Mobilizing Resources and Engaging with the Private Sector
The Perspective of a Development Financier
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Development of regulatory minimum requirements of energy efficiency of new constructed houses compared to best practice and research.

- 1.WSVO
- 2.WSVO
- 3.WSVO
- EnEV_{2002}
- EnEV_{2009}

Primary Energy Demand

- Solar-houses
- Low-energy-houses
- 3-liter-houses
- Zero-energy-houses
- Plus-energy-houses

Quelle: Fraunhofer-Institut für Bauphysik
Programs for energy saving and CO2-reduction in housing

- Energy efficient building
  - KfW-EH 55
- Energy efficient retrofitting „KfW Efficiency houses“
  - KfW-EH 100
- Energy efficient retrofitting Single measures and free measure combinations
  - KfW-EH 85
- Energy efficient retrofitting Special support
  - KfW-EH 70
- Special support
  - Qualified supervision of building activities by external expert

Thermal insulation for roof and walls, modernisation of windows and outer doors, modernisation of heating, ventilation system etc.
Promotional Incentives

Higher energy efficiency means a higher bonus

Energy Efficient Construction

10.0%  
5.0%   
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Energy Efficient Refurbishment

17.5%  
12.5%  
7.5%   
5.0%   
2.5%   
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Promotional Incentives

1.41% eff

1.00% eff

One interest rate for financing

25.0%  
20.0%  
15.0%  
12.5%  
10.0%  
10.0%

or

Grant
4. Energy efficient construction and refurbishment promotional effects leveraging limited public funds

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public funds (in million Euro)</td>
<td>1.400</td>
<td>950</td>
<td>1.420</td>
<td>1.500</td>
<td>1.500</td>
</tr>
<tr>
<td>CO₂-reduction (tons per year)</td>
<td>999.000</td>
<td>542.100</td>
<td>767.100</td>
<td>744.100</td>
<td>683.400</td>
</tr>
<tr>
<td>No. of housing units reached with promotion</td>
<td>952.802*</td>
<td>282.006</td>
<td>358.367</td>
<td>409.170</td>
<td>340.517</td>
</tr>
<tr>
<td>(no. of jobs created or preserved for 1 year)</td>
<td>286.000</td>
<td>251.200</td>
<td>367.900**</td>
<td>421.200</td>
<td>397.900</td>
</tr>
</tbody>
</table>

* incl. small investive measures
** estimation

Positive effect for public budget due to taxes and social security contribution (partial self financing due to backflow of funds)

Economic stimulus package for small and medium sized enterprises (apply to 83% of jobs)
Overcoming of barriers

Tambourine

Carrot

Stick
Regulatory Framework Forms the Foundation for Other Instruments

Legislation, Rules and Regulations, Technical Standards

Energy efficiency requirements for production, services, new and existing buildings

„Information and Consulting“

„Promotional Programmes“
The 10 most important lessons to involve private capital in EE measures

1. Create confidence and trust in EE measures!
2. Develop standards in line with long-term strategy (thinking from the end)!
3. Approach should reflect local conditions and target groups!
4. Keep it simple!
5. Carrot should be sweet enough to raise the attention of the markets!
6. Allow markets to develop by starting with low-hanging fruits!
7. Support the development of an enabling environment (multipliers, stakeholders, lobbyists)!
8. Play a number of different tunes on your tambourine (information on terms → nudges)!
9. Ensure quality!
10. Monitor and adjust!
Thank you very much!