

EuroACE calls for Maintaining High Percentages for Climate Thematic Concentration if Sustainable Urban Transport is included

*By setting energy efficiency in buildings as a key funding objective of the ERDF Report (agreed in the July REGI vote), Members of the European Parliament called for an agreement on EU regional spending that will deliver positive benefits in terms of **job creation, increased energy savings and reduced regional imbalances across Europe**. In the upcoming trilogues, the Council must uphold the Parliament's agreement to stimulate the energy efficiency market if the EU is to meet its Climate and Growth objectives. This can only be achieved if **high percentages of ERDF Funding are targeted at energy efficiency in buildings**.*

An **industrial alliance of 17 companies** under the umbrella EuroACE urges the national representatives in the trilogue **NOT to reduce the percentages of climate thematic concentration agreed in the European Parliament to 22% in more developed regions and to 12% in less developed region, particularly if the scope is broadened to include 'sustainable urban transport'**.

Why Limit Sustainable Transport to Urban Areas?

- **Large 'green transport' projects would swallow disproportionate quantities of funding**

If the scope of the climate thematic concentration is widened, it is imperative that the focus be at least limited to sustainable transport **in urban areas**, and not sustainable transport in the wider sense. If 'sustainable transport' were to be included in the climate thematic objective, large 'green transport' projects (such as long-distance railways) would swallow disproportionate volumes of ERDF funding, at the expense of the energy efficiency market.

- **Small, less visible nature of energy efficiency projects**

Energy efficient renovation projects are by nature less visible, smaller and more difficult to aggregate. If the sector of energy efficiency in buildings is grouped within the same funding basket as larger projects (such as green transport), the chances that the allocated ERDF funding will be channeled to building renovation projects will be significantly reduced, despite the huge cost effective energy savings potential.

Why Maintain or Increase the Percentages of 22% and 12%?

- **Scope of the percentages drastically widened**

If 'Sustainable Urban Transport' were to be transferred to the climate thematic concentration, the scope of these percentages would be vastly broadened to **include sectors not previously envisaged when the percentages of 22% and 12% were agreed in the EP**. We cannot risk to reduce these percentages any further, and EuroACE would even encourage raising them.

Why Allocate ERDF Funding to Energy Efficiency in Buildings?

- **Using Structural Funds as seed financing to trigger private investment in a sector which delivers high returns**

The purpose of concentrating funding streams around climate objectives is to boost those markets where things do not happen in 'business as usual' because of **non-technological barriers and market failures**, despite their proven economic benefits. **Lack of upfront funding** remains the main hurdle for energy efficiency to be implemented. As a result, the potential of the buildings in EU regions remains largely untapped. Providing the first euro, using the Structural Funds as seed financing will trigger a virtuous circle of using public funds as a leverage mechanism to unlock private funding in energy efficient renovation programmes. This

will allow the EU's regions to benefit from the high return of investing in energy efficiency in buildings.

- **Increasing the confidence for stakeholders to invest in energy efficiency**

Committing EU funds with a long-term perspective will contribute **to increasing the confidence of stakeholders** in the private sector and among financial institutions to trigger investment in energy efficiency in buildings across Europe. The need for knowledge building in the energy efficiency market also need such a commitment in order to deliver in the long-term.

- **Delivering on the EU's climate and growth objectives**

Investing EU funds in Energy Efficiency in buildings is an **opportunity to tackle both the climate and economic challenges in Europe's regions**. Investing in energy efficiency in buildings is a **revenue-generating** activity that will **leverage more private investments and boost growth by creating local jobs**, thereby reducing the regional imbalances within the EU. With buildings representing 40% of EU energy consumption and 36% of GHG emissions, energy efficiency in buildings is the **most cost-effective measure** to achieve both great **energy savings and cut CO₂ emissions**, and to reduce Europe's energy dependency.

How to Ensure the EU Regions will Reap the Returns from Energy Efficiency in Buildings?

- **Ensure funds are applicable to the full building stock: private and public buildings**

In order to unlock the potential of the full building stock in Europe, **public buildings as well as private buildings must be targeted** as an investment priority (Article 4c). Indeed, 9 out the 10 buildings standing today will still be standing in 2050, and 75% of the building stock is residential. It is therefore crucial that **renovating the existing building stock be included in the scope of the directive** in order to unlock the potential of the full building stock in terms of economic, environmental and societal benefits through energy efficient renovations.

Maintain High Climate Thematic Concentration Percentages aimed at energy efficiency in buildings to stimulate jobs and growth, increase energy savings and reduce regional imbalances in Europe.

EuroACE

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EuroACE represents Europe's leading companies involved with the manufacture, distribution and installation of energy saving goods and services for buildings. EuroACE members have a total turnover of around €140 billion per year in efficiency-related business and they employ approximately 172,000 people in these activities in Europe. The mission of EuroACE is to work together with the EU institutions to help Europe move towards a more efficient use of energy in buildings, thereby contributing to Europe's commitments on climate change, energy security and economic growth.

EuroACE Members (January 2013) are:

