



# Energy Efficiency First in EU funding mechanisms

Guidelines and examples for its implementation in funding schemes

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# Overview of the EU budget to kick-off the Renovation Wave

## for Direct Investments

- Recovery and Resilient Facility
- Cohesion Policy Funds (ERDF, ESF, EU-REACT)
- Just Transition Mechanism - JTF

## To leverage private investments

- InvestEU
- Private Financing 4 Energy Efficiency
- European Energy Efficiency Fund

## for Research & Innovation

- Horizon Europe
- Built 4 people
- EGD Calls
- Smart Cities

## To address Market Barriers

- LIFE – Clean Energy Transition
- LIFE – Circular Economy & Quality of Life

## For Technical Assistance and Advisory

- ELENA Facility
- Technical Support Instrument
- Technical Support – Cohesion Policy

# Ring-fencing energy efficiency or cross-cutting application of E1st?

- Article 2(18) of the Governance regulation

*“ ‘energy efficiency first’ means taking utmost account in energy planning, and in policy and investment decisions, of alternative cost-efficient energy efficiency measures to make energy demand and energy supply more efficient, [...] whilst still achieving the objectives of those decisions;”*

- The idea behind is to prioritise energy efficiency in all EU funding mechanisms where relevant
- However, ring-fencing may be a solution for critical market segments
  - Design packaged offers (e.g. Technical assistance, grants and loans), inspired from successful instruments (e.g. PF4EE)
  - Investment schemes based on **energy performance contracting** targeting public buildings and social housing

# Applying the E1st to EU funding instruments

- Defining eligibility criteria
  - Establish energy performance thresholds based on sectorial benchmarks or best available technologies
- E1st as a selection criteria
  - Energy savings may help projects achieve higher ranking.
  - Under indirect management, E1st to be assessed at due diligence phase (CBA, LCA, full asset life analysis, discount rates...)
- Dynamic alignment with the EU regulatory framework (Taxonomy, EED, EPBD)

# Technical assistance to support E1st

- Advisory to managing authorities: Technical support instrument
- Advisory to financial intermediaries: build on experience acquired by EU financial institutions (EIB, EBRD)
- Advisory to project promoters / final beneficiaries: InvestEU advisory hub, ELENA, LIFE
  
- Open questions:
  - Audit cost coverage?
  - EE experts hot desk?

# Thank you



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