

# **The use of EU funding 2014 - 2020 for energy efficiency in buildings in the EU and Hungary**



# Structure

## Introduction

### 1.EU level

Legislation, funding opportunities, examples, success stories, recommendations

### 2.Hungarian level

Relevant OP and its priorities

Suggestions

# What is Housing Europe?

The Federation of public, cooperative and social housing'

Network of national and regional social housing federations gathering 4.500 public, voluntary housing organizations and 28.000 cooperatives housing.

42 members in 19 EU Members States and 3 non-EU countries

They manage 25 million dwellings.

# Our impact

- **43 000** local housing organizations
- **26 090 000** dwellings – **11 %** of the total EU housing stock
- **267 000** new dwellings completed in the year 2012
- **155 000** dwellings refurbished in the year 2012
- **38 529 430 000** Euros investment in 2012
- **88 480 107 000** Euros turnover in 2012
- **7 170** staff employed by the federations

# Our vision statement



A Europe which provides access to decent and affordable housing for all in communities which are socially, economically and environmentally sustainable and where all are enabled to reach their full potential.

# What is the added value Housing Europe brings to its members?

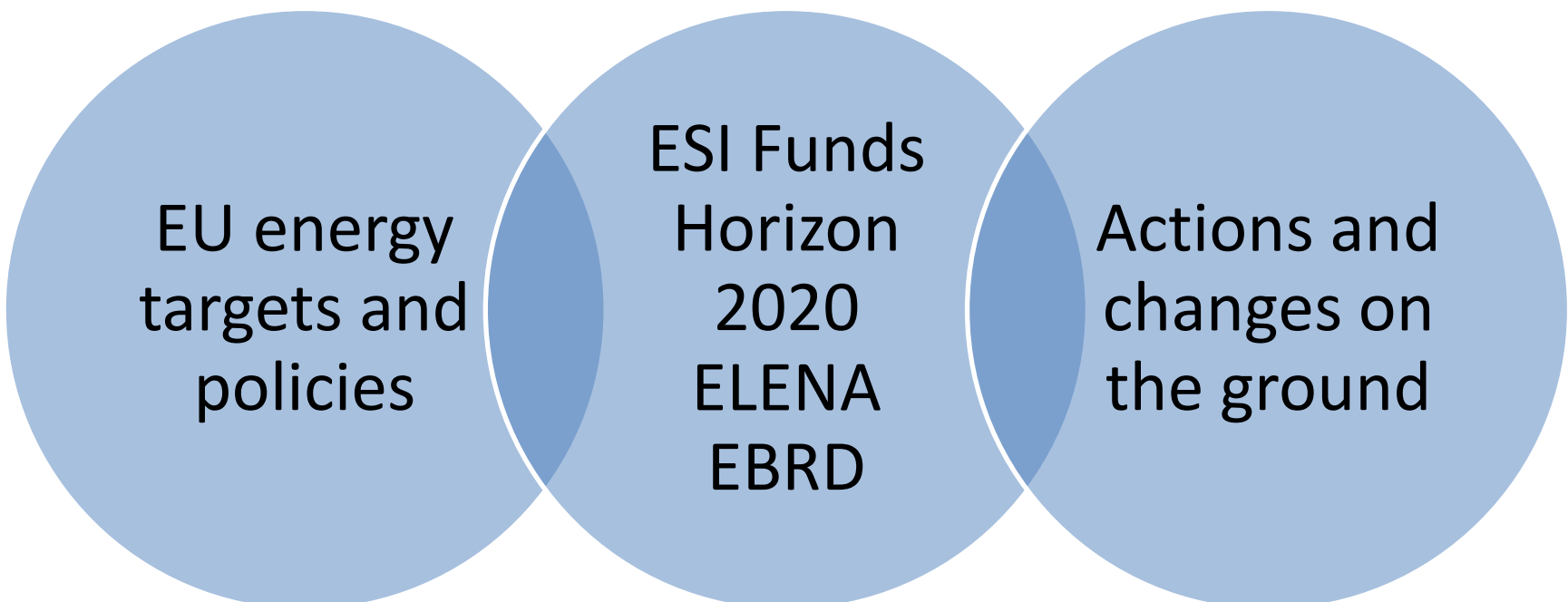
- Make sure EU rules are adapted to our sector
- Facilitate access to capital and resources by increasing the visibility of the sector
- Stay informed of every recent development at EU, national and local level
- Expertise & experience sharing
- Find your way through the different EU funding opportunities for European projects

