A blue stuffed animal, possibly a dog or cat, is lying on a green lawn. A coin is balanced on its head. The animal has large, white, circular eyes and a small, dark, triangular nose. The background is a blurred green lawn.

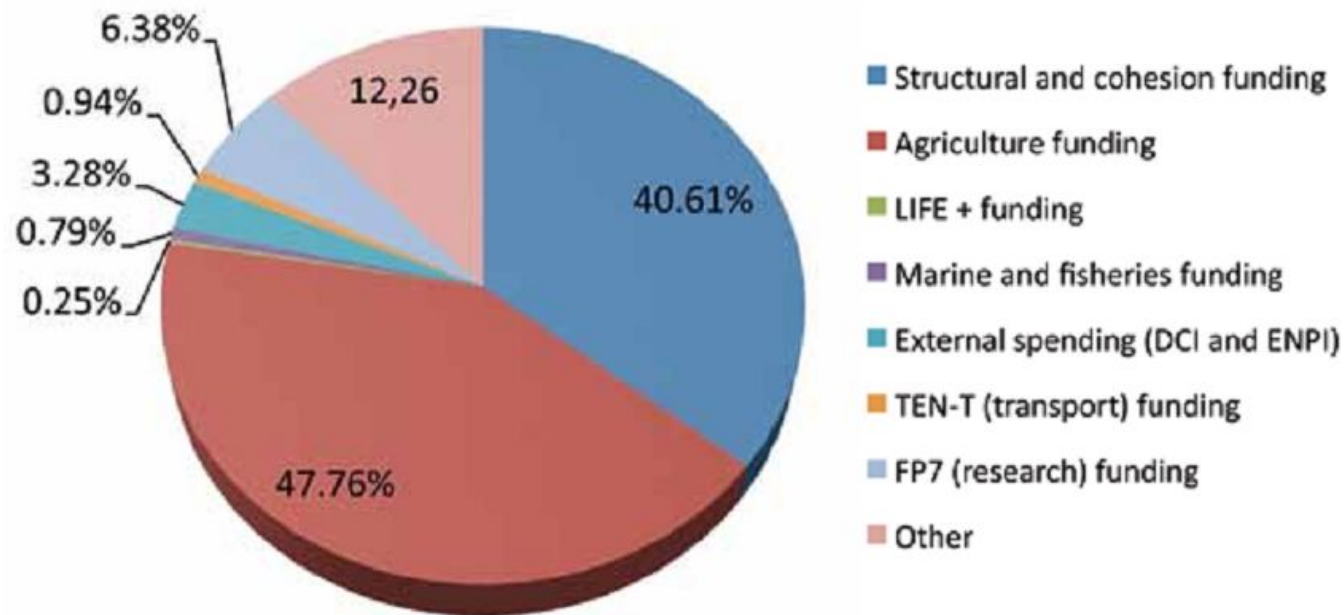
# The next EU budget as a driver for renovation?

