



How can the European Structural and Investment Funds 2014-2020 help renovation and new construction of social housing in Spain?

Barcelona workshop
13th February 2014

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Cohesion Policy : the biggest EU investment !



	Cohesion Fund	Less Developed Regions	Transition Regions	More Developed Regions	Outermost and northern sparsely populated regions	European Territorial Cooperation		YEI (additional allocation)	Total
						Cross-Border Cooperation	Transnational Cooperation		
BE	-	-	1.039,7	938,6	-	219,0	44,2	42,4	2.283,9
BG	2.278,3	5.089,3	-	-	-	134,2	31,5	55,2	7.588,4
CZ	6.258,9	15.282,5	-	88,2	-	296,7	43,0	13,6	21.982,9
DK	-	-	71,4	255,1	-	204,2	22,7	-	553,4
DE	-	-	9.771,5	8.498,0	-	626,7	338,7	-	19.234,9
EE	1.073,3	2.461,2	-	-	-	49,9	5,5	-	3.590,0
IE	-	-	-	951,6	-	150,5	18,3	68,1	1.188,6
EL	3.250,2	7.034,2	2.306,1	2.528,2	-	185,3	46,4	171,5	15.521,9
ES	-	2.040,4	13.399,5	11.074,4	484,1	430,0	187,6	943,5	28.559,5
FR	-	3.407,8	4.253,3	6.348,5	443,3	824,7	264,6	310,2	15.852,5
HR	2.559,5	5.837,5	-	-	-	127,8	18,3	66,2	8.609,4
IT	-	22.324,6	1.102,0	7.692,2	-	890,0	246,7	567,5	32.823,0
CY	269,5	-	-	421,8	-	29,5	3,3	11,6	735,6
LV	1.349,4	3.039,8	-	-	-	84,3	9,3	29,0	4.511,8
LT	2.048,9	4.628,7	-	-	-	99,9	13,9	31,8	6.823,1
LU	-	-	-	39,6	-	18,2	2,0	-	59,7
HU	6.025,4	15.005,2	-	463,7	-	320,4	41,4	49,8	21.905,9
MT	217,7	-	490,2	-	-	15,3	1,7	-	725,0
NL	-	-	-	1.014,6	-	321,8	67,9	-	1.404,3
AT	-	-	72,3	906,0	-	222,9	34,4	-	1.235,6
PL	23.208,0	51.163,6	-	2.242,4	-	543,2	157,3	252,4	77.567,0
PT	2.861,7	16.671,2	257,6	1.275,5	115,7	78,6	43,8	160,8	21.465,0
RO	6.935,0	15.058,8	-	441,3	-	364,0	88,7	106,0	22.993,8
SI	895,4	1.260,0	-	847,3	-	54,5	8,4	9,2	3.074,8
SK	4.168,3	9.483,7	-	44,2	-	201,1	22,3	72,2	13.991,7
FI	-	-	-	999,1	305,3	139,4	21,9	-	1.465,8
SE	-	-	-	1.512,4	206,9	304,2	38,1	44,2	2.105,8
UK	-	2.383,2	2.617,4	5.767,6	-	612,3	253,3	206,1	11.839,9
Interregional cooperation									571,6
Urban innovative actions									371,9
Technical assistance									1.217,6
EU28	63.399,7	182.171,8	35.381,1	64.350,5	1.555,4	7.548,4	2.075,0	3.211,2	351.854,2

* breakdown by category of allocations subject to transfers between categories at the request of the Member States

ESIF 2014-2020 in Spain: facts and figures



□ Spain = € 28,6 billion over 7 years (vs. € 36 bio in 2007-13)



□ 1 less-developed region = Extremadura → € 2 billion

□ transition regions → € 13.5 billion

□ more-developed regions → € 11 billion of funding



- ❑ From those € 28,6 billion, € 15 billion from ERDF
- ❑ Co-financing rates (article 120 Common Provisions Regulation)
 - more developed regions: 50%
 - transition regions: 60%
 - less developed regions: 80%
- ❑ Possibility to increase the co-financing rate by 10 percentage point
 - use of financial instruments for an entire priority axis
 - use of community-led local development for an entire priority axis
- ❑ Priority axis for technical assistance to develop financial instruments can receive 100% financing from the ESIF



