

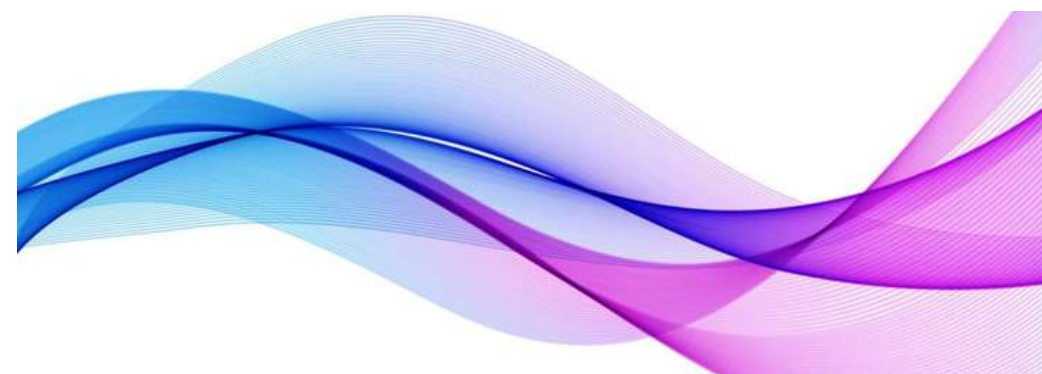
CONCERTED ACTION
ENERGY EFFICIENCY
DIRECTIVE

Berlin, March 28th 2025

CA EED 6th Plenary Meeting

Info Session 6.5

Using the tools from EED to attract more financing into energy efficiency



Peter Sweatman, CEO





Climate Strategy & Partners

33 years of experience advising **companies, banks, and governments** across the world on accelerating the economic transition to a net-zero emissions economy.

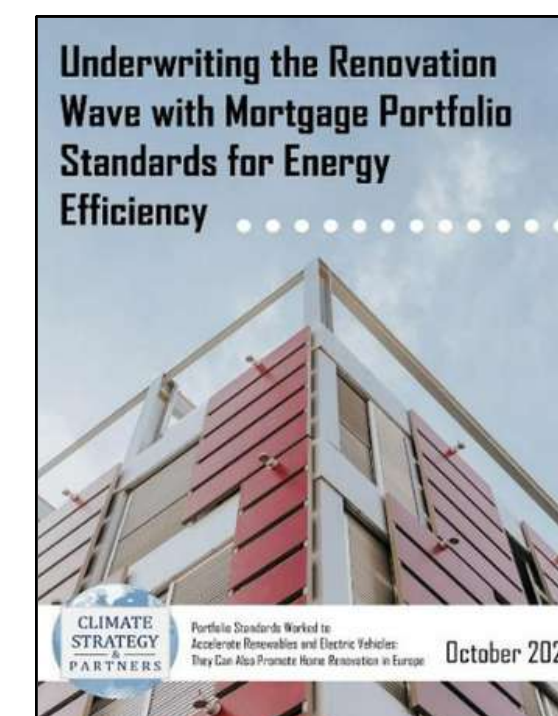
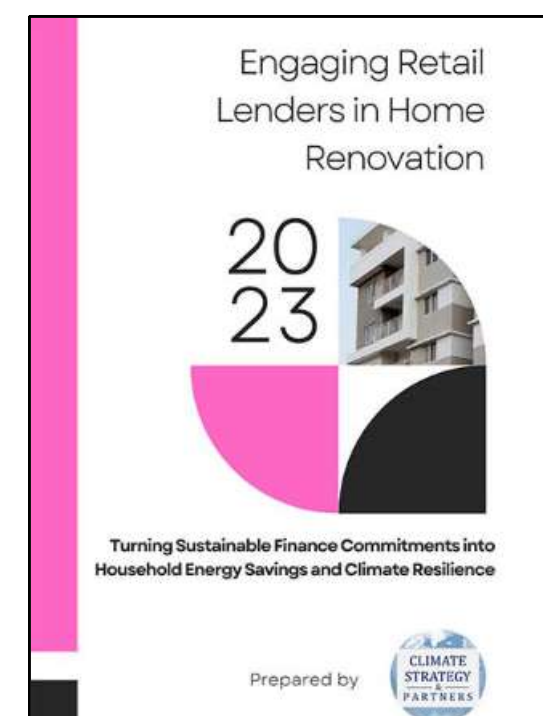
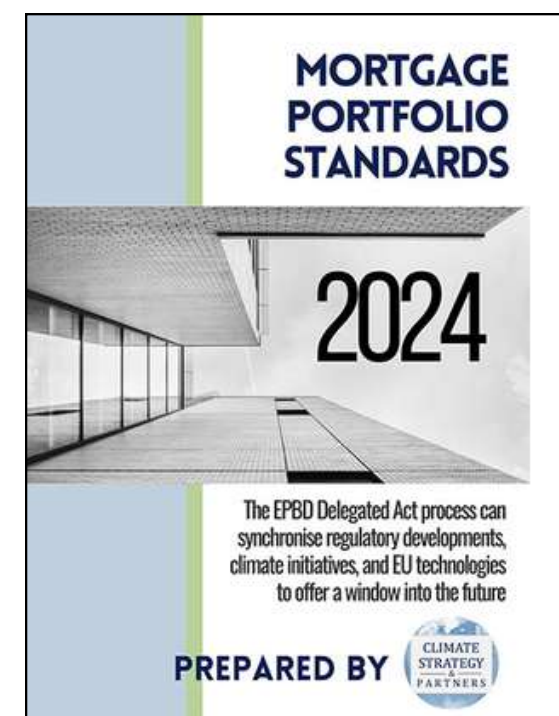


Peter Sweatman, Executive Director: 33 years of outstanding experience in finance and climate strategy with key positions at:

- JP Morgan
- Climate Change Capital
- G20 EEFTG and EEFIG rapporteur
- Energy Efficiency Capital Advisors



Recent CS publications:





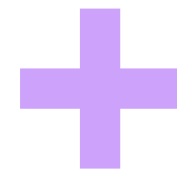
The Legal Basis...

(“Things we know”)

Private finance and investment is critical to meeting the EU's Energy and Climate targets

Public Funding
(EU and National
Funds)

10% - 20%



Private
Financing

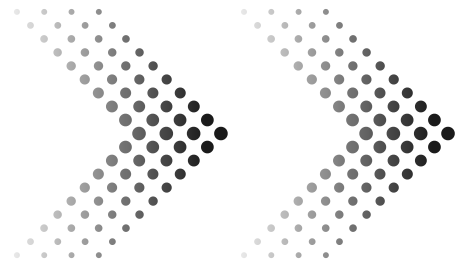
80% - 90%



Achieving the
2030 Energy and
Climate targets



3.000 billion €
by 2030



EED's Article 30 offers a frame...