Sebastien Godinot,  
Economist, WWF

Shelter project, 19/06/12

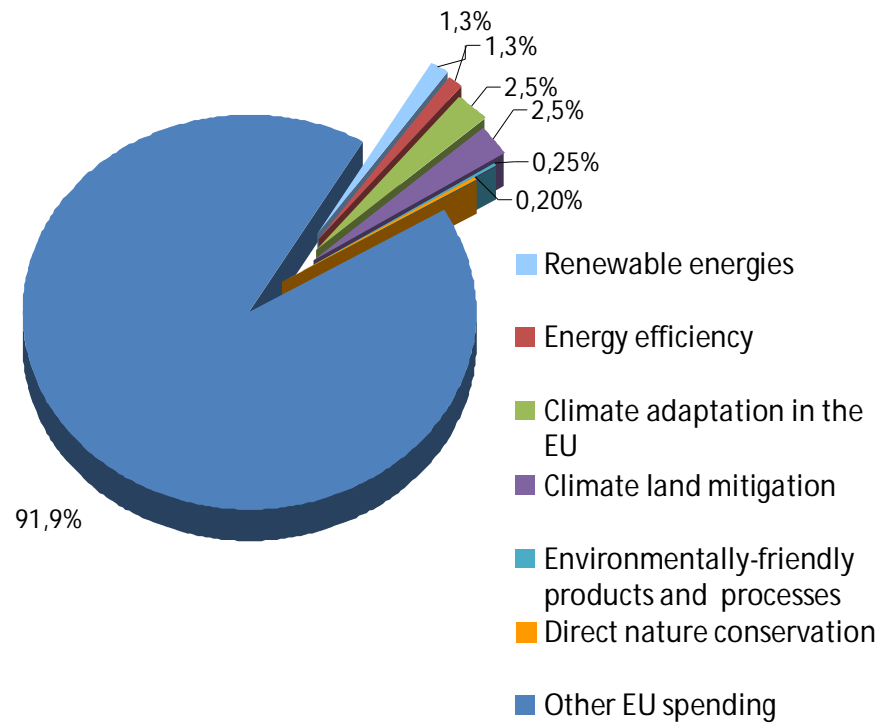
## Context: The EU budget today (2007-2013) by funds

Figure 1 – Breakdown of expenditure for the 2007-2013 financial framework.





## EU budget 2007-13: 1,3% for energy efficiency





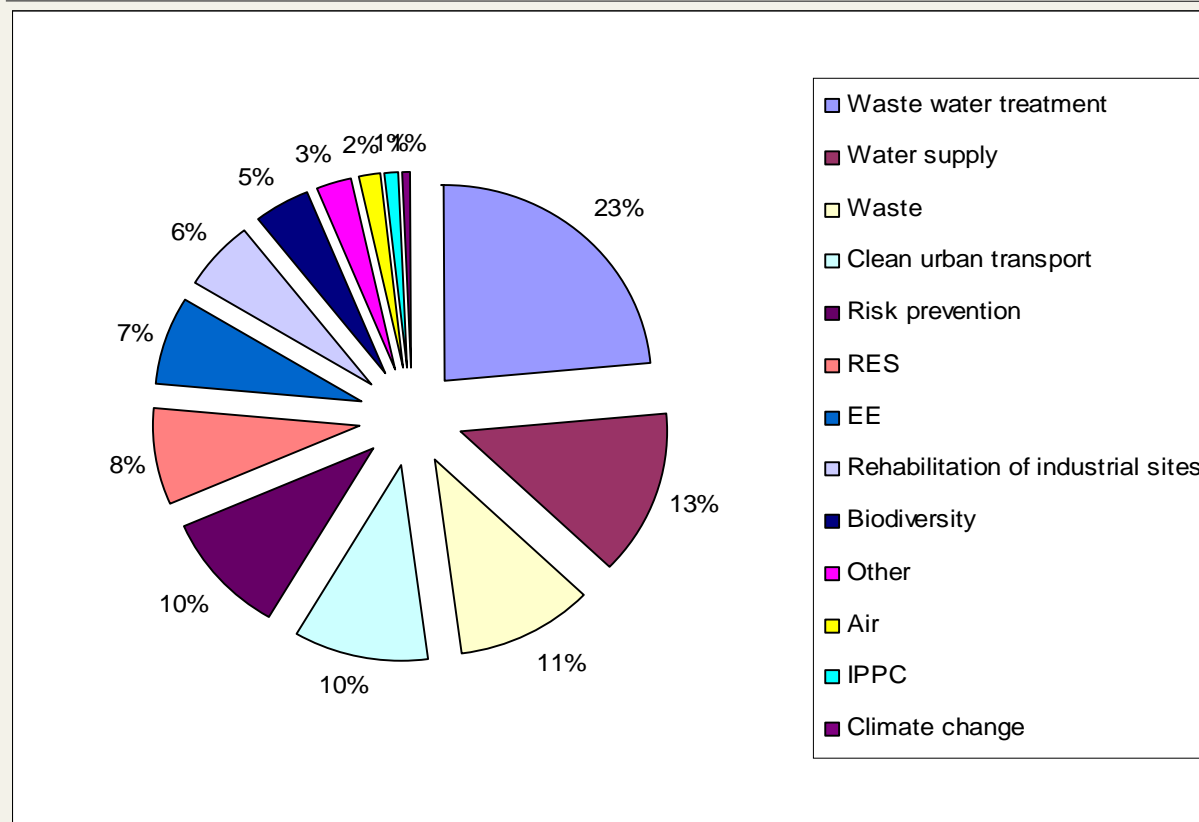
## Where are the links with renovation?

