

PROCEEDINGS

National Recovery and Resilience Plan Investing in Building Renovation for a Climate Neutral Future

> DATE

21 October 2021

> ONLINE





AGENDA

14.00

WELCOME AND EVENT INTRODUCTION

ALICE COROVESSI, INZEB & ULRICH LAUMANN, GIZ

WELCOME BY ADRIAN JOYCE

RENOVATE EUROPE CAMPAIGN DIRECTOR

14.15

SESSION I: EU AND NATIONAL POLICIES FOR BUILDING RENOVATION

KEYNOTE: ALEXANDRA SDOUKOU

GENERAL SECRETARY FOR ENERGY AND MINERAL RESOURCES

MINISTRY OF ENVIRONMENT AND ENERGY

NATIONAL RECOVERY AND RESILIENCE PLAN OF GREECE

DIMOSTHENIS VOIVONTAS

HEAD OF MONITORING AND SUPPORT DIRECTORATE

RECOVERY AND RESILIENCE FACILITY AGENCY

MINISTRY OF FINANCE

LONG TERM RENOVATION STRATEGY

AND NATIONAL ENERGY & CLIMATE PLAN

VICKY SITA

DIRECTOR FOR ENERGY POLICY AND ENERGY EFFICIENCY

MINISTRY OF ENVIRONMENT AND ENERGY

FIT-FOR-55 – THE EU FRAMEWORK FOR THE GREEK CLIMATE AND ENERGY TARGETS

NIKOLAOS KONTINAKIS

POLICY OFFICER, EUROPEAN COMMISSION

SESSION MODERATOR: ALICE COROVESSI, INZEB

15.00

DISCUSSION – Q & A SESSION





AGENDA

- 15.15** **SESSION II: PANEL DISCUSSION ON INVESTMENTS IN BUILDING RENOVATION**
- EU TAXONOMY ON SUSTAINABLE FINANCING**
DR. CHARA KARAKOSTA
TRIPLE-A PROJECT COORDINATOR, NTUA
- PANAGIOTIS HABESIS**
HEAD OF FINANCING GROWTH & SUSTAINABILITY UNIT
HELLENIC BANK ASSOCIATION
- BUILDING RENOVATION PASSPORTS**
ALEXANDER DELIYANNIS
IBROAD2EPC COORDINATOR, SYMPRAXIS TEAM
- ONE STOP SHOPS AND THE ROLE OF ESCOS**
DIMITRIS KOLLIAS
DEVELOPMENT MANAGER, GREENESCO ENERGY SA
MEMBER COMPANY OF PUBLIC POWER CORPORATION AND
ATTICA FINANCE
- INVESTING IN GREEN BUILDINGS**
ALEX GALATOULAS
MENG, MSC, CPHD, LFA - TECHNICAL ADVISOR MEMBER OF
LIVING FUTURE EUROPE
- SESSION MODERATOR: ALICE COROVESSI, INZEB**
- 16.00** **Q & A SESSION**
- 16.15** **CLOSING REMARKS: ALICE COROVESSI, INZEB**
- 16.30** **END OF EVENT**





The online event **National Recovery and Resilience Plan: Investing in Building Renovation for a Climate Neutral Future** organised by **INZEB** and **GIZ**, was held online on Thursday, October 21, 2021, while it was attended by 150 participants and 10 speakers.

The event was organised within the context of Renovate Europe Day 2021 and was realised with the support of the H2020 projects Triple-A and iBRoad2EPC and the Build Back Better Greece initiative.

Welcome and event introduction

The event was opened by Ms. **Alice Corovessi**, Managing Director, INZEB, and Mr. **Ulrich Laumanns**, Project Manager, GIZ welcoming the participants but also highlighting the aim of the event. Mr. **Adrian Joyce**, Director, Renovate Europe Campaign, also gave his welcome speech.

Session I: EU and National Policies for Building Renovation

Keynote Speaker: Alexandra Sdoukou, General Secretary for Energy and Mineral Resources, Ministry of Environment and Energy.

