



**European Committee
of the Regions**

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OPINION

A Renovation Wave for Europe – greening our buildings, creating jobs, improving lives

THE EUROPEAN COMMITTEE OF THE REGIONS

- welcomes the Renovation Wave which, by targeting a sector responsible for 40% of energy consumption in Europe, will help achieve climate neutrality by 2050 and reduce energy dependency on third countries, increasing European energy security. Considers that it is essential that this policy be incorporated into the recovery and resilience programmes (RRF) as well as under the European Structural and Investment Funds (ESIF) so that efforts are coordinated, avoiding separate and inefficient measures;
- welcomes and expressly supports the launch of a New European Bauhaus initiative, and the parallel move to establish a distinctive European label;
- welcomes the reference to a district-based and energy community approach, which will, for example, allow for the use of joint renewable energy production facilities, district heating and cooling and nature-based solutions and points out that this will entail the use of integrated energy and climate planning tools; highlights that the Covenant of Mayors is a benchmark in this respect;
- recognises the importance of introducing legislative requirements for purchasing and renovation of all existing public buildings as well as minimum energy performance standards and mandatory targets for the annual renovation rate of the public building stock and the use of renewable energy;
- stresses that the vicious circle of energy poverty not only affects vulnerable households and natural persons, but that businesses and sometimes small local authorities may also suffer from very similar dynamics;
- has no hesitation in asserting that local and regional authorities play a pivotal role in guaranteeing that building renovation meets land use and town planning requirements, promotes policies to counter depopulation and is in line with social equity and green criteria. Points out that the mechanisms for financing the Renovation Wave chosen by the Member States must not undermine this fundamental coordination role;
- welcomes the proposal of the European Commission to work in close partnership with the European Committee of the Regions on the Renovation Wave.

Rapporteur

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**Opinion of the European Committee of the Regions –
A Renovation Wave for Europe – greening our buildings, creating jobs, improving lives**

I. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

Boosting building renovation for climate neutrality and recovery

1. welcomes the Renovation Wave which, by targeting a sector responsible for 40% of energy consumption in Europe, will help achieve climate neutrality by 2050 and reduce energy dependency on third countries, increasing European energy security. Considers that it is essential that this policy be incorporated into the recovery and resilience programmes (RRF) as well as under the European Structural and Investment Funds (ESIF) so that efforts are coordinated, avoiding separate and inefficient measures; highlights that the success of this strategy will largely depend on its sustainability and feasibility at a local and regional level, while additional administrative burdens should be avoided; also calls for all measures relating to the Renovation Wave to have a noticeable benefit and for economic viability, social acceptability and financial viability to be maintained, particularly for public budgets based on current budgetary provisions, but also for tenants and owners;
2. considers that the Renovation Wave can only be deployed fully if it is supported by a complete overhaul of the Clean Energy Package, starting with the Energy Performance of Buildings Directive (EPBD) and the Regulation on the Governance of the Energy Union, along with timely and accurate transposition at national level; underlines the need to start immediately implementing the strategy and its actions by scaling up renovations and testing new methods for delivering renovations, which could be replicated at scale; therefore proposes that a pilot initiative be initiated as soon as possible to test and fine-tune a protocol to be followed for the various types of intervention and economic, social and climate conditions;
3. stresses the importance of the subsidiarity and proportionality principles. Operational implementation and funding takes place locally in regions, cities and municipalities. The European framework must therefore be flexible and take account of differences, for example between rural areas and large cities;
4. underlines that the Climate Pact has the potential to promote locally-driven partnerships and joint initiatives of the public and the private sector and that LRAs are in a key position to inform citizens of the benefits and existing support tools for the renovation of their houses, leading by example, connecting and supporting local, municipal and other public undertakings with the necessary expertise at different levels, and developing instruments to access national or EU financial assistance; moreover, LRAs should lead by example in the renovation of public buildings and promoting, in particular, the energetic renovation of social housing and other publicly owned housing with the Climate Pact as a facilitator of replication and scale-up of the most successful European initiatives; hopes that the European Renovation Wave strategy,

national building renovation strategies¹ and the cost-optimal methodology² will be interlinked more effectively; a partial review of the Energy Performance of Buildings Directive would be useful for this purpose;

