

**Sustainable Consumption and Production
in the Housing Sector in Europe and Central Asia**

Fund for the Reduction of the Global Energy cost

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Background at the time of designing the fund (2005)

Though there were/are subsidies, tax reductions, etc. for investments in energy saving measures in houses ...

- ▶ More than 80 % of the houses in Belgium are more than 20 years old.
- ▶ These houses were/are barely insulated (roof, windows ...) with inefficient heating systems.
- ▶ Poor people living in the houses with the worst conditions (quality, energy savings ...).
- ▶ Raising prices of heating energy, in particular oil.
- ▶ A lot of talking, but no tailor-made support for the citizen.

Objectives of the FRGE

Creation of local entities, in consultation with local public authorities and social services, in order ...

- to advice citizens on technical and financial matters;
- to provide cheap loans to all citizens;
- to organize ESCO support for the most deprived people; related to housing.

By doing so, the global energy cost can be reduced through structural investments in houses.

Financial means

- ▶ **Investment capital** for the loans: € 50 million (with a possible additional amount of € 200 million)
- ▶ Interest rate for the local entities and the citizens: 2 %
- ▶ Max. € 10 000 per house, payback time of 5 years
- ▶ Targeting investments in roof/wall/floor insulation, condensing boiler, high-performance glass, solar boiler/panels
- ▶ **Financial means for operating:** yearly € 2 million from the federal government of which approximately $\frac{1}{4}$ used for central operations and $\frac{3}{4}$ for the local entities
- ▶ Calculation of the operating means for local entities on the basis of the number of dossiers they handling a year

Local entities

- ▶ There are different juridical forms, depending on the choice of local public authority
- ▶ FRGE requirements to be met, in particular **1)** regarding the minimum number of ESCO interventions vis-à-vis the most deprived people and **2)** guaranteeing the payback
- ▶ They getting practical, administrative and juridical support from FRGE

Results after 5 years of work (spring 2011)

- ▶ 22 local entities, covering around 250 cities and towns, serving more than 5,6 million people;
- ▶ investments in energy saving for € 25-30 million, in almost 4000 houses;
- ▶ the activity is increasing exponential as well as the knowledge in society about the possibilities of energy saving measures ...
- ▶ ... but, investments (with support of subsidies, tax reductions, cheap loans, etc.) **1)** are not making use of all the possibilities for the reduction of energy use in a house and **2)** only a small part of the houses older than 20 years are targeted.

In conclusion

- ▶ The initiative to establish the Fund is a success and does respond to a need of people to get information, support and cheap investment capital to reduce their energy costs
- ▶ But the challenges ahead of us are enormous in terms of poverty, energy security and climate change
- ▶ Hopefully the financial/economical crisis will not hamper the dynamics developed the last couple of years



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