



EUROPEAN PARLIAMENT

2009 - 2014

Plenary sitting

A7-0271/2013

17.7.2013

REPORT

on the implementation and impact of the energy efficiency measures under
Cohesion Policy
(2013/2038(INI))

Committee on Regional Development

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the implementation and impact of the energy efficiency measures under Cohesion Policy

(2013/2038(INI))

The European Parliament,

- having regard to Article 194 TFEU,
- having regard to Article 37 of the Charter of Fundamental Rights of the EU,
- having regard to Article 3 of the TEU,
- having regard to Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999,
- having regard to Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999,
- having regard to Council Regulation (EC) No 1084/2006 of 11 July 2006 establishing a Cohesion Fund and repealing Regulation (EC) No 1164/94,
- having regard to Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC,
- having regard to Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings,
- having regard to the Commission's communication of 3 March 2010 entitled 'Europe 2020 – A strategy for smart, sustainable and inclusive growth' (COM(2010)2020),
- having regard to the Commission's report of 18 April 2013 entitled 'Financial support for energy efficiency in buildings' (COM(2013)0225),
- having regard to chapter 5 ('The European divide in clean energy and fuel poverty') of the European Trade Union Institute (ETUI) report 'Benchmarking Working Europe 2013', Brussels 2013,
- having regard to Directive 2006/32/EC of the European Parliament and of the Council of 5 April 2006 on energy end-use efficiency and energy services and repealing Council Directive 93/76/EEC,

- having regard to its report of 30 April 2013 on social housing in the European Union¹,
- having regard to the Council’s Report of 4 March 2013 entitled ‘Implementation of the European Semester – Synthesis report’ (6754/13),
- having regard to the Commission’s communication of 26 January 2011 entitled ‘Regional policy contributing to sustainable growth in Europe 2020’ (SEC(2011)0017),
- having regard to the Commission’s statistical pocketbook of 2012 entitled ‘EU energy in figures’²,
- having regard to the Commission’s communication of 16 December 2008 entitled ‘Cohesion Policy: investing in the real economy’ (COM(2008)0876),
- having regard to the Commission’s communication of 19 October 2006 entitled ‘Action Plan for Energy Efficiency: Realising the Potential’ (COM(2006)0545),
- having regard to the Court of Auditors’ Special Report No 21/2012 entitled ‘Cost-effectiveness of Cohesion Policy Investments in Energy Efficiency’,
- having regard to its resolution of 11 March 2009 on a European Economic Recovery Plan³,
- having regard to the report from KfW Research entitled ‘Impact on public budgets of KfW promotional programmes in the field of “Energy-efficient building and rehabilitation”’⁴,
- having regard to its resolution of 16 January 2013 on the role of EU cohesion policy and its actors in implementing the new European energy policy⁵,
- having regard to the Commission’s communication of 8 March 2011 entitled ‘A Roadmap for moving to a competitive low carbon economy in 2050’ (COM(2011)0112),
- having regard to its resolution of 24 May 2012 on a resource-efficient Europe⁶,
- having regard to the Commission’s report of 18 April 2013 entitled ‘Cohesion policy: Strategic report 2013 on programme implementation 2007-2013’ (COM(2013)0210),
- having regard to the opinion of the Committee of the Regions of 4 May 2012 entitled ‘Energy efficiency in cities and regions – a focus on the differences between rural districts and cities’⁷,

¹ Texts adopted, P7_TA(2013)0246.

² http://ec.europa.eu/energy/publications/doc/2012_energy_figures.pdf.

³ Texts adopted, P6_TA(2009)0123.

⁴ <https://www.kfw.de/migration/Weiterleitung-zur-Startseite/Homepage/KfW-Group/Research/PDF-Files/Energy-efficient-building-and-rehabilitation.pdf>.

⁵ Texts adopted, P7_TA(2013)0017.

⁶ Texts adopted, P7_TA(2012)0223.

⁷ OJ C 225, 27.7.2012, p.52.

