

A semi-transparent orange map of Central, Eastern, and South-East Europe is overlaid on the left side of the image. The map shows the outlines of countries in the region, including Poland, Czech Republic, Slovakia, Hungary, Romania, Bulgaria, Greece, and parts of the Balkans and Turkey. The background of the entire slide is a photograph of a cityscape at sunset or sunrise, with buildings in various colors and a hazy sky.

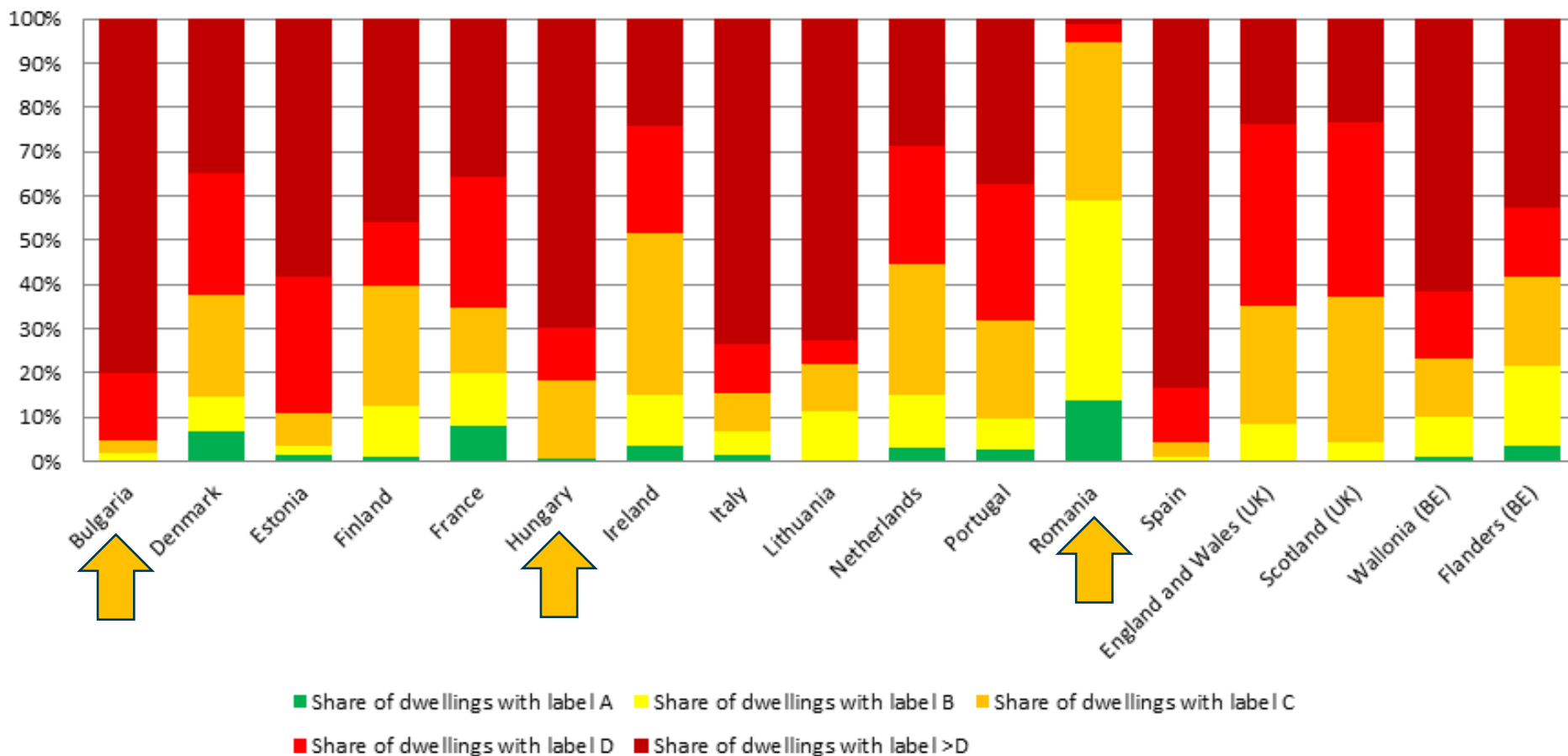
FINANCING THE FUTURE OF BUILDINGS IN CENTRAL, EASTERN AND SOUTH-EAST EUROPE

Oliver Rapf, Executive Director

Buildings Performance Institute Europe

A snapshot of the current building stock

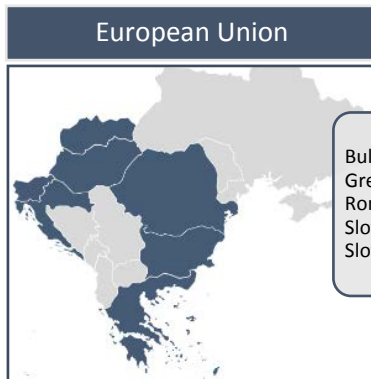
Distribution of EU Building Stock according to EPC Rating



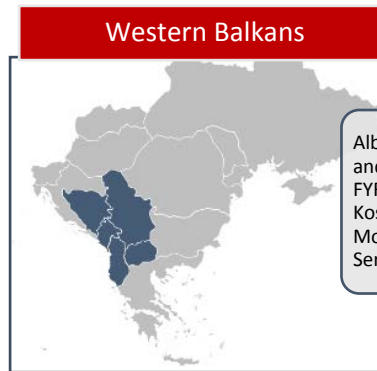


Non-EU Financial Streams

