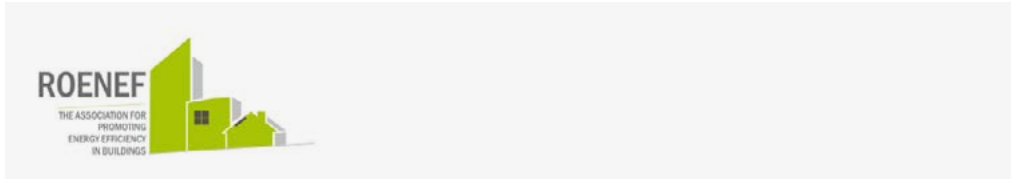


# RENOVATE2RECOVER:

## HOW TRANSFORMATIONAL ARE THE NATIONAL RECOVERY PLANS FOR BUILDINGS RENOVATION?

### NATIONAL PARTNER:



### COUNTRY:

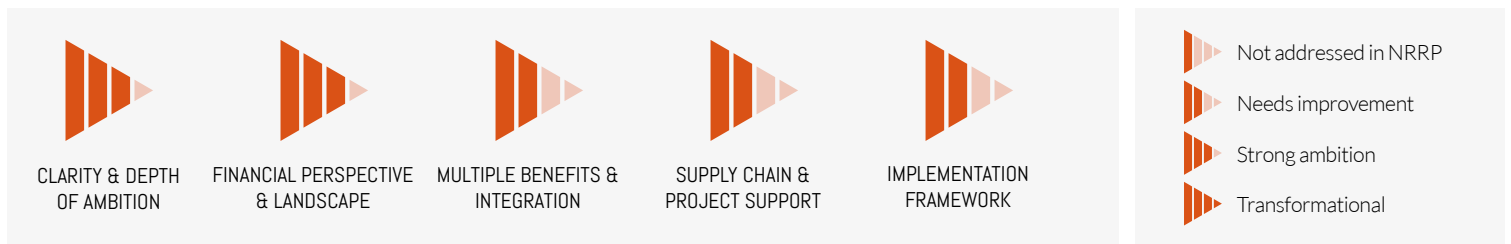


### OVERVIEW:



Romania's County Profile is based on information provided by Renovate Europe's Romanian National Partner [ROENEF - The association for promoting energy efficiency in buildings](#). It focuses on the buildings elements in the Romanian National Recovery and Resilience Plan (NRRP) submitted to the European Commission at the end of May 2021.

Romania's NRRP allocates significant funding for the Renovation Wave Fund, albeit a longer-term funding plan and further resources would be required to accelerate delivery at the necessary scale. The Plan can benefit from providing further details around targets and support to accompany delivery.

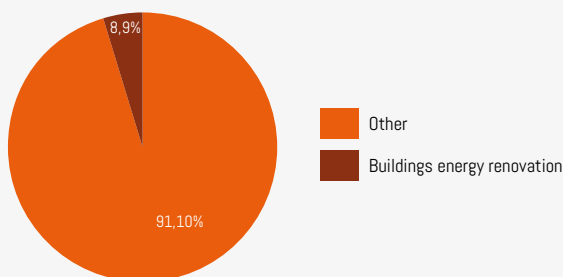


### BUILDINGS IN THE CONTEXT OF THE PLAN

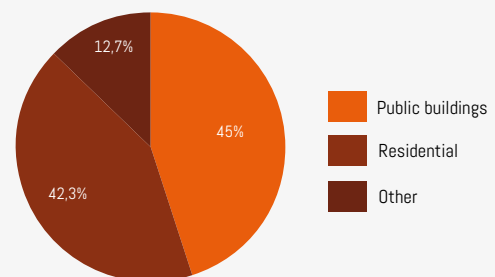


Romania's final NRRP has a total budget of €29.2bn of loans and grants. Nearly 7.5% (€2.2bn) of this allocation is earmarked to be spent as part of the "Fund for the Renovation Wave". It is split in nearly equal shares between energy renovation measures in multifamily residential properties (€1.1bn) and public buildings (administrative offices, buildings serving public services, including historic buildings) (€1.17bn). The Plan supports a range of enabling measures, including the realisation of the National Buildings Registry and implementation of the energy building passport - (€5 m); strengthening the professional capacity of specialists and construction workers for buildings with increased energy performance - development and operation of regional training centres - (€10 m); support to circular economy and increasing the energy efficiency of historic buildings - (€15m). Outside the specific Renovation Wave component, measures include the creation of a new financial instrument (portfolio guarantee) for energy efficiency for SMEs and individuals (€0.2bn). Another fund of funds will be created for larger enterprises (covering energy efficiency and renewable energy) (€0.1bn). Together with the Renovation Wave measures this brings the total renovation investment value to €2.6bn (8.9%). A further €2.6bn are earmarked for other building infrastructures like construction of new social housing and retirement homes, hospitals and healthcare facilities, and pre-school programmes.