- having regard to the opinion of the Committee of the Regions of 14 December 2011 entitled ‘Energy efficiency’¹,
 - having regard to the opinion of the European Economic and Social Committee (EESC) entitled ‘The proposal for a directive of the European Parliament and the Council on energy efficiency’²,
 - having regard to the MARIE/ELIH-MED policy paper entitled ‘Improving MED transnational cooperation answers to energy efficiency challenges in buildings’,
 - having regard to the Commission’s communication of 8 March 2011 entitled ‘Energy Efficiency Plan 2011’ (COM(2011)0109),
 - having regard to the recommendations of Structural and Cohesion Funds for Sustainable Energy Investments (SF Energy Invest) entitled ‘Practical recommendations to increase the share of sustainable energy investments in the upcoming SCF programming period 2014-2020’³,
 - having regard to the report submitted to the Commission by Ismeri Europa entitled ‘Expert evaluation network delivering policy analysis on the performance of Cohesion policy 2007-2013 – Synthesis of national reports 2011 – renewable energy and energy efficiency of housing’,
 - having regard to the Commission’s Green Paper of 27 March 2013 entitled ‘A 2030 framework for climate and energy policies’ (COM(2013)0169),
 - having regard to the study by Copenhagen Economics entitled ‘Multiple benefits of investing in energy efficient renovation of buildings’⁴,
 - having regard to the Commission’s contribution to the European Council of 22 May 2013 entitled ‘Energy challenges and policy’,
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Regional Development and the opinion of the Committee on Industry, Research and Energy (A7-0271/2013),
- A. whereas improved energy efficiency (EE) means using less energy input for an equivalent level of economic activity or service⁵;
- B. whereas the promotion of EE is set by Article 194(1) of the Treaty on the Functioning of the European Union (TFEU) in the context of the establishment and functioning of the internal market and the need to preserve and improve the environment;

¹ OJ C 54, 23.2.2012, p. 49.

² OJ C 24, 28.1.2012, p. 134.

³ <http://www.sf-energyinvest.eu/fileadmin/Dateien/Downloads/May2012-Recommendations.pdf>.

⁴ http://www.renovate-europe.eu/uploads/Multiple%20Benefits%20Study_Key%20Messages%20Brochure.pdf.

⁵ Communication from the Commission – Action Plan for Energy Efficiency: Realising the Potential (COM(2006)0545).

- C. whereas achieving EE is a key priority for the Commission and Member States, as illustrated by one of the EU 2020 objectives to increase EE by 20 %;
- D. whereas cutting consumption by means of energy efficiency is the most sustainable way of reducing dependence on fossil fuels, leading to a reduction in imports of around 25 %;
- E. whereas a great deal of energy still comes from hydrocarbons which, during combustion, release greenhouse gases;
- F. whereas investment in EE can bring economic, social and environmental returns to the European regions;
- G. whereas a timely and cost-effective implementation of the Energy Efficiency Directive has the potential to reduce energy consumption significantly, decrease dependence on imports of fossil fuels, create new jobs, provide social protection and eradicate energy poverty;
- H. whereas in the current 2007-2013 programming period, EUR 5.5 billion were allocated for energy efficiency, co-generation and energy management within the Cohesion Policy budget;
- I. whereas the Commission latest report¹ concludes that up to the end of 2011, almost EUR 3.8 billion had been allocated to specific EE projects, including revolving funds, representing an implementation rate of 68 %; whereas the report also noted that this implementation rate was uneven across the Union;
- J. whereas the Council, in its Synthesis Report from March 2013², identified among the factors adversely affecting EE development the lack of adequate information and financial incentives, the low profile of energy efficiency measures and the inadequate implementation of existing legislation, noting that these factors are more practical than regulatory;
- K. whereas the minimum amount of project funding available from the European Local Energy Assistance (ELENA) facility is EUR 50 million, and from the Intelligent Energy programme the minimum is in excess of EUR 6 million, which is more than for many projects in small and rural communities;

General remarks

1. Stresses that in the current period of crisis, and with the Union importing over 50 % of its energy needs, improving EE in a cost-effective manner can contribute in an important way to boosting EU competitiveness, creating jobs and growth at local and regional level, and could represent a win-win option in the fight against climate change and high energy expenses;
2. Supports the EU's commitment to achieve the objective of increasing EE by 20 % by

¹ Report from the Commission to the European Parliament and the Council on Financial support for energy efficiency in buildings (COM(2013)0225), 18 April 2013.

² 6754/13 Council Synthesis Report: Implementation of the European Semester, 4 March 2013.

2020; stresses that timely and proper implementation of the Energy Efficiency Directive and its instruments, in line with individual national circumstances, would bring the Member States back on track of achieving the 20 % target; urges, in this regard, the Member States to put further efforts towards achieving the EU2020 objective, and to pave the way for further savings beyond this date;

