase support to Energy Efficiency measures
 - Ensure equal geographical repartition and support for in-need regions / Member states
 - Bring coherence between budgetary instruments and the 2030 framework



The background of the slide is a photograph of a landscape with several white wind turbines on a green, grassy hill. The sky is blue with scattered white clouds. In the foreground, there is a pile of dark, jagged rocks.

Thank you for your attention !

raphaelh@bankwatch.org

CEE

**bankwatch
network**

What instruments to support EE in the last MFF ?

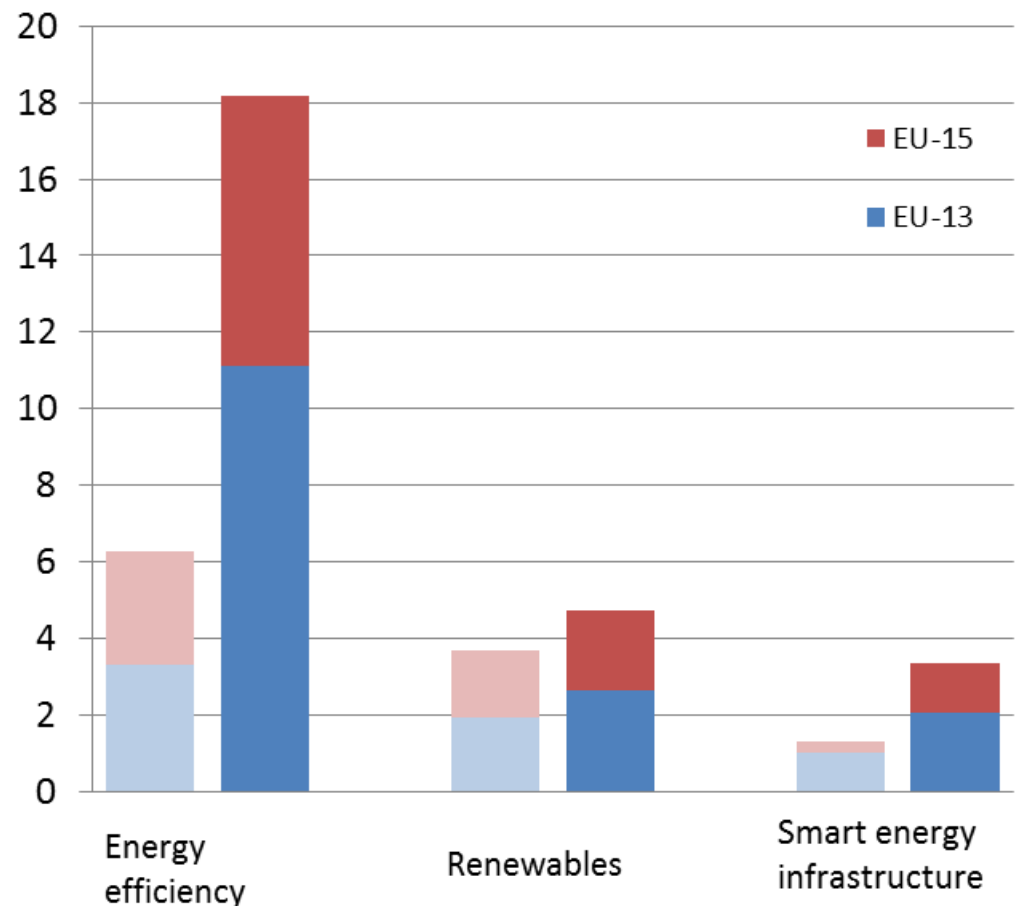
- European Structural and Investment Funds (ESIF)**

Support for energy efficiency under structural funds **has trebled** from the 2007-2013 (EUR 6 Bn) to **2014-2020 period (EUR 18 Bn)**.

Smart energy infrastructure spending has also doubled.

Change of approach: in 2007-2013 support to the housing sector extremely limited; in 2014-2020 energy efficiency in housing was encouraged.

ERDF+CF allocations in EUR billion, all EU MSs
Comparison 2007-2013 vs 2014-2020



What instruments to support EE in the last MFF ?

- ESIF Geographical Repartition for EE Investments**

Unequal repartition in CEE countries: PL, CZ and RO have higher investment than other CEE countries

