



Deutscher Verband für Wohnungswesen,  
Städtebau und Raumordnung e.V.

# „Funding Possibilities on Housing and Energy Efficiency – What’s currently in from the EU Structural Funds?”

Budapest, 21 October 2016

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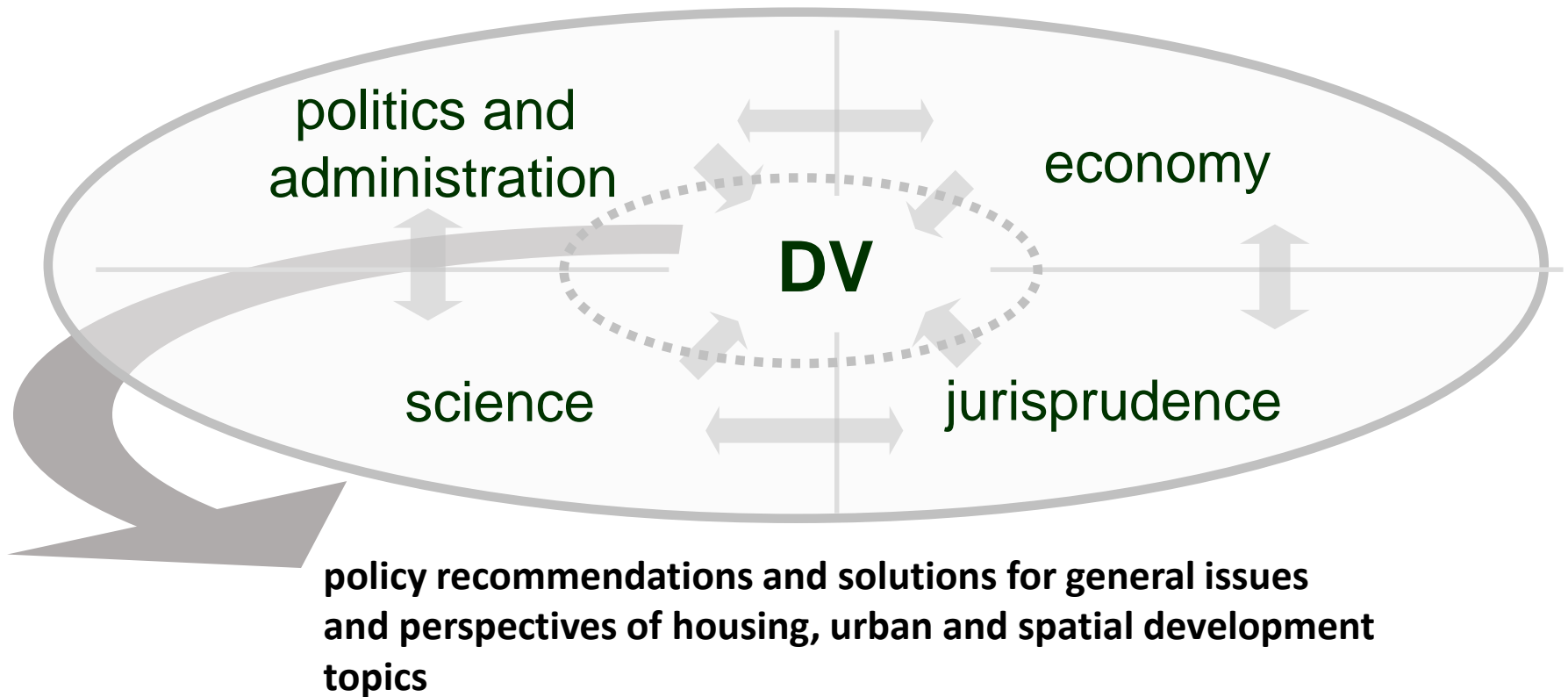
Part 1: EU – Framework 2014 – 2020

Part 2: Examples of Funding Energy Efficiency in the Housing Sector and  
Urban Development / Outlook 2020+

- sustainable development of cities and regions in the context of demographic, social and structural changes
- affordable, age-appropriate and energy efficient housing with regional differing housing markets
- financing of real estates, infrastructure and urban development with changing framework conditions