Facilitate the establishment of financing facilities to mobilise investments in EE in different sectors



Strengthen cooperation and dialogue with private and public financial institutions



Regulate the voluntary National Energy Efficiency Fund set up by MS



Promote energy efficiency lending products EE mortgages & green loans



Introduce reporting requirements on energy efficiency financing



...with a series of elements...



Article 30 (1), (2)

Financing and TA facilities



Article 30 (6), (7), (8)

Dialogue with financial institutions



Article 30 (3), (10)

Private and innovative financing
for investment mobilisation



Article 30 (11), (12), (13), (14), (15)

National Energy Efficiency Fund



Article 30 (4), (5)

Financial and technical support
for district heating and system
refurbishment

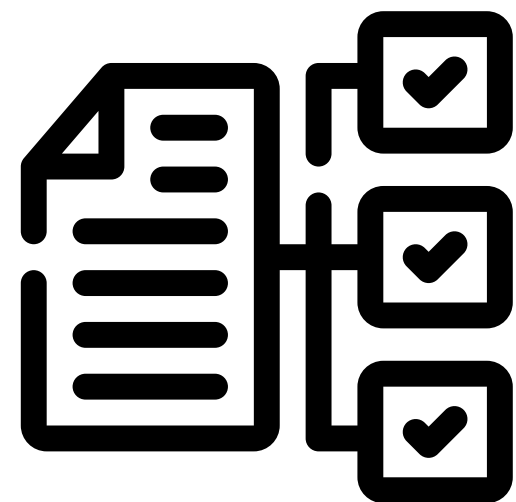


Article 30 (16), (17), (18)

Reporting obligations

Source: EC, 2023





...which has been complemented by Guidance and the launch of EEEFC

**Guidance to MS
for transposition
of Article 30**

**Published
DEC 2023**

**Guidance to MS
on and market
actors on how to
unlock private
investment**

**Consultation
Q1 2024**

**Report to
colegislators
assessing public
funding support**

**Consultation
Q1 2024**

**Launch of the
European Energy
Efficiency
Financing Coalition**

**Launched
April 2024**

The European Energy Efficiency Financing Coalition (EEEEFC) builds on the work of EEEFIG

EEEEFC was launched in April 2024 to promote collaboration between:

- Financial institutions
- Member States
- European Commission

Aligned with:

- EED
- EPBD

will build on the work of



- During 2013 - 2023 identified and documented key issues

Driving

Preventing

Energy efficiency investments



Policy Framing the questions for today

March 3rd 2025



Commissioner Jørgensen

“

*How can we spark private investments?
**It's clear that the lion's share of the investments
needs to be, of course, private.** So how can we
use public, whether it's from member states or EU
money to spark that? That's the big task.*



Commissioner Jørgensen

Special Committee on the Housing Crisis in the European Union

March 3rd 2025

- **Euro 21.3 billion** from the Recovery Resilience Facility has been earmarked for housing reforms and investments.
- We've planned to **double the cohesion policy**, investments in affordable housing, and we can mobilize public and private investments through the planned Pan European Investment platform in collaboration with the EIB and other financial partners.



Committee on Regional Development Hearing REGI-EMPL

March 19th 2025

Laia Segura
Friends of the Earth

On how renovations
can be a real catalyst
for affordable housing



*Yes, public funding is limited and to maximize its impacts, it needs to be directed into securing targeted funding for low income households and **designing financial schemes that account for different social and economic realities.***



Luciana Tomozei
Head of Division - EIB

Committee on Regional Development Hearing REGI-EMPL

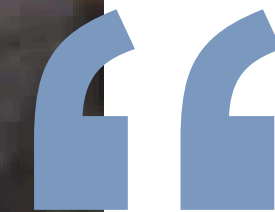
March 19th 2025



*Cohesion policy plays a key role is via the EU grants that can be available and can constitute that **public support needed to de risk investments, and to bring also the private investments/ private sector in so financial instruments, as it was mentioned, play a smart role in this.***

Hearing of Commissioner-designate Dan Jørgensen

Nov 5th 2024



*Would you consider setting up an **EU renovation loan** to assist in providing the capital funding needed to achieve a net zero building stock by 2050?*

14

MEP Benedetta Scuderi
(Greens/EFA Group)





Answering the question...
(without repeating the
approaches of the past)

1

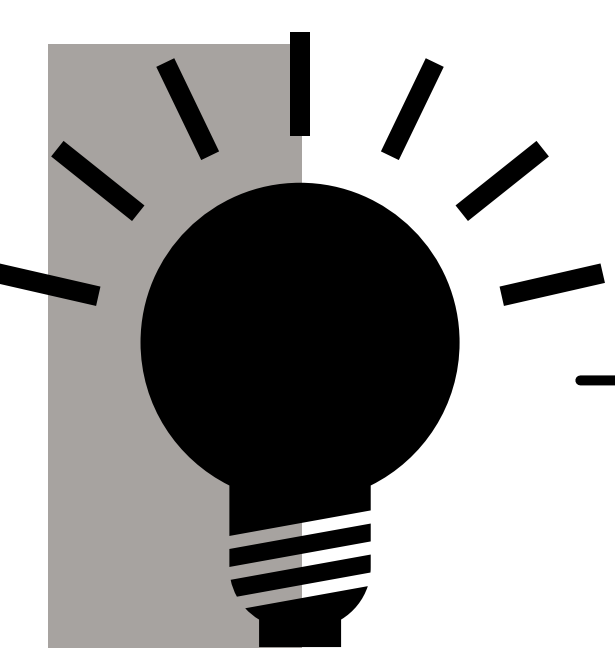
Define Energy Poverty in each Member State