- *Cohesion Policy Funds (Structural Funds, Cohesion Fund, European Social Fund)*
 - *European Fund for Strategic Investments (EFSI)*
 - *Energy projects to aid economic recovery (EERP)*
 - *The EU Emissions Trading System (EU ETS)*
 - *Instrument for Pre-accession (IPA)*
 - *Neighbourhood Investment Facility (NIF)*
- *Western Balkans Investment Framework (WBIF)*
 - *Regional Energy Efficiency Programme for the Western Balkans (REEP)*
 - *The World Bank*
 - *Kreditanstalt für Wiederaufbau Entwicklungsbank (KfW)*
 - *The Green for Growth Fund Southeast Europe (GGF)*
 - *The European Investment Bank (EIB)*
 - *Eastern Europe Energy Efficiency and Environmental Partnership (E5P)*



Bulgaria, Croatia, Greece, Hungary, Romania, Slovenia, Slovakia



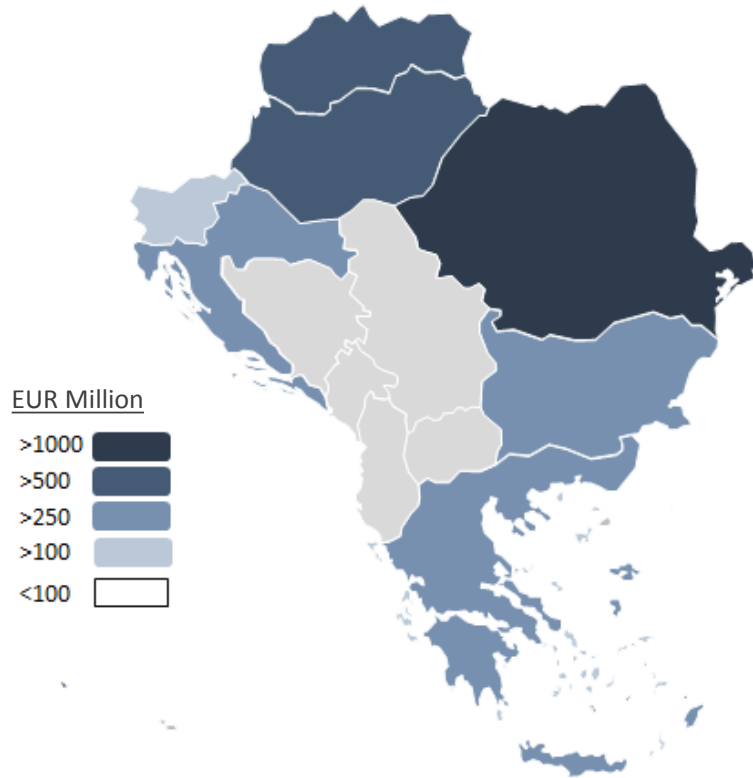
Albania, Bosnia and Herzegovina, FYRO Macedonia, Kosovo, Montenegro, Serbia