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- 1. EU budget: Cohesion Policy, €345 billion**
- 2. Leveraging approach (raising private money with EU budget)**



## Environment in Cohesion Policy (€60 bn, 14%)





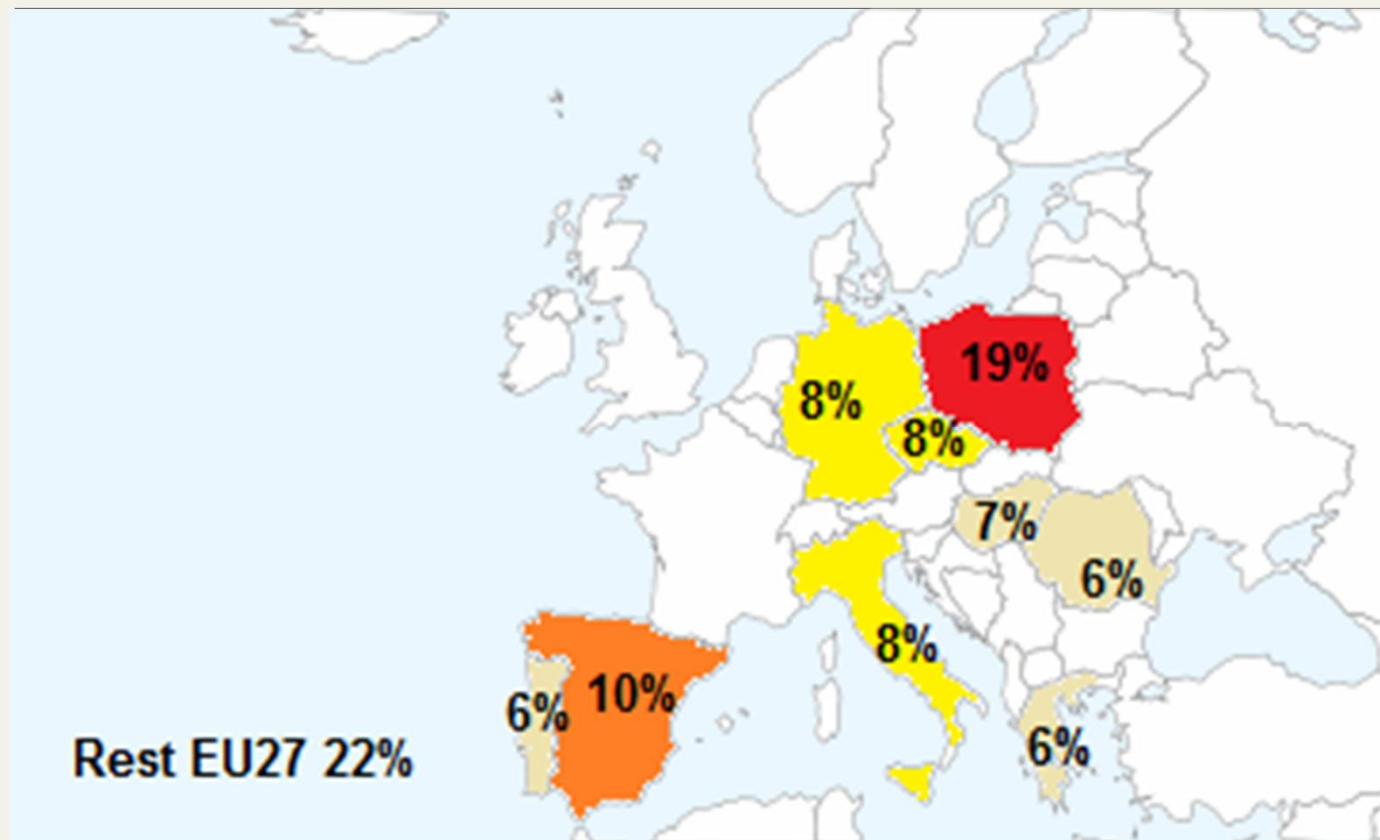
## Cohesion Policy today (2007-13)