5. points out that the Renovation Wave should be understood not only as a technical-regulatory approach to implementing the Green Deal Agenda, but also as a means of incorporating the transformation process towards a circular economy into a conceptual, aesthetics-oriented and design-oriented framework; therefore welcomes and expressly supports the launch of a New European Bauhaus initiative and the parallel move to establish a distinctive European label. This initiative provides the opportunity to harness the creative potential of regions and municipalities, engage and involve members of the public in the transformation process and thereby create accepted and sustainable solutions that make the Green Deal tangible;
6. welcomes the launch of the Climate Pact, which will promote involvement and participation in the Green Deal, and is pleased that the Renovation Wave is included among the Green Deal's priorities. Is ready to cooperate more closely with the Commission, the European Investment Bank and all other stakeholders on a joint platform bringing together all the information that local and regional authorities need to roll out the Green Deal;
7. welcomes the reference to a district-based and energy community approach, which will, for example, allow for the use of joint renewable energy production facilities, district heating and cooling and nature-based solutions³ and points out that this will entail the use of integrated energy and climate planning tools; highlights that the Covenant of Mayors is a benchmark in this respect and that the Sustainable Energy and Climate Action Plans (SECAPs) could guarantee that building renovation is in line with a broader framework promoting fair, sustainable urban renewal, sustainable behaviour and harmonisation with climate change mitigation and adaptation policies on a massive scale; also suggests that the impact should be properly monitored, through standard energy management systems, so that the effects of the planning can be assessed⁴;
8. welcomes the reference to the Level(s)⁵ initiative on circularity in buildings as a benchmark for promoting circularity-based construction and urges the Commission and Member States to promote an awareness-raising campaign on this matter on which it is keen to cooperate. At the same time, invites the Commission to build upon the wide experience of other existing building certification systems when carrying out further work⁶; calls on the Commission to support the development of life-cycle assessments of the climate impact of buildings, together with

¹ The Energy Performance of Buildings Directive provides for national strategies for the energy upgrading of the national building stock.

² http://bpie.eu/wp-content/uploads/2015/10/Implementing_Cost_Optimality.pdf.

³ see for example the project Sharing cities at <http://www.sharingcities.eu/>

⁴ Guidebooks are available to help with drafting integrated plans such as "How to develop a SECAP" (JRC), the "Smart City Guidance Package" and the summary booklet ("Integrated Planning Policy and Regulation" EIP Smart Cities action cluster), the European Energy Award.

⁵ https://ec.europa.eu/environment/topics/circular-economy/levels_en

⁶ For example, Level(s) lacks an indicator of buildings' maximum power requirements (kW) and load on the electricity system, something that has become an increasingly important factor in many areas where electricity systems are subject to growing demand.

corresponding standards, environmental product declarations, databases for building materials and products, and to assess the possibility of introducing a synthetic indicator on life-cycle performances of buildings as a voluntary scheme;

