

CHECKLIST

WHAT BUILDINGS ELEMENTS IN THE NATIONAL RECOVERY PLANS?

This short document seeks to **provide a checklist of key elements to be included for buildings in the National Recovery & Resilience Plans (NRRPs)**, taking into account **upcoming legislative developments (revision of the Energy Efficiency Directive and Energy Performance of Buildings Directive)**. Tying the National Plans to a long-term regulatory perspective will increase the **absorption rate** of EU funding and improve the **implementation of EU buildings policies** on the ground, thereby contributing to multiple benefits for Member States, their businesses and their citizens.



ALLOCATION FOR CAPACITY BUILDING OR TECHNICAL ASSISTANCE

Capacity building implies more staff, more knowledge, and therefore more possibilities to 1) spend the RRF funding as envisaged 2) ensure larger and deeper renovations, and 3) better source the multiple EU funding opportunities to sustain the improved renovation programmes. This is essential to significantly increase the renovation rate and depth in the EU to at least 3% per year.



How could this appear in the National Plans?

Setting up One-Stop-Shops as part of the NRRPs (as suggested by the Commission in its guidance to Member States) can help regional and local authorities roll out renovation schemes, monitor and measure the performance, administer the funding and maximise on the upscaling potential by lowering the barriers to invest. Boosting existing local/regional energy agencies can also be an appropriate entry-point for such capacity building.



Good examples from Member States?

- Czechia is looking at ring-fencing 10% of its allocation for energy efficiency towards project preparation in their NRRP, and are considering synergies with their MFF allocations for a longer-term perspective.
- Belgium is also looking at allocating funding in its NRRP to upgrade the existing regional support towards One-Stop-Shops for the promotion of home upgrade programmes.



How will this feed into upcoming EU legislation on buildings?

Technical assistance is an essential part of the enabling framework that must be introduced to support Minimum Energy Performance Standards (MEPS) in the EPBD.



SEGMENT-BASED APPROACHES WITH MEASURABLE OUTCOMES

The building stock is incredibly diverse in terms of types of buildings, function, ownership and access to resources. To be effective, segment-based policies will need to be developed, with specifically adapted support and financial schemes.



How could this appear in the National Plans?

MS should identify segments of the building stock to target with key measurable outcomes in their NRRPs. Minimum Energy Performance Standards (MEPS) are regulations that can be introduced at national or regional level and set a future date for a segment of the buildings stock to achieve a set performance level. There are already a few successful examples of the use of MEPS in some Member States.



Good examples from Member States?

- According to the Long-term Renovation Strategy of the Walloon Region (Belgium), public buildings must reach an Energy Performance Certificate label A by 2030 and schools by 2035
- In the Netherlands, all office buildings must be a minimum EPC class C by 2023



How will this feed into upcoming EU legislation on buildings?

The Commission has proposed to introduce MEPS in the revision of the EPBD. The Commission is also looking into the possibility of strengthening Article 5 of EED focused on the renovation of public buildings. Addressing the public buildings segment in the NRRPs will ensure that it can be readily resourced through RRF funding. Deciding to tackle the 'worst-performing buildings' for example will not only achieve significant energy savings but will also lead in most cases to addressing vulnerable consumers suffering from energy poverty, a priority of the Renovation Wave.

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DEEP RENOVATIONS ACHIEVING LOW ENERGY CONSUMPTION LEVELS

Only holistic (staged) deep renovations, or renovations which bring buildings to a specifically set reduced amount of energy consumption (according to building type and in line with the 2050 climate goals) will avoid lock-in effects and deliver all the multiple benefits for citizens, for businesses and for the environment. This is a pre-requisite to meet the EU's long-term climate goals.



How could this appear in the National Plans?

Renovation schemes in the NRRPs must either reduce energy demand by at least 60% after the works (for the worst-performing buildings) or result in an energy demand of 80kWh/m²/year (for buildings of medium level of consumption). Each renovation project must combine a holistic set of measures. Individual building renovation roadmaps can provide valuable advice to project owners in case of staged renovation avoiding lock-in effects.



How will this feed into upcoming EU legislation on buildings?

The Commission has announced, as part of the Renovation Wave Strategy, its intention to consider developing a "Deep Renovation" standard. Work is also ongoing with the EU Taxonomy on Sustainable Financing to define sustainable investment according to higher energy savings criteria.