**Energy poor
homes**

Represent around
16 million households

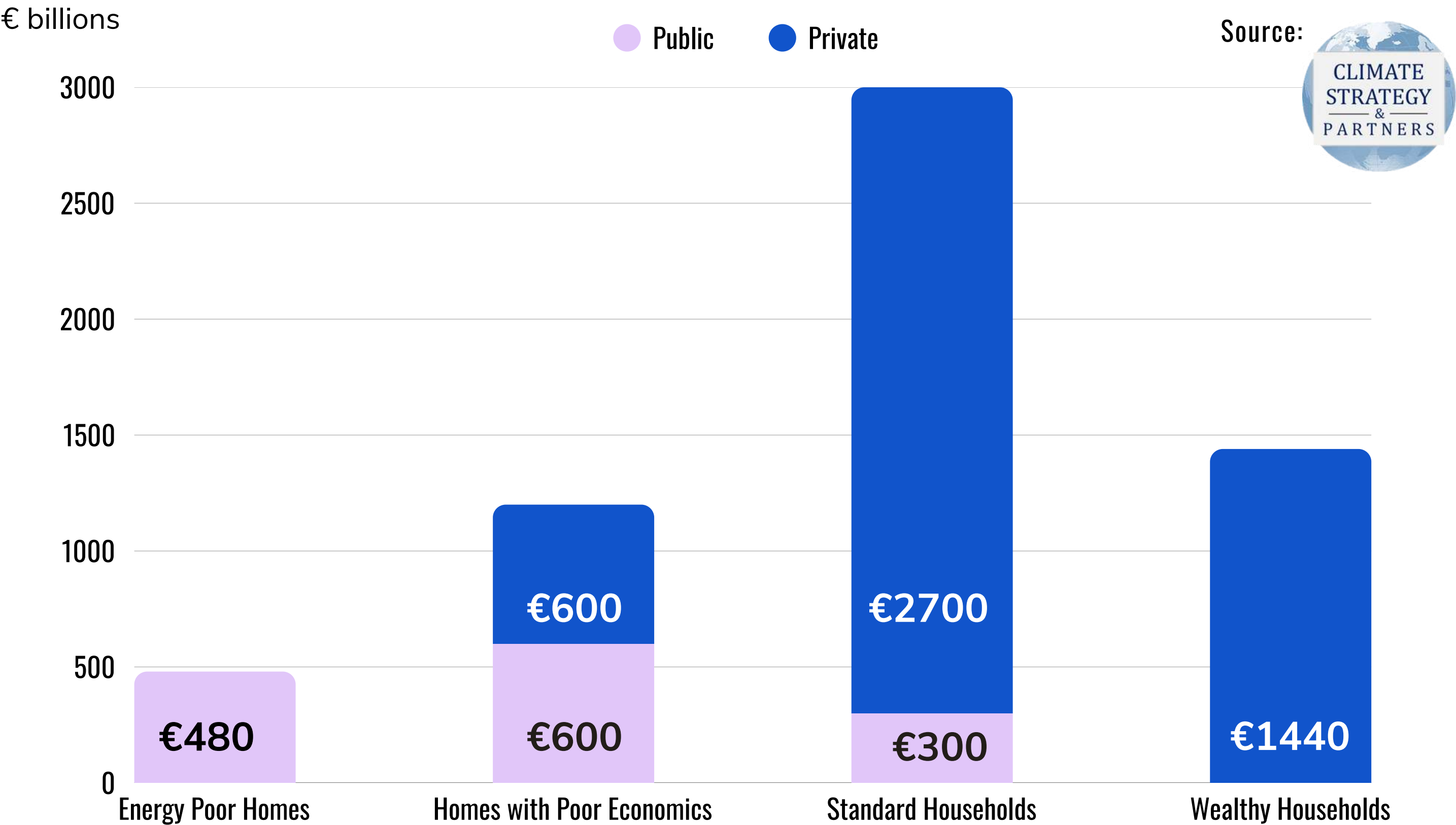
**Require up to €480 billion
in social investments**

- 8% of the EU's 200 million households cannot adequately heat their homes. ✓
- If each energy poor home received a €30k upgrade investment as a 100% public grant, the total grant funding needed for this segment would be €480 billion. ✓
- Over 10 years, with 1.6 million renovations per year, the cost would be €48 billion per annum, or just over 1% of the €4 trillion annual social expenditure of the EU. ✓