3. Notes that European Structural and Investment Funds could help provide incentives for private investment in energy-efficient products, transport modes, buildings, industry, works and services, including energy efficiency services, and could help reduce public expenditures on energy bills, giving better value for public money; welcomes the suggested prioritisation of energy efficiency within the energy research chapter of Horizon 2020;
4. Highlights the experience of the current funding period, which shows that the funds set aside for energy efficiency from the European Structural and Investment Funds cannot be fully exploited; stresses, therefore, that in the financial framework for 2014-2020 – in which the share of funding set aside for energy efficiency is greater than before – care must be taken to facilitate access by local and regional authorities to these funds;
5. Stresses that the Member States should see the use of European Structural and Investment Funds for EE as an investment opportunity with a high leverage effect and not as an expenditure; calls on the Commission to revise the rules on State Aids further in order to allow greater national funding for EE alongside European investments;
6. Highlights the importance of Cohesion Policy, and of the financial resources allocated to it, for the full development of smart grids and intelligent networks, which result in more efficient energy systems across the regions, reducing energy consumption and energy loss;
7. Stresses that local and regional authorities must have adequate competences and responsibilities, not only with regard to energy supply and use but also to the achievement of the energy efficiency objectives;
8. Calls on the Commission to improve legal certainty with regard to regional State aid (RSA) rules for the construction of social housing that complies with energy efficiency standards and investment in sustainable buildings and energy;
9. Recalls that, according to some academic research, in 2010 close to 9 % of the citizens of the EU and of Norway and Switzerland (52.08 million people) could not heat their homes adequately; notes that fuel poverty is particularly severe in new Member States and is, in most cases, due to poorly insulated homes; calls on the Commission to examine in detail the links between EE promotion, fuel poverty and vulnerable consumers; stresses that savings made through EE measures must be passed on to consumers in reducing their bills;
10. Points out that the potential for energy efficiency has not yet been realised effectively in certain economic sectors, such as the building and transport sectors, and that allocations from the Structural Fund or the Cohesion Fund, or other forms of investment, to improve energy efficiency should help increase employment opportunities in this sector;

11. Highlights the need to ensure that social housing construction and renovation is conducted with a view to achieving energy efficiency objectives and standards; while respecting the principle of subsidiarity, asks the Member States and all stakeholders to take account of social housing in their national reform programmes and in the shaping of strategic priorities under partnership agreements in the upcoming programming period 2014-2020; reminds the Member States, in this context, of the provisions laid down in Article 20 of Directive 2012/27/EU on Energy Efficiency;
12. Acknowledges that one of the greatest obstacles to realising energy savings at local and regional level is the need to invest upfront; is convinced that any measure taken at EU level should take due account of the implications for, and budgetary restrictions of, municipalities and regions; recommends, therefore, that local and regional representatives be consulted when development guidelines are being established in the field of energy, and that financial support be provided for local and regional level programmes for the use of existing energy resources;
13. Recalls that Parliament has already adopted the report on the role of EU Cohesion Policy and its actors in implementing the new European energy policy, and that this report also covers energy efficiency issues;

Programming period 2014-2020 and legislative changes

14. Notes that the primary objective of Cohesion Policy remains the reduction of the economic, social and territorial disparities between regions, and considers that energy efficiency policies should not interfere with this objective; stresses that some of the EU's poorest regions may have different priorities and require investment in other areas first; underlines that the strength of Cohesion Policy lies in its flexibility and the decentralised administration of funds at local level;
15. Recalls the 2009 amendment of the European Regional Development Fund (ERDF) Regulation regarding energy efficiency, making housing eligible for support in all parts of the EU, with a cap of 4 %; notes that, as a result of a late change to the provisions, namely a modification of operational programmes made during the programming period, in many Member States this policy action has not resulted in a substantial increase of funds diverted to this objective; notes that because this change was not met with new additional EU funding, some Member States rejected this opportunity while in others a significant correlation has been found between low absorption of funds and weak administrative functions; points to the importance of legal clarity regarding EE measures before and during the programming period 2014-2020;
16. Welcomes the new opportunities offered by, and the more important role in realising the EE objectives given to, the ERDF and the Cohesion Fund in the programming period 2014-2020; supports in particular the future role of Cohesion Policy funding in the entire building sector, including housing;
17. Urges the Member States to introduce, within their operational programmes, simple and non-bureaucratic procedures for the use of funding earmarked for the improvement of household energy efficiency;