Good examples from Member States?

- Slovakia is exploring the possibility of combining their standard Energy Performance Contracts (often only achieving low energy savings because of short expected payback) with RRF grant-funding to have a longer payback period and deeper renovation for their public buildings through ESCO companies.



SUPPORT TO UPSKILLING THE WORKFORCE

Member States must upskill their existing workforce along the value chain to deliver on the Renovation Wave.



How could this appear in the National Plans?

Member States should set Key Performance Indicators for training programmes and establish robust accreditation systems for the construction sector in their NRRPs. These should take into account all relevant building parameters (including energy but also health (Indoor Environmental Quality)). Given the current digitization of the sector, funding for training programs to better utilise digital tools in the construction sector could be sourced through the NRRP's 'digital' component, required at a minimum of 20%.



Good examples from Member States?

- Based on its successful experience in the last funding period, Croatia will focus on educating facility managers in Ministries for the renovation of public buildings and multi-unit residential.
- In its National Recovery Plan, Ireland intends to prioritise training schemes in the construction field to address the shortage of workers and of critical skills thanks to additional RRF Funding.



How will this feed into upcoming EU legislation on buildings?

Reliable accreditation systems for qualified professionals will be essential to improving the quality and reliability of Energy Performance Certificates, whose framework is foreseen to be improved in the EPBD.



FOCUS ON SCALING UP EXISTING RENOVATION SCHEMES

Many ongoing renovation schemes are well designed and resourced through loans or other financial instruments, but their potential is restrained due to limited funding and slow administrative procedures to gain technical support.



How could this appear in the National Plans?

Looking at opportunities to upscale such schemes with the funding from the RRF should be prioritised in the NRRPs. This could entail expanding to another building segment, increasing a threshold to deeper renovation or widening opportunities to poorer households with larger subsidies thanks to additional funding.



Good examples from Member States?

- Italy intends to use its RRF funding to extend the SuperEcobonus for renovations, which was set to expire in 2021. This tax credit was upgraded to cover 110% of costs when the Italian economy was hit hard by the COVID pandemic.

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UPTAKE OF LOANS OR OTHER FINANCIAL INSTRUMENTS

Financing the energy renovation of buildings through loans or other financial instruments will lead to a more efficient use of public funds, help to leverage private investment and avoid distorting the market.



How could this appear in the National Plans?

RRF grants should only be used to supplement a market-based renovation scheme in order to deliver on social requirements stemming from EU legislation (for example energy poverty in the EPBD/EED) or in order to raise the ambition to achieve deeper renovation.



How will this feed into upcoming EU legislation on buildings?

Establishing synergies with the longer-term MFF-funding will help to achieve a more sustainable use of public funds and a gradual phase out of public funds in favour of market uptake.



Good examples from Member States?

Thanks to additional EU funding, Greece has been able to improve the social accessibility of its renovation scheme now entitled 'I'm Saving, I'm becoming Independent' (previously 'Saving at Home I') with subsidy rates between 85-95% for poorer areas and an additional energy premium of 10% if a building is renovated from F-G to at least B standard.



BETTER AGGREGATION OF DATA TO MEASURE IMPACT

Increased data collection will help to better monitor renovation schemes, to improve the design of future schemes and to facilitate engagement with the financial sector.



How could this appear in the National Plans?

Member States could allocate RRF funding towards local/regional actors (such as energy agencies) to act as regional energy observatories specialising in collecting data, processing it and informing local/regional policy makers. This should also be integrated in the establishment of technical assistance/ capacity building programmes.



How will this feed into upcoming EU legislation on buildings?

The Commission has highlighted the need for improved data collection through the strengthening of the Energy Performance Certificates foreseen in the revision of the EPBD. Better data collection on buildings is also an integral part of the MEPS to be introduced in the EPBD, as Member State authorities will need to be able to verify how and if the building-segment targets are being met.

About the Renovate Europe Campaign:

Renovate Europe is a political communications campaign with the ambition to reduce the energy demand of the EU building stock by 80% by 2050 through legislation and ambitious renovation programmes. 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

There are currently 47 partner companies and associations actively engaged in the work of the REC, of which 18 National Partners active in the Member States who we thank for their input to this document.

#PrioritisePeople

#AccelerateRenovation

#Renovate2Recover



March 2021