She introduced her speech with a reference to the general picture of energy consumption both in Greece and in Europe, and that it is done from unclean energy sources and to an excessive degree. She stressed that we are at the key point regarding the implementation of strategies to curb the climate crisis. The need to accelerate the pace of renovation, in line with the European Green Deal, was also underlined. To achieve the renovation wave:

- The renovation rate needs to be doubled
- Emphasis should be placed on energy poverty
- Emphasis should be placed on upgrading the worst energy building stock
- Emphasis should be placed on the installation of RES

She also referred to the revision of the NECP to achieve the energy saving objectives as well as the new "I'm saving - I'm getting autonomous" programme which aims to upgrade another 50,000 households and targets the category of the vulnerable ones. Lastly, she referred to the programme "I move electrically" with the main goal of creating a national network of charging points and the programme "ELECTRA" which is addressed to the central public administration and generally in the public sector and concerns the energy upgrade of public buildings which should have an exemplary role according to Ms. Sdoukou.



National Recovery and Resilience Plan of Greece

Dimosthenis Voivontas, *Head of Monitoring and Support Directorate, Recovery and Resilience Facility Agency, Ministry of Finance*

During his speech, the National Recovery and Resilience Plan (NRRP) was briefly presented, which has as its main objective the support of investments related to buildings' renovation and the energy saving in order to achieve the objectives related to the climate crisis. Reference was also made to the Recovery and Resilience Facility (RRF), which includes loans and grants to support reforms and investments made by European Union (EU) countries (723.8 billion € in total). The Greek Recovery and Resilience Plan provides a total of 31.16 billion € investment resources while a total of 60 billion € is expected from the leverage of the banking sector or from private investments. Then the 4 pillars of the Greece 2.0. scheme were also mentioned, which are:

- Green Transition
- Digital Transition
- Employment,
- Skills, Social Cohesion
- Private investments and transformation of the economy

Also, among the indicative investments and reforms included in the plan and that were presented, is the energy poverty alleviation, the programme "Saving at home", strategic urban regeneration, "Saving in business" programme, "Saving in the public sector" programme etc.

Furthermore, it was pointed out

that loans are a very strong pillar of channelling resources to companies, through this mechanism about 12.7 billion. € will be given, through the activation of the banking sector. Lastly, a brief reference was made to the main strengthening entrepreneurship actions.

Long Term Renovation Strategy and National Energy & Climate Plan

Vicky Sita, *Director for Energy Policy and Energy Efficiency, Ministry of Environment and Energy.*

Reference was made to the long-term strategy for the transition to a carbon-free building stock. The general objectives in accordance with the European Green Deal, the Renovation Wave, the NECP and the Long-Term Strategy, were presented. It was pointed out that the framework that is being formed is a dynamic process and important axes of this process are the increase of RES target, the increase of the energy savings target, the higher requirements for buildings, the renovation wave, and the recovery fund.



The steps to achieve the above were also outlined. It was highlighted that the buildings' renovation pace should be doubled and that it is important that adequate and well-targeted funding will be secured. Also, as mentioned, basic requirements are the decarbonisation of heating and cooling, energy poverty alleviation and addressing the worst performing buildings.

Concerning the long-term strategy, the main objective is the transition to zero energy buildings. Today the requirement is 60% of energy consumption, to be covered by RES, which corresponds to hot water. In addition, it was reported that from the recovery fund, 200 million € will be given for public buildings and a smaller amount will be given for covering street lighting needs while 1.7 billion € will be given for the energy upgrade of residential buildings and businesses.

Then a reference was made to the long-term strategy report which focuses on three areas, residential buildings, public buildings, and tertiary sector buildings. The programme "I'm saving – I'm getting autonomous" concerns the energy upgrade of 50,000 households, the integrated ELECTRA-RRF programme concerns the financing of energy saving interventions in existing general administration buildings and the "Saving in business" programme concerns the strengthening of energy efficiency of small-medium enterprises aiming to save at least 30%.