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- **Since 2007, European Regional Development Fund (ERDF) open to housing renovation in EU-12**
- **April 2009: new amendment (European Economic Recovery Plan) enlarging ERDF scope to energy efficiency and renewable energy in existing homes in EU-27 – up to 4% of ERDF national allocation**
- **€9,1 billion or 2,6% of Cohesion Policy (Commission):**
  - Energy efficiency, co-generation, energy management €4,3 bn
  - Renewable energies €4,8 bn



## Cohesion Policy : main beneficiaries 2007-2013





## Future Cohesion Policy 2014-2020: 336 bn, -4% (Commission, oct 2011)

- New structure: 11 thematic objectives, including one for climate mitigation focused essentially on energy efficiency and renewable energies
- Set objectives and milestones (incl. on climate) for each programme
- “Climate thematic concentration” : 20% of ERDF (€183 bn) for developed and transition regions, 6% for poor regions. Total 17,1 bn (compared to 9,1 bn today, +90%)
- 5% of ERDF for “sustainable urban development” (9,1bn)
- Stronger implementation of the partnership principle





## Council compromise (GAC)

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Danish Presidency proposal (in the making):

- 10% not 6% of ERDF allocation for climate mitigation in less developed regions;
- But scope broadened to include:
  - Sustainable urban mobility
  - Certain activities under ETS directive: co-generation, district heating and cooling
  - R&D of low carbon technologies
- Strongly weakening the partnership principle



## Parliament amendments (REGI)

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- In developed regions: amendments from 0% to 40% of ERDF allocation for climate mitigation (with 50-75% for energy savings and renewables)
  - In less developed regions: amendments from 0% to 20% of ERDF allocation for climate mitigation (with 50-75% for energy savings and renewables)
  - But scope potentially broadened to include:
    - Public and low carbon transport (or only local public transport)
    - Certain activities under ETS directive: co-generation, district heating and cooling
    - R&D of low carbon technologies
    - Oil and gas distribution and pipelines ! (Polish interests)
  - Strengthening the partnership principle
-



## Our demands for Cohesion Policy 2014-2020

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- At least 20% of future Cohesion Policy is invested in climate mitigation
- Including for ERDF at least 25% climate thematic concentration in developed and transition regions and 15% in less developed regions. Total €30,5 bn (9,1% of Cohesion Policy)
- Inclusion for the Cohesion Fund (€69 bn) the inclusion of the housing sector



## Leveraging approach: much to do

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- **Scale up existing financial instruments** (1% today) and strengthen energy saving criteria:
  - JESSICA: loans, guaranties, equity for cities
  - JEREMIE: loans, guaranties, equity for SMEs
  - JASPERS: TA for large projects in EU-12
  - ELENA: TA for energy efficiency and renewable energy projects
- **EU 2020 Project Bond Initiative:** need to include energy efficiency in the scope / aggregate middle scale projects
- **European Investment Bank:** increase loans for projects, SMEs, revolving funds, technical assistance, guarantees / with other funds or institutions



## The need of National Energy Efficiency Funds

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### **New energy efficiency directive (June 12): Financial Facilities (Art.15a)**

- MS shall facilitate the establishment of national technical and financial facilities and the use of existing ones;
- MS may also set up an Energy Efficiency National Fund. This fund could collect different contributions

### **Create national energy efficiency funds to pool the funds together:**

- Simplified, reduced administrative burden, more accessible
- Reduced transaction cost, more cost effective
- More visible, more attractive
- Re-use current best practice and existing national financial institutions to save time (ex KfW in Germany, Caisse des Dépôts in France)



# Thank you – questions ?

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