Share of NRRP funding for buildings energy renovation (%)



Energy renovation by sub-sector (%)



### National Challenges

A [Study for the EC](#)<sup>1</sup> estimates that only 1.3% of renovations in the residential sector were medium depth and 0.1% deep renovations (based on floor area). For non-residential buildings only 1.9% were medium, and 0.4% deep. According to Romania's [LTRS](#), the main barriers to realise the transformation of the building stock are limited information about the building stock (lack of a national registry of buildings) and the lack of understanding of energy consumption and potential savings. Further challenges identified include labour market constraints, lack of incentives for energy renovation, access to financing products and low mobilisation of private financing, and deployment of smart and energy efficiency technologies.

<sup>1</sup> [Comprehensive study of building energy renovation activities and the uptake of nearly zero-energy buildings in the EU - Publications Office of the EU \(europa.eu\)](#)

## Renovation plan details

### CLARITY AND DEPTH OF AMBITION



Romania's NRRP aims to improve the energy efficiency of buildings through energy renovation and seismic consolidation of multifamily residential and public buildings. The plan contains no details regarding deep renovations or the application of the Energy Efficiency First Principle, but for measures under the Fund for the Renovation Wave pillar the aim is to reduce primary energy savings by at least 30%. The expectation is to deliver a total CO<sub>2</sub> savings of at least 0,13 m. tons and total primary energy savings of at least 0,03 Mtep in the residential sector, and least 0,07 m. tons and total primary energy savings of at least 0,02 Mtep in the public sector. The energy saving goals for the measures which will be funded through financial instruments are not specified. However, the NRRP refers to the LTRS aiming to support the renovation of residential and non-residential buildings as well as promoting cost-effective in-depth renovation policies targeting the least performing segments of the built environment. The combination of additional measures for a building registry and skills development are well aligned with gaps identified in the [LTRS](#). Romania's [NECP](#) indicates the intention to go beyond a 3-4% deep renovation rate.

### FINANCIAL LANDSCAPE AND PERSPECTIVE



In its [LTRS](#), Romania lays out different renovation scenarios and their investment needs. The central scenario requires €12.8bn with an additional €1bn to cover the technical assistance costs between 2020 and 2030. Those funds are to be sourced through both private and public funds, with an estimated €5bn needed to be mobilised from the State budget, as well as through a package of financial measures. In that context NRRP funding is not negligible but the need to provide a clear plan for accelerating investment across complementary funding sources remains. The biggest investment need is expected in the residential buildings sector with €7.7bn for multi-family buildings and €3.2bn for single family buildings. Educational establishments are estimated to need €874m, health facilities €510m, administrative offices €237m, and commercial buildings €305m. The creation of portfolio guarantees and a fund of funds for energy renovation indicate a step towards leveraging private capital.

### MULTIPLE BENEFITS AND INTEGRATION



Romania's NRRP does not specifically target energy poverty, but according to the plan 20% of funding for multifamily building renovation will target buildings occupied by economically disadvantaged communities. Some heat decarbonisation measures like heat pumps are eligible for financing under the renovation schemes. However, there are no requirements to adopt Energy Efficiency First principles or deliver joint heat and energy efficiency activities. The proposal also includes specific proposals to drive forward the digitalisation of the buildings sector, including funding for a National Digital Building Register and digital building renovation passports and logbooks. The NRRP foresees the creation of guidance for integrated interventions, with detailed measures for energy renovation, seismic consolidation, and other quality requirements for buildings (indoor air quality, use of low carbon materials, use of non-toxic, recyclable and biodegradable construction products), although it remains unclear if those measures would be encouraged under the schemes.