In summary, it was stressed that all these actions that were described and have been designed based on the building stock, have multiplier benefits, such as reducing energy poverty, increasing the value of the building stock, new jobs, etc.

Fit-for-55 – The EU framework for the Greek climate and energy targets **Nikolaos Kontinakis, Policy Officer, European Commission**

The approved by the European Commission proposal package Fit for 55 was mentioned, which aims to achieve a reduction of clean greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels. Achieving such a reduction in emissions is vital in order for Europe to become the world's first climate-neutral continent by 2050 and to implement the European Green Deal. The package concerns 14 proposals which are all interrelated and will be supplemented by 2 more proposals by the end of the year, the new directive on energy efficiency of buildings and the directive on natural gas and other green gases.



The main focus of Fit For 55 is also all the side benefits of a green economy such as reducing emissions, creating jobs and growth, reducing energy dependence, tackling energy poverty and improving health and well-being of the citizens.

The need for addressing inequalities through the energy transition and the Social Climate Fund, which will mobilise more than 72.2 billion €, was also outlined. Then reference was made to the construction sector in the EU and the importance of increasing the current pace of renovations.

Moving forward, the relationship of the Fit For 55% proposal package with buildings was described. There are many links between the tools that have been proposed and 4 key tools that interact and somehow set the new framework for buildings, are the proposal for emissions trading for road transportation and buildings, the Social Climate Fund, the directive on RES and the Energy Efficiency Directive.

Summing up, Mr. Kontinakis presented the possible measures that the committee is considering including in the proposal for the next directive. He mentioned some of them, such as the minimum energy efficiency requirement, the Building Renovation Passports, the smart building indicator, etc.

Then Ms. Corovessi addressed questions to the speakers of the section, starting with Mr. Kontinakis regarding when there will be a visible increase in the buildings' renovation pace, which currently remains at 1%. Mr. Kontinakis answered that the submission of proposals as well as their absorption by the national schemes is a time-consuming process which requires a long-time horizon for their realization.

The next question asked by one of the participants of the event was concerning the criteria of "Saving at home" programme and why those are in terms of income or other instead of purely energy criteria and when the publication of the new guide for the new programmes "I'm saving-I'm getting autonomous", "ELECTRA" and "Saving in business" is expected. Ms. Sita replied that at the moment the preparations for "Saving in business" are being made, the timeline is not yet accurate as some issues need to be updated, "ELECTRA" is estimated to be out by the end of the year while "I'm saving-I'm getting autonomous" is a matter of days to be announced. Regarding the criteria, Ms. Sita replied that there is the criterion of the three energy categories which is a prerequisite of the programme. Regarding the income criteria as well as some other criteria that have been added to the programme, are used to meet lower incomes with the specifications that apply to vulnerable/affected households.



The next question was "Apart from private investments please explain us how the banking sector will be leveraged?". Mr Voivontas replied that a large part of the recovery fund resources will be channelled through the banking sector. The percentage of the loan coming from the recovery fund ranges from 30% to 50% depending on the type of investment, a minimum of 20% is the investor's equity and the rest which can reach up to 30% is a loan given by the banking sector to the customer, this way bank funds are leveraged.

The next question was "Will the renovations be affected by the increase in materials now needed for buildings' renovations, which is a result of the energy crisis?" Mr. Kontinakis took the floor and replied that yes, they will be affected and that because while the times of high energy prices are always a golden age for energy efficiency, the fact that at the moment this is compensated for an increase in materials and everything else related to the sector of renovations obviously balances to a certain extent the tendency to have energy renovations due to high energy prices.

Session II: Panel Discussion on Investments in Building Renovation

Ms. Alice Corovessi welcomed the speakers of session II and then she gave the floor to them for a brief statement on what was said.