18. Urges the Member States to ensure that decentralisation arrangements give municipal authorities direct access to funding for household energy efficiency;
19. Acknowledges the result of the negotiations on the ERDF regulation regarding the earmarked minimum percentages to be used on specific thematic objectives for each category of regions, which allow for an increase in allocations for EE and renewable energy resources; recalls that ambitious minimum shares are crucial for easier mobilisation of local actors and help create stable, long-term programmes;
20. Welcomes the Commission's proposal to extend the use of innovative financial instruments (FI) in the programming period 2014-2020 to all thematic objectives, including EE;
21. Endorses the Commission's proposals for simplification of the European Structural and Investment Funds in the programming period 2014-2020; believes that the conclusion of negotiations on the Common Provisions Regulation (CPR) should result in a successful implementation of multiple-funds usage, which would greatly benefit EE projects;
22. Welcomes the progress achieved in negotiations on CPR with regard to partnership agreements; calls, in this regard, on the Member States and the Managing Authorities to work with experts from the field of energy efficiency in order to make good use of this mechanism when preparing the operational programmes (OPs);
23. Encourages the Member States to strengthen relations between their respective National Energy Efficiency Action Plans and the OPs with a view to ensuring that European Structural and Investment Funds will be part of a coherent strategy while still responding to territorial needs; stresses that the principal objective of energy efficiency should be energy autonomy at regional and local level;
24. Believes that EU measures should support energy efficiency in the energy production, distribution and consumption phases; notes that while Cohesion Policy energy funding is currently mainly spent on renewables¹, a better balance must be reached whereby a greater percentage of funding is targeted at energy efficiency projects;
25. Stresses that excessive specification and binding targets as regards the implementation of the energy efficiency objectives may increase expenditures of regional and local authorities on implementing these measures and impose additional costs for costumers;
26. Stresses the importance of integrating an energy efficiency dimension into the research and innovation strategies for smart specialisation that the Member States and their regions will have to design in order to access innovation funding under the future Cohesion Policy;
27. Reminds the Member States once more of the importance of a well-funded budget for the

¹ Report submitted to the Commission by Iseri Europa entitled 'Expert evaluation network delivering policy analysis on the performance of Cohesion policy 2007-2013 – Synthesis of national reports 2011 – renewable energy and energy efficiency of housing':
http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/eval2007/expert_innovation/2011_synt_rep_en.pdf

2014-2020 multiannual financial framework, in which the Cohesion Policy can and should act as a driver of recovery;

Raising awareness and the importance of information dissemination

28. Calls on the Commission to improve the quality and dissemination of the practical information on EE issues available to local and regional authorities, in particular as regards the gains to be made from EE investment, the best methodologies, standards and financial incentives, and the providers of relevant services, including energy performance contracting; notes that the lack of energy service companies in many regions, and in many Member States, could affect the uptake of EE funding;
29. Highlights that the lack of detailed information regarding the characteristics of the building stock at the regional level presents a major barrier for national and regional authorities when formulating strategies and plans; notes the requirements for the listing of such information, as provided by in Directive 2012/27/EU, and asks for this to be completed at regional level as well and made available to the public;
30. Encourages the Managing Authorities to improve the visibility of OPs and the opportunities for potential beneficiaries of offered sustainable energy projects; suggests that this be done through the creation of national websites, platforms or databases for potential beneficiaries and stakeholders, the organisation of workshops and events to inform target groups, and measures to improve the visibility and accessibility to existing web resources (such as the Build Up web portal and the SF Energy Invest Manual);
31. Encourages the Managing Authorities, in the programming period 2014-2020, to promote integrated projects by adopting a holistic approach to EE on a territorial level, in particular by making use of the new strategic programming tools, such as Integrated Territorial Investment, and by involving existing initiatives, such as the Covenant of Mayors, to help develop integrated plans; encourages the Commission and the Member States to apply a 'fast-track' approach to fund applications from authorities which are signatories to the Covenant of Mayors and are fully implementing its requirements;
32. Welcomes the annual 'Open Days' conference and the number of panels dedicated to local and regional energy efficiency projects; suggests that the Commission, the Member States and the Managing Authorities build on this event in order to set up an information exchange platform with a view to promoting much needed dialogue and an exchange of best practices for the implementation and management of EE projects funded by European Structural and Investment Funds;

Capacity building and technical assistance

33. Calls on the Member States to follow up on the Commission's recommendations¹ and to increase capacity building, using technical assistance budgets, in order to strengthen the effective participation of local, regional and civil society actors in the design of regional and local energy strategies;

¹ Commission's communication of 26 January 2011 entitled 'Regional policy contributing to sustainable growth in Europe 2020' (SEC(2011)0017),

