

WELLBASED



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TACKLING ENERGY POVERTY AS A PUBLIC HEALTH PRIORITY: POLICY RECOMMENDATIONS FROM WELLBASED PROJECT



5

ACTION FIELD

Funding

These recommendations guide local and other policymakers in shaping effective policies for a healthier, more equitable future. Local authorities play a key role in tackling energy poverty while improving public health. Although many strategies exist, this document focuses on bridging the gap between energy poverty and health—two interconnected fields but often separate policy areas. Drawing on insights from the EU-funded WELLBASED project,

it highlights the need to integrate health considerations into energy poverty policies and vice versa. A holistic approach can lead to more effective and sustainable solutions that enhance the wellbeing of vulnerable populations.

WELLBASED Policy recommendations are divided into the following five actions fields:

1	2	3	4	5
<p>Improving health by taking action against energy poverty at local level: key aspects to consider in urban programs to fight against energy poverty and its health effects</p>	<p>Governance: suggestions on how to promote collaborative frameworks for multilayer and multidimensional action at local level to ensure urban programs implementation from a Health in All Policies (HiAP) approach.</p>	<p>Capacity Building: recommendations for developing training programs for different stakeholders to identify and address the health implications of Energy poverty.</p>	<p>Monitoring and Evaluation: guidelines to track Energy poverty and health indicators, as well as the effectiveness of integrated policies and interventions.</p>	<p>Funding: considerations about funding schemes to tackle Energy poverty considering health, mainly based on the financial models analyzed within WELLBASED.</p>

This policy brief corresponds to the fifth section, **Funding**. It provides recommendations and insights into funding schemes to address energy poverty with a focus on health, drawing primarily from the financial models examined within WELLBASED.

Energy poverty is a complex Public Health problem affecting physical and mental health of most vulnerable groups

People in energy poverty often live in homes with poor indoor air quality, damp, mold or lack of ventilation, exposed to extreme temperatures that have these impacts:

- Aggravation of **respiratory diseases** (asthma, bronchitis and other chronic lung diseases) and favour the **development of respiratory infections**, especially in children and older people.
- Increased **risk of hypertension, heart attacks and strokes**, especially in older people or those with pre-existing conditions.
- Aggravation of **musculoskeletal problems**, such as **joint pain or arthritis**, especially in older people.
- Financial difficulties, high worries about the lack of thermal comfort in the home and the feeling of inability to improve one's personal situation which leads to **anxiety, depression and chronic stress**.
- **Social isolation and stigmatisation**.
- Poor **quality of sleep** that impacts on mental health, cognitive performance and physical health (increased risk of cardiovascular and metabolic diseases).
- **Nutrition and food security problems**. Increased risk of metabolic diseases such as **type 2 diabetes, hypertension and heart disease**.
- High risk of **frailty and dependency** for older adults.

Energy poverty amplifies existing health and social inequalities.

Gaps identified in EU energy poverty and Health policies

Health and energy policies are often addressed separately, preventing a comprehensive approach to tackling the health effects of energy poverty.

In Energy Policies: While there is a growing recognition of the intersection between energy efficiency and health, explicit integration of health considerations remains limited. Policies often acknowledge potential health benefits but lack specific measures or mandates to address health impacts directly related to energy efficiency improvements.

In Health Policies: There is a general lack of recognition of energy poverty as a significant social determinant of health. Current health policies and initiatives do not explicitly incorporate strategies to address the health impacts associated with energy poverty, leading to missed opportunities for comprehensive disease prevention and health promotion.



CONTEXT AND CHALLENGES

Financial Barriers: Households facing energy poverty struggle to access financing for energy renovations. Public financial support, such as direct subsidies, low-interest loans, or innovative financing mechanisms, is crucial to enable these households to invest in energy efficiency.

EU Strategies and Funding: The Renovation Wave Strategy and funding sources like the Social Climate Fund and Recovery and Resilience Facility offer opportunities to address Energy Poverty and improve housing conditions. The Energy Efficiency Directive mandates Member States to prioritize energy savings for vulnerable groups, including those in low-income households and social housing.

Health and Energy Policy Integration: While the EU4Health Programme provides funding for health, it does not specifically target Energy Poverty-related health issues. Current policies mainly focus on low-cost measures like subsidizing energy bills, but they often overlook the health impacts of Energy Poverty.

Need for Holistic Approaches: Energy efficiency improvements in Energy Poor households not only save costs but also improve health outcomes. There is a need to assess and quantify the health benefits of these interventions to make them more appealing to policymakers.

Comprehensive Policies Required: There is a gap in addressing the health impacts of Energy Poverty within existing policies. Further action is needed to design and implement programs that combine energy efficiency and health improvements, requiring closer collaboration across social, energy, health, and finance policies.



* CONCRETE ACTION POINTS¹

- **Integrate the impact of Energy Poverty on health as a key criterion in distribution and implementation of European funds related to energy transition**, such as the European Social Fund, the Just Transition Fund or the Social Climate Fund.
- **Create dedicated funds for projects that address Energy Poverty and health together**, especially in rural areas and vulnerable communities.
- **Incorporate health and wellbeing metrics in financing mechanisms for Energy Poverty**
Any financing approach for addressing Energy Poverty should include health and wellbeing indicators to evaluate the success of interventions (see Monitoring and Evaluation brief of the same series).
- **Explore innovative tools for financing Energy Poverty solutions**, such as Urban Financial Metabolism (UFM), to optimize Energy Poverty Investments; and Social Impact Bonds (SIBs), to attract private funding for Energy Poverty solutions (Balás et al, 2024).
- **Conditional access to funds:** Ensure that EU-funded projects in the field of energy and housing include public health components, such as improving air quality, reducing exposure to extreme temperatures and promoting healthy environments.
- **Ensure government support measures address Energy Poverty without compromising health and environment**
Government-provided support measures, such as delivering non-renewable fuel for free, may alleviate Energy Poverty but can lead to negative health and environmental impacts due to air pollution and other risks.
Policymakers should prioritize alternative solutions, such as clean energy subsidies or efficient heating systems, to address Energy Poverty while safeguarding public health.

The Urban Financial Metabolism (UFM) is a decision-support tool that calculates the return on investment for various interventions, including the cost of inaction. It can incentivize targeted, joint investments in addressing Energy Poverty. The UFM model is replicable in new cities or neighbourhoods when a data-gathering protocol and the necessary data are available.

Social Impact Bonds (SIBs) are innovative tools that mobilize private funding to combat Energy Poverty while considering health and social outcomes. WELLBASED pilot calculations based on energy savings demonstrate that investments could yield returns after a few years through public administration savings. Local authorities and policymakers should explore SIBs as an alternative instrument to finance large-scale interventions that improve citizens' wellbeing.

¹Please consider that this section is focused on the conclusions of Deliverable 5.1. Existing and alternative financing models of WELLBASED project, based on the analysis of Social Impact Bonds and Urban Financial Metabolism.



REFERENCES

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FURTHER READING:

[D3.4. WELLBASED Final Report on the Implementation of the Urban Program](#)

[D4.2. WELLBASED Intermediate Analysis Report](#)

[D4.3. WELLBASED Final Pilot Sites Analysis Report](#)

[D4.5. WELLBASED Report from the qualitative study](#)

[D5.1. WELLBASED Analysis of existing and alternative financial models](#)

[D5.5. WELLBASED Policy Recommendations](#)

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