### SUPPLY CHAIN AND PROJECT SUPPORT



Romania's NRRP does not provide details or funding for technical assistance or project pipeline creation (e.g. one-stop-shops, information campaigns). The [LTRS](#) estimates a budget of €70m annually over a period of 10 years would be necessary for technical assistance and support for programme management. Some funding for this is already foreseen as part of other funding streams (e.g. Cohesion Policy 2021-2027). Measures to support uptake (e.g. one stop shops) are not foreseen in the NRRP. The [LTRS](#) also identifies actions needed to support strategy implementation via training and skills development. The NRRP provides funding for a dedicated programme for training, including creating at least 8 centres within universities to provide specialised courses in the field of energy efficiency performance and at least 10 certification schemes for professionals in the field of construction.

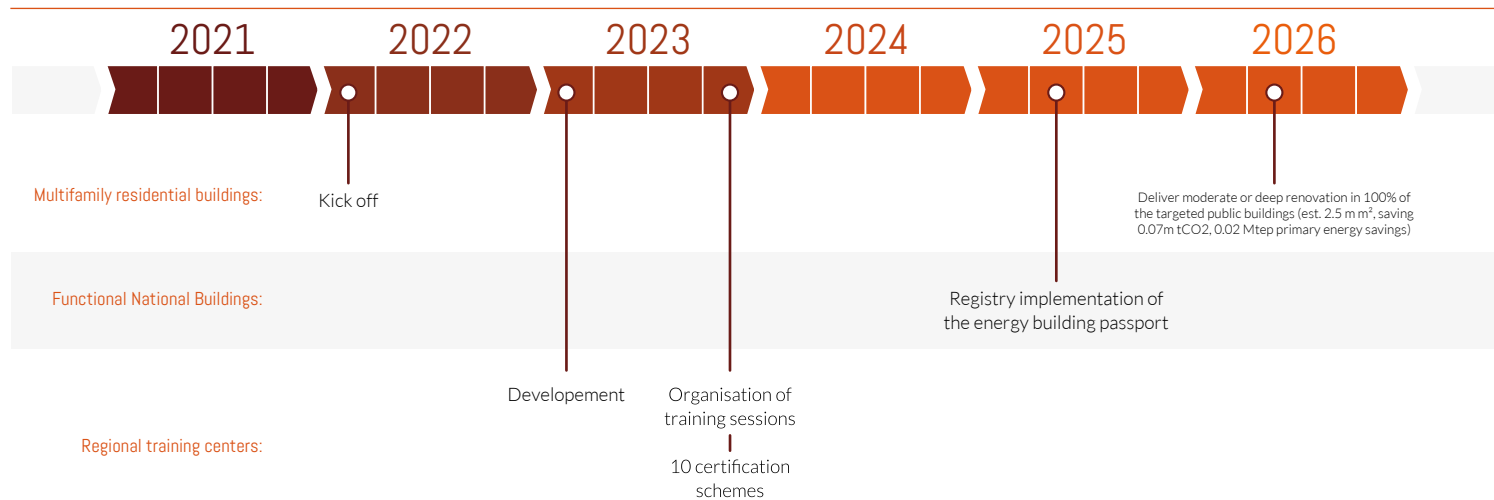
### IMPLEMENTATION FRAMEWORK



The Ministry of Development, Public Works and Administration is responsible for monitoring, reporting and implementation for most programmes. Administrative procedures for the multi-family and public building renovation programmes are well established as the programmes represent an extension to existing ones. The Ministry of Culture has an implementing role in relation to historic buildings, and the Ministry of European Investments and Projects is responsible for the development of financial instruments together with the European Investment Bank. The latter is also hosting a coordination unit to support implementation across other ministries. The plan includes well defined targets for kick-off and end-of programme delivery for individual components but lacks interim milestones for most programmes.



## TRACKING/ TIMELINE TO 2026



## RECOMMENDATIONS FOR IMPROVEMENT DURING IMPLEMENTATION

Building on strong links with Romania's LTRS, the NRRP sets a good basis to accelerate medium and deep renovation in the country, although the targets and support require further clarity. To further unlock potential, the Plan can benefit from:

- ▶ Developing a long-term financing strategy highlighting the planned use of different public financing sources and how they would be combined to accelerate the rate of deep renovations in line with LTRS targets.
- ▶ Strengthening efforts to leverage private finance and develop more market-based mechanisms (e.g. energy performance contracting).
- ▶ Ensure programmes are taken up at scale by financing and supporting technical assistance to end users across the public and private sectors (e.g. support for municipalities, one-stop-shops, public education about energy and support policies, digitalisation), as well as supporting training and skilling a sufficient workforce.

