

# **Financing of Investments in the Energy Performance of Housing**

9<sup>th</sup> February 2009

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EU Sustainable Energy Week 2009

- The EIB has been financing an increasing number of projects in the social housing sector in Europe: around EUR 4.2 bn since 2000;
- EIB-policy in the past (i.e. pre-EU Directive EBPD):  
Given the backlog of investments in projects, the EIB has been supporting basic rehabilitation and upgrading investments such as security and decent housing conditions (building stability, sanitary facilities, lifts, etc.).

## EIB-Financing of Social Housing Projects: Type of Operations



- Financing of regional investment programmes :
  - with a great diversity of sub-projects both medium and small-scale;
  - in a large number of towns and cities;
  - implemented by a number of social housing associations/companies.
- Financing of a large-scale renewal investment programme in a city/region, implemented by one promoter (stock transfers/UK).
- Modernisation of large-scale municipal housing stocks.



## EIB-Financing of Social Housing Projects: Type of Operations



Direct loans or loans through intermediaries:

- Public intermediaries (national and regional institutions)
- Financial intermediaries (commercial or public banks)

## EIB-Financing of Social Housing Projects: Shift of Paradigm



- A shift of paradigm occurred in the last few years with the reinforcement of energy and climate change policies in the EU (the 20/20/20 objectives)
- This is also reflected in the Directive 2002/91/EC on Energy Efficiency of Buildings (EPBD) and its recast which is under preparation;
- Considerable potential for improving the energy performance of housing to make an impact on Climate Change;
- Improving the energy performance of buildings – implying social housing – has become a priority for EIB financing, thus contributing to a reduction in CO2 emissions.

## EIB-Financing of Social Housing Projects: Objective



### Objective:

- Supporting the adoption of higher energy efficiency standards;
- Facilitating the financing of investments where the actual energy performance goes beyond the minimum requirements laid down by national law in line with the EU Directive.



### **The Sustainable Energy Package:**

- A Joint initiative by the European Commission and the EIB; one focus being to improve the energy performance of housing.
- Support for municipalities that have joined the Covenant of Mayors Initiative
- With a sectoral focus on energy efficiency and renewable energies in buildings, urban transport (clean buses) and SMEs
- Reducing transaction costs (economies of scale)
- Ensuring a continuous flow of bankable projects
- Adapting/creating financial instruments.