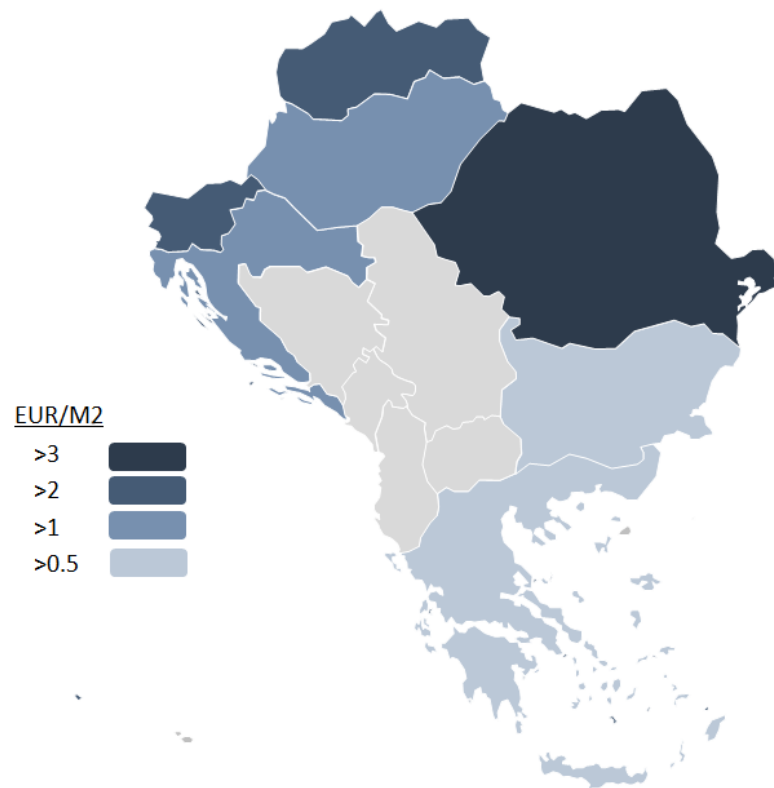
Moldova, Ukraine

Cohesion Policy Funds

Committed Allocations to Energy Efficiency in Buildings, 2014 -2020



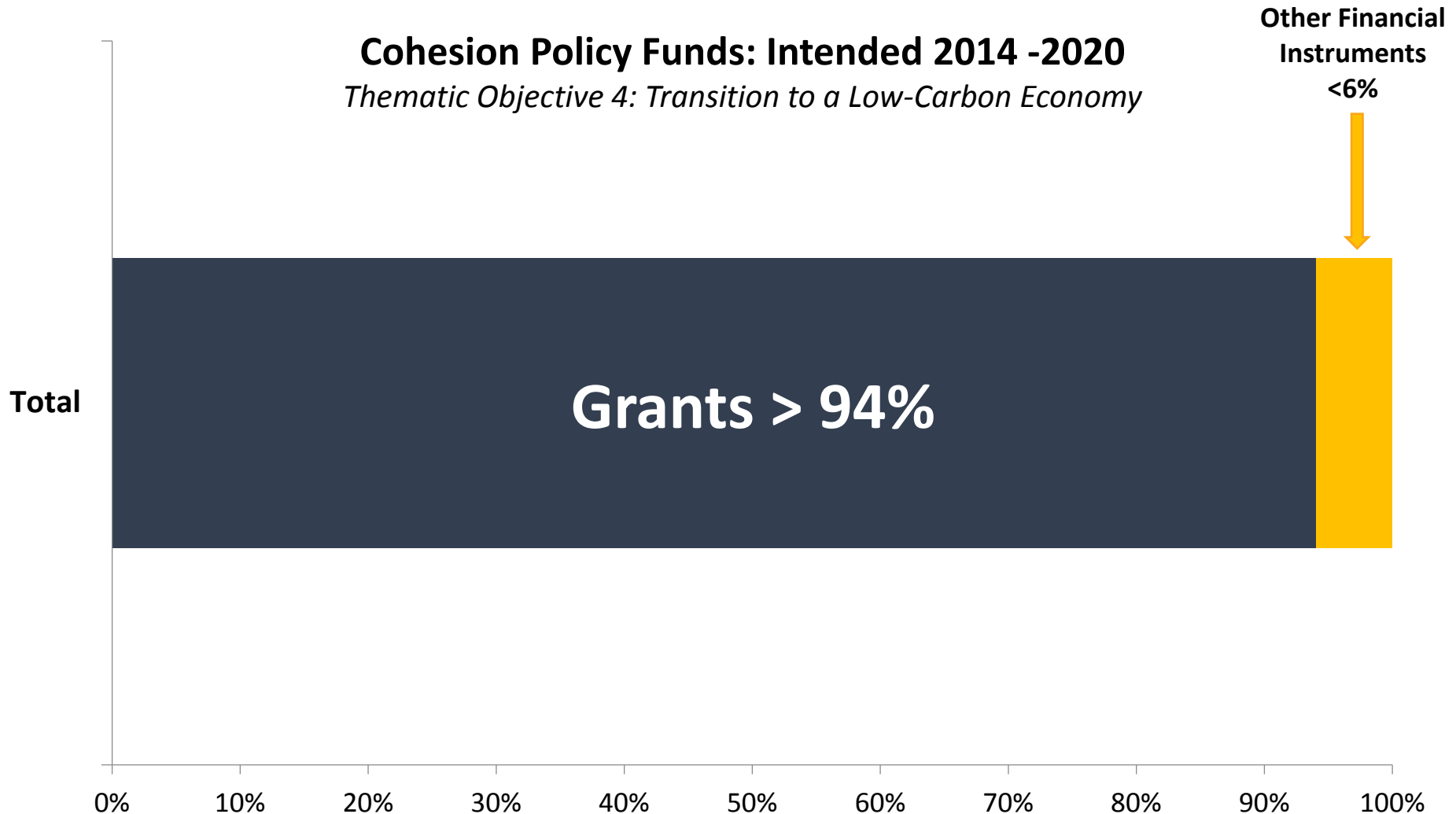
Committed Allocations to Energy Efficiency in Buildings in relation to Size of the Building Stock, 2014 -2020