## neutral dialogue-platform



## EU-funding for integrated urban- and regional development

- **urban and territorial dimension of the EU Structural Funds**
  - German Austrian URBAN-Network
  - scientific analysis: “Urban Dimension 2.0”, urban-rural-partnerships: RURBAN Study, CityRegions,
  - monitoring and implementation of the contest: urban-rural-partnerships of the operational programme Brandenburg
  - URBACT Projects und URBACT Dissemination Point



### Transnational Programmes und projects: monitoring, preparation and implementation

- consultation process und communication for new INTERREG V B Programmes for the German Ministry of Transport and
- (Lead-) partner for strategic co-operation projects



## Energy – Real Estate – Urban Development

- **climate protection policy and it's impact on the housing and real-estate sector**  
Committee for the German Ministry of Environment
- **Energy efficient and integrated development approaches for larger housing districts**  
EU-Project Urb.Energy
- **Integrated energy efficient urban renewal**  
Seminars and position paper on KfW-programme
- **Working Group Energy:** Prof. Dr. Dr. Töpfer and Institute for Advanced Sustainability Studies



# Part 1: Overview on the EU-Framework

## EU-legislation and funding

### Indirect / direct legislative impact on energy efficiency / housing

- EU 2020 Strategy
- Energy Union Package
- EPBD directive
- Energy Efficiency Directive
- state aid
- air quality
- procurement
- de-minimis
- environment impact assessment

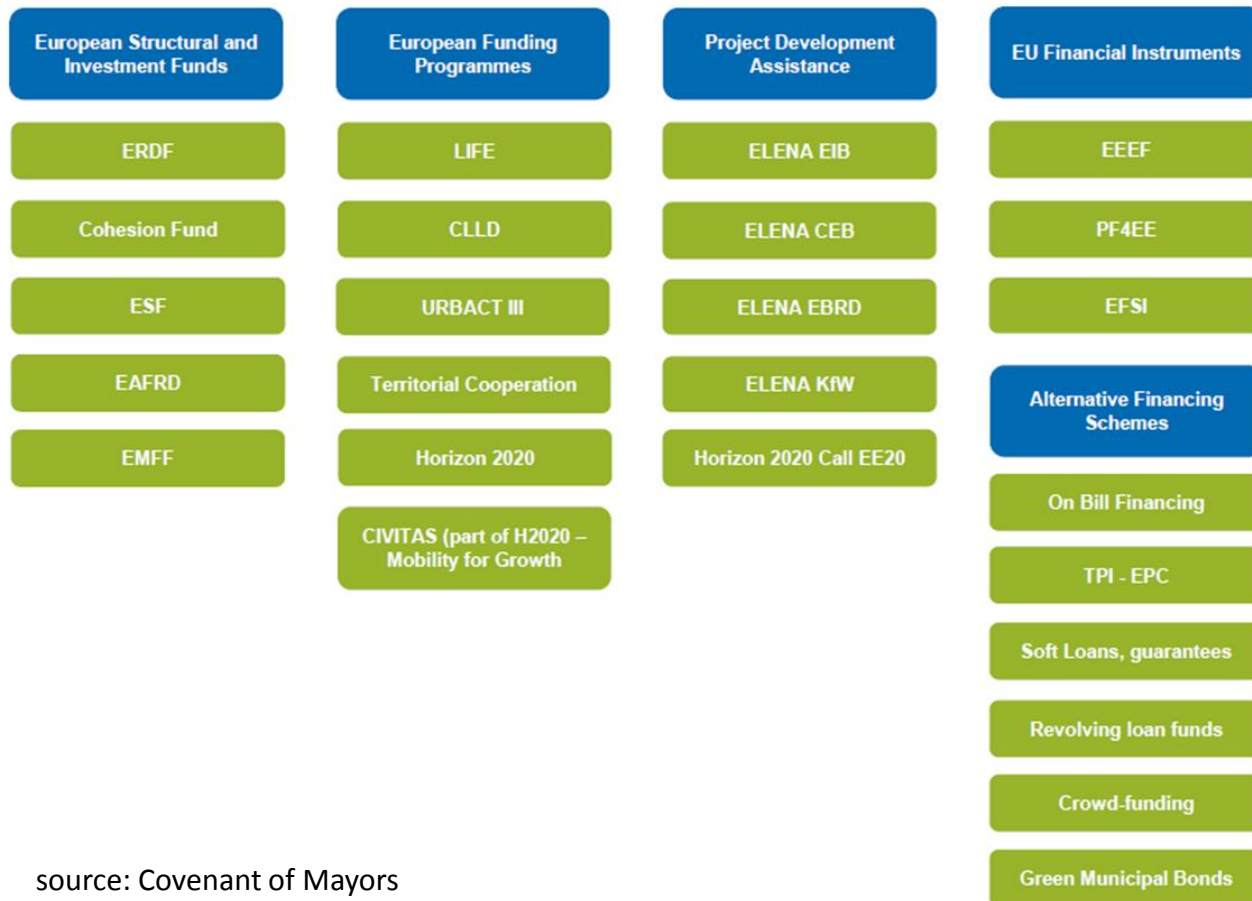
### Funding provided:

- European Structural Funds (ERDF, ESF, CF,)
- Financial Instruments
- EFSI (Juncker Fund)
- Horizon 2020 / Smart Cities
- URBACT III
- INTERREG
- Life+
- ....





## Overview of financing opportunities for local sustainable energy



source: Covenant of Mayors

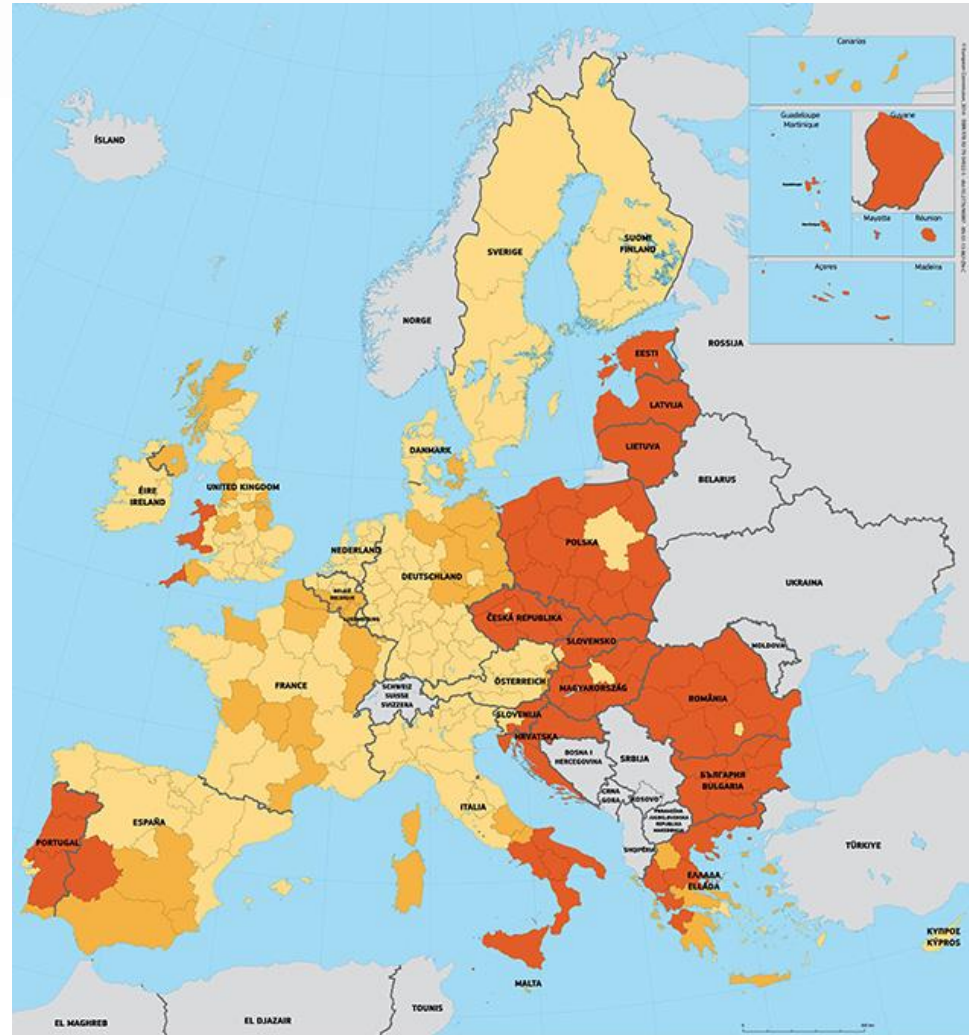
## New Strategic orientation of the ESI-Funds

