

Social Housing and Energy Efficiency **the CEB contribution**

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Social & Cooperative Housing fighting Climate Change

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CEB Overview

Institution

- Oldest pan-European supranational financial institution
- set up in 1956 for strengthening social cohesion
- 40 Member States - members of the Council of Europe
 - Among them 18 Central and Eastern European countries since 1994

Key figures

- Total assets: € 21.4 billion
- Own funds: € 4.7 billion
- Rating: AAA (Moody's, S&P, Fitch Ratings)
- € 30 billion in projects financed since inception
- Outstanding loan portfolio: € 12.4 billion
- Loans disbursed in 2008: € 1 505 million

CEB Overview



Borrowers

- Member States
- Local or regional authorities
- Financial Institutions



Financial means of action

- Loans
- Guarantees
- Trust Accounts



Sectoral lines of action

- Strengthening social integration
- **Managing the environment**
- Developing human capital

Social Housing

□ Europe's reference social-housing IFI

- Construction and rehabilitation of **housing for low-income persons**
- EUR 10 bn. in loans / **EUR 20 bn. project volume** since inception
- Tripartite Agreement with European Commission and European Investment Bank:
 - Cooperation framework for implementing integrated EU's urban development policies 2007-2013
 - Coordination of actions for development of Joint European Support for Sustainable Investment in City Areas **JESSICA**
 - Conditions for advanced cooperation in financial engineering

Environment

□ Full-fledged sector of action

- Underlying concern in all project financing:
 - Account of energy efficiency considerations
 - Requirement of compliance with energy efficiency criteria in accordance with the EU-Directives, or the national legislation in non EU-countries but strong recommendation to achieve performances nearing EU standards
 - Financing of *inter alia* supply and distribution of energy in particular renewable energy, district heating, clean transportation etc.
- Signatory of the European Principles for the Environment: commitment to promote best practices in sustainable development

Green Housing

□ CEB, a natural partner for its member countries

- Official inclusion of Energy Efficiency into lending policies in 2006
- Decision to significantly reinforce such activities made in 2008
- Commitment to promote green housing
 - Specific “green housing” actions to promote reduction of carbon footprint and preservation of natural resources
 - Support to integrated urban projects including improving energy efficiency
 - Support to housing complying with sustainable development requirements
 - Team of technical advisers working in a broad approach, specialized in:
 - Social housing and urban upgrading - senior architect
 - Environmental impact and sustainability issues - senior engineer
 - Environment and sustainable building - junior specialist

Economics of Energy Efficiency in Housing

❑ Factor of sustainable development

Improved energy efficiency

- **Reduces greenhouse gas emissions**
 - Residential and commercial buildings = 40% of GGE in EU
 - Residential and industrial sectors = 75% of GGE in IPA countries
- **Reduces energy consumption**
 - Housing = 25% of energy consumption in Europe
 - Revised EU Directive > -28% by 2020
- **Enhances social cohesion**
 - Expenditure on energy = 21% of housing cost on average
 - A household can save € 200 - 1,000 per year
- **Particularly advantageous for low-income populations**

Challenges of Energy Efficiency in Housing

□ Significant resources to be mobilised

- **Financial Resources :** Costs of initial investment

Extending energy performance requirements would most likely make **possible annual savings of €25 billion by 2020** but require **investments of some €8 billion each year**

- **Human Resources :** Institutional capacities
Energy consumption behaviours

To rise awareness and motivation, **technical and outreach support activities and incentives need to be deployed.**

CEB and Energy Efficiency

□ Experience

■ Loans

- Since 2000 ca €550 million approved in favour of housing projects
- Out of which some € 340 million (> 60 %) for improving EE
- Already about 86,000 housing units financed

■ Scope

- Retrofitting apartment blocks (1960s and 1970s) in new member states
 - Thermal insulation and changing of doors and windows
 - Retrofitting heat and hot water production
 - Refitting with energy efficient equipment and measuring devices;
- District central heating.

■ Results

- Positive effects on the environment and carbon footprints
 - Reduction in energy consumption
- Improvement of interior comfort
- Decrease in energy bills
- Reduced energy dependency

Recent Projects Related to Energy Efficiency

Country	Year	Objectives
Latvia	2000, 2008	Energy efficiency in multifamily housing
Hungary	2001, 2006, 2007	Energy saving measures in “panel” housing; Use of renewable energy in housing
Lithuania	2003	Energy efficiency in higher education facilities
Poland	2003	Energy saving measures in multifamily housing
Albania BiH Bulgaria Croatia FYROM Montenegro Romania Serbia Turkey	2007, 2008	EU “Energy Efficiency Finance Facility” co-financed with KfW Bankengruppe <ul style="list-style-type: none"> Financial assistance to IPA countries for investments in energy efficiency and renewable energy generation to improve energy performance in housing and industrial sector
Estonia	2008	Energy saving measures in apartment blocks

Poland: Energy Efficiency in Housing (1/3)



❑ The project

- Part of national housing “thermo-modernisation” program
- Eligibility criteria and terms and conditions stipulated in 1998 Law on energy saving measures
- Scope of works and eligibility for financing based on obligatory « thermal audit » identifying:
 - Building’s heat losses
 - Potential energy savings and
 - Measures to be taken

❑ Objectives

- 30 - 50% energy savings to be obtained

❑ Partners

- BISE (Bank Inicjatyw Społeczno-Ekonomicznych)

Poland: Energy Efficiency in Housing (2/3)

□ Measures implemented

Given technical uniformity of buildings concerned and basically standardised prescriptions of thermal audits, energy savings measures are almost identical within individual projects:

- Thermal insulation
 - Addition of Styrofoam type panels (usually 13 cm) on the outside of exterior walls and roof tops
 - Replacement of steel frame single pane hallway entry doors by aluminium (with core insulation) double pane window doors
 - Replacement of single pane wood frame windows by PVC frame double glazing windows in common areas and apartments
- Modernisation of central heating installation
 - Installation of computer control unit with external temperature sensor
 - Cleaning and purge of heating circuits and radiators
 - Installation of thermostats on radiators in apartments

Poland: Energy Efficiency in Housing (3/3)

□ Results

The program has the following positive effects

- Reduction of heat losses
- Decrease in energy consumption to attain same interior temperature
- Reduction of emission of GHG associated with production of heat
- Improvement of interior comfort in apartments and in common areas both in terms of temperature and hygrometry
- Improvement of building appearances

For more information:



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