
Main take-aways from the online event on 27th October 2020

Vice-President Timmermans: Renovation's time has come!



“This is YOUR moment,” was the key message from Executive Vice-President Frans Timmermans on 27th October at Renovate Europe Day 2020 (REDay2020). Referring to the National Recovery and Resilience Plans that Member States must submit, Timmermans emphasized widespread support for renovation: ***“I have never seen such enthusiasm from Member States for any initiative (...) they know that renovation is low-hanging fruit for low emissions and job creation”***.

With at least 37% of the Recovery Fund needing to be spent on ‘green’ investments, and renovation singled out as a ‘flagship’ priority, Vice-President Timmermans called for action from stakeholders: ***“This is a huge opportunity for all of you. Now it is up to you create alliances across border and across sectors, stay on our backs, and help us get effective legislation in order in the year to come.”***

Acknowledging the very positive starting point for Member States with the Renovation Wave, which aims to at least double the renovation rate across the EU, Timmermans emphasized the potential contribution of the sector to economic recovery: ***“There is so much value in the built environment that if you get it right, banks will jump at the occasion to finance this.”***

Building on this positive feeling for building renovation across the EU, Vice-President Timmermans explained: ***“If we can keep this momentum going, if we can show that renovating is not just something you do to be climate neutral by 2050 but it also gets your economy going, and especially it is beneficial to SMEs, then I think we will get this legislation in place relatively quickly (...) With the Renovation Wave we can show immediately that this leads to employment and I think this will be a huge driving factor in getting the legislation we need both through Parliament and Council. I sense a positive attitude everywhere”***.

Indeed, one of the main outcomes of the Renovation Wave is the revision of the EU Buildings Directive (EPBD) in 2021. In terms of regulatory measures to be included in the EPBD revision, Vice-President Timmermans acknowledged ***“I believe Minimum Requirements can be an extremely helpful tool in all of this because you can tailor them to specific circumstances in Member States and even at a lower level, and at the same time it will give the right framework within which you can do the renovation which yields the results you are looking for”***. Indeed, Minimum Energy Performance Standards (MEPS) which require a segment of the building stock to be of a certain minimum standard (for example class C for renting properties in the Netherlands) are already in place in a number of Member States, with encouraging results.

Vice-President Timmermans further explained the importance of building renovation in the wider context, to garner support for EU policies in general: ***“Where I can help, I will because I really see this as the***

gateway to creating across the EU enthusiasm for climate policy. Because if people see that this is working for them in this crucial area, they will also embrace the change in other areas”.

National Recovery Plans - Key Lessons from France, Italy and Ireland

REDay2020 looked at the place of building renovation in the National Recover and Resilience Plans to be submitted by April 2021. With the help of Renovate Europe’s National Partners, and thanks to interviews with National Ministers and members from the European and National Parliaments, REDay2020 focused specifically on how **3 key Member States (France, Italy and Ireland)** are prioritizing energy renovation in their National Plans.

- **Ireland sets ambitious and precise renovation targets**



Eamon Ryan, Minister for the Environment and Climate, explained that Ireland has the target to retrofit **500 000 homes by 2030 (equivalent to about a quarter of the Irish building stock) to a minimum B2 rating**, with the aim of reducing emissions by 50% over the next decade and to be carbon-neutral by 2050.

To achieve this ambitious target, Ireland will **channel funding from the EU Recovery Package into building renovation**. Prioritizing building renovation in Ireland’s National Recovery and Resilience Plan had already been clearly indicated in the country’s Long-term Renovation Strategy published earlier this month, explained Marion Jammet, Renovate Europe’s National Irish Partner, speaking on behalf of the Irish Green Building Council (IGBC).

Minister Ryan explained *“In the July stimulus, it was critical that we indicated that there would be an extra 100 million euros available next year for projects in this area. (...) This 100 million adds to the near doubling of national budget for retrofit next year”.*

Among the key priorities with this additional funding will be the **eradication of ‘start-stop’ policies** and funding mechanisms currently in place, as well as setting up **training schemes to address the shortage of workers and of critical skills**. Making administrative processes easier for all will also be important, especially in the private housing sector *“to make it easier for homeowners to do the right thing”* explained Minister Ryan.

- **Italy sees win-win with innovative tax credit schemes “The Super Eco-Bonus”**



Antonio Misiani, Vice-Minister of Finance and Economy, explained that Italy already saw potential in the building renovation sector before the pandemic hit. A tax credit for 35% of costs had been launched in 2007, with positive results for investment and local economies, but only marginal improvements on reducing energy demand and emissions because of the shallow nature and poor quality of the renovations. The decision to boost the incentive came with the Green Italy programme launched in 2018, with the aim of **addressing both deep energy retrofits and seismic stability**. While the scheme initially aimed to promote innovative technologies, growing awareness of high levels of energy poverty – particularly among vulnerable people living in very old homes – prompted its extension to all types of renovations.

