

Why is Energy Renovation one of the biggest success stories of the current EU budget?

Lowering energy demand in buildings through energy renovation and ensuring Europe's building stock achieves nearly Zero Energy Building standard (nZEB) by 2050 tackles the issues highest among the political priorities:

- 1. Energy renovation is a people-centric policy which positively impacts citizens.** What better way to reach out to EU citizens than by improving their health, comfort and well-being in their homes, their offices, their schools, where we spend up to 90% of our time? Energy renovation leads to healthier warmer homes and reduces energy bills, both essential to fighting energy poverty. Renovating Europe's leaky buildings also improves social cohesion and contributes to urban regeneration, especially in deprived areas.
- 2. Energy renovation also has undeniable economic benefits for EU businesses and for public budgets.** Investments in energy renovation will recoup their initial outlay from lower energy bills, better health outcomes and higher property prices. They represent a good return on investment and an excellent opportunity to leverage private financing. In this context, loans and other financial instruments have been successfully used to complement grants in the context of EU funding to boost energy renovation.
- 3. Energy renovation and the modernisation of existing building stock creates quality jobs for local SMEs.** Where other forms of fiscal stimulus may export jobs (or import products) from outside Europe, energy renovations are guaranteed to create employment in Europe, improving local economies and addressing inequalities.

How can Energy Renovation make the next MFF "Europe's biggest jobs programme"?

As the EU seeks to re-energise its image and boost the confidence of EU citizens in the face of rising Euroscepticism, the next Multi-Annual Framework (MFF) offers a golden opportunity to demonstrate the tangible benefits that EU policies and funding can deliver to citizens on the ground. How? By placing energy renovation centre-stage in the post-2020 MFF:

- 1. The climate threshold** introduced in the current 2014-2020 MFF provided a definite boost to investment in energy efficiency and energy renovation, thereby contributing to the EU's climate ambitions. The renovations industry has become a formidable destination for this spending, with confirmed allocations of €13.4bn to public and €5.2bn to residential buildings in the current budget. Demand for the private finance for energy efficiency (PF4EE) programme is also significantly higher than expected, demonstrating the public interest for energy renovation. **Earmarking for energy efficiency and especially for energy renovation must continue in the post-2020 MFF**, if EU citizens are to reap the multiple benefits outlined above. It is also a prerequisite for underpinning the EU's commitment to implementing the Energy Efficiency First concept across EU policies.
- 2. Linking cohesion policy investments better to Member State plans to achieve 2030 targets and to National Renovation Strategies** is also important for the next MFF. Indeed, ex ante conditionalities linking investments to the meeting of goals under the Energy Performance of Buildings Directive will help the EU to continue its low carbon

transformation and remain competitive. **Allowing funding to be directly used to implement long-term renovation strategies in Member States** would also be effective. Indeed, considering national renovation strategies as a ‘programming channel’ to which MFF funding can be allocated will ensure a larger umbrella under which various funding strands can be combined, leading to more flexibility and hence a better roll-out of these renovation strategies on the ground.

3. Finally, **increasing energy renovation training opportunities in the next MFF, namely in the European Social Fund**, will be essential to support the establishment of the green economy. Given the anticipated digitalization of the energy renovation sector in the coming years, Europe’s labour force must be upskilled in order to face the innovation challenge and keep its leadership position.

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Contact us:

Renovate Europe Office
Rond Point Schuman, 6-8th floor
B-1040 Brussels



+32 2 639 10 11



info@renovate-europe.eu



@RenovateEurope

Renovate Europe is a political communications campaign with the ambition to reduce the energy demand of the building stock in the EU by 80% by 2050 compared to 2005 levels through legislation and ambitious renovation programmes. This will bring the energy performance of the entire building stock in the EU to a Nearly Zero Energy (NZEB) performance level.

Renovate Europe brings together 38 partners from across the building value chain (trade associations, companies, trade unions, city networks and 15 national partners)

