

A budget to scale up energy renovations in the EU

REC Position Paper on the MFF 2028-2034

22nd April 2026

Renovate Europe calls for:

- ▷ A dedicated building renovation priority in National and Regional Partnership Plans.
- ▷ An EU Renovation Loan Facility under the ECF/InvestEU architecture.
- ▷ A performance and tracking methodology that captures real energy savings, social impact and delivery quality.

Energy renovations – a sound investment

Energy renovation in buildings stands out as one of the most cost-effective and high-impact investments available to the European Union. As buildings alone account for around 40% of EU energy consumption and 36% of emissions, energy efficiency in buildings delivers a “triple win” for competitiveness, affordability, and energy security, reducing energy demand while strengthening economic resilience.

1) Energy efficiency investments demonstrate strong economic returns

Every euro invested in energy efficiency generates up to **€12 in energy cost savings** over the lifetime of the investment. The implementation of energy efficiency measures led to estimated **savings of around €120 billion** on energy bills in 2023.¹

At the energy system level, energy efficiency in buildings reduces pressure on energy infrastructure and optimises costly grid expansions.

2) Energy efficiency in buildings is a core driver of energy security in the EU

Beyond direct financial benefits, renovation reduces reliance on imported fossil fuels, as **52% of all fossil gas consumed in the EU in 2023** was used directly or indirectly for buildings.

Based on the available data, by the end of 2023, **the annual energy savings achieved through EU funds amounted to 81.9 TWh² – the equivalent of about 80 LNG tankers per year.**

Fast-tracking energy efficiency, building renovation, and climate policies could reduce EU annual gas demand by nearly half by 2040 (from 304 to 160 billion cubic metres). At pre-war prices, this means **around €350bn in avoided energy costs**. At today's levels, more than €500bn.³

3) Healthier and more resilient buildings

Improved energy performance leads to more affordable, healthier and more resilient homes, helping to tackle energy poverty and improve living conditions. Research shows that energy renovation measures, whether installed in one go or in a planned staged approach, lead to **better**

¹ [Energy saving: EU action to reduce energy consumption | Topics | European Parliament](#)

² <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=COM:2026:118:FIN>

³ Guidehouse for ROCKWOOL, 2026

indoor air quality, thermal comfort and overall well-being, which is critical given that Europeans spend up to **90% of their time indoors**.⁴

Improved thermal performance and ventilation make buildings more resilient to extreme temperatures and climate impacts, reducing vulnerability to heatwaves and cold spells. Energy renovation is not only an environmental measure but a **public health and resilience investment**, delivering safer, more comfortable, and future-proof buildings.

Bridging the financing gap

To meet 2030 energy-efficiency targets, total (public and private) EU energy-efficiency investment needs are estimated at **€370 billion per year** for the period 2021-2030, versus about **€120 billion per year** in the previous decade. For buildings alone, the need is **€242 billion per year**, including **€180 billion for residential buildings** and **€62 billion for service/non-residential buildings**. A recent European Commission report estimates an **annual investment gap of €149 billion per year for buildings**.⁵

While public funding is only expected to cover around 20 to 30% of this amount, the outlook for future spending is worrying. The Recovery and Resilience Facility, currently representing **73.8%** of EU energy-efficiency funding, is coming to an end in December 2026.

The next MFF should strive to bridge that gap by:

- ▷ Earmarking budget lines for the renovation of buildings
- ▷ Creating instruments to unlock private financing
- ▷ Supporting citizen engagement, advisory services and communication campaigns to increase public acceptance and uptake of renovation measures.

A budget delivering future-proof buildings

The Renovate Europe Campaign calls for a Multiannual Financial Framework (MFF) that places energy efficiency and building renovation **at the core of EU investment priorities**. This means **dedicated budget lines and facilities to ensure the uptake of energy renovations in the EU**.