With its economy being hard hit by the COVID-19 pandemic, Italy launched its ‘**Super-Eco-Bonus Scheme**’ **last Spring, a tax credit that pays home and building owners 110% of costs**. A key element of scheme’s success is that it **builds confidence for financing**. In fact, banks and financial institutions can buy the tax credits, which lowers the overall cost and removes the funds from public debt in the state accounts.

Vice-Minister Misiani confirmed that Italy has submitted its first draft Recovery and Resilience Plan to the European Commission. The draft Italian plan allots 17% of total resources (€33bn) to renovations, a portion of which will be used to extend the SuperEcobonus, which was set to expire in 2021.

Cecilia Hugony, Renovate Europe’s National Italian Partner, interviewing Vice-Minister Misiani on behalf of Renovate Italy, explained that *“here in Italy, we had a very long lockdown, people are very sensitive about their homes – quality life is an important value”*. Vice-Minister Misiani added that they are very confident about positive results from this incentive scheme Superbonus 110 because it is **“win-win” for families, for energy poverty, for the economy, for the environment**.

- **France focuses on engaging and re-skilling the local workforce**



Marjolaine Meynier-Millfert, Member of the French Assemblée Nationale, provided a historical explanation as to why energy renovation is such an important priority in the country’s National Recovery Plan “France Relance”. The French MP recalled the **Gilets Jaunes protests** in 2018, which came about as a result of a carbon tax on fossil fuels which increased financial pressure on low-income and rural households. The **extended lockdown** in spring 2020 brought to the fore the importance of wellbeing and comfort at home.

Based on these national experiences, **France Relance** will direct almost one third (€30bn) of its total €100bn funding (which includes €40bn EU funding), to supporting an ecological transition, with energy renovations being a top priority in this area. The plan sets aside €4bn to renovate 100mn square meters of public buildings (schools, city halls, police stations, etc.) and €2bn for health and social facilities (e.g. hospitals and retirement homes). **Savings the government realises from these efficiency gains will be redirected to other programmes**. For private housing, additional funding of €2bn will be directed to *MaPrimeRénov*, a tax credit which facilitates access to financing (up to €20 000) for energy renovations. Importantly, this will support deeper renovation work than could be done under the initial scheme.

Marjolaine Meynier-Millfert said they have a saying in France **“quand le bâtiment va, tout va »**, meaning that the building sector is a safe way to keep the economy going. With the plan France Relance, Marjolaine said that *“the time is right, the money is here, and the planning is done – we know what we have to do, so what is left to do is **managing the building renovations** all across France – we need to focus on the guys who will do the job! **We need to go from brains to hands”***.

Claire Roumet, from Renovate Europe partner Energy Cities, interviewing the French MP at REDay2020, agreed with the **important role of workers, skills and local engagement** across the country to unlock the potential of the sector. Organising local actors and promoting collective action will be key to maximizing the environmental and socio-economic benefits that will flow from large scale renovation projects across the country.

Optimism towards 2021

A wave of optimism ran through REDay2020 as the speakers looked towards the horizon with the implementation of the National Recovery and Resilience Plans, and the upcoming Revision of the EPBD.

Brook Riley, Vice-Chair of the Campaign said that *“What’s really important is to have a **combination approach of legislation, finance and Technical Assistance** to actually help people running renovation programs”*. He added *“personally I’m very optimistic because it feels like this is our time for building renovation”*.

Peter Sweatman, CEO of Climate Strategy and Partners, and a partner for the Renovate Europe Campaign agreed *“**Building renovation really sits at the heart of the EU recovery – it’s a story of how European employment and innovation can improve European lives”***.

Adrian Joyce, Renovate Europe Campaign Director concluded *“I’m very encouraged from what we’ve learnt also through our National Partners in the Renovate Europe campaign - that **Member States have realized that addressing energy renovation is going to be a pillar of their own recoveries** across each and every Member State in EU. At such a difficult time for Europe, **renovation is a strategy that is welcomed with open arms by our citizens and that demonstrates the value of European action”***.

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#Renovate2Recover
#REDay2020

Learn more about REDay2020: <https://www.renovate-europe.eu/reday/reday-2020/>

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

#PrioritisePeople

#AccelerateRenovation

REC Partners (October 2020)

There are currently 45 partner companies and associations actively engaged in the work of the REC, of which 17 National Partners active in the Member States.