Cohesion Policy Funds: not used to leverage private investments



Cohesion Policy Funds: Intended 2014 -2020
Thematic Objective 4: Transition to a Low-Carbon Economy



European Fund for Strategic Investments: lack of energy projects in the region

EFSI FINANCING FOR ENERGY PROJECTS



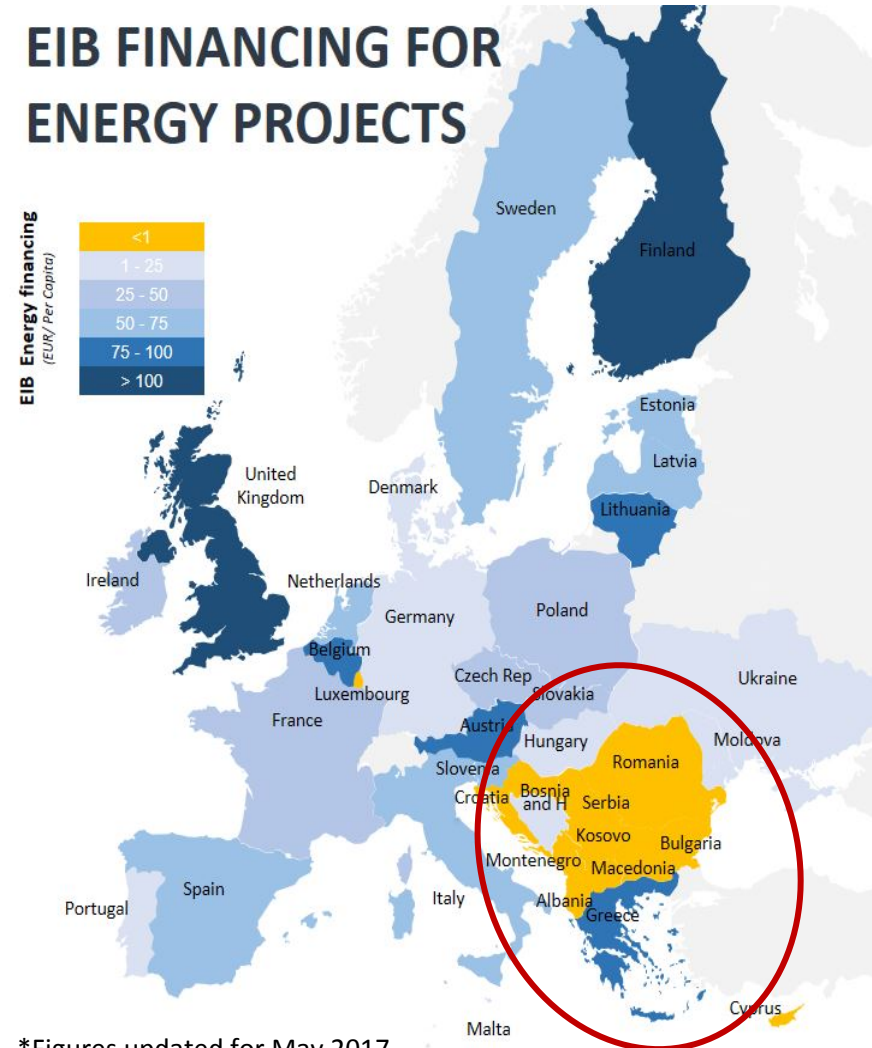
- Only **2 out of 66** EFSI energy projects located in South East Europe
- **100 Million** out of more than 8 Billion
- **0 projects** dedicated to energy efficiency in buildings