National priorities for Spain according to the European Commission (Position Paper on Spain)

□ Making a more efficient use of natural resources

→ Enhancing energy efficiency :

“implementation of energy efficiency measures in public buildings, in SMEs and in dwellings

This can apply mainly to the existing buildings – but also to new constructions

Innovative financing schemes– such as Energy Performance Contracting–, mostly in public buildings and enterprises, should be actively promoted”

→ Increasing the use of renewable energies:

“Renewables use should also be promoted in public buildings, SMEs and dwellings, particularly by allowing auto-consumption”

Opportunities for affordable housing : low-carbon investment and urban development



- ❑ impose obligatory minimum percentages in the ERDF that must be invested in sustainable energy, including energy efficiency (from 12% for less developed regions to 20% for more developed regions) → for Spain 3,3 bio€ (*article 4 of the ERDF regulation*)
- ❑ expand the scope of eligibility for investments in energy efficiency in buildings beyond the ERDF to encourage investments also from the Cohesion Fund (where the housing sector was previously excluded) and the European Social Fund (*article 3.2.a of the ESF regulation*) (supporting the up skilling of the labour force for green jobs).
- ❑ Give the possibility to use Funds to set up Renovation Loans (financial instruments)
- ❑ At least 5% of the ERDF resources at national level should be allocated to integrated sustainable urban development and managed by « urban authorities » (*article 7 ERDF Regulation*)



- ❑ **Urban innovative actions** (article 8 ERDF Regulation)
 - UIA: instrument to identify/ test new solutions
 - Implemented by the Commission (or another body)
 - EUR 330 Mio, Several competitive calls
 - Urban area above 50,000 inhabitants
 - Studies/ pilot projects on main challenges for cities
 - Maximum: e.g. 5 Mio ERDF/ 3 years
 - Capacity, innovativeness, robustness, transferability

Possible scenarios beyond business as usual



- ESIF are implemented through national or regional operational programmes made of several priority axes

Table 2: Overview of the programme investment strategy

Priority axis	Fund (specify the Fund: ERDF, Cohesion Fund, ESF, YEI)	Union support (EUR)	Share of the total Union support to the operational programme (by Fund and priority axis)	Thematic objective ³	Investment priorities ⁴	Specific objectives corresponding to the investment priority	Common and programme specific result indicators for which a target has been set
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❑ Scenario 1: the use of financial instruments at the national level

→ creation of a national revolving fund on energy efficiency partly sourced with ERDF and completed by other funding streams (national contribution, EIB lending, EED article 7. obligations...)

→ this fund would work as the urban development funds under JESSICA 2007-2013 providing different products : loans, guarantees, equity participation.

→ conditions (max interest rates, determination of management cost, possibility to combine with technical assistance) are determined by a delegated act of the European Commission

