

Changes in the 2014-2020 Structural Funds Budget

How to Design an Operational Programme that will deliver Multiple Benefits to your Region

Brussels, December 2013

Dear Sir/Madam,

In a period of economic crisis, the Structural and Investment Funds represent a golden opportunity to access **upfront financing**. It is crucial for the economic development of your region that this funding be **invested in sectors of huge economic potential, which will trigger private investment, create local jobs and generate high returns**. The EU recognised this need to prioritise investments along the EU's 2020 Growth Agenda, and as a result outlined 11 Thematic Objectives, with a particular emphasis on **Thematic Objective n°4 "Transition to a Low-Carbon Economy"**.

Indeed, the quantity of **funding allocated for Sustainable Energy and Energy Efficiency** in the 2014-2020 Structural Funds is expected to **more than double from the last funding period, to an estimated €23bn**, with **obligatory minimum percentages for investing in Sustainable Energy and Energy Efficiency under the ERDF**. In addition, the **scope of eligibility for investments in energy efficiency in buildings has also been expanded** beyond the ERDF to encourage investments also from the **Cohesion Fund** (where the housing sector was previously excluded) and the **European Social Fund** (supporting the upskilling of the labour force for Green Jobs, as well as renovation activities to increase e.g. Accessibility).

In addition, a **specific "off-the-shelf" financial instrument for the Residential Buildings Sector** has been introduced in the 2014-2020 Structural Funds aimed at boosting renovations in Europe's regions. Through a privileged 'fast-track' approval process, this **"Renovation Loan"** aims at securing preferential conditions for building owners to invest in Energy Efficiency Assets through a combination of public and private resources.

It is clear that Building Renovations are at the heart of the EU's strategy to achieving smart, sustainable and inclusive growth by 2020. The **energy efficient renovation of buildings** is a sector with a **high cost-effective end-use energy savings potential** that remains largely untapped because of a lack of upfront financing. Investing in the energy efficient renovation of buildings can deliver a **wide range of tangible benefits for the public sector, households and businesses** in your region:

- **Economic benefits:** A revenue-generating activity which creates local non-exportable jobs (particularly in the depressed Construction Sector) and has a positive impact on public finances through reduced energy costs;
- **Social benefits:** A significant contribution to boost urban renewal in disaffected areas and to reduce fuel poverty;
- **Health benefits:** An effective way of improving indoor climate and thereby reducing hospitalisations;
- **Environmental benefits:** A cost-effective means of reducing air pollution and CO₂ emissions;
- **Political Benefits:** An efficient strategy for getting your country back on track to meeting its 2020 climate, energy and growth objectives.

Designing an effective Operational Programme for the next 7 years that will reap these benefits for your region is crucial. The **Practical Guide** attached to this letter provides a helping hand to guide you all stakeholders through the basic steps for designing a **Multi-Fund Operational Programme to Renovate the Building Stock**.

We understand that Energy Efficiency may be covered by several OPs in your country. In this case, we strongly recommend designing separate Priority Axes dedicated to EE with coherent criteria throughout all relevant OPs.

Don't miss this opportunity to **unlock the huge economic opportunities lying dormant in your building stock** for the benefit of your businesses, your households, and your public finances!

Please don't hesitate to contact one of us for any advice or consultation.



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About the Campaign: Renovate Europe is an initiative of the European Alliance of Companies for Energy Efficiency in Buildings (EuroACE). Its ambition is to achieve an 80% reduction of the energy demand of the existing EU building stock by 2050 compared to 2005. The REC is calling for ambitious renovation strategies to be drawn up all across the EU in order to triple the annual renovation rate of buildings in the EU from 1% to 3% by 2020 and to ensure that all renovations are deep or staged deep renovations. www.renovate-europe.eu

The Partner Companies and Associations of the Renovate Europe Campaign are:



About Chance for Buildings: Chance for Buildings is an alliance by leading business and expert associations that advocates for favourable policy and economic framework, including proper implementation of relevant EU directives in the Czech Republic, in order to reap the crucial societal benefits of energy efficient buildings. It brings together Czech Green Building Council, Passive House Center, Czech Mineral Insulation Manufacturer's Association and Czech EPS Association. It represents over 200 companies across the entire value chain of high energy performing building construction and renovation.