

least a 27% energy efficiency target by 2030. I will therefore take the opportunity to say a few words about the related investment challenge and financial instruments we have to support this ambition.

THE FINANCIAL CHALLENGE OF BUILDING RENOVATION

More than EUR 100 billion a year needs to be invested to achieve our 2030 energy efficiency target: EUR 89 billion in energy efficiency measures in building stock and some EUR 19 billion to improve energy efficiency of the industry. **Yet, current investments are less than half of that.**

Reducing energy consumption through increased energy efficiency will reduce the EU's energy dependency and GHG emissions. It also promotes technological developments, innovations and creates opportunities for employment and regional development. Above all, better buildings have a lot of added value for the residents, through better comfort, usability, lower energy-bills and improved air quality.

Jyrki Katainen

That is partly a reflection of **wider underinvestment across the whole economy**. But it is also because of the nature of energy efficiency projects. They are often fragmented, relatively small-scale and tailor-made. As a result, they generate high transaction costs for lenders, a relatively high risk-perception by financiers and unclear underlying business case for corporates. Moreover, **there are hundreds of thousands of opportunities for energy savings around Europe which are missed due to the shortage of project development expertise.**

THE EU INVESTMENT OPPORTUNITIES

It is therefore **crucial to invest in project development and technical assistance capacities**. This is what we are currently doing with our **EU Project Development Assistance Facilities**, such as ELENA, which have already supported more than 100 projects representing EUR 4.8 billion of expected investments.

Under the new **European Fund for Strategic Investments**, we are reinforcing such technical assistance capacities in the European Investment Bank. **The European Investment Advisory Hub** is up and running and I encourage all interested stakeholders to really make use of that service. It will be developed based on the demand

for different types of assistance, feedback is therefore crucial.

We also expect to **mobilise project development and assistance capacities at national and local level, in cities and regions**, where most of the projects take place and major part of Structural Funds is allocated. The EFSI aims at making a difference to the availability of long-term financing for energy efficiency projects. It will **help de-risk energy efficiency operations, up-scale existing financial instruments or create specific investment vehicles that would enable pooling of capital resources and bundling of investment vehicles that would enable pooling of capital resources and bundling of investment projects into larger portfolios...**

The good news is that we are already seeing this in action. One of the first operations that the EIB carries out under the EFSI is a project that aims at **promoting energy efficiency in the French housing stock.**

THE FINANCIAL GAINS OF BUILDING RENOVATION

By improving the insulation of the buildings involved as well as renovating their heat generation, ventilation and distribution systems the project will unlock a **75% decrease in energy consumption**. And it will cut energy bills in more than 40,000 homes.

THE NEED TO ACT

We encourage public authorities as well as private economic actors to come forward with relevant proposals to be potentially supported by the investment plan.

The main feature will be to **build on, and bundle together, a number of smaller projects that, due to their small scale, cannot on their own be financed** by the EIB directly. Finally, we also need to **make renovation much more client-friendly**. Here I call on you to form strategic alliances with the banking sector, planners and builders to offer effective, one-stop-shop packages for financing, building and post-construction follow-up.

There is great potential for multiple benefits from improving our buildings through holistic renovations.

REDAY2015

I therefore **wish you a fruitful conference and look forward to continuing the cooperation for the benefit of better buildings."**



It's more than Renovation...

#REDay2015



Commissioners' Scripts



@RenovateEurope



Maroš Šefčovič

Vice-President
Energy Union

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Miguel Arias Cañete

Commissioner
Climate Action and Energy

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Jyrki Katainen

Vice-President
Jobs, Growth &
Competitiveness

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"75% of EU's housing stock is currently not energy efficient", says Vice-President Maroš Šefčovič

"Good morning and welcome to the **2015 Renovate Europe Day!** least 27%, having in mind an EU level of 30%.

REDAY2015

I am very glad to welcome you to the **fifth annual edition of this very important campaign to increase energy efficiency in Europe's building stock**. As you know, the Energy Union Strategy which we presented in the beginning of the year aims to reach the three targets, set by the European Council last year: to cut greenhouse gas emissions by at least 40%, boost renewable energy by at least 27%, and improve energy efficiency by at least 27%, having in mind an EU level of 30%.

THE EU HOUSING STOCK

Renovation of the building sectors has a huge potential in this regard of bringing us closer to the targets. Why? Because **75% of Europe's housing stock is currently not energy efficient** and heating and cooling represent around half of the EU energy consumption.

THE MULTIPLE BENEFITS OF RENOVATION

But it's not only about our energy and climate *Continue page 2*



lower bills and enjoy greater comfort; benefiting the economy by creating new jobs; and of course benefiting the environment. That's why the Commission will come forward with a Heating and Cooling Strategy, which will tap the huge potential in this area.