2

Map the €6 trillion of home renovation finance needed for 2023-2050



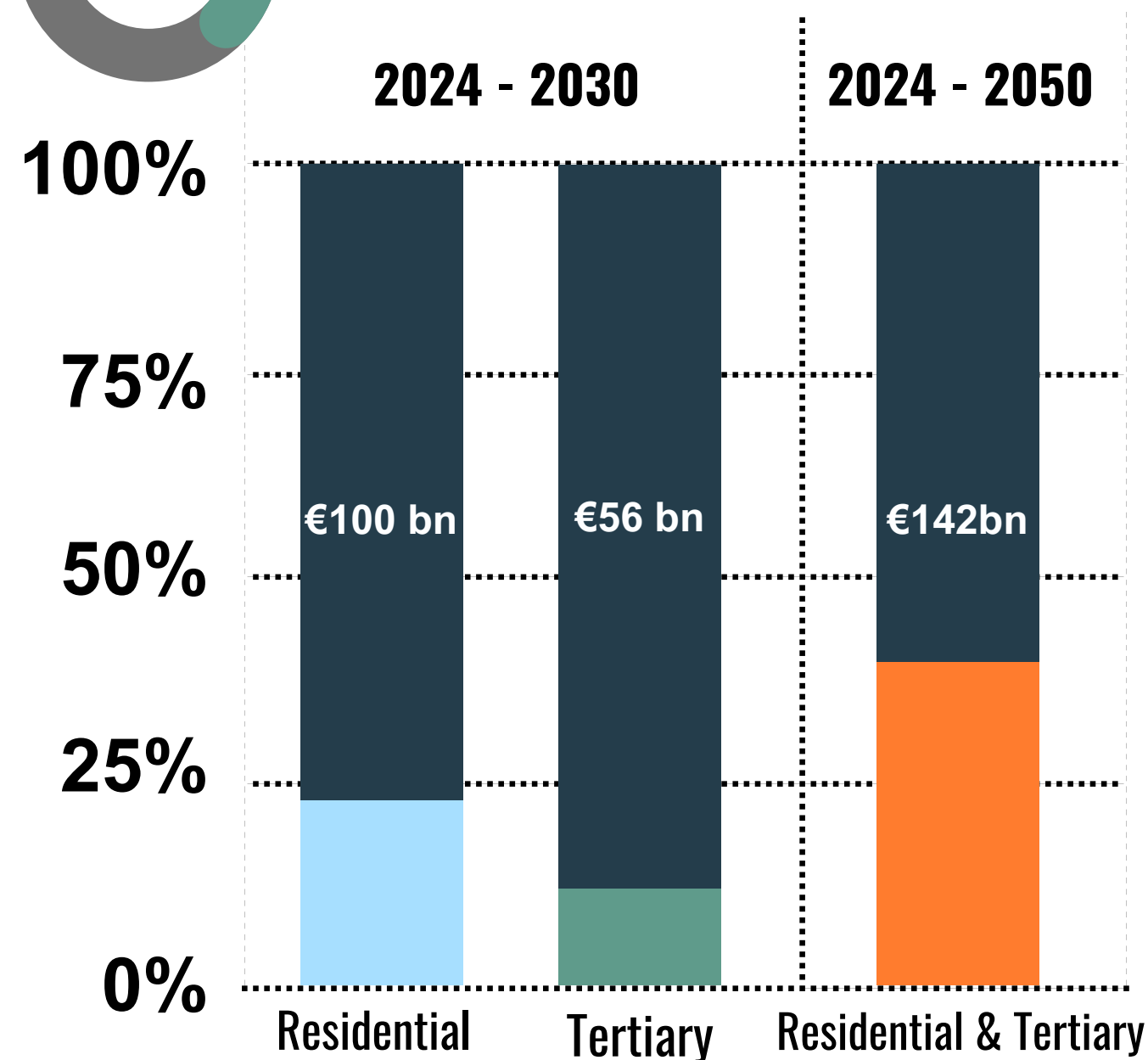
17

3

Identify where the (public) money is...



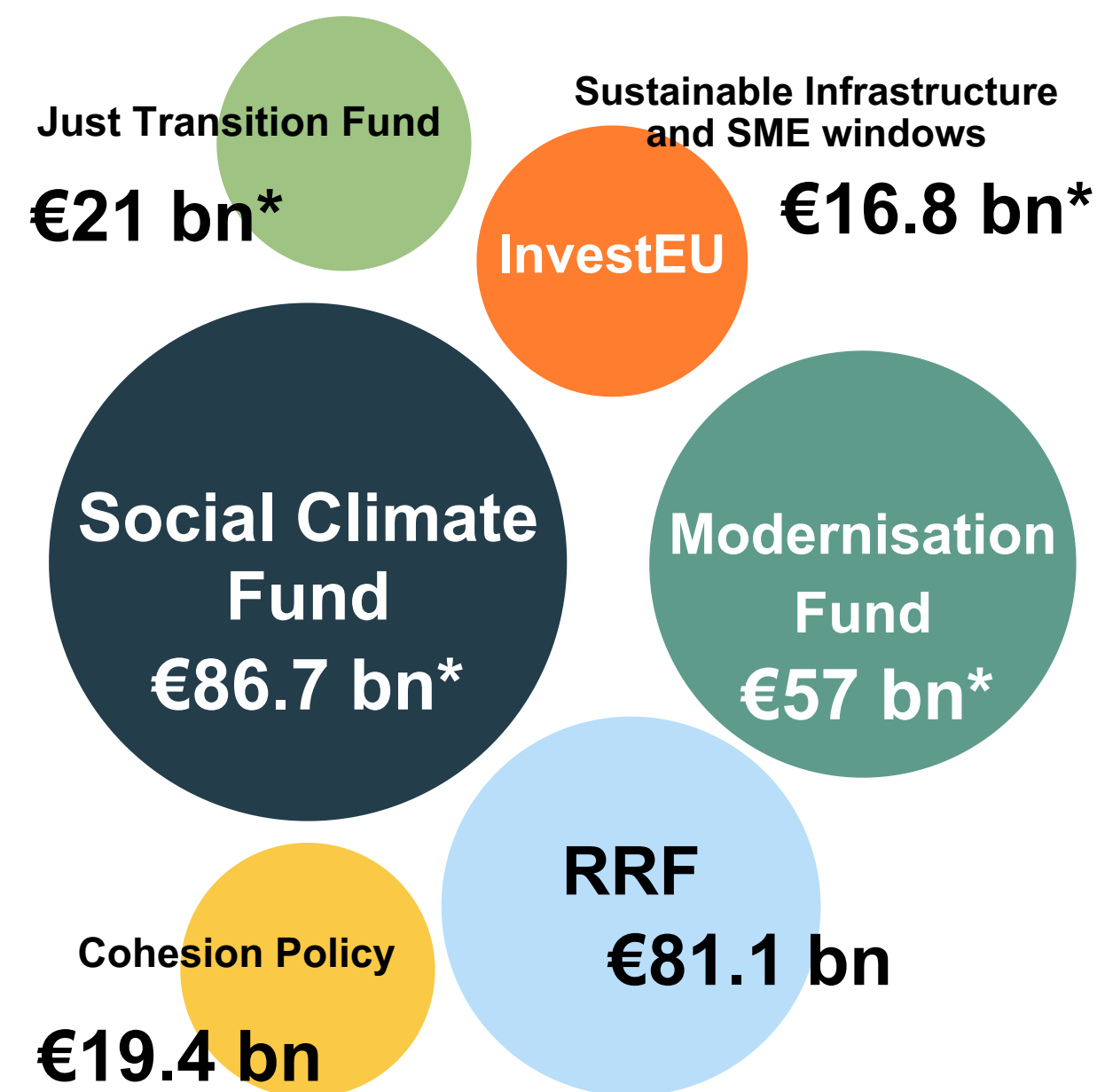
41% public share



Annual share of public & private investment gap of Residential and Tertiary Buildings from total gap

(Averages from EC 2023, EC 2020b, EC 2022, I4CE 2024, Institute Rousseau 2024)

EU funds allocated to Buildings investments (estimated amounts unless specified otherwise*)



*Buildings are part of investment scope, but no specific allocation is provided

Recovery launched National Programmes

Flagship initiatives using RRF financing



Direct support for vulnerable households



Voucher schemes for home renovations



Public building energy upgrades

Reforms Complementing Investments



Streamlining Cooperation Among Stakeholders
Creating a Network of OSS Across Portugal
Training Personnel to Support Citizens Effectively



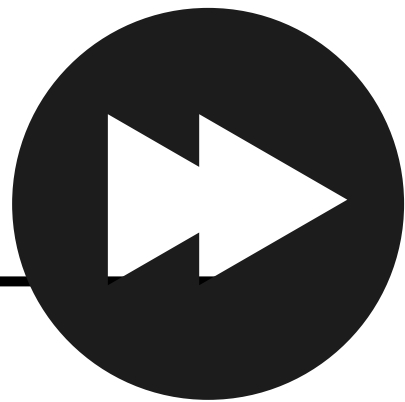
Streamlining the Building Permit Process
Strengthen Public Investment in Energy Efficiency
Implementing NZEB Guidelines