34. Acknowledges that the transition to energy efficient technologies requires new skills, environment-conscious vocational education and specific training in construction and other sectors; encourages, in this regard, the Member States to continue to use funds to provide technical assistance at all levels (such as through the ELENA facility); calls, furthermore, on the Member States to make use of the European Structural and Investment Funds to re-train and up-skill workers for newly emerging jobs in the low-carbon economy, and to avoid any shortages of skilled manpower in this sector;
35. Underlines the potential benefits available under the JESSICA (Joint European Support for Sustainable Investment in City Areas) and ELENA initiatives for sustainable energy investment at local level, with a view to helping cities and regions embark on viable investment projects in the fields of energy efficiency, and calls for the promotion of these initiatives;
36. Encourages further administrative support to local and regional authorities in order to assist them create groupings of small and medium-sized energy efficiency projects that on their own would be below the minimum financial thresholds for access to ELENA, JESSICA and Intelligent Energy funding; draws the attention of the Member States and the Commission to the fact that small and medium-sized towns and rural communities often lack the necessary administrative capacity to use new financial instruments fully;
37. Emphasises that bureaucracy and lack of procedural clarity have made access to the Structural Funds and the Cohesion Fund difficult and have discouraged those actors most in need of such funding from applying; supports, therefore, the simplification of rules and procedures, the removal of red tape, and increased flexibility in allocating these funds at both EU and national level; believes that simplification will contribute to the efficient allocation of funds, higher absorption rates, fewer errors and reduced payment periods, and allow the poorest Member States and regions to take full advantage of the financial instruments intended to reduce regional and inter-state disparities; considers that a balance needs to be struck between simplification and the stability of rules and procedures;

Role of financial instruments

38. Stresses that a combination of grants and FI can serve as a successful and innovative approach to leverage private funding, create new models of private-public partnerships and enhance innovation; stresses the importance of attracting private investment in energy efficiency from both the EU and third countries;
39. Points out that efforts to acquire finance for investment in energy efficient projects are often hindered by market, regulatory and trust barriers such as high upfront costs for investors and difficulties to forecast the exact energy savings potential; urges the Member States to find suitable ways of encouraging investment in household energy efficiency;
40. Highlights with concern that the current economic and financial crisis has made it increasingly difficult for the Member States to find the funding needed to co-finance Cohesion Policy programmes related to EE; finds it essential, in this regard, that new innovative ways of financing EE projects are found, including by the private sector;
41. Recognises the Commission's support for the enhanced role of new and innovative FI in

the programming period 2014-2020; stresses that the lack of timely delivery and legal clarity presents a significant difficulty both for the Member States and for other stakeholders included in the management of such instruments; urges the Commission to present without delay proposals for off-the-shelf FI to be available in support of EE measures;

42. Calls on the Member States to share best practices in the design of national energy efficiency funds, whereby European Structural and Investment Funds can be used as equity contributions, or similar, and be aligned with additional funding sources from the private sector;
43. Calls on the Commission to improve further the targeted financial support of the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), the Council of Europe Development Bank (CEB) and the European Energy Efficiency Fund (EEEF) for EE projects; calls on the EIB, the CEB and the EBRD to form a joint working group to study alternatives for new FI, which can be made available to the Member States together with or through their National Energy Efficiency Funds to stimulate additional private sector investment;
44. Emphasises that the allocation of funds must be based on the principles of proportionality, cost effectiveness and economic effectiveness, and that it must not increase administrative burdens;

Climate, geographical and competitiveness realities

45. Highlights the importance of regularly assessing whether EE measures and requirements are still adequate given climate realities, the competitiveness impacts on industry and SMEs and the energy price implications in different Member States and regions; calls on the Commission to consider this carefully when preparing a set of performance indicators;
46. Stresses the need to take account as well of the specific geographical characteristics of the outermost regions (OR) with regard to EE in order to make better use of the natural assets deriving from their island status (geothermal, solar, wind and marine energy);
47. Supports the progress of the MARIE programme in setting up a Mediterranean Building Energy Efficiency Improvement Strategy; calls, in this regard, on the Member States in the Mediterranean area to share best practices in order to deliver a cost-optimal model for southern Europe; calls for the creation of similar programmes in other European regions, especially Central Europe; considers that a similar strategy could be implemented for the OR, particularly as most of them (though not all) are situated in the tropics;

Indicators and criteria

48. Calls on the Member States to set demanding targets for ensuring that public buildings, and buildings serving other purposes, meet the highest EE standards provided by in Directive 2010/31/EU, and to make them subject to energy certification on a regular basis;
49. Calls on the Commission to clarify the common indicators for EE in Cohesion Policy to be applied and used by the Member States in the programming period 2014-2020;

50. Calls on the Commission to take due account of the economic, geographic and social situation in determining, for each Member State or region, the investment costs related to achieving savings of one kWh;
51. Calls on the Commission to develop, without delay and in close consultation with the Member States and regions, EE project assessment guidelines, which could serve as a basis for setting up mechanisms for evaluating, monitoring and verifying projects and for ascertaining their cost-effectiveness;
52. Calls on the Member States to apply output indicators as defined in the Annex to ERDF Regulation, as well as to use transparent project selection criteria, and standard investment costs per unit of energy to be saved, specifying a maximum acceptable simple payback period for EE projects;
53. Takes note of the Court of Auditors' latest report on the cost-effectiveness of Cohesion Policy investments in EE; highlights the Court's recommendation of using transparent and stricter selection criteria for projects at both EU and Member State level; agrees with the Court's conclusion that assessment criteria used to make investment decisions must be clearer and more precise as regards to how EE aspects are to be considered;
54. Notes, however, that the Court's assessment is rather restrictive in terms of sample and payback period; stresses that the Cohesion Policy is an integrated policy and, thus, that a comprehensive approach, based on life-cycle cost analysis, needs to be adopted when carrying out assessments of projects;

