



To the kind attention of **Donald Tusk**
President of the European Council

Cc **Antonio Tajani**
President of the European Parliament

Cc **Jean-Claude Juncker**
President of the European Commission

Brussels, 21 February 2018

Dear President Tusk,

RE: the next EU budget to drive the EU energy transition

We are writing to you on behalf of the European Alliance to Save Energy (EU-ASE) and the European Alliance of Companies for Energy Efficiency in Building (EuroACE) whose members have operations across the 28 Member States of the European Union, directly employ 465,000 people in Europe.

On the 23rd of February, the European Council will hold an informal discussion to set priorities on the post-2020 Multi Annual Financial Framework (MFF).

The post-2020 MFF will define the financial means to address societal, economic and environmental issues of European and global concern. As this is the first budget following the Paris Agreement, it is a unique opportunity for the European Union to show vision and coherence with its long-term policy objectives, deliver tangible benefits to European citizens and to show that it is serious about living up to its commitments.

In the light of the above, **the post-2020 MFF will need to be developed in compliance with current EU and global energy and climate targets**. The EU High-Level Expert Group on Sustainable Finance estimated that to achieve the EU's targets for energy and climate policy alone, additional annual investments of €170bn are required.¹

This upfront investment, needed to fill the significant investment gap, will foster sustainable growth and create jobs across all EU countries and regions. Investments in energy efficiency typically create value through delivering multiple benefits (energy security, public health, improved air quality) and support innovation and competitiveness.

The MFF holds the key to help plug this investment gap. As the lion share of the required investment will have to come from the private sector, the EU budget should be designed to mobilise private financial flows - hopefully with a multiplier effect of 1:15.²

¹ European Commission, Final Report 2018 by the High-Level Expert Group on Sustainable Finance
https://ec.europa.eu/info/sites/info/files/180131-sustainable-finance-final-report_en.pdf

² European Commission, Economic and Financial Affairs

http://ec.europa.eu/newsroom/ecfin/newsletter-specific-archive-issue.cfm?newsletter_service_id=199&newsletter_issue_id=4381&pdf=true&fullDate=Wed%2007%20Jun%202017&lang=default



This will allow the EU to support investments on climate-related projects on a large scale, in line with the Art.2 of the Paris Agreement, which explicitly refers to a “*finance flow consistent with a pathway towards low GHG emission and climate-resilient development*”.

At the same time, an EU budget drawn up to provide the necessary resources to decarbonize the European economy will help foster EU technological leadership and strengthen the domestic market for clean energy technologies and solutions.

We wish you a fruitful meeting and would be grateful if you could share our views with the Heads of State and Heads of Government.

There are great challenges and significant expectations regarding the post-2020 MFF and we look forward to an outcome that will show the world that European Union is fully committed to tackle the climate change and decarbonize the EU economy.

Yours Sincerely,

Monica Frassoni
President
European Alliance to Save Energy

Adrian Joyce
Secretary General
EuroACE

About the European Alliance to Save Energy



The European Alliance to Save Energy (EU-ASE) was established in December 2010 by some of Europe’s leading multinational companies. The Alliance creates a platform from which our companies can join with politicians and thought leaders to ensure the voice of energy efficiency is heard from a cross the business and political community.

EU-ASE members have operations across the 28 Member States of the European Union, employ over 340.000 people in Europe and have an aggregated annual turnover of €115 billion.

EU-ASE members: Danfoss, Ingersoll Rand, Kingspan, Knauf Insulation, Philips Lighting, Schneider Electric, Saint-Gobain, Siemens, Veolia, E3G, European Climate Foundation and Kyoto Club.

www.euase.eu

About EuroAce



EuroACE represents Europe’s leading companies involved with the manufacture, distribution and installation of energy saving goods and services for buildings. EuroACE members employ over 300,000 people in these activities in Europe and have around 1,560 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.

EuroACE members: Armacell, Danfoss, Grundfos, Ingersoll Rand, Johnson Controls, Kingspan, Knauf, Philips Lighting, PU Europe, Rockwool International, Saint Gobain, United Technologies, URSA, VELUX

www.euroace.org