# Energy Efficiency = a central activities of HE members

- **Common aim:** Creating a robust, long-term energy efficiency improvement strategy should be part of the business plan to ensure housing remains affordable by reducing fuel poverty. Integrating this strategy into asset management programmes helps ensure that programmes are cost-effective and also helps to minimise disruption for residents



# Energy efficiency policies at the EU level



EU energy  
targets and  
policies

ESI Funds  
Horizon  
2020  
ELENA  
EBRD

Actions and  
changes on  
the ground

+ Juncker Plan: The new Investment Plan for Europe (EFSI)



# Legal framework

- Energy Performance of Buildings Directive 2010/31/EU (EPBD)
- Energy Efficiency Directive 2012/27/EU (EED)

# **The EPBD is the main instrument addressing building efficiency**

Energy performance approach:

Minimum performance standards for buildings with strengthened requirements for existing stock and new buildings

Energy performance certification

Nearly zero-energy building targets for new buildings (since 2010)- for all new construction from 2021

Public consultation in for the review of EPBD -2015  
→ send your inputs to us!

# Energy Efficiency Directive

- Article 4 -long term renovation strategies;
- Article 5 -obligates the MS to refurbish 3 % of central government buildings each year;
- Article 6 -public procurement;
- Article 7 -the energy efficiency criteria and the obligation of MS to make sure that energy efficient solutions support refurbishment in Europe.

# Funding



- ESIF – European Structural and Investment Funds
- EFSI – European Fund for Strategic Investment
- Horizon 2020
- EIB, ELENA, EBRD

# ESIF 2014-2020

## Allocation on 2 priorities:

-Energy efficiency in housing (expenditure code 14); 6.10 billion € (ERDF, CF for central and eastern European countries) (provisional figures)

-Investing in social infrastructures (urban regeneration, etc. - expenditure code 65): for 8 countries of the EU-13: 626 million € (provisional figures)

# New: Multifund OPs

## ESIF Funds: ERDF, CF, ESF

Financing mechanisms include:

grants, loans, and subsidies

Apply: from individual householders to whole apartment buildings

Members	Adopted OPs	Related to housing	In %
22	144	112	76 %

# European Fund for Strategic Investments

**2 main reasons** why it should be channeled towards the housing sector:

- 1. growing need** with millions of people on waiting lists for a social home
- 2. a stable and significant return on investment** in our sector in the long run. (great socio-economic impact, including reduction of homelessness)



# The fund will target...

## **Key criteria announced by the European Commission**

- The EU added value of the projects(i.e. support of EU objectives)
- Their economic viability (or "value"), prioritising projects with high socio-economic returns
- Expectation that projects can start within the next three years (i.e. capital expenditure incurred in the 2015-17 period)



# More Funding details

ESIF+EFSI and the national grant system should be well combined

Point sure: Smart finance for smart buildings initiative (art 7, EED)

BUT it is difficult to say how EFSI will affect energy efficiency projects in housing

Investors are afraid :energy efficient investments are expensive, pay-back period is long

the role of EU :increase the confidence of investors

Main priority: societal challenges  
(one part is energy efficiency)

2014-2020: 6,5 bn euros to the  
Energy challenge on 'secure, clean  
and efficient energy' for research,  
development and deployment  
Of this: 98.15 M eur on energy  
efficiency only in 2015



Calls for proposals on deep  
renovations, but on other  
themes also

Website:

<https://ec.europa.eu/programmes/horizon2020/en/area/energy>

Indicative budget : 1.5-2 million euros of EU support (max per project)

# Interreg Europe and SEE

Interreg Europe: for clusters for ex

<http://www.interreg4c.eu/programme/2014-2020/>

Call for proposals: mid 2015

The South East Europe Transnational  
Cooperation Programme

<http://www.southeast-europe.net/hu/>

# Funding also coming from elsewhere

- EIB: lending of 85 bn euros allocated annually to energy efficiency
- ELENA (European Local Energy Assistance Facility): help cities/regions achieve energy efficiency potential by providing technical assistance for structuring and implementing projects

Apply through EIB

Covers up to 90 % of costs

- EBRD (European Bank for Reconstruction and Development)

Financing efficiency measures in power generations or gas flaring reduction but also energy efficiency in industrial processes, energy savings in residential and public buildings and investments in public transport energy efficiency

