



Institute for European  
Environmental Policy

# Energy Efficiency in Housing: Funding Under the EU Budget

**Jane Desbarats, Senior Policy Analyst**

# What is energy efficiency?



- Energy efficiency: improving rate of energy usage
  - demand side vs. supply side
- Behavioural modification vs. technology
- Housing/buildings
  - Demand side management
  - Small scale renewables
  - District heating

# How is energy efficiency funded?



- Role of private sector:
  - Energy Service Companies (ESCOs)
  - Utilities (pricing strategies)
- Co-financing arrangements:
  - EBRD, EIB
  - Cohesion Funds
- Carbon Market?
  - Surplus carbon,
  - EU-ETS auctioning revenue, Indirect impacts of EU-ETS

# Cohesion Funds: Public Funding of Mitigation



- EU Kyoto reduction target
- GHG emissions of projects?
- Three principles apply to EU budget:
  - Added value; best policy instrument; sound financial management
- Reporting requirements?
- Limited funds and economic recession
- Competing priorities

# Cohesion Funds: Public Funding of Mitigation



How to ensure we are getting reductions:

- Integrate climate change in to the allocation of funds?
  - Enhance reporting requirements under Operational Programmes
  - Limits of EU legislation – lack of enforcement
- Centralization of Reporting
  - Should provision of funds be conditional?

# Challenges for Monitoring and Reporting



- Sectors covered by funds – i.e. housing and transport hard to monitor
- Housing sector in a number of new member states – lack of meters
- Verification under operational programmes limited to financial data



- Implications of monitoring a non-traded sector
- Need for more systematic reporting
- Increase accountability
- Ensure countries meet objectives and targets, commitments