9. points out that the Renovation Wave is an opportunity to put forward a vision of future-proof buildings able to factor in aspects such as health, social equilibrium, connectivity, circularity and hydro-geological and seismic resilience in addition to energy and environmental requirements; also calls for particular attention to be given to sparsely populated rural areas with very elderly, particularly vulnerable populations;
10. stresses in this connection that greenhouse gas emissions during building, running and demolition phases must be monitored; in addition, the reuse, recycling and, to some extent, the use of materials resulting from demolition or reconstruction for energy production must be maximised by 2050. The creation of local and regional value chains for the reuse of building materials is an important step in this. It requires planning, logistics and new economic models involving the creation of stockpiles of materials for new buildings. For numerous regulatory, cultural and economic reasons, it will only be possible to phase in such a new circular model incrementally, starting with a phase of experimentation and then a range of financial incentives for large-scale deployment;
11. emphasises that in the long term, the deployment of the Renovation Wave will generate significant energy and economic savings in terms of building upkeep and management, as well as improving comfort, a healthy indoor environment and living standards while fighting energy poverty. Considers that the EU Building Stock Observatory needs to monitor changes made and assess their impact, using the indicators in its database and developing new ones where necessary, and providing EU-wide access to the data needed; this would make it easier to quantify these savings and help local and regional authorities, individuals and businesses to take due account of buildings' lifecycle cost;
12. welcomes the Commission's commitment to revisit the European state aid schemes for energy efficiency renovation, and looks forward to contributing with the aim of making them clearer and easier to apply so that they do not constitute a barrier to investment. Moreover, the assessment foreseen for 2021 in Decision 2012/21/EU on state aid in the form of public service compensation should lead to support measures for energy-efficiency renovation of social housing explicitly falling into its remit; points out that European, national, regional and local support measures and programmes must complement one another, without creating parallel and/or additional structures; a broad range of instruments is therefore needed – subsidies, financial instruments and combinations – using implementation partners, such as national development banks and institutions, to fund projects on the ground to match local, regional and national needs; believes, as a matter of principle, that tax incentives for energy renovation of buildings can play an important role;
13. welcomes the Commission's commitment to review the occupational exposure limits set out in Directive 2009/148/EC on the protection of workers from the risks related to exposure to asbestos in order to ensure that workers are protected during renovation and demolition work.

Similarly, considers that European legislation on exposure to hazardous substances as a result of this work should be updated;

14. warmly welcomes against this background the Commission's proposal to launch a European initiative for affordable housing by funding 100 innovative and participatory flagship projects focusing on the thorough renovation of social housing districts in order to serve as a model for a large-scale roll-out across the European Union;
15. considers that the Renovation Wave should contribute to implementing the right of everyone to have affordable, accessible and healthy housing, in accordance with Principle 19 of the European Pillar of Social Rights and in line with UN SDG 11: Sustainable cities and communities; considers that energy efficiency action is a structural way of tackling energy poverty and so of limiting debt costs where people have fallen into arrears through no fault of their own;

Key principles for building renovation towards 2030 and 2050

16. calls on the Commission to build upon the EPBD framework to develop a mechanism to be devised which can categorise buildings using criteria geared to the areas of intervention identified by the Renovation Wave, such as:
 - ownership: public, private (individuals, businesses, foundations, local public authorities, etc.);
 - purpose: residential, non-residential, , etc.;
 - location: urban centres (old town, suburbs), small towns, sparsely populated areas;
 - climate zone;
 - age and energy performance of the building, and its energy/technological systems;
 - architectural/ historical /landscape significance;
 - property market dynamics (prices and number of sales or rental contracts, occupancy rate, etc.);
 - climate risk: interaction of social and economic exposure with climate vulnerability.

This information should be classified by the *EU Building Stock Observatory*⁷ and could then feed into dedicated guidelines for the renovation of the various building types, partly by analysing the existing principal barriers. Assembling and disseminating good practices will be instrumental in identifying standard action for each of the above-mentioned categories;

17. calls for ambitious efforts to decarbonise residential heating and cooling, which is responsible for more than 80% of the overall energy consumption of buildings in the EU; to this aim, reiterates how important it is to promote the decarbonisation of the energy sources used, and urges the prompt and consistent expansion of renewable, and where possible local, energy sources in order to significantly reduce Europe's CO₂ emissions; notes that renewable heating and cooling solutions can be diverse and should be tailored to the specific needs of a given

⁷ *EU Building Stock Observatory*: https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/eu-bso_en.

household or community⁸; agrees with the Commission that regions heavily dependent on fossil fuels will need to switch to transitional energy resources⁹, without however investing in non-futureproof infrastructure. Energy generated from nuclear power must not be counted as renewable energy;

