



EUROPEAN ALLIANCE TO  
**SAVE ENERGY**

Creating an Energy-Efficient Europe

# Cohesion Policy 2021-2027:

## Inputs to deliver energy savings and long-term resilience



E3G



The current decade will be crucial for the European Union and its Member States to deliver on the EU higher energy and climate targets by 2030 and reach climate neutrality by 2050.

The EU Cohesion Policy programming for the period 2021-2027 can greatly contribute to these efforts and make sure that no European region and city is left behind in the transition to a clean and sustainable economy.

From an energy and climate point of view, it is key that Cohesion funding resources are allocated wisely and timely with the goal to boost sustainable economic growth, while delivering energy savings across sectors and the full decarbonisation of our society.

Energy efficiency gains are essential to reach the increased emission reduction targets by 2030 and climate neutrality by 2050<sup>1</sup>. However, the current actions are not delivering on the scale required. The EU was unable to achieve the 20% Energy Efficiency target for 2020. In addition, the first assessment of national energy and climate plans underlines that there is still a gap compared to the Union's 2030 energy efficiency target of at least 32,5%. On top of this, energy efficiency progress faces further setbacks due to the Covid-19 pandemic: as a result of the crisis and continuing low energy prices, energy intensity improved by only 0.8% in 2020, roughly half the rates, corrected for weather, for 2019 (1.6%) and 2018 (1.5%).

The Energy Efficiency Directive (EED) proposal<sup>2</sup> included in the European Commission's "Fit for 55" package sets an even higher binding EU energy efficiency target of 36%<sup>3</sup> by 2030.

Against this background, to boost energy savings and contribute to long-term sustainability, we believe that Cohesion Policy programming for energy and climate should focus on the following key areas and objectives.

1. IEA (2021), [Net Zero by 2050](#), Paris

2. [Proposal for the recast of the Energy Efficiency Directive](#), European Commission

3. The revised EED sets a 36% target for final energy and 39% for primary energy consumption. The Commission proposed a cut of 9% in primary and final energy consumption compared to projections of energy use made with the 2020 Primes Reference Scenario.

## 1. SUPPORT THE ACHIEVEMENT OF THE ENERGY AND CLIMATE TARGETS FOR 2030 AND 2050

Finance the implementation of the existing energy and climate regulatory and policy framework. This means applying the energy efficiency first principle to any energy and non-energy sector decision so to prioritise investments in areas with the greatest growth and job creation potential rather than lock-in resources in fossil fuel infrastructures that undermine the achievement of the Union's climate and environmental objectives.

## 2. REALISE THE FULL ENERGY EFFICIENCY POTENTIAL OF BUILDINGS

Prioritise investments and reforms which aim to put highly energy efficient, renewable-based, smart and flexible buildings at the centre of a fast-changing decentralised energy system. Investing in energy efficiency in buildings means investing in green and digital European products and local value chains, strengthening the competitiveness of European manufacturers. A recent study shows that investing 1 million Euros in renovation activities results in the creation of 18 local, long-term jobs<sup>4</sup>. Equally important, renovating buildings is key to alleviate energy poverty: around 40 million Europeans cannot keep their home adequately warm in the winter, and 98 million cannot keep their home adequately cool in the summer.

## 3. INCREASE THE QUALITY OF INTERVENTIONS FOR LONG LASTING IMPACT

Prioritise investments in cost-effective renovation programmes<sup>5</sup> that foster the quality, rate, and depth of comprehensive renovations encompassing envelopes, lighting, and technical buildings systems. Concretely, and to stay on track with the existing EPBD goal of decarbonising the EU building stock by 2050, financing should be aimed to reach a minimum of a 3% renovation rate per year combined with an average energy efficiency improvement of 75%.

## 4. PURSUE THE WIDER PUBLIC PURPOSE

Supporting the construction and renovation of public buildings such as hospitals, schools and social housing. Investing in this segment is essential to improve the quality of services delivered to citizens and to demonstrate, through the exemplary role of public buildings, the multiple benefits of highly efficient and decarbonised buildings. The new EED proposal's Article 5, 6 and 7 require that the final energy consumption of all public bodies is reduced by at least 1.7% each year and that all public bodies are subject to renovate at least 3% of the buildings they own. In addition, they must take into account energy efficiency considerations for contracts and public purchasing, on the basis of the Energy Efficiency First principle. In such context, the financial support of Cohesion policy programming becomes even more urgent.

4. [Building Renovation: A kick-starter for the EU recovery](#), BPIE, 2020  
5. [Special Report 11/2020: Energy efficiency in buildings: greater focus on cost-effectiveness still needed](#), EU Court of Auditors.

## 5. SUPPORT THE RENOVATION OF NON-RESIDENTIAL BUILDINGS

Non-residential buildings (tertiary) are on average 55% more energy intensive than residential buildings and present similarities to public buildings in terms of their usage and occupancy. Yet, this segment is often overlooked in governments funding or incentive measures for energy efficient renovations. Achieving 55% GHG emissions reduction by 2030 requires targeted actions and the right incentives to decarbonise the entire building stock, including private non-residential buildings.

## 6. PROVIDE TECHNICAL ASSISTANCE AND BUILD CAPACITY

Technical assistance is essential to remove the hurdles for local authorities, SMES and corporate investments to implement energy efficiency projects and renovate the building stock. At least 4% of funds allocated to building renovations should be spent on technical assistance. This would enable proactive support for public authorities to map out their buildings stock, prepare good long-term renovation strategies, and develop and aggregate renovation proposals. In addition, these funds could be invested in education and training of workforce (upskilling and reskilling) as well as in information campaigns to increase citizens and businesses' awareness about the multiple benefits that renovations bring in terms of cost-savings, comfort, improved living conditions and increased productivity.

## 7. REMOVE FINANCIAL AND ADMINISTRATIVE BARRIERS TO INVESTMENTS

Finance reforms at Member State, regional and local level to enable the access to innovative financing schemes such as Energy Performance Contracts (EnPCs). These reforms should enable the creation of tools to address the lack of technical knowledge, handling of technical risks and lack of experience in procurement. The reforms should also be aimed to: a) support the uptake of the Eurostat Guidance Note on accounting rules for public authorities; b) their extension to the development of off-balance sheet treatment for energy efficiency investments realised by private sector companies; and c) the combination of EnPCs and EU grants.

The European Alliance to Save Energy (EU-ASE) aims to advance the energy efficiency agenda in Europe. The Alliance allows some of the world's leading multinational companies to join environmental campaigners and a cross-party group of Members of the European Parliament.

EU-ASE business members have operations across the 27 Member States of the European Union, employ over 340.000 people in Europe and have an aggregated annual turnover of €115 billion.

**For more information:**

[www.euase.eu](http://www.euase.eu)  
[info@euase.eu](mailto:info@euase.eu)





E3G



EUROPEAN ALLIANCE TO  
**SAVE ENERGY**

Creating an Energy-Efficient Europe