The Commission will also present a **Circular Economy Package**, which should be ready by the end of this year. We want to look beyond waste only and 'close the loop', including for instance the design of a product. This too will lead to **more efficiency**, both in energy and in raw materials.

THE FINANCIAL CHALLENGE OF RENOVATION

Of course **energy efficiency of buildings poses a financial challenge**. In this regard, I have no doubt that the

targets. In **European Fund for Strategic Investment**, which we fact, **energy efficiency of buildings, is a triple win: benefiting consumers who will pay** colloquially call the Juncker Fund, will have a major role to play in this field. In fact, the European Investment Bank has already selected some projects which consist of building renovation. Let's continue in that way.

THE EU COMMISSION SUPPORT

The Commission will continue to support ways to **simplify access to existing financing**, which needs to be combined with technical support to help aggregate small-scale projects into larger programmes which can drive down transaction costs and attract the private sector at scale.

Energy efficiency of buildings, is a triple win: benefiting consumers who will pay lower bills and enjoy greater comfort; benefiting the economy by creating new jobs; and of course benefiting the environment.
Maroš Šefčovič

I wish you a **productive conference today and look forward to hearing and receiving your insights from Renovate Day 2015.**"

Miguel Arias Cañete: "My attitude ahead of Paris is that the boldest measures are the safest"

"Dear organisers and participants of the Renovate Europe Campaign, Ladies and Gentlemen,

REDAY2015

I am sorry not to be with you today. Not only because of the packed agenda and good speakers you have, but because **your event hits the nail on the head – it really is about much more than simply "renovation"**.

COP21

This year more than ever that message is important. Because **we are now on the brink of global climate negotiations at COP21 in Paris**, where we have the task of securing an ambitious agreement that will stand the test of time. **My attitude ahead of Paris is that the boldest measures are the safest.** That's why our part of the

bargain will include a 40% cut in emissions by 2030, and a target of at least 27% energy efficiency also by 2030.

THE EU HOUSING STOCK

So what does that have to do with renovations? Experts tell us that **three quarters of our housing stock is energy inefficient**. At the same time, **European buildings are responsible for more than one third of energy related CO₂ emissions in Europe**. Considering this for a moment, you see just how important it is to



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grasp the potential of energy efficiency in renovating our building stock and meeting our 2030 targets. But renovations are about more than that.

THE MULTIPLE BENEFITS OF RENOVATION

For those that say renovations are too expensive, my message is that **climate change mitigation is not a brake on the economy. It is pro-investment and pro-growth**, especially at the local level. **Energy efficiency in buildings is an investment that will save the public purse almost 40 billion Euros, it will improve living conditions and reduce building-related greenhouse gas emissions**. And we know that it works. In Europe we have cut energy use in buildings by 3% every year for the last five years. Over the same period energy efficient products have saved us 100 billion euros.

THE NEED TO ACT

But we still need to do much more. That is why I urge all **Member States and regions to make the most of the funding opportunities** provided by the European Fund for Strategic Investment and other European Funds for the renovation of housing. **The rate of building renovation needs to accelerate and market uptake of new solutions**, such as new dynamic glazing and adaptive façade systems,

need to be increased.

THE EU COMMISSION SUPPORT

The Commission will support that next year with a review of the **Energy Performance of Buildings Directive** to bring us up to speed with our new climate and energy goals. **We will also continue supporting Research and Innovation** for new construction materials and methods or further improving automation technology.

For those that say renovations are too expensive, my message is that climate change mitigation is not a brake on the economy. It is pro-investment and pro-growth ... Energy efficiency in buildings is an investment that will save the public purse almost 40 billion Euros, it will improve living conditions and reduce building-related GHG emissions.

Miguel Arias Cañete

We are committed to action. And having met many of you, I know that the building industry is committed to action. In many countries you already play a leading role. I urge you to continue leading the way and, ahead of as well as after Paris, show that **it really is about more than Renovation**. Thank you."

"There is great potential for multiple benefits from improving our buildings through holistic renovations", states Jyrki Katainen

"Ladies and Gentlemen,

Thank you for the opportunity to provide a **greeting to this very topical conference**.

THE MULTIPLE BENEFITS OF RENOVATION

Buildings account for 40 % of total energy consumption in the EU. Reducing energy consumption through increased **energy efficiency has multiple benefits**. It will reduce the Union's **energy dependency and greenhouse gas emissions**. It also **promotes technological developments, innovations and creates opportunities for employment**

and regional development
Above all, better buildings have a lot of **added value**

for the residents, through better comfort, usability, lower energy bills and improved air quality.

You are probably all familiar with the policy framework in place that sets the ambition to reach at



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