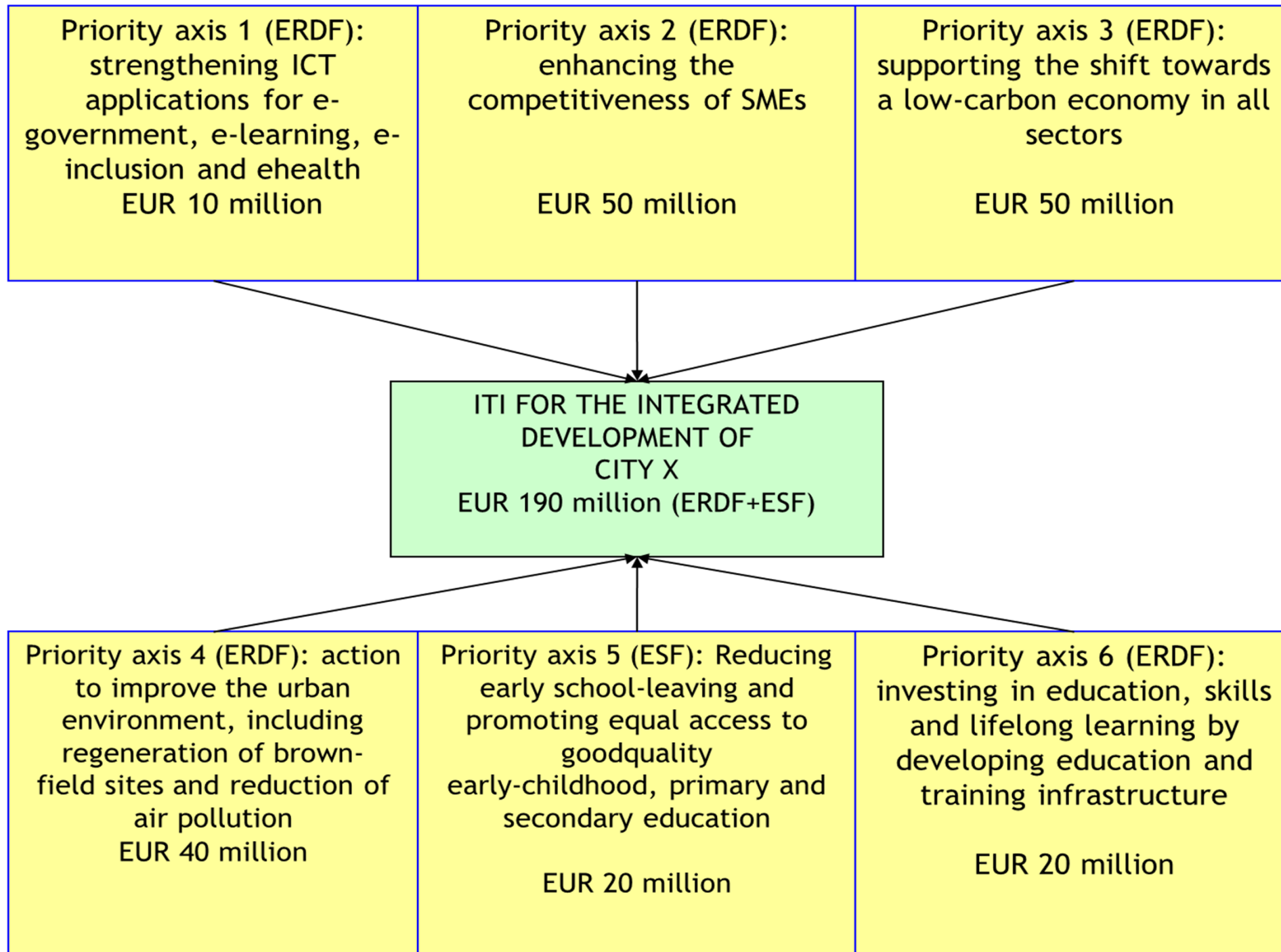
→ could be managed by newly created entity or in cooperation with the European Investment Bank



❑ Scenario 2: Sustainable energy in local development strategies

Set up a wider integrated strategy for territorial development using the new instrument “Integrated Territorial Investment” (ITI)

- A voluntary tool for Member States
 - Must be based on an integrated territorial strategy
 - Can cover any sub-national territory as well as multiple categories of regions
 - Draws on funding from at least two priority axes
 - Mono –fund or multi-fund [complementary participation of EAFRD and EMFF]
 - Can include any form of support
- - can be managed by any kind of entity





❑ **Common output indicators (annex I ERDF regulation)**

- Energy efficiency: number of households with improved energy consumption classification
- Urban development: rehabilitated housing in urban areas



The missing ingredients

- ❑ Intermediary entities (private or public) that will both pool financial needs of housing providers and pool financial resources from different stream → reach critical mass to reduce transaction costs

Ex: the Housing Finance Corporation, Public Third Party Investor ENERGIES POSIT IF, Bulgarian Energy efficiency fund (BEEF)

- ❑ Appropriate legislation that will allow development of low carbon market finance

Standardisation of EPC contracts

Transfer of receivables (energy savings) into asset portfolios of investors or as underlying asset for bonds

- ❑ Technical assistance
- ❑ Role of local authorities

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