18. calls on the Commission to propose a system for setting priorities on the basis of criteria such as potential for reducing consumption and emissions, bankability and occupant vulnerability. Also calls for negative priority criteria, tailored to regional and local circumstances, to be established, highlighting instances in which demolition and reconstruction are the best option, without paving the way to the gentrification of vulnerable neighbourhoods;
19. points out that, in order to implement the Renovation Wave, the Commission and the Member States must provide significant support to the construction sector, which has been severely affected by the crisis and often involves small businesses, not always well equipped to offer the required products and services. The whole construction sector should be helped to overcome the gaps in knowledge, skills and technology, and to foster the start-up of new future-proof businesses; recalls that the necessary transition to a circular and place-based approach, aimed at protecting employment, and ensuring a gradual restructuring of the workforce, needs stable support mechanisms in order to ensure continuity of operations, prevent bubbles building up and enable skills to be developed in the medium to long term in our territories across the EU;
20. recognises the importance of introducing legislative requirements for purchasing and renovation of all existing public buildings as well as minimum energy performance standards and mandatory targets for the annual renovation rate of the public building stock and the use of renewable energy. Nevertheless, highlights that these provisions will be feasible only if rules will be flexible enough to take into account the different characteristics¹⁰ of buildings and if LRAs will be adequately supported by the Commission and by respective Member States, with rules that are as straightforward and consistent as possible and that include routine maintenance if it is combined with, and directly contributes to, making buildings energy-efficient and earthquake-resistant. If any such obligations are imposed on privately owned or residential buildings, it must be ensured that no extra financial burdens are created, particularly for energy vulnerable households. Therefore calls on the Commission and the Member States to realise a thorough impact assessment at subnational level, assessing the potential and vulnerability of the different territories in this regard, including an analysis of current national best practices and past evaluations from European projects;
21. supports the proposal to update the energy performance certificate (EPC) framework so as to increase the use of this instrument, make it easier to compare data across Europe and tie financing to deep renovation; points out that this revision should guarantee the necessary consistency with the frameworks in place in the Member States and be guided by the principle

⁸ Such options include but are not limited to: direct electrification and the use of heat pumps, district heating networks, repurposing of the existing gas network and the use of hydrogen.

⁹ Such as natural gas-based solutions.

¹⁰ Such as characteristics of buildings in terms of age, form, use, historical/architectural design, ownership, purpose, local property market, alternative value, sub-contracting costs and any previous renovation work.

of proportionality. Sees the value of a uniform EU template for energy performance certificates and the introduction of digital building logbooks which feed into readily accessible databases which are free of charge; points out that these databases must be available to at least NUTS 3 level and connected to the EU Building Stock Observatory, including under the forthcoming common European data space¹¹;

22. welcomes the Commission delegated regulation on a Smart Readiness Indicator (SRI) to assess the degree to which buildings are ready for the integration of smart technologies and to inform building owners and occupants of the findings. Points out that the level of digitalisation across the EU's urban and rural areas is extremely uneven and that this indicator will have to be correlated to the area being assessed so as to avoid penalising areas which are still lagging behind in the digital transition, especially in the less developed regions and sparsely populated areas;
23. emphasises that in order to guarantee that the Renovation Wave is deployed effectively, the capacity of and tools available to local and regional authorities must be increased to close the knowledge gap which is still an issue in some parts of the EU; in this regard recognises the fundamental role of the Climate Pact in creating the opportunities and tools, through enhanced mechanisms for capacity building and a more consistent framework for Green Deal related bottom-up initiatives. Points out that local and national energy agencies can and must play a key role in this process, transferring expertise and skills to local authorities without standing in for them.

Delivering faster and deeper renovation for better buildings

24. asks the Commission to provide maximum support for research into the renovation of buildings in areas subject to landscape-based or historical constraints and thus to ensure a respectful integration of renewable energies. Likewise calls for this issue to be made one of the cornerstones of the New European Bauhaus initiative. The initiative must promote still deeper reflection on integrating the various levels of planning, from a single building to a district to the entire region, factoring in sustainable mobility, reduced land use and greater urban biodiversity¹². Where appropriate, feasible and respectful of vulnerable groups this urban regeneration should support the systematic use of nature-based solutions¹³ integrated with energy and environmental monitoring systems that validate their performance, push a "zero volume" policy, minimise embodied energy¹⁴ in buildings and, as a last resort, can opt for demolition of buildings with no historic value; also suggests including the New European Bauhaus in the Knowledge Exchange Platform (KEP¹⁵) in order to improve exchanges between LRAs on innovative concepts, interdisciplinary approaches and competences, and to highlight the regional and local dimension in design and implementation;

¹¹ See for instance the X-tendo <https://x-tendo.eu>, U-Cert <https://u-certproject.eu> and QualDEEPC <https://qualdeepc.eu> projects.