Ms. **Chara Karakosta** (NTUA) took the floor and stressed that in order for the 2030 energy and climate targets set by the EU and through the Fit for 55 package to be achieved, as well as for the implementation of the European Green Deal, it is vital the investments to be oriented in projects that contribute to sustainability. Also, with the introduction of a strict pan-European framework of sustainable activities, the available private cash flows will be directed towards proven sustainable investments and companies will be mobilised to make their activities more environmentally friendly. In this context, the EU Taxonomy defines the activities that can be considered environmentally sustainable through technical criteria and good practices and is an important tool for promoting sustainable investments in Europe, but also an important guide for companies, investors, and policy makers. She also referred to the Triple-A initiative which aims to evaluate and promote energy efficiency projects, by facilitating their financing by private investments and through various financing mechanisms. She also stressed that the Triple-A tools incorporate the principles of the EU Taxonomy.



Mr. **Panagiotis Habesis** (HBA) then took the floor and stressed the key role of the Greek banking system in channelling funds for the creation and implementation of investment projects under the National Recovery and Resilience Plan, which expects to spark fundamental changes in the economic and social context, combining this transition with innovation, extroversion, digital transformation and especially the green transition. He also pointed out that the National Recovery and Resilience Plan is based on the principle of non-infliction of significant damage, which is an important principle of the Taxonomy, for the redirection of capital flows to sustainable green investments in order to achieve CO2 reduction targets. Upgrading the building stock is one of the 8 flagship European initiatives, the promotion of which is a distinct goal of the RRF.

Then Mr. **Alexandros Deliyannis** (Sympraxis Team) was called for an initial statement. He referred to the issue of energy prices. He stressed that improving energy efficiency and saving energy should be a priority and that buildings should be radically upgraded so that energy needs are significantly reduced, and energy subsidies are not required. At this point he underlined that Building Renovation Passports are a tool to come up with this radical renovation in realistic terms. He also referred to the shallow renovations and the risk involved in case they are not implemented in the best way. This risk is about reducing the margins that exist for the future. "Building Renovation Passports are just a roadmap to get us the best results", he concluded.

Mr. **Dimitris Kollias** (Greenesco Energy SA) took the floor and stressed that finding the best practices and ways to structure the procedures for the effective planning of the optimal result is the excellent work done through the programmes under Horizon 2020. Then Mr. Kollias linked the Recovery and Resilience Plan with the energy upgrade of buildings, which can offer recovery after the coronavirus health crisis, in the midst of the climate crisis and resilience against the energy crisis we are experiencing. He also highlighted the issue of energy poverty and vulnerable households as well as businesses which, despite trying to recover from the coronavirus, are seeing their energy costs rise. He also referred to the important role of ESCOs in energy upgrades but also in the normalisation of models. Finally, he referred to the promotion of the renovation wave through One Stop Shops (OSSs) as well as the difference in the operation of OSSs in private and public buildings. He concluded his short speech by pointing out that it is important to record the difficulties and opportunities, to follow the good practices and to avoid the bad ones.



Mr. **Alexandros Galatoulas** (Living Future Europe) stressed the importance of the common direction now observed by different organisations, towards the goals set by the EU, noting that with good cooperation the objective of climate neutrality can be achieved in the future. He also referred to Living Future Europe which has set one of the most demanding objectives in order for the buildings to be sustainable, ecologically restorative and socially just. He also stated that as members of the Technical Advisory Group they study best practices, financial tools and investments aiming the quick adaptation of the industry to the new data. He also referred to the EU Taxonomy which is a new law that defines both economic activities in Europe and the objectives of the European Green Deal. He mentioned that the EU Taxonomy is being used in pillars 3 and 4 of the Recovery Plan in terms of sustainable investments and the fight against natural disasters due to climate change, but it also greatly affects the construction sector. According to Mr. Galatoulas, the private sector should get acquainted with the production and renovation of building stock with both EU Taxonomy and sustainability criteria.