# Success stories

- Refurbishment of social housing dwellings in 15 French regions (2009-2011)  
570 million euro (27 % of ERDF)  
800 000 houses (63 000 low-income dwellings) will be refurbished by 2020. 36 % of them will achieve low energy standard consumption (Class A)
- Estonia: : in Tallinn, the biggest multi-apartment building refurbished, 162 dwellings with ERDF



# Case of Hungary

- Relevant National OP
- Fundamental aspects
- Successful project characteristics



# KEHOP

Adopted in February 2015

Total OP budget: 3,784,832,361 € (84 % EU contrib.-  
ERDF+CF)

Energy efficiency: one part of TC4

“Promotion towards a low carbon economy“

**2.8** milliard EUR - 85% EU support + 15% support of  
Hungary

The TC4 may also cover other actions (like renewable  
energy)



# KEHOP

Sources include actions such as:

- Development of drinking water and wastewater treatment
- Development of selective waste collection
- Investment in nature conservation
- Use of renewable energy sources in energy modernization of buildings

New: EU funds can be used for energetic modernization of residential buildings

# OP Priority axis 5

- Supported by Cohesion Fund
- The calculation is based on the total eligible costs

## 2 relevant priorities:

1-Promoting renewable energy use in the production and distribution

2-Promoting energy efficiency and renewable energy use in public infrastructures

# Renewable energy 1/2

- Target: achieve 14.65% of the share of renewable energy
- Grants from KEHOP and financial instruments of GINOP
- District heating and heat supply systems based on renewable developments is now eligible
- Other supported actions : production of renewable energy sources to promote green electricity production

# Renewable energy 2/2

New feature:

The preparation of renewable energy projects can be supported (preparation of technical design, tender documentation and compiling economic and environmental impact assessments, permitting procedures related)

# Energy efficiency 1/4

## Expected results:

- reduce overhead costs for households and public job-board energy consumption
- Implementation: combining VEKOP and GINOP, and the resources of TOP to local energy modernization

# Energy efficiency 2/4

## Relevant actions

### Action 2-Combining energy-efficiency modernization of buildings with renewable energy sources

The modernization of residential, public buildings, as well as of buildings performing public duties of public non-profit organizations

Improving the thermal characteristics of buildings, reduce heat losses, the use of renewable energy sources,

Modernization of heating, cooling and domestic hot water systems

## Energy efficiency 3/4

- Upgrading of lighting systems in buildings
- Obtaining a "soft" type of power management tools such as technical, technological tools (measuring and control equipment)
- Establishment of nearly zero-energy buildings
- Project preparation (preparation of technical design, tender documents, impact assessments, compiling, preparing energetic certificates of quality, related permitting procedures)

# Energy efficiency 4/4

## Beneficiaries:

- public or private entities
- Central government agencies
- public non-profit sector performing public functions (except municipalities)
- Churches
- Majority state-owned companies
- Local governments in more developed regions
- Local government-owned companies in more developed regions



# Main characteristics of a successful project

- Has clear, measurable, and achievable objectives
- Contributes to the operational program and the priority given for its purpose
- Technically, financially and organizationally feasible within the available time frame
- Sustainable and cost-effective (realistic budget)

- Emphasis: investments combining renewable energy sources and energy efficiency improvements
- Development of district heating systems: complex energy modernization of buildings
- A ‘technology neutral’ approach to achieving long-term, low-carbon economy

# More energy solution



- Launched by the European Commission in 2009 to increase the awareness
- It promotes better and smarter buildings
- aims to reduce energy consumption in EU by transferring best practices to the market (guidelines, tools, knowledge).
- Informs about the legal framework
- HE is responsible for energy efficiency and social housing



## **Power House nZE Challenge**

[www.powerhouseeurope.eu](http://www.powerhouseeurope.eu)

News, articles and helping tools for the energy transition

# Thank you for your attention!



[Edit.lakatos@housingeurope.eu](mailto:Edit.lakatos@housingeurope.eu)

+32 484 32 94 77

[www.housingeurope.eu](http://www.housingeurope.eu)

[info@housingeurope.eu](mailto:info@housingeurope.eu)

 [@housingeurope](https://twitter.com/housingeurope)

 [HousingEurope](https://www.facebook.com/HousingEurope)

 [Housing Europe](https://www.linkedin.com/company/HousingEurope)