## NOTE

The survey responses were complemented with a targeted desk-based review of Romania's [Long-term Renovation Strategy](#) (LTRS) and building elements of its [National Energy and Climate Plan \(NECP\)](#).

## EXPLANATORY DOCUMENT TO ACCOMPANY COUNTRY PROFILES

READ THE FULL STUDY ON [WWW.RENOVATE-EUROPE.EU](http://WWW.RENOVATE-EUROPE.EU)

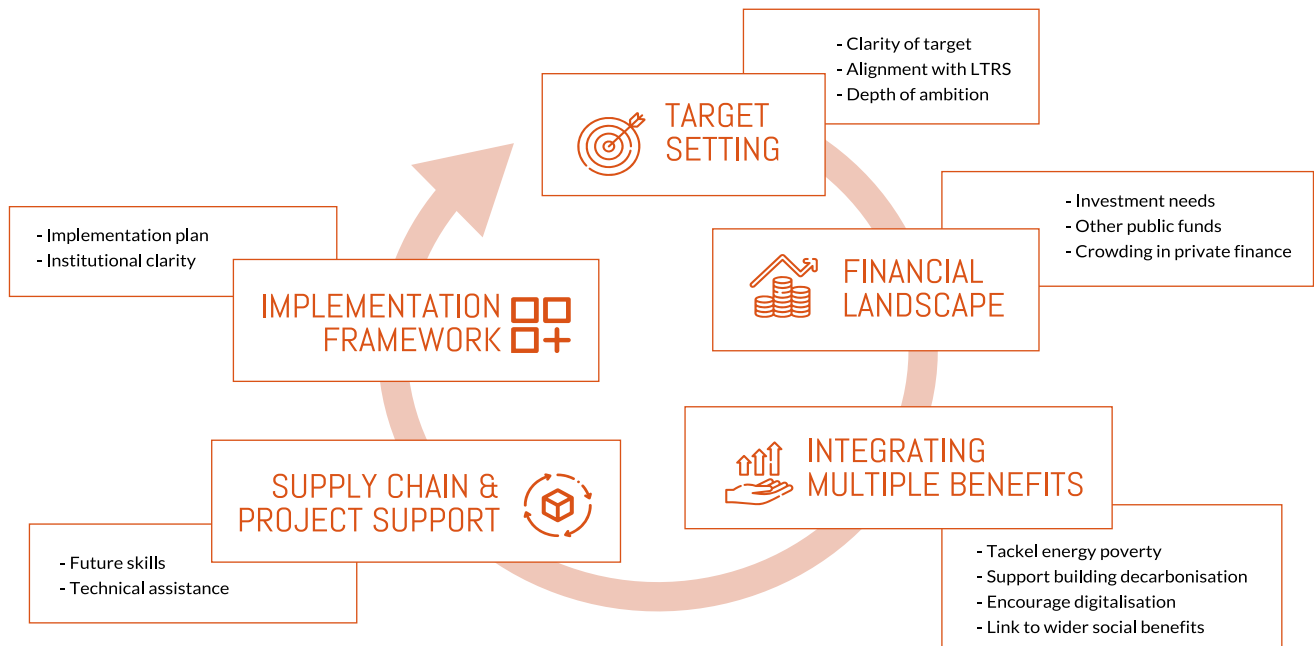
### ABOUT THIS STUDY

This Study assesses the buildings-related elements of the National Recovery and Resilience Plans (NRRPs) in 18 Member States<sup>1</sup>: Austria, Belgium, Bulgaria, Croatia, Czechia, Denmark, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Poland, Romania, Slovakia, Slovenia and Spain<sup>2</sup>. The aim is to understand whether NRRPs position countries to achieve longer-term targets for more and deeper renovation, and whether NRRPs have the potential to be **'transformational'** on the path to achieving national goals set out in Long Term Renovation Strategies and EU goals set out in the Renovation Wave strategy.

The Country Profiles in this Study centre on the **investment measures** for energy renovation in the NRRPs. The aim is to identify where investments will flow, what types of energy renovation will be supported, and to offer guidance to support and improve the quality of investments to maximise their impact and scalability. The Study does not assess the reform measures included in NRRPs due to their uniqueness for individual countries.

