EU policy & funding
with focus on:
Renovation Wave and Green Recovery

Sustainable Places 2020

Margot Pinault, DG ENER
Policy Officer, Energy Efficiency Finance

27/10/2020
The **European Green Deal**

**Mobilising industry for a clean and circular economy**

**Preserving and restoring ecosystems and biodiversity**

**Leave no one behind** (Just Transition)

**From ‘Farm to Fork’: a fair, healthy and environmentally friendly food system**

**Building and renovating in an energy and resource efficient way**

**Increasing the EU’s Climate ambition for 2030 and 2050**

**Supplying clean, affordable and secure energy**

**Accelerating the shift to sustainable and smart mobility**

**Financing the transition**

**A zero pollution ambition for a toxic-free environment**

**Transforming the EU’s economy for a sustainable future**

**The EU as a global leader**

**A European Climate Pact**
The Climate Target Plan 2030 sets a new 55% emission reduction target and points to a need to tie together **renewable energy generation** and **energy efficiency** as essential component for action.

### 2030 EE target- status quo
- an ambition gap of 3.1% to the target of 32.5% final energy consumption reduction

### Buildings:
- Currently, the annual weighted average energy renovation stands at 1%.

### What is needed by 2030
- Final energy consumption reduction of 36-37%

### Buildings:
- Renovation rates for buildings to at least double to 2%
Average annual investment 2011-2020 and additional investment 2021-30 under existing policies and to achieve -55% greenhouse gas emission reductions (in billion EUR 2015)

Source: PRIMES model
Recovery Plan for Europe
a unique opportunity towards a climate-neutral economy

European Commission is proposing a major recovery plan based on using a powerful and modern EU budget to deliver a more sustainable Europe.

reinforced Multiannual Financial Framework
€1074 billion

Next Generation EU
€ 750 bn

To be committed until the end of 2023
Recovery package & Next MFF 2021-2027
An opportunity to scale-up investments in energy efficiency

Additional resources

• Out of the total 1.8 trillion euro (NGEU + MFF), 30% of these resources, **around 550 billion euro**, earmarked to deliver the climate goals of the European Green Deal.

• The resources dedicated to climate action have **more than doubled** compared with the period 2014-2020.

Multiple benefits

• Energy efficiency plays a **key role in clean energy transition**.

• Creates **local jobs, stimulates local investments, and supports SMEs** (who count for 95% of the construction sector in 2018).

• Strong energy efficiency policies **can contribute between 0.25 and 1.1% to GDP growth**.

• **In industry** generate productivity and operational benefits up to 2.5 times the value of energy savings.

• **Social and affordable housing** is a beneficial countercyclical intervention.
Renovation Wave
Objectives

Double the renovation rate by 2030

Create

12-18 local jobs per million euro invested
160,000 green jobs in construction

Reduce

-60% greenhouse gas emissions
-14% energy consumption
-18% heating and cooling

Renovation of 35 million buildings

Policy package 14/10/2020:
- Renovation Wave
- Energy Poverty
- Smart Readiness Indicator
Renovation Wave
7 lead actions

Information, and regulation
Accessible and well-targeted funding
Project and technical assistance
Integrated interventions for smart buildings

Construction sector for the sustainable future
Addressing energy poverty and healthy housing
Decarbonisation of heating and cooling
**Renovation Wave**

3 focus areas

- Tackling energy poverty and worst-performing buildings
- Renovation of public buildings
- Decarbonisation of heating and cooling
EU funding driving investment for renovations

**Recovery and Resilience Facility** (EUR 672.5 billion, 37% climate initiatives) and including European Flagships “Renovate”.

**Cohesion Policy Funds** (proposed budget of EUR 330 billion) better targeted on delivering high energy performance, in line with NECPs and LTRSs objectives.

**InvestEU dedicated financial products** for energy renovation of buildings and **EIB Initiative for Building Renovation** support for the aggregation into portfolios of building renovation projects.

Facilitate **blending solutions** for project promoters, including clearer and easier **State Aid rules** (Ongoing revision of the General Block Exemption Regulation and Energy and Environmental Aid Guidelines)
EU budget for the Renovation Wave

For Direct Investments
- Recovery and Resilient Facility
- Cohesion Policy Funds (ERDF, ESF, EU-REACT)
- Just Transition Mechanism - JTF

To leverage private investments
- InvestEU
- Private Financing 4 Energy Efficiency
- European Energy Efficiency Fund

For Research & Innovation
Horizon Europe
- Built 4 people
- EGD Calls
- Smart Cities

To address Market Barriers
- LIFE – Clean Energy Transition
- LIFE – Circular Economy & Quality of Life

For Technical Assistance and Advisory
- ELENA Facility
- Technical Support Instrument
- Technical Support – Cohesion Policy
Press statement by President von der Leyen on the New European Bauhaus
Horizon Europe Partnership on “People-centric sustainable built environment” the R&I co-creation space

Scope:
Decarbonisation, sustainability and better living
Gathering partners across the building value chain

Approach:
People-centric holistic innovation aiming at high quality architecture for low carbon and highly energy and resource efficient built environment driving the societal and economic transition towards sustainability.
LIFE- Clean Energy Transition

- Tentative budget of €1 bn
Thank you for your attention