*Figures updated for May 2017

European Investment Bank: lack of energy projects in the region

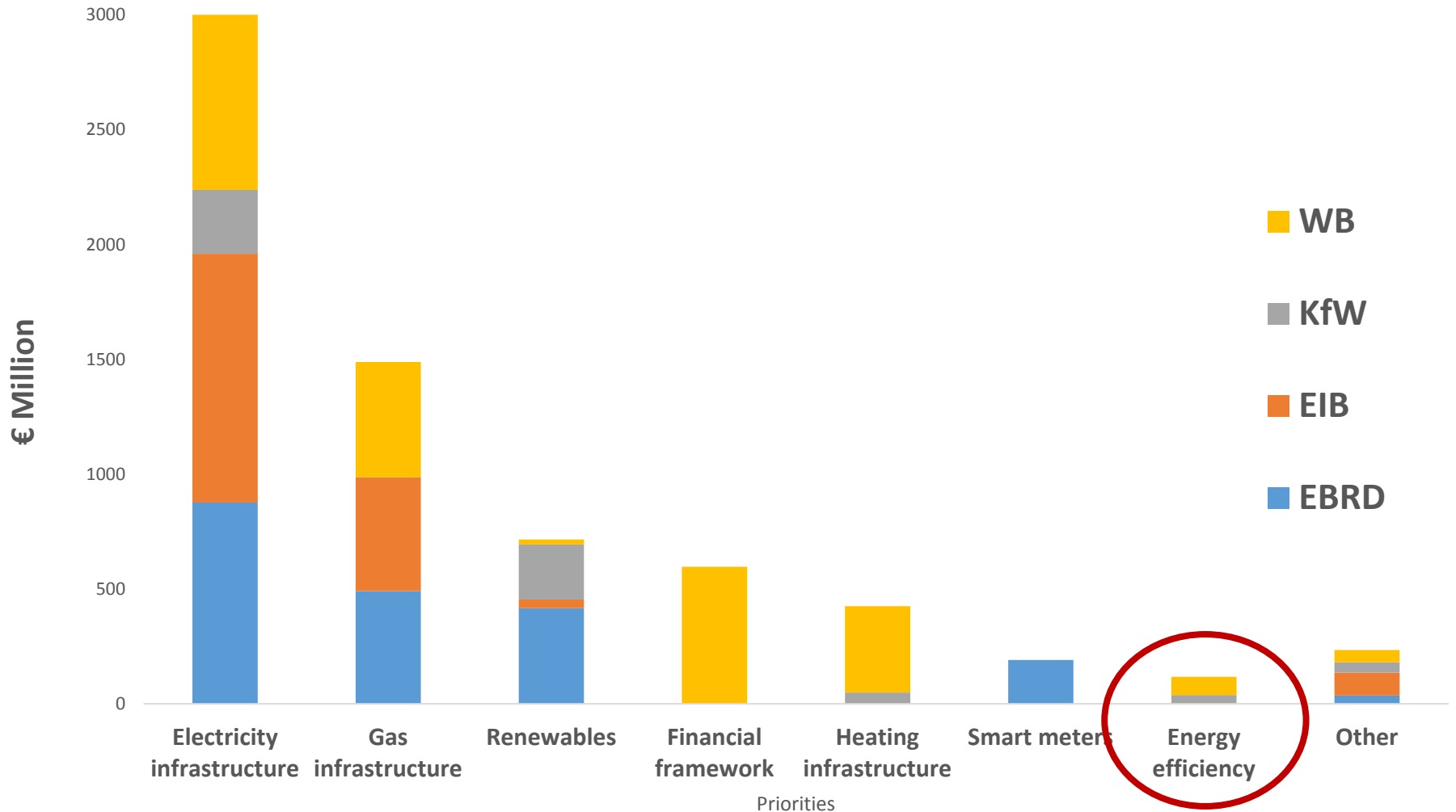
- Other EU countries receive almost **3 times** as much EIB financing per capita as CESEC countries (€57 compared to €22)
- Only **8.5%** of energy loans are directed to SEE countries
- **0 projects** dedicated to energy efficiency in buildings