Beyond funding, the next MFF must also help address non-price barriers to energy renovations. It must strengthen implementation capacity, boost awareness, and ensure quality and reliability throughout the renovation process. It must support the full delivery ecosystem needed to turn EU investment into real projects on the ground: local implementation capacity, technical assistance, trusted one-stop shops, simplified procedures, skilled intermediaries, and quality controls.

The next MFF must further support the implementation of EU energy and climate requirements, including the energy renovation of worst-performing buildings and the achievement of long-term national trajectories.

⁴ [DBU-Factsheet-EFH Zusatznutzen 20200619-Eng.pdf](#)

⁵ Report from the Commission to the European Parliament and the Council on Energy Efficiency financing in Europe. An assessment of public spending for energy efficiency and the energy performance of buildings, 2026

The proposed MFF architecture requires targeted improvements to ensure energy renovation remains a priority across National and Regional Partnership Plans (NRPP), the European Competitiveness Fund (ECF), and the Performance Framework.

National and Regional Partnership Plans can be a key planning and investment instrument at national and European level. They can provide investment certainty and predictability for building owners and industry players, contributing to the EU's competitiveness and independence. To do so, they must contain clear objectives, predictable funding, and coherence with existing national planning frameworks. Renovate Europe asks for:

- ▷ The Plans' objectives must reflect the EU's strategic trajectory on competitiveness, energy, and climate. They need to **turn EU funds into action** in the renovation sector by supporting the delivery of the Energy Performance of Buildings Directive (EU) 2024/1275.
- ▷ The NRP Plans must be elaborated in coherence with other national planning tools, such as the **National Energy and Climate Plans** and the **National Building Renovation Plans**.

The **European Competitiveness Fund** (ECF), and particularly the **ECF InvestEU Instrument**, represent an opportunity to use public money more efficiently and **unlock private finance for energy renovations**.

- ▷ Energy efficiency improvements in buildings fully contribute to the general objectives of the ECF's window "Clean transition and industrial decarbonisation". Renovation of buildings must be maintained under this envelope to guarantee the shift towards an energy-efficient, competitive and resilient economy.
- ▷ The ECF InvestEU Instrument must include a dedicated **EU Renovation Loan facility**, providing guarantees to retail banks and other eligible financial intermediaries for low-interest loans supporting energy renovations and the deployment of energy efficiency technologies in residential and non-residential buildings. The EU Renovation Loan facility would address access to private financing in a key area of the energy transition: building renovations of the largest segment of housing – owner-occupied homes – which represent around 70% of all residences in the EU.

The **Performance Framework Regulation** provides a common lens to assess the performance and value of EU spending. The **climate and environment spending target must be raised to 50%** to ensure EU investments deliver a clean industrial transformation, securing a predictable and long-term financing for competitiveness and resilience in the EU.

- ▷ Considering that meeting the 2030 energy-efficiency targets would require total EU energy-efficiency investment at around €370 billion per year in the period 2021-2030, a 35% dedicated budget for climate and environmental action is insufficient. Setting a clear and ambitious target is the most efficient tool to ensure EU investments deliver on the clean industrial transformation, securing long-term financing for competitiveness, energy security and independence, and climate resilience in the EU.
- ▷ The tracking methodology must be improved to better reflect the actual impact of different energy efficiency measures in buildings on climate, environment and social objectives. This will also help maximise the added value of EU spending.

ENDS

About the Renovate Europe Campaign:

Renovate Europe is a political communications campaign calling on policymakers and stakeholders at all levels to take immediate, bold actions to rapidly accelerate the deep energy renovation of buildings in the EU to 3% per year, for the benefit of all. Accelerating the rate of renovation is a key tool in the fight against climate change, and will deliver major benefits for people, their quality of life, and the economy. www.renovate-europe.eu

#AccelerateRenovation

#PrioritisePeople

REC Partners (2026)

There are currently 50 partner companies and associations actively engaged in the work of the REC, of which 18 National Partners active in the Member States.



National Partners