



Financing Energy Efficiency by Cohesion Policy

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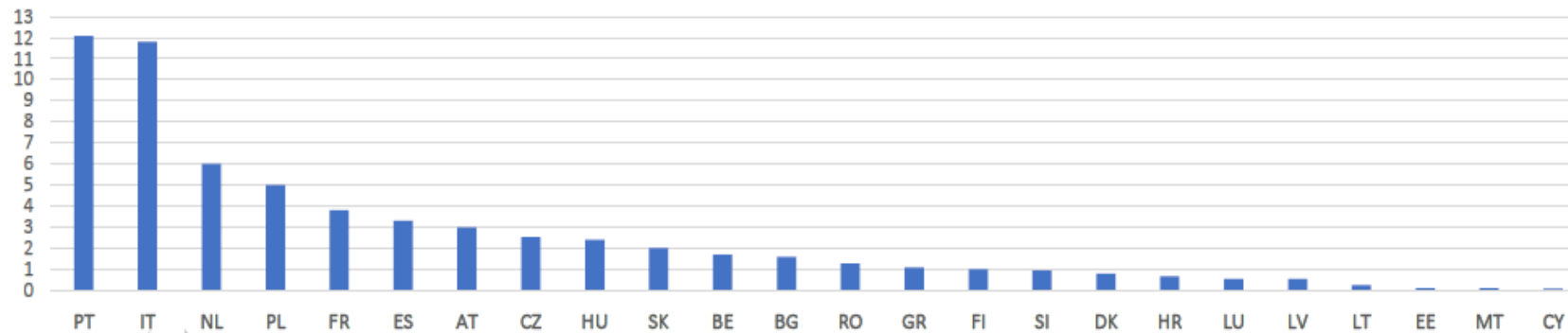
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EE investment needs

- Investment gap of EUR 185bn per year in EE at the EU level (EC Study)
- 27 NECP identifies investment needs of circa EUR 62bn per annum (MS used non comparable methodologies)
- Gap in residential sector (EUR 115bn), in business sector (EUR 75bn)

Annual EE investment needs over the 2021 – 2030 period (EUR bn) as reported in the NECPs



EE investment needs in Hungary

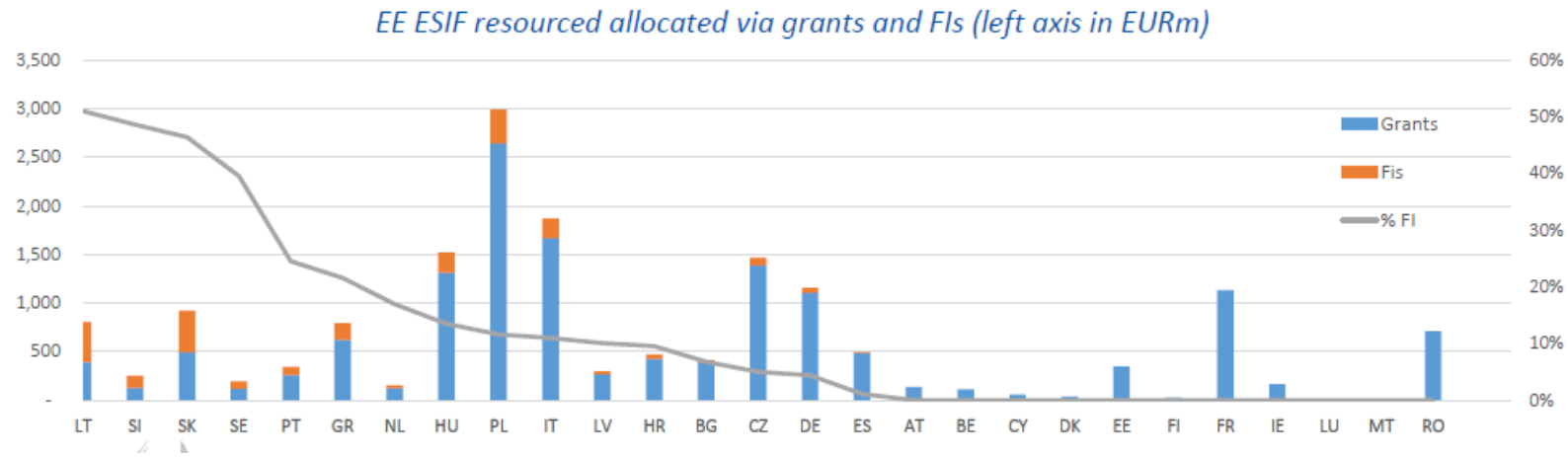
- Hungary's economy is relatively energy intensive, with both primary and final energy consumption levels well above the EU average.
- Primary energy consumption (23,3 Mtoe) is below the 2020 national target (24,1 Mtoe),
- Final energy consumption (17,3 Mtoe) is still above the 2020 national target (14,4 Mtoe).

EE investment needs in Hungary

- There is a significant need for Hungary to reduce its energy consumption, in particular in buildings
- 90% of the building stock require renovation,
- more than 25% of the population live in houses with poor conditions (damp walls, leaking roofs).
- NECP estimates needs of EUR 60bn for the period 2016 to 2040

ESIF and EE (2014-2020)

- ESIF have played a crucial role
- EUR 17.6bn were allocated to support EE investments



ESIF and EE (2014-2020) in Hungary

- EUR 1.5bn of ESIF allocated to EE as Hungary relies heavily on EU support
- Grants and Financial Instruments (FI)
- EEEOP (Environment and Energy Efficiency OP)
 - OP EU financing 3,7 bln EUR
 - Energy PA 920 mil EUR
 - Contracts: 616 mil EUR
 - 69%

ESIF and EE (2014-2020) in Hungary

- EUR 1.5bn of ESIF allocated to EE as Hungary relies heavily on EU support
- In 2014 – 2020, the allocation to EE FIs is EUR 204m
- Several FIs are being implemented in Hungary including for EE (some FIs combination also grant support).
- These schemes are implemented as separate but coordinated operations between the Hungarian Development Bank (MFB) and the respective Managing Authorities

EE in 2021 - 2027

- Country report for HU: 2019 European Semester (Annex D)
- Promote energy efficiency measures
- Reduce energy consumption levels in the housing sector through renovation of multi-apartment buildings, with priority for the modernisation of residential blocs and focus on the energy poor;
- Improve energy efficiency in public buildings;
- Reduce energy consumption in businesses by improving energy efficiency in SMEs, including their premises, installations and processes;
- Improve energy efficiency of district heating networks

Enabling Conditions 2021-2027

- **Strategic policy framework to support energy efficiency renovation of residential and non-residential buildings**
 - National Building Renovation Strategy 2021–2030
 - EU Directive Nr. 2018/844/EU amending directive on the energy performance of buildings and directive on energy efficiency
- **Governance of the energy sector and Effective promotion of the use of renewable energy across sectors and across the EU**

FI in 2021-2027

- Hungary has been accumulating experience in implementing FIs, with a preference in combining FIs with grants as separate but coordinated operations.
- The regulation will provide a framework to achieve such combinations in a more structured way. Under a single operation, the grant component could reach up to 40% of the financing.
- Technical assistance and advisory are key to ensure an effective use of resources and to support the preparation/deployment of EE projects.
- TA: ensure that stakeholders take advantage of the opportunities provided by the new regulation, and implement innovative financial solutions

Thank you



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