Importance of the buildings sector

55. Points out that in 2010 the energy consumption in buildings constituted the largest share of the total final energy consumption in the EU – 40 %, of which households accounted for 26.7 % – and that this consumption accounted for 36 % of the Union's CO₂ emissions; regrets that most Member States fall short when it comes to making full use of the energy saving potential of buildings; calls on the Commission to find ways to encourage efforts to ensure that the greatest energy saving potential does not remain untapped by delivering proposals for clear objectives as regards to the energy consumption of buildings in Member States;
56. Recalls that buildings have a natural renovation cycle of 40 years and that energy saving technologies in this sector are well developed, leaving most barriers that prevent the full use of energy saving potential to be of a non-technical nature; points out that due to the nature of EE renovation projects, which are often less visible, smaller and more difficult to aggregate, the European Structural and Investment Funds also have a crucial role to play in providing the funding needed to overcome these barriers;
57. Notes that energy saving potential, which largely depends on the condition of existing building stock, is not equally spread among the Member States and regions; asks the Member States to refine their definition of 'decent housing' to include energy-efficiency standards;
58. Stresses that public investment in EE in buildings is needed, in particular in the

least-developed regions and in Member States which are beneficiaries of Cohesion Policy funding, where there is significant potential for reducing energy consumption through cost-effective measures;

59. Encourages the Member States to maximise the use of national and regional programmes to ensure that a high degree of EE is designed into new buildings and implemented into the existing building stock (retrofitting), including residential buildings for low-income households;
60. Notes that rural and remote areas have ideal conditions for the deployment of efficient forms of decentralised energy production, which would reduce the energy losses associated with long-distance electricity transportation;
61. Calls on the relevant public authorities to speed up the renovation of buildings they own, using Cohesion Policy funding to provide the needed leverage and create exemplarity;
62. Calls on the Member States to pay special attention to the difficulties faced by the joint ownership of multifamily apartment buildings, which represent a difficult free-rider problem;
63. Calls on the Commission to build awareness around the real potential of deep renovation and staged deep renovation of building stocks by supporting Member States and regions in the preparation of their renovation strategies; recommends that these strategies be developed in parallel with proposals for OPs, and that they focus on incorporating the use of innovative FI and include indicative milestones to build investor confidence;
64. Instructs its President to forward this resolution to the Council, the Commission and the Committee of the Regions.

EXPLANATORY STATEMENT

At the heart of the EU's strategy for smart, sustainable and inclusive growth, the benefits of energy efficiency have long been recognised in the EU. Nonetheless, the EU is facing a severe challenge to meet its objective of reducing the overall energy consumption by 20% by 2020, where policies fostering energy efficiency could and should play a stronger role. Energy efficiency improvements are decisive for European competitiveness and represent a win-win option in the fight against climate change. Investing into energy efficiency measures can bring about immediate and tangible benefits for households and business, such as reduction of costs, creation of employment opportunities and growth as well as an encouragement of the transition towards a low carbon economy.

With cohesion policy being one of the major sources of support to put the EU back on track to reach the energy efficiency objective, the Commission has responded to this challenge by proposing for the next programming period (2014-2020) almost double the proportion of the Cohesion Policy budget dedicated to climate-related expenditure, including energy efficiency. Increased financial commitment, strengthened position within upcoming legislative texts (thematic concentrations) and a clear role of energy efficiency measures within implementation procedures (operational programmes) are three pillars of support for the future of energy efficiency measures within Cohesion policy.

The Commission has already highlighted that increased energy efficiency requires in particular increased efforts in more efficient transport and more efficient housing and buildings, areas where public authorities, and in particular at regional and local level, play a decisive role. In light of this, your Rapporteur in the report proposes direct measures to be taken to make sure that the sector with the greatest energy saving potential does not remain untapped in the upcoming programming period 2014-2020.

