



## Press release

# Public investment in buildings in Central, Eastern and South-East Europe insufficient: BPIE suggests a buildings infrastructure financing platform

### For immediate release

**Brussels, 28 September 2017 - Only 3% of the public funds that could be used to support energy-efficiency investments in the Central, Eastern and South-East Europe region are dedicated to upgrading buildings, according to analysis by the Buildings Performance Institute Europe (BPIE). Though the region is burdened with energy poverty and energy security concerns, the current allocation of EU and international funds shows that buildings are not considered to be critical energy infrastructure, despite the potential of ambitious renovation to reduce energy dependency, increase savings on energy bills and improve health and air quality. The current system fails to leverage sufficient private or institutional investment to upgrade the building stock.**

BPIE analysed both EU and non-EU funding streams available in the region.

Within EU funding streams, only 4.35% of the region's Cohesion Policy Funds is allocated to demand-side infrastructure, amounting to €3.96 Billion. The European Fund for Strategic Investments (EFSI) has very little impact in the region, with only two energy projects active.

The analysed international financial institutions allocate only 1.7% of their total committed investments to demand-side infrastructure.

The analysis found that both funding supply into the region and demand coming from the region should be stepped up. By building technical capacity, investments leading to upgrades of the building stock could increase considerably. BPIE suggests the creation of a regional energy efficiency financing platform that integrates capacity-building, investment facilitation and project aggregation to create effective financing instruments and investment opportunities for demand-side energy efficiency. This would encourage private and institutional investment and result in a high investment leverage factor, as results from other countries show.

More effective use of funds to attract additional private and public money is of utmost importance.

“Investing in demand-side energy infrastructure must be a strategic priority for this region” says Oliver Rapf, Executive Director of BPIE. “The majority of buildings in the region urgently need deep renovation to reduce health and security risks, providing business opportunities and a stable return on investment. This debate becomes all the more relevant with the forthcoming negotiations on the next EU Multiannual Financial Framework (MFF). It should increase funding and support for demand-side efficiency investment and give up its bias for energy-supply infrastructure”.

BPIE proposes a host of specific solutions that can be taken both at the EU and country level to increase the impact and reach of available funding for building renovation.



Find the report and the executive briefing at the following link: <http://bpie.eu/publication/financing-the-future-of-buildings-in-central-eastern-and-south-east-europe>

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#### Notes to the editor

- BPIE authored a report on a related topic entitled “[Safeguarding energy security in South-East Europe with investment in demand-side infrastructure](#)” (2016). This analysis of the vulnerability to gas supply disruptions concludes that Central and South-East European (SEE) countries are facing a strategic choice. It finds that Slovakia and Hungary face a severe risk, and Bulgaria a substantial risk to be unable to heat the national building stocks.
- BPIE policy factsheet, “[Attracting investment in building renovation](#)” (2017), gives examples of financing schemes debunking the myth that attracting private investment in building renovation is difficult.
- Multiannual Financial Framework (MFF): Is the European Union’s seven-year framework regulating its annual budget. The financial framework sets the maximum amount of spending in the EU budget each year for broad policy areas and fixes an overall annual ceiling on payment and commitment appropriations.

#### About BPIE

The Buildings Performance Institute Europe (BPIE) is a European not-for-profit think-tank with a focus on independent analysis and knowledge dissemination, supporting evidence-based policy making in the field of energy performance in buildings. It delivers policy analysis, policy advice and implementation support. [www.bpie.eu](http://www.bpie.eu)