¹² For instance, see the GROWGREEN project: <http://growgreenproject.eu>.

¹³ Such as "hanging gardens", "green roofs", "green and blue infrastructures".

¹⁴ Embodied energy is the energy consumed by all of the processes associated with the production of a building, from the mining and processing of natural resources to manufacturing, transport and product delivery

¹⁵ The KEP has been developed by the Committee of the Regions and the European Commission (DG Research and Innovation).

25. points out that, in view of the new prospect created by the COVID-19 pandemic of a demographic exodus from the centre to the outskirts of cities, as early as 2016 the UN Habitat III conference incorporated urban densification as a sustainability factor, one of the main mechanisms of which is restoring buildings in sparsely populated urban centres where it is possible to build;
26. points out that the various sources of renewable energy available should be integrated systematically; to that end, as well as potentially setting subnational targets, it will in particular be necessary to ensure a fair level playing field for the various energy sources. Notes that in addition to allowing for the specific geographical and geological features of the areas in question, the use of these technologies must safeguard the environment, health and the natural and built landscape. Their use should also be fostered through the establishment of renewable energy communities and citizen energy communities (provided for under the RED II Directive) geared more towards social and environmental sustainability than financial objectives;
27. considers it important to support plans for deep renovation of housing blocks based on off-the-shelf solutions and industrial prefabricated building components. This will significantly improve the energy efficiency of buildings and will help to achieve the goal of decarbonising the housing stock by 2050; points out that using off-the-shelf solutions and prefabricated building components speeds up the construction process, reduces the environmental impact and makes it possible to increase the renovation rate for housing blocks; points out that industrial prefabrication of building components helps to enhance the innovative capacity of companies by allowing renovation processes to be modernised and automated;
28. with particular regard to the public sector, which plays a role in setting an example, calls on the Commission to continue to promote the roll-out of energy management systems, such as the ISO 50001 scheme and other standards applicable to both the private and public sectors, and to assess the potential of scaling up the energy strands of the European Environmental Management Scheme (EMAS). Points out that these systems can have a significant impact on reducing the energy needs of buildings when they are in use¹⁶ and that they can put in place long-lasting virtuous procedures, including for the management and monitoring phases;
29. emphasises that Building Information Modeling (BIM)¹⁷ and the public sector comparator (PSC)¹⁸ systems can play a key role in the deployment of the Renovation Wave and asks the Commission to work with the Member States on rolling out these instruments, including via public platforms¹⁹ in order to foster the digital development of the property industry and property management based on "PropTech" technology²⁰;

¹⁶ For instance, see the Compete4SECAP project: <https://compete4secap.eu>.

¹⁷ See, for example, page 91 of the "Smart City Guidance Package" at <https://eu-smartcities.eu/sites/default/files/2017-09/SCGP%20Intermediate%20version%20June%202017.pdf>

¹⁸ See, for example, page 92 of the "Smart City Guidance Package" at <https://eu-smartcities.eu/sites/default/files/2017-09/SCGP%20Intermediate%20version%20June%202017.pdf>

¹⁹ For instance, see the NET-ubiep project: <http://www.net-ubiep.eu>.