Amendment of the Horizontal Property Law
New Loan Guarantee to Improve Financing Access



InvestEU “Renovation Loan as a Service”



**HIGHER
LEVERAGE
(11.4X)**

**EU-LEVEL
HARMONISATION**

**LOCALLY
TAILORED**

**ADMINISTRATIVE
SIMPLICITY**

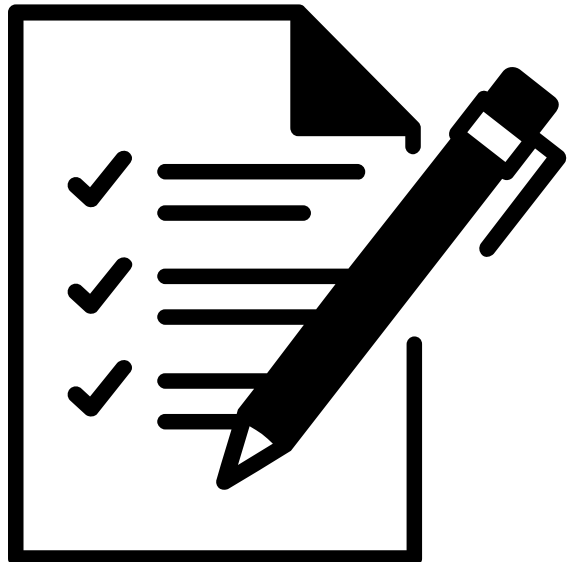
**STREAMLINED
DELIVERY**

**TO AVOID
INEFFICIENCIES OF
THE PAST AND
ENSURE MEMBER
STATE DEMAND**

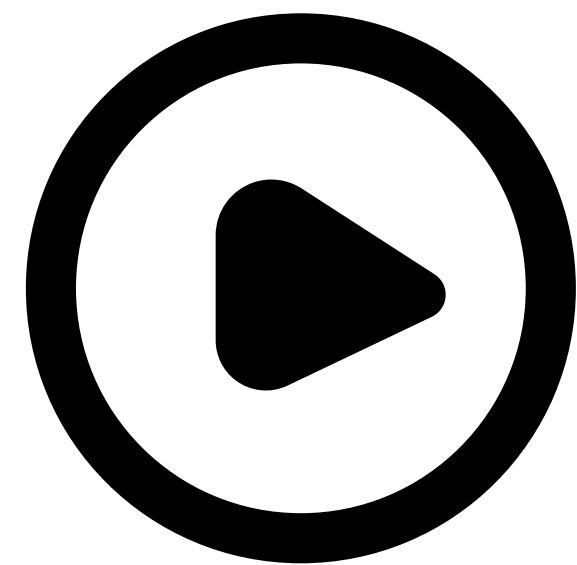
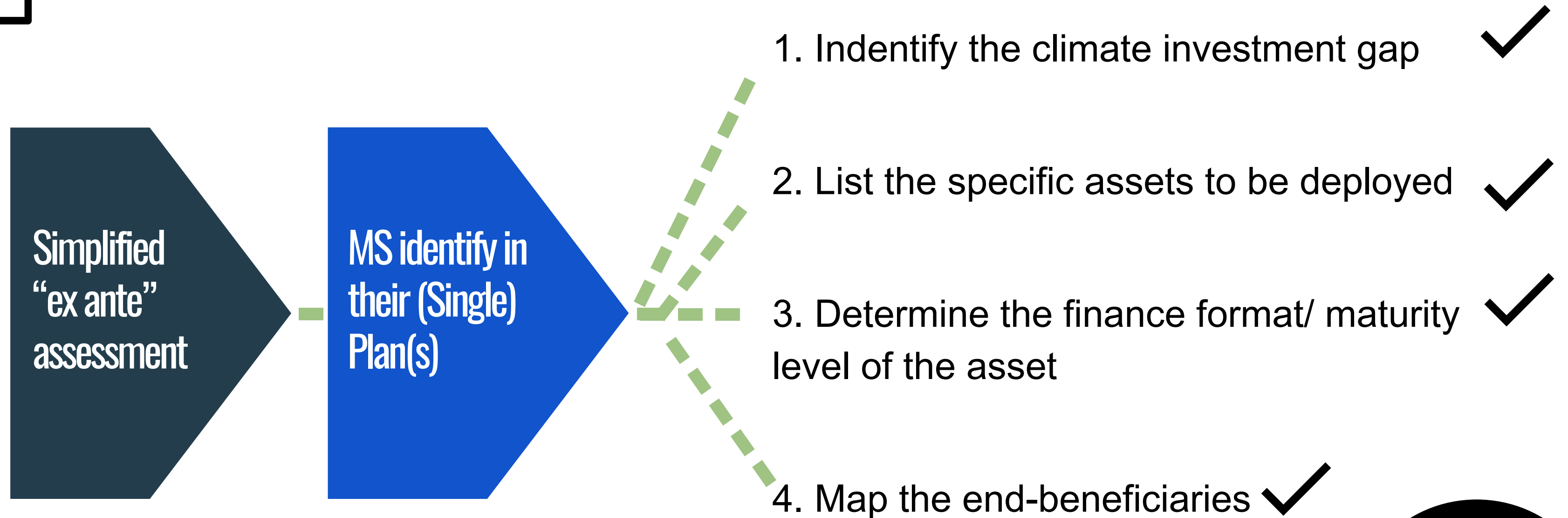
1. Enabling local adaptation and local channels = more control and visibility
2. Ensure aligned timings with national investment planning processes
3. Excluding the impact of contributions to the EU FlaaS from the national debt calculus



**TA SUPPORT
FROM EIB AND
NPBS**



2014 Renovation Loan template, ready to be activated on an “off-the-shelf” basis

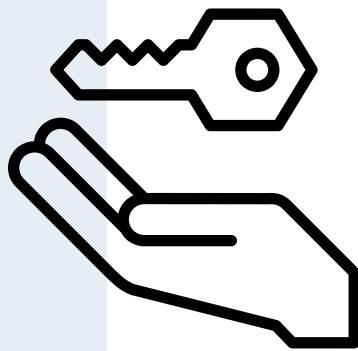


The EU Renovation Loan (ERL) can fairly unlock home equity

Piloted at the EU-level

the ERL can become
the fifth pillar of InvestEU

Offered as a
financial instrument
as a service to
Member States



**INVEST
EU**

Who need resources to offer
citizens to back their
Buildings Renovation Action
Plans under EED/EPBD