- COM wants transition from a transferpolicy towards a growth and investment policy)
- Common Rules for all 5 European Structural and Investmentfunds
- Divergence between Steht im Spannungsverhältnis zwischen Stärkung von integrierten Ansätzen und thematischer Konzentration
- Possibilities of Multi-Fund Programmes (e.g. ERDF + ESF)
- Stricter implementation – strong focus on results
- Application of revolving funds for all thematic objectives of the ESI-Funds

## Categorization of EU Regions

The level of funding and the composition of the OP differ from one region to another depending on relative wealth. EU regions are divided into three funding categories based on their regional GDP per head compared to the EU average.

- Less developed regions (GDP/head < 75% of EU-27 average)
- Transition regions (GDP/head between 75% and 90% of EU-27 average)
- More developed regions (GDP/head ≥ 90% of EU-27 average)



## Levels of EU- Cohesion Policy 2014 - 2020

- Common Framework on EU-Level
- Partnership agreement on national level
- OP developed at the federal and state level (negotiations with the European Commission - DG REGIO)
- High diversity in each MS



## Structural Funds (ERDF and ESF) - Needs-based funding

Region	Co-Financing of EU
More developed regions	50%
Transitionregions	60%
Less developed regions	75%

### Strategic realignment of the EU structural policy

- Common set of rules for all European Structural and Investment Funds
- Facilitating opportunities for multi-fund programs





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## Thematic Objectives for all 5 Funds (Art. 9 REGULATION (EU) No 1303/2013 ) with links to EU 2020 Strategy

### Intelligent Growth

1. Research, technological development, innovation
2. ICT (Information and Communication Technology)
3. Competitiveness of SMEs (Small and Medium-sized Enterprises)

### Sustainable Growth

4. Shift towards a low-carbon economy
5. Promoting climate change adaption, risk prevention and management
6. Preserving and protecting the environment and promoting resource efficiency
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures

### Inclusive Growth

8. Promoting sustainable and quality employment and supporting labour mobility
9. Promoting social inclusion, combating poverty and any discrimination
10. Education, training and vocational training for skills and lifelong learning
11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration





## thematic concentration in the ROP of the ERDF

better developed regions	transition regions	less developed regions
<ul style="list-style-type: none"> <li>at least <b>80%</b> on min. 2 of the TO 1 – 4 (SME, R&amp;D, ICT, low carbon economy)</li> <li>at least <b>20%</b> on TO 4 (Low Carbon Economy)</li> </ul>	<ul style="list-style-type: none"> <li>at least <b>60%</b> min. 2 on TO 1 – 4 (SME, R&amp;D, ICT, low-carbon economy)</li> <li>at least <b>15%</b> on TO 4 (low carbon economy)</li> </ul>	<ul style="list-style-type: none"> <li>at least <b>50%</b> on min. 2 of the TO 1-4 (SME, R&amp;D, ICT, low carbon economy)</li> <li>At least <b>12%</b> of the total ERDF on TO 4 (low carbon economy)</li> </ul>



## Considering the housing sector in the ESIF 2014-2020

- increase in ESIF allocation for the housing sector estimated
  - 2007 – 2013: expenditure for housing related projects **2 billion €** focussed for energy efficiency for low income families
  - 2014 – 2020: **6,1 billion €** ERDF + CF (EE housing for CE Countries) in total 16-18 billion € in the field of energy efficiency in housing, public buildings and industrial sites  
(source: housing europe 2016)
- construction of residential building projects is not anymore excluded from the art. 3 of the ERDF Regulation
- funding possible in particular in energy efficiency projects and social infrastructure or as integrated urban development project

