



Selected BEEN Result

Wolfgang Schulz

Ministry of Science, Economic Affairs and Transport, Schleswig-Holstein

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Background BEEN project

- **Collecting the actually information of financing energy-saving measures by using EU funds in the partner countries Estonia, Latvia, Lithuania, Poland and Germany (status 2007), updating 2009/2010 in the project Urb.Energy**
- **Developing concrete models for financing energy-saving measures for the residential buildings and pilot models and examples**
- **Developing pilot model for a new instruments by using EU funds (revolving loan funds)**
- **Developing Cost Calculation Modul (CCM) as a decision model tool for energy-saving refurbishment measures**

BEEN results: Key Findings

WP4 –Financing of EER of Residential Buildings

- Short loan periods (8-12 years), comparatively high interest rates, still low energy prices and low average household income -a combination which makes investments in EER not very attractive from a financial point of view.
- Existing public support programmes: mainly consist of subsidies(10% to 30%). Rather low volume not satisfying the demand and only intended for refurbishment measures of around 1,000 –2,000 Euro/flat.
- Need to reduce the financial burden during repayment of the loan.
- Need for new support instruments and incentives: programmes with prolonged loan periods, reduced interest rates, predefined investment packages etc.
- Focus at the actual financial needs of condominium ownerships: special loan security schemes and support of low-income households
- Proper absorption of Structural Funds by the States to finance e.g. reduction of interest rates(with revolving loan funds).

BEEN results:

Resume and recommendations on type and amount of support to be provided

Recommendation 8b:

Support loans are granted with interest and redemption terms that enable each condominiums community to afford implementation of the classic package of energysaving measures (at investment costs of around €5.000 per apartment) and with a monthly burden of no more than €25 per apartment (for an average-sized apartment).

This means:

- Loan covering up to 100% of investment costs (maximum approx. €5,000 per apartment);**
- Credit payment term: 20 years;**
- Maximum interest of 4% to 5% (at minimum 0.5% less than conventional credit rates on the free market);**
- Fixed interest period of 10 years;**
- Credit extended in the form of annuity credits with a set constant repayment rate.**

BEEN results:

Resume and recommendations on type and amount of support to be provided

Recommendation 8c:

Loans are handed out at terms which the support recipient considers fair and attractive. This means in particular:

- Premature repayment at all times or increased redemption possible without prepayment penalties;
- 100 % payout of credit sum; handling fees contained in final borrower interest
- Assurance in contract that, in the eleventh year, the interest will be adjusted to contemporary low market interest levels;
- Fair securing of risk of loan according to Recommendation 9.

BEEN results:

Resume and recommendations on type and amount of support to be provided

Recommendation 10:

In addition to favorable loans (Recommendations 7 to 9a), which is tailored to average household income, low-income households also requires the following supplementary support measures:

- income-dependent interest subsidies, or
- income-dependent allowances towards refurbishment apportionments.

This makes it possible for low-income households too to afford refurbishments desired by a majority of residents. It must be noted that such income-based support to subjects is only fully effective if residents can plan reliable with.

Needs in the project Urb.Energy

- Energy shall be a part of the district development with energy saving measures, energy supply, social measures and measures for residential environment/neighbourhood improvement.
- Therefore we need to pool existing financing measures – not only for energy saving - and develop new instruments for the Target Areas and - later – for guidelines.
- Home owners, municipality and financing institutions must work together to create a good instrument mix for the planned measures in the district.
- Pilot financing models by using EU funds, national funds and other additional instruments shall be developed for target areas concept together with the project partner and – later – for guidelines.

Aims in the project Urb.Energy

- **Guidelines for innovative use of EU funds for measures in the housing sector and deprived urban areas and for the policy paper**
- **Therefore we will work in three steps:**
 - Description and analysis on financing sources on national level
 - Description and analysis of existing financing schemes and programmes like structural funds, EU initiatives (JESSICA)
 - **Development on appropriate financing schemes for energy efficient urban development measures based on the concepts for the target areas**

Important aspects for this workshop

- **All partners must work in time to bring in their ideas of the pilot areas in WP 3 and WP 4 in for discussion financing measures and to develop new instruments by the condition of the municipality and the State or regional government.**
 - > That will we do in the four workshops in Rakvere.
- **We must discuss adapted financing instruments and additional needs of instruments and who can develop them for the Target Areas. It will be an open proces without have a solution yet. Solutions must be a result of the working step by step and discussion between the project partners.**
 - > That will be the next steps in further activities.
- **Outlook: The final results shall be a progress in developing new financing instruments for energy-efficiency measures in the housing sector, maybe integrated other and social aspects, on urban quarter level.**
 - > That will be a result of the end of the project.

Thank you for your attention!