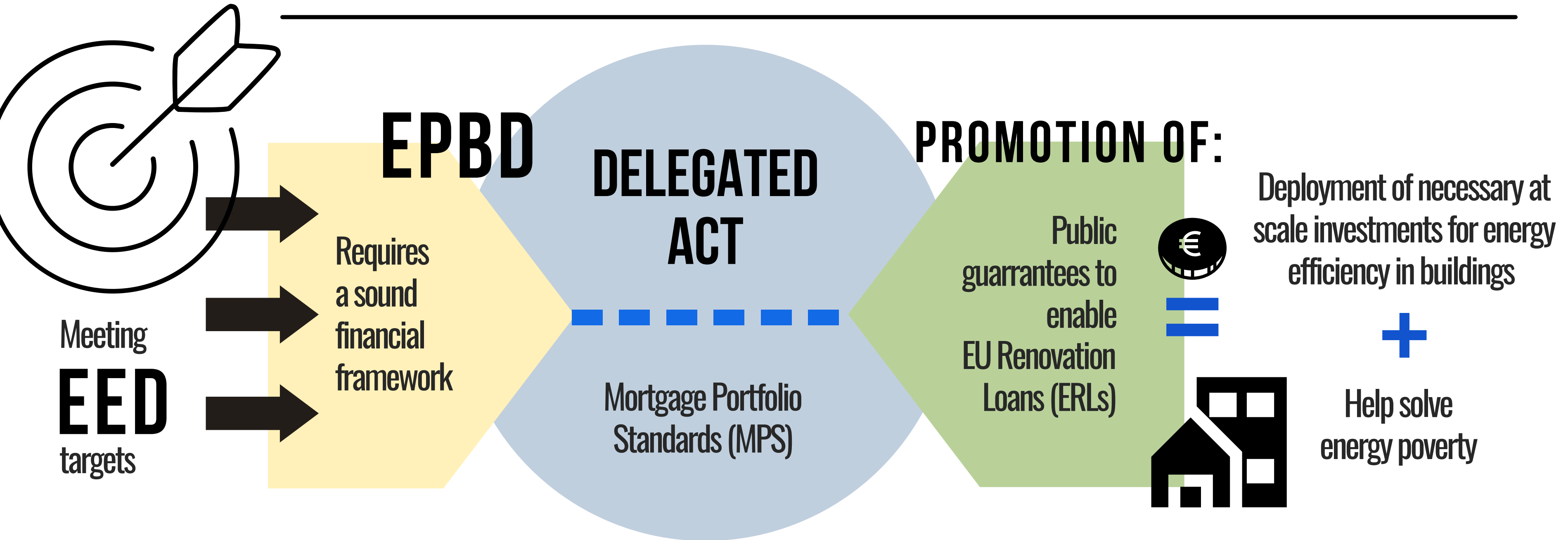


The EU Renovation Loan (ERL) can fairly unlock home equity

C O M P O N E N T S	A	A Zero-coupon structure (or some compound interest at maturity)
	B	An EU Green Guarantee
	C	A fair interest rate for all Europeans equal to the EU borrowing costs
	D	A 30 year final maturity
	E	Linked to an ECB liquidity facility (Targeted Long-Term Refinancing Operations - TLTRO) for retail issuers
	F	Designed to benefit low income Europeans, with a focus on the elderly and young couples

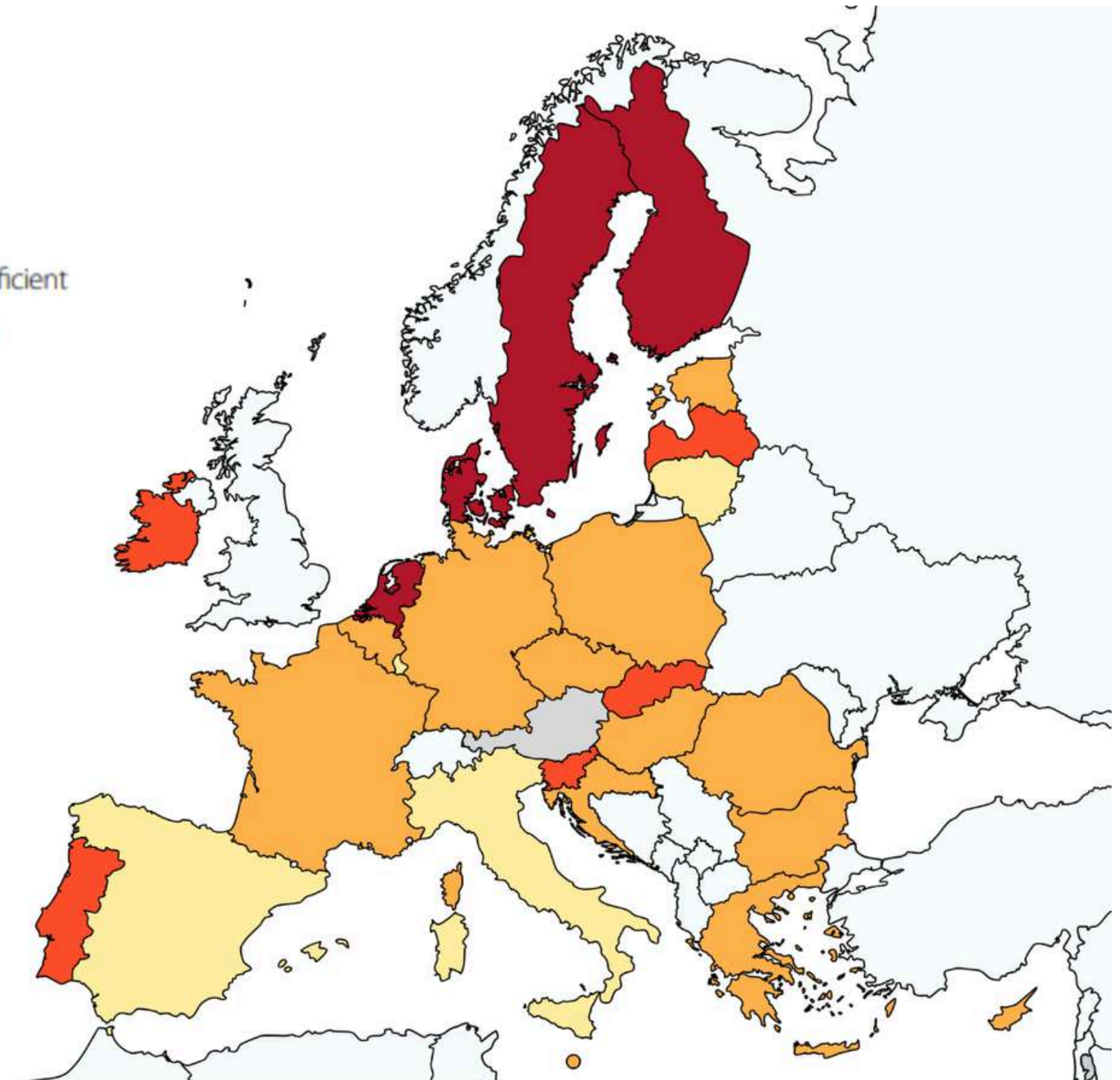
ERL Components		EED recommendation for Article 30	
A	Zero-coupon structure ↔	Various financing solutions are offered including a standalone loan offer, zero-interest ‘eco-loans’ ✓	
B	EU Green Guarantee ↔	Unlock private sector financing for energy efficiency improvements: Member States can actively support private financial institutions to extend suitable lending products, e.g. through de-risking tools like loan guarantees ✓	
C	A fair interest rate ↔	It is important that the interest rate of an energy efficiency financial product is not higher than a regular financial product in the same institution for a comparable type of investment. ✓	
D	30 year final maturity ↔	Affordability can be improved through pre-financing of the work, longer loan maturities that consider the lifetime of the installations, ✓	
E	ECB liquidity facility	*Without direct reference	
F	Designed to benefit low income Europeans ↔	Specific guarantees should be provided to allow youth and the aging population to access energy efficiency lending products. ✓	