Q&A Session

Mr. Habesis was asked to respond regarding his reference to the National Recovery and Resilience Plan and the principle of non-infliction of significant damage and how the EU Taxonomy is related to the banking system. He replied that the Taxonomy refers to the 6 environmental objectives and the principle of non-infliction of significant damage, i.e., that there is improvement and contribution to an environmental objective but without affecting any of the other 5. The first two objectives have already been implemented which concern the adaptation to climate change and the mitigation which will apply from the beginning of 2022, while the next 4 are in consultation. The banking system plays a key role in reorienting capital flows to sustainable investments. The financial sector is now being called upon by European regulatory authorities to comply with strict conditions set for combating climate change. The next question that was asked to Mr. Habesis was whether the banking system is ready to contribute to the implementation of the objectives set in the National Recovery and Resilience Plan and if so, what actions have been taken in this direction? Mr. Habesis stated that the banking system is ready and that he has been cooperating for a long time with the public administration and the Ministry of Finance in order to achieve the goals, which is why 12.7 billion €, i.e., the entire part of the loan funds passes through the banking system. 12.7 billion € which with leverage will create investments of 30 billion €, he continued.



Then Ms. Corovessi asked Ms. Karakosta on EU-funded research projects that aim at creating new services and tools available to be utilised by everyone, can the tools developed under the Triple-A project contribute to the utilisation of RRF funds? Can they help the banks to offer security to the investors, which is often a prerequisite by the investors?

Ms. Karakosta replied that the Triple-A tools incorporate a well-thought-out risk analysis for the evaluation of proposals for energy efficiency projects, which is carried out through simple questions, incorporating the criteria of the EU Taxonomy, in order to identify the projects that are in line with it and to be attractive to investors looking for sustainable development projects. Also, through automated practices, economic criteria and sustainability criteria are calculated and taken into account and this is very important as project developers and investors obviously do not have the necessary time to deal with technical evaluations and scientific criteria to select or reject projects to finance. Thus, Triple-A tools promote energy efficiency projects through an integrated methodology and through platforms that facilitate communication between investors and project implementers. Regarding the utilisation of funds by the RRF, the goal is the most efficient allocation of funds in energy efficiency actions. The tools are EU funded, they can support the National Recovery and Resilience Plan.

The next question was how can OSSs support the energy upgrade of public and private buildings? What is the relationship between OSSs and ESCOs, how can they be combined? Mr. Kollias replied that in theory they are combined. The implementation of OSSs is not seen to be easy and efficient. He also claimed that through the European projects SMAFIN and Triple-A and their tools there will be access to cheaper funding, because the creation of procedures is what will bring an ESCO that want to implement a project closer to cheaper financing, and thus will facilitate the implementation of projects through ESCOs and the OSSs to move forward at least in the private sector, in order to have speed, efficiency and promotion of the renovation wave.

Mr. Deliyannis was asked about the Building Renovation Passports and how they can support the indoor air quality and the quality of the indoor environment of the dwellings. Mr. Deliyannis answered that Passports are a tool and a methodology that can be combined with both ESCOs and OSSs and their use in various ways is desirable, in order to improve the situation of building owners. Renovating a building is a technically difficult task so there are many things to be considered.



The actions required to improve a building, both for air quality and for thermal insulation, sound insulation, lighting, etc., are the ones that make the renovation work complex and highlight the need for an action plan. Also, according to Mr. Deliyannis, it is important “energy efficiency first” to be emphasised and then energy saving, which is a natural consequence of energy efficiency.

Mr. Galatoulas was asked how we can connect EU Taxonomy with construction and real estate? He answered after referring to Living Future Europe which is essentially a building model which sets some limits in terms of good practice for buildings, in accordance with EU requirements. Regarding the construction part, one of the Living Future Europe programmes is the zero carbon programme, where the criterion is a 30% reduction in energy costs per square meter for an existing building, for a renovation. The renovation criteria of Taxonomy are very close to this. Thus, the buildings that are being constructed today in both public and private sector should be shielded as investments in the future where the Taxonomy will have been established in the market.