### ASSESSMENT METHODOLOGY AND SCOREBOARD

The Study was developed by E3G, bringing its experience of working on the Green Recovery Tracker, and was delivered in close cooperation with Renovate Europe's National Partners and Campaign Office. In each Country Profile, the Plans are assessed against five overarching criteria, each comprising several sub-criteria (summarised below). The assessment is **qualitative**. Each Country Profile is accompanied by an annex that sets out, in more detail, the various programmes and reforms that each Member State includes in its NRRP with extracts drawn from the European Commission's assessment of the NRRPs and the European Council's Implementing Decision for each NRRP.



1 Note: summary data here excludes Greece as the study is not complete yet

2 Renovate Europe has National Partners in 17 of these Member States, and cooperated on a separate basis with Mur Manteau and Renovons initiative in France. Renovate Europe's 18<sup>th</sup> National Partner (in the Netherlands) was unable to participate in this Study as the Dutch NRRP has not yet been published.

## SCORING METHODOLOGY

For each of the five criteria, the NRRPs are provided with an aggregate score. The aggregate score is based on the sum of points of individual sub-criteria. The points were allocated as follows: 1 point - not addressed; 2 points – needs improvement; 3 points – strong; 4 points - transformational. The aggregated score is reflected in the ‘play button’ infographic for each of the criteria at the top of the country profiles. Those are summarised below.

Normalised* points range	Score	“Play button” Infographic
2.5 – 4.0	“Not addressed”	
4.1 – 6.3	“Needs improvement”	
6.4 – 8.5	“Strong”	
8.6 – 10	“Transformational”	

\* The five criteria have a different set of sub-criteria, and as a result have different minimum and maximum points. The scores have been normalised to a base of 10 points. This still leaves some variation within the ranges, so comparison between criteria and countries should be treated with caution.

## A UNIQUE OPPORTUNITY TO GET RENOVATION ON TRACK

National Recovery and Resilience Plans (NRRPs) present a unique opportunity to accelerate the delivery of deep renovation across the EU. The analysis of the NRRPs in this Study demonstrates that significant renovation activity is planned and will be made possible through the successive disbursements of the Recovery Funding. But these renovations must be done properly, and the money must be spent well. This unprecedented additional injection of public funds must set the EU building stock firmly on the path to achieving its Renovation Wave goals to 2030 and meeting the 2050 climate targets.

For NRRPs to be transformational towards achieving these goals, two key aspects need to be strengthened:

- 1. Ensure funding delivers a step change towards realising deep (or staged deep) renovations, going well beyond the 30% minimum energy saving recommendation set by the European Commission.**
- 2. Invest in the right enabling framework, including leverage of private finance, to create sustainable renovation markets that will grow beyond 2026**

## UNDERPINNING A STRONG FIT-FOR-55 PACKAGE FOR BUILDINGS

This Study demonstrates significant interest in investing in building renovation, which can contribute to a strong outcome for the **Fit-for-55 legislative proposals**, all of which would enter into force while NRRP funding is being invested. The strength of the overall package is critical for delivering on renovation, with individual elements playing pivotal roles. For example, the introduction of mandatory **Minimum Energy Performance Standards (MEPS)** under the EPBD would send a strong signal to the whole renovation value chain, from institutional investors to building users.

Done right, NRRP investment can ease agreement on, and the implementation of, a more ambitious legislative package for buildings – a virtuous cycle between ambition and deliverability that can drive the creation, investment in, and sustained growth of renovation markets across the EU. To unlock this, it will be critical to establish a positive feedback loop between EU institutions (in supporting effective deployment of NRRP funds) and Member States (in backing a strong legislative outcome from Fit-for-55 negotiations) that delivers a significantly improved building stock for citizens. Informed by the assessment below, Renovate Europe and its National Partners will work to support this outcome.

# RENOVATE<sup>2</sup> RECOVER

## NINE RECOMMENDATIONS TO MEMBER STATES TO MAKE THEIR RECOVERY PLANS TRANSFORMATIVE

### AMBITION

1. Prioritise deep renovations and scalability in the design and implementation of schemes
2. Accompany each funded building project with a Renovation Roadmap to 2050

3. Improve scheme longevity and impact by crowding in private finance

### FINANCING

### MULTIPLE BENEFITS

4. Integrate renovation with heat decarbonisation and apply Energy Efficiency First Principle consistently
5. Embed renovation alongside wider political and socio-economic priorities

6. Strengthen Technical Assistance at regional and local levels
7. Fund further One-Stop-Shops and information centres to support customers, exchange best practice
8. Upskill the workforce through reliable accreditation systems

### SUPPORT

### IMPLEMENTATION

9. Engage in better monitoring and aggregation of data to measure impact