

Brussels, 5th September 2019

Dear Mr. HOYER, dear Mr. McDOWELL,

Dear Members of the EIB Board,

Subject: your discussions on the **Draft Energy Lending Policy**

1. **EuroACE, EURIMA and PU Europe welcome the work done on the EIB Draft Energy Lending Policy**, published this summer. Having contributed to the public consultation opened earlier this year, we see with satisfaction that the European Investment Bank recognises the crucial role it can play in directing the necessary investments for the energy transition to achieve the goal of the Paris Agreement and set the EU on a path to net zero GHG emissions by 2050. **We welcome and fully support the Bank's take-up of the *Energy Efficiency First* principle, and for putting a strong emphasis on building renovation.** It is in this sector that the highest additional investment needs are, but also the biggest potential in terms of energy savings, GHG emissions reduction, and opportunities to improve people's daily lives.

2. **We especially welcome the European Initiative for Building Renovation (EIB-R).** Coupled with the continuation of the ELENA facility, it entails what is needed for the sector: aggregation of projects, advisory services, tools to unlock private financing, blending with other support programmes, and technical assistance. We also welcome the EIB focus on securing the credibility of energy savings delivered, by calling for a thorough comparison of the energy consumption after the renovation works, compared to a baseline. In addition, financing up to 75% of eligible costs is relevant for the renovation sector, which is fragmented and consists of diverse small stakeholders which need a high level of support.

3. However, to put words to actions, and **make the EIB-R operational and transformative, some clarifications and improvements are needed.**
 - » The EIB needs to **clarify eligibility rules**, i.e. **what is the minimum level of ambition** of projects it wishes to support in building renovation programmes. For EuroACE, only projects which significantly contribute to the achievement of the long-term goal enshrined in the Energy Performance of Buildings Directive, i.e. *"a highly energy efficient and decarbonised building stock by 2050"*, should get support from the EIB. This means that a **minimum level of improvement in the energy**

performance of the building should be set as a threshold to get financial support, with a ratchet clause in order to follow market improvements over time. Besides, the EIB could also adopt an approach where **financial support is proportionally linked to the level of energy savings achieved**, possibly using new tools such as Building Renovation Passports to assess the energy improvements. Introducing such a mechanism in the EIB-R would ensure that only holistic renovation projects, where all technologies are properly deployed, and where substantial energy savings are achieved over time, get financial support from the EIB.

» The EIB needs to **restrict the exemption concerning the financing of replacements of heating systems with “efficient gas boilers”** in the framework of building renovation programmes (cf. footnote 8, page 15). In the current version of the Draft Energy Lending Policy, the EIB states that it will stop lending to fossil fuel energy projects by the end of 2020. Nonetheless, efficient gas boilers included in building renovation programmes, could still be funded after 2020. We call on the EIB to restrict that exemption, and to allow funding efficient fossil gas boilers only:

- To 2027 at the very latest, aligning it with the end of the next MFF;
 - To a maximum of 10% of the financial envelope of all lending to building renovation as of 2020.
- These clarifications are needed to avoid any lock-in, as investing in efficient fossil gas boilers past 2027 would hinder a full cost-effective transition towards net zero GHG emissions by 2050.

4. Concerning EIB support for the construction of new buildings that exceed national mandatory standards, we underline that in accordance with the EPBD, as of 1st January 2021, all new buildings in the EU must be built as nearly-zero energy buildings. Therefore, we believe that **the EIB lending on the construction of new buildings should be more focused: either in Member States where the uptake of nZEB standards has been slow, or on projects which clearly exceed national mandatory standards**. We would also like to recall that as a large majority of the buildings of today will still be standing in 2050, and considering that 97% of buildings are inefficient, it is the renovation of the existing building stock that will make a difference if we want to achieve the objective of a highly energy efficient and decarbonised building stock. However, it is true that allocating some of the EIB funds to the **construction of new, highly energy efficient buildings, might be of relevance, if other parameters**, as identified by the EIB in its proposals, such as **urban regeneration, or improved healthcare facilities**, come with the construction of those buildings.

5. Finally, **we welcome the proposal by the EIB to organise ‘Energy Finance Workshops’ in Member States**, in order to *“identify how its lending and advisory services can be most effectively directed*

towards supporting [the NECPs]". We would also advise these Workshops to also cover the **national Long-Term Renovation Strategies**, an essential part of both the NECPs and implementation of the EPBD.

We stand at your disposal to further elaborate on the above-mentioned points. We look forward to the adoption and implementation of a revised, ambitious Energy Lending Policy, which will unlock investments to achieve net zero emissions by 2050, by putting Energy Efficiency First, and prioritising building renovation projects.

Yours Sincerely,

Adrian JOYCE

Secretary General



EuroACE, the European Alliance of Companies for Energy Efficiency in Buildings, represents Europe's leading companies involved with the manufacture, distribution and installation of energy saving goods and services for buildings. EuroACE members employ around 286,000 people in these activities in Europe and have around 1,200 production facilities and office locations. 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.

www.euroace.org

Jan TE BOS

Director General



Eurima is the European Insulation Manufacturers Association and represents the interests of all major mineral wool producers throughout Europe. Eurima members manufacture a wide range of mineral wool products for the thermal and acoustic insulation and fire protection of domestic and commercial buildings and industrial facilities. Eurima was established in 1959 to promote improved standards and regulations for the use of insulation materials. More recently, it has developed to reflect the growing environmental concerns of society.

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Arnaud DUVIELGUERBIGNY

Secretary General



PU Europe is the European voice of the polyurethane (PUR / PIR) insulation industry. PU

Europe's mission is to demonstrate the benefits and support the introduction of low energy building solutions for new constructions and renovation projects across Europe and develop sustainable and cost-efficient solutions using PUR/PIR high performance insulation to support the societal shift towards the 2050 goal.

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For further information

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