While negotiations on the overall multiannual size of the EU budget are still undergoing, it is of crucial importance to communicate once again to Member States how essential their commitment to well funded budget of the Cohesion policy is. Only through strengthened financial commitment will Europe manage to deliver on its targets for energy efficiency. Undergoing work of the Parliament's ERDF negotiating team is trying to ensure also that greater proportion of the ERDF funding will be dedicated to energy efficiency across all types of regions. Your Rapporteur therefore with this report aims to contribute to the debate on the importance of energy efficiency by assessing current results of cohesion policy measures targeted at energy efficiency and proposing a line of recommendations to strengthen the impact of measures in the upcoming programming period.

The report also embarks on a mission to clarify how compatible are the intertwined European, national, regional objectives and targets of cohesion policy with the energy efficiency objectives.

In the latest 'Synthesis report' by the Presidency of the Council on the Implementation of the European Semester from March 4, 2013, the Presidency concludes that national delegations remarks concerning energy efficiency suggest that *'the factors adversely affecting its [energy*

efficiency] development were considered to be more practical than regulatory and include inadequate information and financial incentives, low profile of energy efficiency, and inadequate implementation of existing legislation.'

Taking into account this latest synthesis report by the Council, the report also carefully considers and analyses points raised in the latest Court of Auditors report on Cost-effectiveness of Cohesion Policy Instruments in Energy Efficiency¹ as well as the upcoming Commission's strategic report on the implementation of the programmes 2007-2013 (to be published by the end of March 2013).

¹ <http://eca.europa.eu/portal/pls/portal/docs/1/20590745.PDF>.

4.6.2013

OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

for the Committee on Regional Development

on the implementation and impact of the energy efficiency measures under Cohesion Policy (2013/2038(INI))

Rapporteur: Miloslav Ransdorf

SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Recalls that Parliament has already adopted the report on the role of EU cohesion policy and its actors in implementing the new European energy policy, and that this report also covers energy efficiency issues;
2. Stresses that cohesion policy will play a key role in implementing the measures necessary to achieve the Union's target of saving 20 % of primary energy consumption by 2020, and in paving the way for further energy efficiency improvements beyond that date;
3. Notes that the primary objective of cohesion policy remains the reduction of the economic, social and territorial disparities between regions and considers that energy efficiency policies should not interfere with this objective; stresses that some of the EU's poorest regions may have different priorities and require investment in other areas first; underlines that the strength of cohesion policy lies in its flexibility and the decentralised administration of funds at local level;
4. Points out that investment in energy efficiency contributes to economic growth, employment, particularly at local and regional level, innovation, energy independence and a reduction in energy poverty in households, and can therefore make a positive contribution to economic, social and territorial cohesion; emphasises that the allocation of funds must be based on principles of proportionality, cost-effectiveness and economic effectiveness and that it must not increase administrative burdens;
5. Emphasises that bureaucracy and lack of procedural clarity have made access to the Structural Funds and the Cohesion Fund difficult and discouraged those actors most in need of such funding from applying; supports, therefore, the simplification of rules and procedures, the removal of red tape, and increased flexibility in allocating these funds at both EU and national level; believes that simplification will contribute to the efficient allocation of funds, higher absorption rates, fewer errors and reduced payment periods, and allow the poorest Member States and regions to take full advantage of the financial instruments intended to reduce regional and inter-state disparities; considers that a balance

needs to be struck between simplification and the stability of rules and procedures;

6. Stresses that Member States should not await the final deadline for the implementation of Directive 2010/31/EC and should invest in the development of new and more energy-efficient materials and technologies for the purposes of job creation, industrial recovery and the increased competitiveness of EU regions;
7. Underlines the potential benefits available under the JESSICA and ELENA initiatives for sustainable energy investment at local level, with a view to helping cities and regions embark on viable investment projects in the fields of energy efficiency, and calls for the promotion of these initiatives;
8. Considers it to be of paramount importance to be able to use the Structural Funds, the Cohesion Fund and other financial and leverage instruments to finance energy efficiency, particularly in the housing sector; calls on the Commission and the Member States to disseminate clear, easily accessible information on the financial instruments, incentives, grants and loans available to support energy efficiency service projects;
9. Stresses the importance of integrating energy efficiency dimension into the research and innovation strategies for smart specialisation that Member States and regions will have to design in order to access innovation funding under the future Cohesion Policy;
10. Is concerned about recent developments in countries such as Bulgaria, where high energy prices have caused social unrest, and calls for targeted measures to make energy affordable for ordinary citizens;
11. Emphasises in particular the potential social benefits of investments in energy efficiency as they can contribute to reducing energy bills for consumers;
12. Recalls in particular the energy saving potential of public buildings and housing, which represent 40 % of the Union's final energy consumption, and urges Member States to swiftly adopt long-term strategies beyond 2020 for mobilising investment in the renovation of residential and commercial buildings with a view to improving the energy performance of the building stock, as required by Directive 2012/27/EU;
13. Points out that by 31 December 2020 all new buildings must be nearly-zero energy buildings and new publicly owned and occupied buildings must be nearly-zero energy buildings two years before this; urges the Member States accordingly to step up the formulation of national programmes for increasing the number of nearly-zero energy buildings and to introduce provisions for the definition of nearly-zero energy buildings, reflecting the situation at national, regional or local level in this respect;
14. Stresses the importance of cohesion policy, and of the financial resources allocated to it, for the full development of smart grids and intelligent networks, which result in more efficient energy systems across the regions, reducing energy consumption and energy loss;
15. Calls on the Commission to help Member States to improve their administrative capacities and information channels in order to achieve better targeting of existing funds; invites Member States to make full use of the Structural Funds and the Cohesion Fund to trigger