Meeting the ambition of the EED will require a sound framework reflecting the progression of the EPBD



The update of the NECPs is a key step to ensure the objectives of the the EED are met

- As of late 2024, only four out of the 26 countries had submitted draft plans that are 'almost compliant' with the EED recast



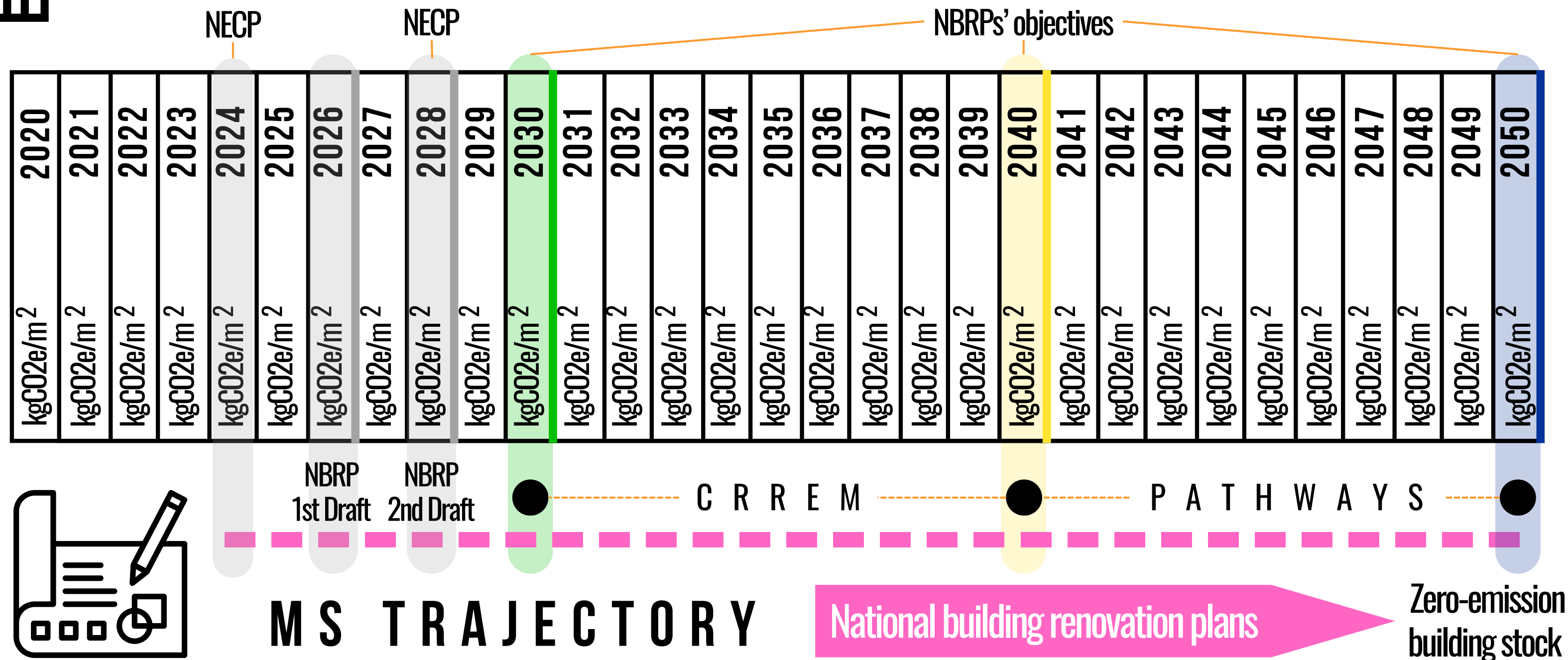
Created with mapchart.net

Source: Coalition for Energy Savings, 2024

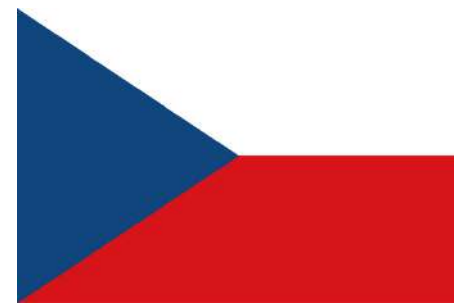


National building renovation plans (NBRPs) to be submitted as part of next round of NECPs

Graph by CS
based on CRREM
User-defined
decarbonisation
settings, 2024



Case Study -



Repair Your Grandma's Home

**Co-financed by the
Modernisation Fund**

follows trend
established in 2009



- Created in 2024
- Finances up to 50% of efficiency measure
- Interest free loan offered by the government
- Building societies finance other 50%

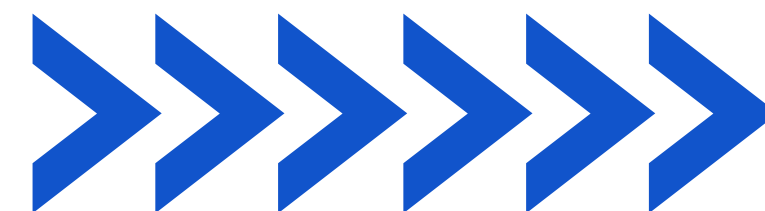
- Govt has been using EU funds + local co-financing to promote the deep renovations