²⁰ Enabling Positive Energy Districts across Europe: energy efficiency couples renewable energy | EU Science Hub (europa.eu)

30. points out that availability of data on buildings' energy consumption is fundamental for urban energy planning, calculating investments and potential savings and for monitoring purposes. Therefore urges the European Commission to work with the Member States to ensure that these data are readily available for public purposes free of charge across the entire EU based on existing databases, while respecting data protection requirements; building owners could also provide the data obtained to energy providers for a fee, which could partially fund renovation work;
31. points out that the systematic application of Green Public Procurement criteria for the buildings sector is an important tool when it comes to both bringing about a rapid reduction in buildings' energy consumption and ensuring broad take-up of more sustainable management models; against this background welcomes the proposal to publish comprehensive guidance on sustainable public investments through procurement. Calls on the Commission and the Member States to devise a consistent legislative framework supporting this practice by internalising these criteria into relevant national rules and centralised public procurement platforms; also calls on the Commission to support this practice by promoting technological development and innovation, engaging in an effective dialogue with suppliers, drawing up relevant requirements and introducing systems for checking them and monitoring their implementation;
32. with a view to speeding up the deployment of the Renovation Wave, urges the Commission and Member States to establish financing mechanisms to assist local and regional authorities with preparing feasibility plans for the energy renovation of inefficient districts, starting with scaling up the European City Facility, Urban Innovative Actions and the European Urban Initiative as well as creating new instruments, further developing the proposals outlined in the Staff Working Document accompanying the Strategy; asks that regions, cities and municipalities be given the necessary assistance to tap the resources made available through Next Generation EU, Horizon Europe missions, cohesion policy 2021-2027 operational programmes and the European Investment Bank's credit lines and making administrative procedure less burdensome. Harmonising access in this way would entail overhauling the procedures involved to ensure a systematic and traceable approach;
33. calls for the deployment of the Renovation Wave to be supported by technical assistance available to all local and regional authorities; this could take the form of a strengthened and more decentralised model of the ELENA facility, based on promoting and standardising the one-stop-shop model²¹; considers that the one-stop-shops should not be limited to financial matters: they must become real catalysts for awareness, capacity-building and spreading good practices at local and regional level; confirms that the Committee is ready and willing to cooperate with the European Investment Bank (EIB) in order to ensure that this initiative is effective and available with no loss of time, thereby ensuring that all parties have access to it and dramatically cutting down on delivery times; believes that greater synergy between the ELENA facility and Horizon Europe could also make it possible to move from individual good practices to large-scale investments; lastly, is concerned that the leverage factor currently

²¹ For instance, see the OKTAVE <https://www.oktave.fr> (French only), INTERREG ReeHub <https://reehub.italy-albania-montenegro.eu> and PADOVA FIT <https://www.padovafit.eu/home.html> projects.

requested by the ELENA programme for sustainable residential building (ten times the amount of the grant) is a significant barrier for some groups of recipients; therefore asks the Commission and the EIB to discuss possible solutions to these sorts of situations;

34. points out that the Renovation Wave's financing mechanisms will have to contend with very diverse situations of property ownership and with occupants from a very wide range of socio-economic backgrounds, as well as with mixed uses as a result of the growing remote working trend. The model of housing cost neutrality should combine social and climate goals in an ideal way and prevent "renovictions" (evictions by renovation); calls, therefore, for the competent levels of government to avoid that renovation costs can be passed on to the tenants, and considers that rent increases must be commensurate with the expected energy savings;

Specific aspects of renovating buildings

35. welcomes the proposal to introduce, in the framework of the EPBD revision, a "deep renovation" standard, with a view to anchoring significant private financing to transparent, measurable and genuinely "green" investments; recalls that these standards should take into account all the requirements for buildings in different climate zones and foresee specific protocols for historic buildings, taking account of the protection of monuments, while building upon consolidated best practices in the different territories²²;
36. asks the Commission to work with the Member States to establish more flexible budget rules for local and regional administrations; this would enhance their capacity to invest in renovating existing buildings and building new, socially-oriented public buildings. Particular attention should be paid to the potential of off-budget Energy Performance Contracts²³;
37. points out that housing conditions are often a source of marked inequality, where overcrowded buildings with inefficient energy systems and the related cost create often unsupportable burdens on household budgets; as around 34 million Europeans are affected by energy poverty, calls on the Member States, to draw up accurate estimates for the subregional level. Urges the Commission to step up the promotion and exchange of best practices in the field of combating energy poverty, the linking up of existing observatories and to support the set-up of observatories in those Member States that do not have one yet;
38. points out that energy needs to be generally affordable and that energy poverty has major social, economic and environmental consequences; stresses that the vicious circle of energy poverty not only affects vulnerable households and natural persons, but that businesses and sometimes small local authorities may also suffer from very similar dynamics, where the funds available are not sufficient to meet the rising cost of energy services, which therefore becomes a growing burden on the general budget; calls on the Commission, therefore, to look into extending the analysis of energy poverty beyond individual households, and to draw on this when defining the mechanisms for implementing the Renovation Wave. Points out that the model of "environmentally-friendly manufacturing areas" could be a useful reference for involving the