EIB FINANCING FOR ENERGY PROJECTS



*Figures updated for May 2017

International financial institutions: little investment in demand-side infrastructure



*Figures updated for May 2017

Financing structural change in the building sector



Strategic actions

- Recognize **buildings as energy infrastructure** and make building renovation a strategic priority
- Develop the conditions to **leverage private financing and institutional investment** and spur additional projects
- Make the case for additional funding for energy efficiency with **one strong voice, reallocating from supply side to demand side**

Local implementation

- Increase **capacity building** and ability for project development
- **Improve governance** by reducing the negative effect of silos in organisations
- Use **public funding to leverage private financing** and boost innovative business models
- Favour **integrated approach**: link accessibility of funds to national renovation strategy

Integrated approach to attract investment in building renovation



Regional Financing Initiative for Buildings

Knowledge Transfer & Capacity Building

Investment Mechanism attracting Institutional Investors

Project Aggregation Mechanism

Addressing specific national barriers

SAFEGUARDING ENERGY SECURITY IN SOUTH-EAST EUROPE WITH INVESTMENT IN DEMAND-SIDE INFRASTRUCTURE



THE CASE FOR ENERGY SECURITY

FINANCING THE FUTURE OF BUILDINGS IN CENTRAL, EASTERN AND SOUTH-EAST EUROPE



A REALITY CHECK OF CURRENT PUBLIC FUNDING ALLOCATION

POLICY FACTSHEET



ATTRACTING INVESTMENT IN BUILDING RENOVATION

The EU's building stock is far from being energy efficient, and up to 85% of existing buildings will still be in use in 2050. Achieving a decarbonised building stock by 2050 will require renovation at a faster rate, which will need considerable investment, estimated at around €100-150 billion annually up to 2050, and even more thereafter [1]. Public funding alone cannot meet this requirement, so it needs to be used in a way that maximises (i.e. leverages) private investment.

Among the most common types of financing scheme are grants (or subsidised) and loans [2]. This factsheet outlines two examples of each, illustrating how public funding is playing a key role in enticing private investment in building renovation.

Zero-interest eco-loans (France)

- Interest-free loans for energy renovation works
- €1 public funding → €12 private investment

Incentive scheme for building envelope

improvement (Malta)
- 15% subsidies for double glazing and roof insulation
- €1 public funding → €10 private investment

Green funding scheme (The Netherlands)

- Preferential interest rate offered to green investors
- €1 public funding → €83 private investment

Reconstruction of apartment blocks (Estonia)

- Subsidies for reconstruction of multi-apartment buildings
- €1 public funding → €2.33 private investment

POLICY RECOMMENDATIONS

Require Member States to:
- Introduce public funding
- Leverage investments into energy renovation
- Provide market certainty

Focus on:
- Renovation of commercial and public buildings

Recognised in national renovation strategies and
- Adoption of cost-optimal levels for minimum energy
- Performance

Recognise the benefits of energy efficiency is essential, since
- It reduces bills, but improved comfort, health, living quality

Find all BPIE's work on financing for building performance on our [website!](https://www.bpie.eu)

BPIE

Oliver Rapf
Executive Director
oliver.rapf@bpie.eu
www.bpie.eu