



# ***EU policies on energy efficiency finance and energy efficiency dimension of the EU Recovery***

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# Policy context – the European Green Deal

New climate target: -55%



Recovery after COVID-19 crisis

# Energy efficiency related initiatives in the European Green Deal

Initiatives	Indicative timeframe
<b>New 2030 Climate Targets plan</b> – 55% GHG emissions cut by 2030	Inter-institutional negotiations undergoing – Commission Communication adopted on comprehensive plan on 17/09/20
<b>Renovation Wave</b> aim to at least double building renovation rate in EU	October 2020. Strategic communication including action plan and SWD on EU Financing sources.
<b>Renewed Sustainable Finance Strategy</b>	Early 2021
<b>Energy Efficiency First Principle Guidance</b>	Early 2021
Revision of <b>Energy Efficiency Directive</b>	June 2021
Revision of <b>Energy Performance of Building Directive</b>	End of 2021

[Link to European Green Deal Action Plan](#)

# EU Recovery package and Next MFF 2021 -2027.

## A unique opportunity to scale-up investments in energy efficiency

### Additional resources

- Out of the total 1.8 billion euro (NGEU + MFF 2021-2027), 30% of these resources, **around 550 billion euro**, earmarked to deliver the climate goals of the European Green Deal.
- Energy efficiency plays a **key role in clean energy transition**.
- The resources dedicated to climate action have **more than doubled** compared with the period 2014-2020.

### Multiple benefits

- Creates **local jobs, stimulates local investments, and supports SMEs** (who count for 95% of the construction sector in 2018).
- Strong energy efficiency policies **can contribute between 0.25 and 1.1% to GDP growth**.
- **In industry** generate productivity and operational benefits up to 2.5 times the value of energy savings.
- **Social and affordable housing** is a beneficial countercyclical intervention.

# Financing sources - key European funds:

- RRF
- Cohesion Funds (plus REACT-EU)
- InvestEU
- JTM
- Horizon Europe (R&I)
- LIFE
- CEF
- *Modernisation Fund,*
- *Innovation Fund*

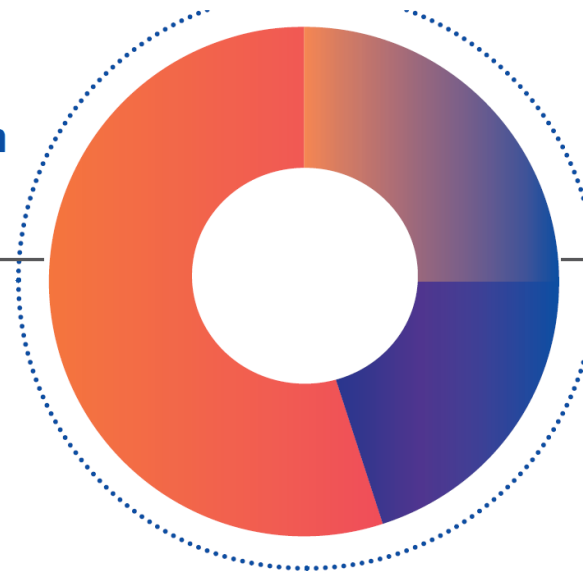
OVERALL BUDGET 2021-2027

**EUR 1 074.3 billion**

Multiannual financial  
framework

The EU's 7-year budget

TOTAL  
EUR 1 824.3 billion



**EUR 750 billion**

NextGenerationEU

COVID-19 recovery package front-loaded over the first years

EUR 750 billion

• EUR 390 billion in grants

• EUR 360 billion in loans

Capital raised on financial markets

# Member States have a critical role to play in the Recovery and Resilience Facility

- The bulk of the Recovery package (NGEU) will be managed by member states through the Recovery and Renovation Facility (RRF).
- The measures identified to be financed under the RRF should have a lasting, positive impact on the economy and society, address the challenges identified in the context of the European Semester, facilitate the **green and digital transitions** and strengthening the growth potential, job creation and economic and social resilience of the Member State.
- The national Recovery and Resilience Plans (RRPs) **has also to support the objectives set out in the NECPs** (National Energy and Climate Plans).
- The **Renovation of buildings is one of the seven flagship recovery areas** identified (Renovate) by the Commission. Member States are **strongly encouraged** to include the flagship recovery areas in their RRP.
- Formal submission of the RRP for assessment as from 1<sup>st</sup> January 2021 till 30<sup>th</sup> of April 2021.
- Submission of the preliminary draft RRP as from 15<sup>th</sup> of October 2020.

# Examples of projects/initiatives for energy efficiency that could be developed in the framework of the Recovery and Resilience Facility

Targeting Renovation wave of residential buildings, social and affordable housing, private or public buildings (with a focus on schools and hospitals)

1. Blending facilities for private building renovations by combining grants, technical assistance and loans.

2. Project Development Assistance Facilities at National or Regional Level to address the key market barriers and accelerate the scale-up of investments in building renovation (ELENA model)

3. Development of a network of One-Stop-Shops for building renovations

4. Energy Efficiency schemes for public buildings (Energy performance contracts)

5. Energy Efficiency schemes for residential buildings

# Examples of projects/initiatives for energy efficiency that could be developed in the framework of the Recovery and Resilience Facility

Targeting Decarbonisation of industry and SMEs, heating and cooling systems, investments supporting innovation, competitiveness of their value chains and reform programmes.

1. Investments to encourage industries (not SMES) to implement energy efficiency measures identified by energy audits

2. Investments to encourage SMEs to carry out energy audits and to implement results.

3. Investment support for modernization of existing and development of new modern low-temperature district heating and cooling systems.



*Thank you for your attention*



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