²² See for example the project ENERGIESPRONG at <https://energiesprong.org/>

²³ For instance, see the Guarantee project: www.guarantee-project.eu.

manufacturing industry in the Renovation Wave and, more generally, in implementing the Green Deal; is ready to cooperate with the European Commission as regards the work of the new Observatory on energy poverty;

39. points out that local energy communities and the "prosumer" concept can play a key role in the increase of the renovation rates, in combating energy poverty, and in the energy transition through decentralised energy production and grassroots initiatives. To this end, initiatives for self-generation and self-consumption in dwellings must be promoted, facilitating and enhancing the deployment of technologies such as solar thermal and photovoltaic and geothermal technologies, both in existing buildings which are being renovated and especially in new buildings. Another approach is the all-inclusive "warm rent" model – the basic principle applied in Sweden and Finland, for example – whereby the property owner guarantees the tenant a suitable indoor environment, with a normal temperature of 20-21 degrees. This has proven successful in avoiding energy poverty, and has at the same time provided property owners – who have other means at their disposal than tenants, though they are still reliant on the latter's cooperation – with a significant incentive to save energy. Therefore calls on the Commission to work with the Member States to ensure that the relevant directives are transposed in a timely manner, that the transposition process complies fully with the spirit of the directive and that it is underpinned by straightforward implementation mechanisms; suggests that the requirements for individual metering and billing should not be applied when they are not a cost-effective way of saving energy;
40. highlights the importance of supporting neighbourhood-based approaches which harness the potential of local communities to integrate local renewable energy sources with local consumption using innovative digital solutions that are the cornerstone of the smart city concept; stresses that proper digital connectivity²⁴ in urban and rural areas will make it easier for people to access information on their energy consumption in real time, enabling them to optimise it and make it more efficient; these local concepts should go beyond the physical borders of Member States, thus allowing for exchanges of renewable energy between adjacent municipalities and neighbourhoods in border regions;
41. urges the Commission and the Member States to lay the groundwork for deploying the Renovation Wave in less urbanised, more outlying and sparsely-populated rural areas as well, so as to ensure that these areas do not become less attractive places to live and that they can provide future-proof living standards and services; points out that energy communities can play an important role with regard to promoting renewable energy in urban and rural communities as well as territorial cohesion;
42. stresses the need to cater for the particular situation of the outermost regions – which suffer from adverse climatic events, are very vulnerable to climate change and are isolated in terms of energy – where the cost of renovation will be higher. In order to achieve the greening of buildings, it is necessary to adapt financial support schemes to projects located in those regions in order to take into account the production costs associated with their specific conditions; in

²⁴ For instance, 5G is a technology capable of connecting thousands of monitoring devices in the most populated areas and of facilitating ultra-fast connectivity that many of the least populated areas, some of them at risk from depopulation, currently lack.

this regard, welcomes the launch of the second phase of the "Clean energy for EU islands" initiative and is ready and willing to help implement it;