3.9 MM

Czech dwellings

in the last 15 years



1/3+

Renovated



Case Study - Flemish Renovation Obligation

In line with the Flemish Energy and Climate Plan

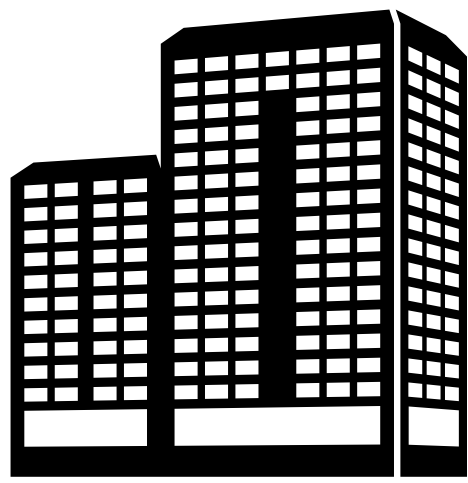
- New owners of houses, apartments, and studios with an EPC label E or F are required to carry out renovations in their properties to a label D (or higher) within five years of purchase.
- Also applicable to the transfer of a second residence or a vacation home.

Financial support offered by

My Rebuilding Loan

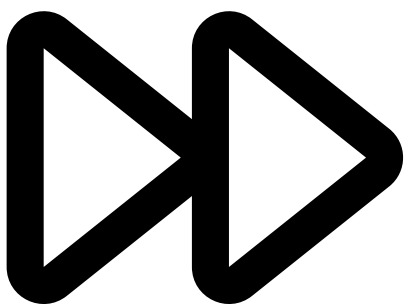
- 0% loan (interest-free)
- Available since September 2022, and provides home owners up to 60,000 euros
- The interest is repaid by the Flemish government

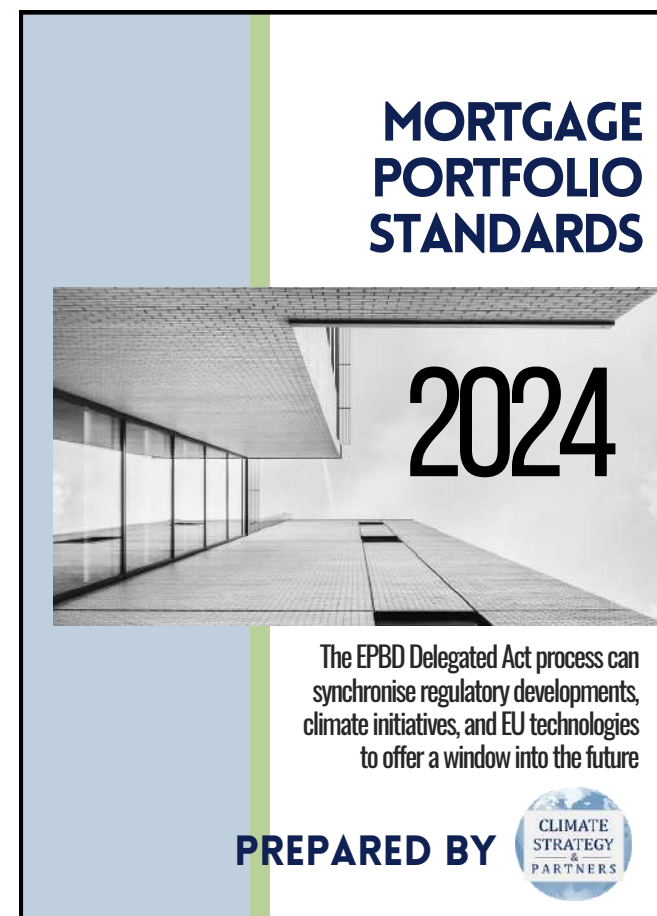




Buildings - Recommendations

- Increase EU grants for renovating energy-poor homes
- Develop an EU Renovation Loan (ERL) as fifth pillar of InvestEU
- Offer Member States Renovation Loans using the InvestEU MS compartment mechanism
- Use InvestEU to fund commercial buildings renovations





Contact us

CLIMATE STRATEGY SL

Paseo de Recoletos, 5,
28004 Madrid SPAIN

EMAIL

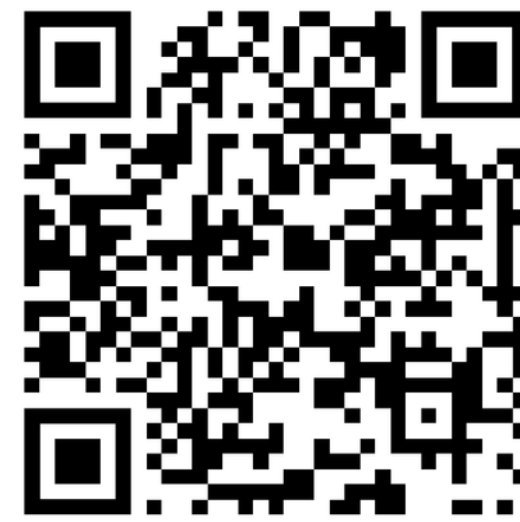
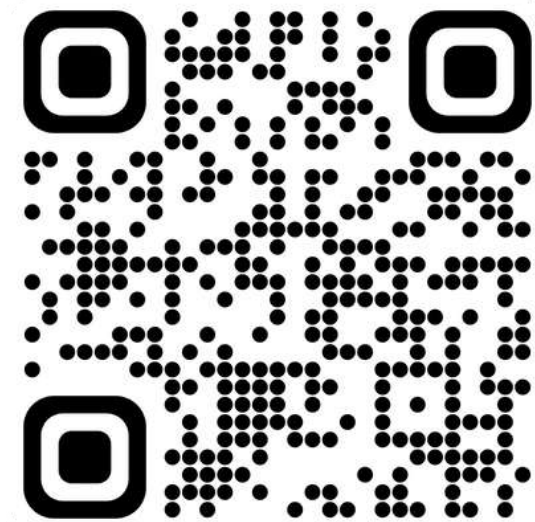
info@climatestrategy.es

PHONE NUMBER:

Tel local: +34 91 576 4837

Tel UK: +44 (0) 20 7193 4807

Fax: +34 91 435 5983



Thanks!



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