

30th April 2020

To: **Ursula von der Leyen**, President of the European Commission

CC: Frans Timmermans, First Executive Vice-President of the European Commission
Kadri Simson, Commissioner for Energy
Thierry Breton, Commissioner for the Internal Market and Services
Johannes Hahn, Commissioner on Budget and Administration

Time to create a *Renovation Fund for All Europeans*

The COVID-19 crisis has brought the EU to a crossroads. We have difficult choices to make and immediate recovery measures to develop. There is a real risk that COVID-19 could take the EU backwards to political fragmentation, economic stagnation and social breakdown. Alternatively, we can choose to launch common **initiatives that will bind Europeans and the European Union closer** together, provide the impetus for renewed economic activity shaped by the principles of the European Green Deal while addressing the inequalities in our society in an inclusive manner.

Among the Green Deal proposals is a call to “at least double” the annual energy renovation rate from its present rate of 1%. This “Renovation Wave” will stimulate a green recovery that is environmentally, economically and socially transformational.

The undersigned, partners in the Renovate Europe Campaign, call for the **EU Recovery Plan** to include a **Renovation Fund for All Europeans** to ensure that energy renovation of the EU building stock plays a central role in getting the EU back on its feet.

The EU construction industry alone is worth around **9% of EU GDP and employs more than 16 million Europeans**. A focus on the deep energy renovation of buildings across the EU will kickstart our economies from the ground up. It will provide large-scale local employment while reinvigorating demand in those industries that supply the construction industry.

Every euro spent on deep energy renovationⁱ generates a **multitude of ancillary societal benefits**, including the creation of safe and healthy buildings. A renovation wave will create new global champions in clean technology, enabling the EU to lead the world in the energy transition.

At the same time, only the deep energy renovation of our buildings – at a 3% renovation rate per annum – will **enable us to reach the EU’s goal of climate-neutrality by 2050**. There are currently around 210 million buildings in the EU that together use more energy and emit more CO₂ than any other sector of the EU economy. Addressing energy demand from buildings will reduce the costs of the energy transition in other sectors, such as power generation and transmission, and increase the flexibility of the entire energy system as digitalisation and demand-side management takes hold.

We call on you to create a **Renovation Fund for All Europeans** as part of the European Union’s Recovery Plan that has the following key elements:

- A fund leveraging €100bn per annum to ensure that the EU hits its renovation rate of 3% of buildings per year;
- Focused, in the first instance, on those in society who need renovation the most, from energy-poor, low-income neighbourhoods and social-housing to schools, hospitals, retirement-homes and care-centres;

The [Renovate Europe Campaign](#) is an initiative of EuroACE, the European Alliance of Companies for Energy Efficiency in Buildings. Its aim is to lead the EU and its Member States from planning the transformation of our building stock to taking action on the ground. The Campaign Office is located at Rond Point Schuman, 6, 8th Floor, 1040 Brussels, Belgium

- Open to all (from national investment banks, local authorities, social housing companies and legal consortia of economic actors) who have ready-to-start projects in place;
- Managed at a European level with fast-tracked project approval processes, innovative tendering and technical assistance to ensure the economy restarts now and to overcome distortion of competition/state aid concerns. We must ensure the right amount and the right quality of renovation projects are put forward;
- Focused on projects that deliver deep or staged-deep energy renovation, putting energy efficiency first, to ensure the money spent locks in our progress towards 2050 climate goals;
- Recognition of the role of the EU in funding the projects through visibility billboards underlining the support of the EU.

At the same time and in order to enable the future Renovation Wave to contribute to delivering the objectives of the EU Green Deal in the short to medium term we believe that the EU needs to introduce **minimum energy performance standards** for existing buildings that undergo energy renovation, standards which are progressively tightened over time in line with the EU's 2050 climate neutrality objective. Such standards are already being implemented in several Member States.

We are ready to think bolder and bigger. We call upon you and the European Commission to act today in the context of the EU Recovery Package and revised Multi-Annual Financial Framework, both due for publication on during May 2020, to address the challenge of restarting our economy and ensure that we do so in a way that delivers on the promise of the European Green Deal.

This call is supported by the **38 partners** of the Renovation Europe Campaign:



¹ To achieve a deep energy renovation of the building stock in the EU, individual projects may be either deep or staged deep energy renovations. Staged deep energy renovation means the *deep energy renovation* of a building that takes place in a series of planned stages, whereby the quality of the works are at best practice levels and the costs of undertaking a particular stage do not preclude or increase the costs of carrying out subsequent stages.