43. calls for the bolstering of certification mechanisms that encourage the selection of construction materials and techniques based on their lifecycle, the possibility of using selective demolition techniques and the separation of hazardous and recoverable elements. The aim here is to stimulate the restructuring of the construction sector so as to enable it to implement circular processes throughout the industry in accordance with the EU Construction and Demolition Waste Protocol. In this connection, contractors must be supported in the development of alternatives, for example through innovation and cooperation partnerships between contracting authorities and suppliers in public procurement; the European Commission also needs to give Member States more incentive to support these procurement methods;
44. calls on the Commission to require that the Member States give local and regional authorities a full and effective role in preparing and acting on their national recovery and resilience plans. Only multilevel governance can ensure that energy renovation of buildings is designed in synergy with the local set-up, thus maximising the multiple benefits (environmental, social and economic). Emphasises that the multilevel climate and energy dialogue²⁵ must be developed and the methodologies used to implement it shaped in such a way as to ensure that it is effective, consistent and systematic;
45. has no hesitation in asserting that local and regional authorities play a pivotal role in guaranteeing that building renovation meets land use and town planning requirements, promotes policies to counter depopulation and is in line with social equity and green criteria. Points out that the mechanisms for financing the Renovation Wave chosen by the Member States must not undermine this fundamental coordination role;
46. asks the Commission and the Member States to encourage synergies wherever joint action would be more effective, as well as the integration of ESI funds and directly managed funds (Horizon Europe, the Connecting Europe Facility, InvestEU, the new LIFE CET (Clean Energy Transition) Programme, and the EIB). In pursuit of this goal, incentives should be offered to stakeholders that establish such synergies and find their main partners in the local area (primarily the regions). Specifically, the OECD's "impact investing" approach to the implementation of the Sustainable Development Goals could be adopted, so that investments operate on the basis of measurable social and environmental impact objectives as well as delivering a financial return²⁶;
47. calls on the Commission and the Member States to ensure that building renovation does not focus solely on construction aspects of the building or housing itself, but also addresses aspects related to the need to change mobility, primarily in urban areas, by focusing on introducing parking areas for bicycles and personal mobility vehicles inside or adjacent to buildings and recharging points for electric vehicles, while also factoring in the need to remove administrative and legislative barriers. Furthermore, also calls for common communication infrastructure (ICT)

²⁵ As established by Regulation (EU) 2018/1999 on the Governance of the Energy Union.

²⁶ <https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/social-impact-investment-initiative.htm>

to be available in order to facilitate the integration of the people living in the buildings into an increasingly connected society;

48. calls for improvements to be made to the financing mechanisms for the strategy with regard to the Recovery and Resilience Facility, cohesion policy and the European Investment Bank (EIB), so that regions can play a greater role in the phases of receiving and managing funds;
49. is committed to ensuring that the legislative form of the Renovation Wave does not curtail the Member States' right to independently choose between energy sources, provided that the decarbonisation provided for in the European Union's objectives is secured;
50. welcomes the proposal of the European Commission to work in close partnership with the European Committee of the Regions on the Renovation Wave and calls for a dedicated agreement laying the foundation for an enhanced cooperation in this field in the post-COVID recovery;
51. calls on the Council of the EU to develop a communication campaign in cooperation with other institutions and working in close partnership with the European Committee of the Regions to raise awareness and stimulate action on the renovation wave simultaneously at EU, national, regional and local levels.

Brussels, 19 March 2021

The President
of the European Committee of the Regions

Apostolos Tzitzikostas

The Secretary-General
of the European Committee of the Regions

Petr Blížkovský

II. PROCEDURE

Title	A Renovation Wave for Europe – greening our buildings, creating jobs, improving lives
Reference	A Renovation Wave for Europe – greening our buildings, creating jobs, improving lives COM(2020) 662 final
Legal basis	Own-initiative opinion
Procedural basis	Rule 41(b)(i)
Date of Commission letter/Bureau decision	
Date of President's decision	13 November 2020
Commission responsible	Commission for the Environment, Climate Change and Energy (ENVE)
Rapporteur	Enrico ROSSI (IT/PES)
Analysis	30 September 2020
Discussed in commission	9 September 2020
Date adopted by commission	3 February 2021
Result of the vote in commission (majority, unanimity)	Majority
Adopted in plenary	19 March 2021
Previous Committee opinions	
Date of subsidiarity monitoring consultation	