## Part 2: Examples from EU - Memberstates

direct funding for EE in housing projects



photo: mf Mercedöl

**e.g. Hungary, Lithuania, Poland,  
France, Portugal**

integrated urban renewal concept



photo: Barbara Bühler

**e.g. Germany, Italy, Ireland,  
Netherlands**

## Hungary I: KEOP Programme

- KEOP (Environment and EE Operational Programme):
  - adopted in February 2015
  - 2.8 billion € ERDF/CF + 15 % national co-financing
- **New:** EU-Funds can be used for energetic modernization of residential buildings
- Includes: projects in renewable energy sources (buildings) and EE
  - reduce overhead costs for households and public job-board energy consumption

## Hungary II: eligible fields of funding

- Combining energy-efficiency modernization of buildings with renewable energy sources
- Modernization of residential, public buildings and buildings performing public duties of public – non profit organizations
- Improving thermal characteristics of buildings, reduce heat losses and the use of renewable energy sources
- Modernization of heating, cooling and domestic hot water systems
- Establishing of nearly zero-energy buildings
- Upgrading of lighting systems in buildings
- Project preparation

## Lithuania I

- Lithuania Operation Programme 2014- 2020: 6,7 Billion € (ESI-Funds)
- thereof: 0,971 million € allocated for climate change, RES and Energy Efficiency measures
- Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, **and in the housing sector**
- Application of Revolving JESSICA Fund in Lithuania for EE Measures:

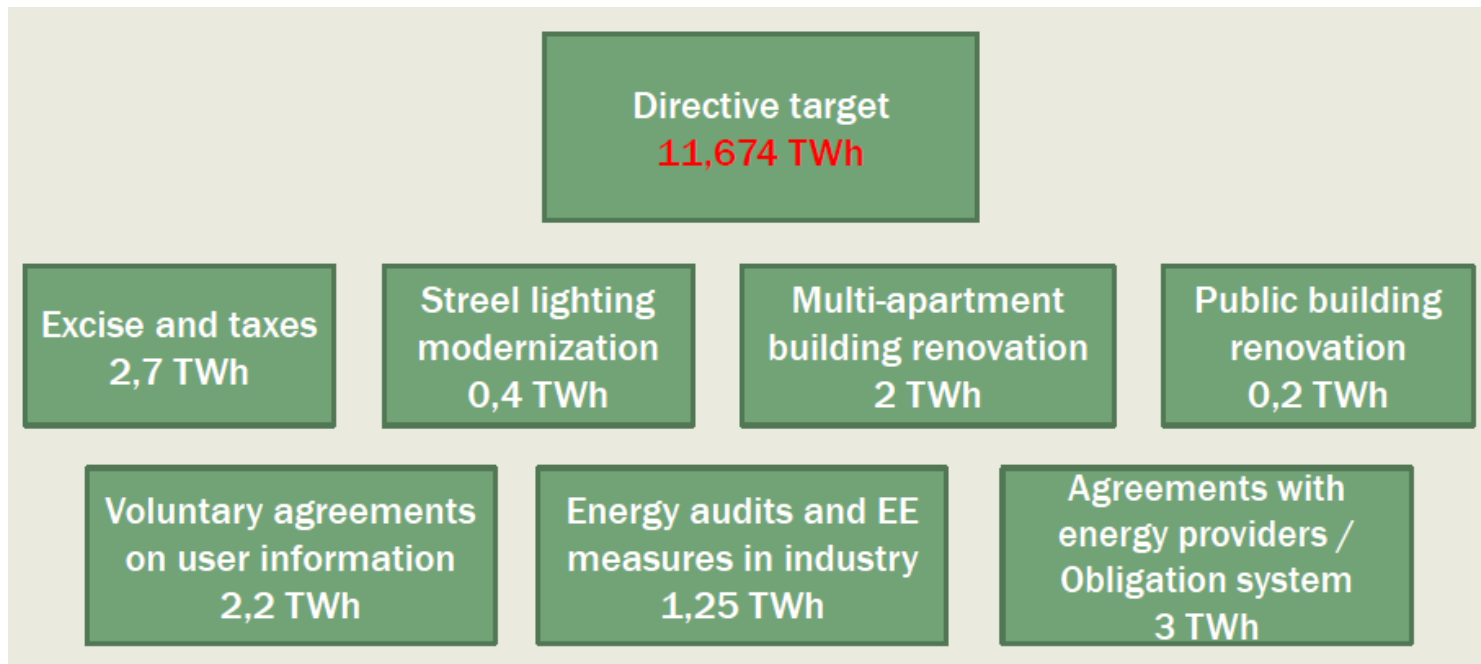


## Lithuania II:

Measure (Priority Axis 4: Promotion of energy production from renewable energy sources of 2014-2020 (479,4 million €)	Funding (Mio. €)
Multi-apartment building renovation	280,93
Promotion of multi-apartment and public municipal building renovation	8,69
Central government building renovation	28,96
Audit in industry programme	7,24
Partial interest compensation for EE in enterprises	4,34
Increasing energy efficiency in public infrastructure	79,65
Modernization and development of heat distribution	69,51

## Lithuania III:

**Main target: Final energy savings of 11,674 TWh(cum) by 2020**



source: Tadas Norvydas, Beta (2016)



# Examples from Germany: Including EE measures as integrated urban development project



Source: [www.energetische-stadtsanierung.de](http://www.energetische-stadtsanierung.de)

## Focus: Integrated Urban Development in the field of EE

- Approach and necessary preconditions for funding:
  - Only for cities/towns with more than 5.000 inhabitants
- Integrated Development Concept:
  - Precondition is a bunch of different measures in the funding area No single project funding
  - Integration of local stakeholder for the development of the concept
  - Measures has to be composed **by two different thematic objectives**
  - Measures in defined neighbourhoods have to contribute to combat ecologic, economic climatic demographic and social disadvantages
  - Funding only for indicated deprived neighbourhoods
  - Award through a two-stage competition

## Specific Objective: Reduction of CO<sub>2</sub>-emission in the neighbourhood

- Investive and non-investitive measures on technical level like:
  - a. Measures to improve the **energetic balance of public buildings** on neighbourhood level (e.g. structures for decentral heat supply)
  - b. **Renewable energy sources for heating** (e.g. constructions for heat supply with storage components for renewable energy for heating and cooling of buildings)
  - c. Measures for **supply of energy efficient heating / cooling** (e.g. integrated, innovative and transferable systems of local heat based on combined heat and power generation)

## Specific Objective: Reduction of CO<sub>2</sub>-emission in the neighbourhood

- Investive and non-investive measures in complementary thematic fields:
  - d) **Low carbon mobility measures** ( comprehensive integrated approaches on neighbourhood level for mobility management, e.g. SUMPS)
  - e) combat **inner-urban heat island effect** (green infrastructure like green areas, green roof tops, green backyards, greening of facades)
  - f) Studies for **local energy concepts** and financing of **energy advisors** coordinating development and implementation of energy concepts in the neighbourhood and **advising of residents**
  - g) **IN EXCEPTIONALLY CASES: new buildings** with high innovative character in cooperation with universities or research institutions

## France:

- 24 Operational Programmes are relevant for housing
- Highly different approaches: social housing or/and energy efficiency in buildings (including social housing, private households and public buildings)
- slightly increase of allocations dedicated to EE

204,1 Mio. € (2007 – 2013) → 265,9 Mio. € (2014 – 2020)

Source: housing europe (2016)

## Outlook 2020+

- Revision EED / EPBD: expected Dec. 2016/ Jan. 2017
- MFF midterm review – new budget proposal in 2018
- New legislative package proposal for ESI-Funds in 2017
- Grants and/vs. Loans (Juncker Fund)
- EU-Cohesion Policy: currently basic discussions e.g. sectoral vs. geographical orientation, new indicator for regions categories etc..



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Thank you for your attention!

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