investment in energy efficiency improvement measures;

16. Calls on the Member States to facilitate the establishment of financing facilities for energy efficiency improvement measures to maximise the benefits of multiple streams of financing, as required by Directive 2012/27/EU; calls on the Commission to assist the Member States in setting up financing facilities and to facilitate the exchange of best practice among the competent national or regional authorities or bodies;
17. Urges the Member States to launch information campaigns regarding the benefits in terms of comfort and lower utility bills accruing from increased energy efficiency in residences; points out at the same time that it is with regard to buildings rather than individual units (e.g. apartments) that measures to increase energy efficiency are the most efficient;
18. Is concerned about the recent findings of the Court of Auditors, which indicate that cohesion policy investments in energy efficiency have not been cost-effective as a result of the incorrect implementation and use of funds ring-fenced for this purpose;
19. Calls on the Commission to implement without delay the recommendations made by the Court of Auditors that cohesion policy funding for energy efficiency measures be made subject to a proper needs assessment, regular monitoring and the use of comparable performance indicators, as well as the use of transparent project selection criteria and standard investment costs per unit of energy to be saved, with a maximum acceptable simple payback period.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	30.5.2013
Result of final vote	+: 42 -: 2 0: 0
Members present for the final vote	Amelia Andersdotter, Josefa Andrés Barea, Zigmantas Balčytis, Ivo Belet, Bendt Bendtsen, Fabrizio Bertot, Reinhard Bütikofer, Maria Da Graça Carvalho, Giles Chichester, Pilar del Castillo Vera, Christian Ehler, Vicky Ford, Adam Gierek, Norbert Glante, Jacky Hénin, Kent Johansson, Romana Jordan, Krišjānis Kariņš, Lena Kolarska-Bobińska, Judith A. Merkies, Jaroslav Paška, Vittorio Prodi, Miloslav Ransdorf, Herbert Reul, Teresa Riera Madurell, Jens Rohde, Paul Rübig, Amalia Sartori, Salvador Sedó i Alabart, Patrizia Toia, Catherine Trautmann, Ioannis A. Tsoukalas, Claude Turmes, Vladimir Urutchev, Adina-Ioana Vălean, Kathleen Van Brempt, Alejo Vidal-Quadras
Substitute(s) present for the final vote	Ioan Enciu, Elisabetta Gardini, Roger Helmer, Jolanta Emilia Hibner, Yannick Jadot, Seán Kelly, Vladimír Remek

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	10.7.2013
Result of final vote	+: 37 -: 2 0: 6
Members present for the final vote	François Alfonsi, Luís Paulo Alves, Catherine Bearder, Jean-Jacob Bicep, Victor Boștinaru, John Bufton, Francesco De Angelis, Tamás Deutsch, Rosa Estaràs Ferragut, Danuta Maria Hübner, Filiz Hakaeva Hyusmenova, Vincenzo Iovine, María Irigoyen Pérez, Seán Kelly, Mojca Kleva Kekuš, Constanze Angela Krehl, Jacek Olgierd Kurski, Petru Constantin Luhan, Ramona Nicole Mănescu, Vladimír Maňka, Iosif Matula, Erminia Mazzoni, Miroslav Mikolášik, Jens Nilsson, Jan Olbrycht, Wojciech Michał Olejniczak, Younous Omarjee, Markus Pieper, Monika Smolková, Georgios Stavrakakis, Nuno Teixeira, Lambert van Nistelrooij, Oldřich Vlasák, Kerstin Westphal, Hermann Winkler, Joachim Zeller, Elżbieta Katarzyna Łukacijewska
Substitute(s) present for the final vote	Andrea Cozzolino, Karima Delli, Cornelia Ernst, Ivars Godmanis, Lena Kolarska-Bobińska, James Nicholson, Elisabeth Schroedter, Evžen Tošenovský