



**EUROPEAN
CLIMATE
PACT**

ENERGY EFFICIENCY FINANCING FOR BUILDINGS

HOSTING VULNERABLE CITIZEN GROUPS

Athens, Greece (Royal Olympic Hotel)

Friday 08 December 2023 09.30 – 14.00 EET

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ROUNDTABLE SCOPE

Cost-effective energy upgrades will generate enough savings over their lifetimes for building owners and building managers to significantly improve margins. But that still requires being able to pay for the upfront cost of energy upgrades. Utility-funded rebates, state incentives, and external and internal financing options can help bridge the gap in upfront costs. An energy efficiency retrofit is where good budget management meets environmental sustainability, addressing climate change and caring for the planet. This also applies to nonprofit organisations working or hosting vulnerable groups of citizens.

Nonprofits able to raise funds for energy efficiency measures can enjoy significant benefits, including lower operating costs, more comfort for vulnerable residents, healthier facilities, and affordable and predictable energy bills. Unfortunately, **access to financing for nonprofit organisations is still very limited despite all the upside benefits and energy-saving potential many of them have.**

Currently, a **Net Zero Energy Care** project is being realised in Thessaloniki, Greece providing a pilot scheme and proof of concept to showcase results. Meanwhile, the TIMA Foundation and INZEB are organising a roundtable discussion within the context of the **EU Climate Pact** to highlight the need for tailored financing schemes for the energy upgrade and energy autonomy of nonprofit care homes (and other nonprofit institutions) in Greece.

ROUNDTABLE OBJECTIVES AND DISCUSSION TOPICS

- To present the pilot **Net Zero Energy Care** from its initiation to completion, a project acting as a reference for dialogue and measures that will support access to financing for similar projects across the country;
- To discuss with the invited experts and stakeholders **the multiple benefits of renovating buildings hosting vulnerable groups of citizens;**
- To engage experts and stakeholders to **commit collective action** in supporting the transition of care homes (and other similar building structures) to net zero energy institutions;
- To discuss how the **Social Climate Fund (SCF)**, the first EU Fund specifically dedicated to providing financial support to vulnerable households, transport users and micro-enterprises, can include building facilities such as care homes and other nonprofit enterprises that support vulnerable groups of citizens.
- To discuss ideas and proposals for **tailored financing schemes to limit “financial exclusion”**.

Policymakers, financing experts, bank representatives, ESCOs, academia, philanthropy representatives and civil society organisations are joining the dialogue to provide feedback and insights based on their expertise and knowledge. The main outcomes of this roundtable are to prepare the ground for the continuation of this important dialogue, especially in the view of the Social Climate Fund, and to create specific “next steps” to expand access to funding for renovating institutional buildings.

**Financial exclusion is defined as the difficulty of accessing and using the mainstream financial products needed to live in each society.*

AGENDA (Timing in EET)

09.30 Registration and Welcome Coffee

10.00 Welcome Notes

- **Paul Kidner**, Advisor, TIMA Charitable Foundation
- **Alice Corovessi**, Man. Director INZEB & Country Coordinator for European Climate Pact
- **Evangelia Georgitsi**, Communication Officer, European Commission

10.15 Tour de la table

10.30 Keynote Addresses - Policy Framework

- **Adrian Joyce**, Campaign Director, Renovate Europe Campaign (*online/English*)
'Grouping buildings of common interest to achieve higher impact'
- **Niki Dandolou**, Special Secretary EU/ESF Programme Management, Ministry of Economy & Finance
'The European Social Fund and its priorities for the 2021-2027 programming period'
- **Zisis Ioannidis**, Special Advisor, Ministry of Environment and Energy
'Programmes and Policies for Energy for Households'

11.15 Q&A – Discussion – Opinions

11.50 Coffee break

12.15 Presentations

- **Giota Touloumi**, Prof. Biostatistics & Epidemiology, Medical School, NKUA / **Ourania Konstanti, PhD**, Cell Biology and Bioinformatics, Laboratory Teaching Staff, Department of Biology, NKUA
'Perceived Indoor Environmental Quality and Health'
- **Markos Komondouros**, Founder and Partner, Investing for Purpose
'Social and Environmental Outcome-based Funding Opportunities'
- **Angeliki Boura**, Coordinator / **Vassiliki Koumpli**, Deputy Coordinator Environment & Energy Cluster, ICC Women Hellas / **Eleni Giannopoulou**, Coordinator, Health Cluster, ICC Women Hellas
'The Role of ICCWH in Raising Awareness of Energy Efficiency'

12.45 Q&A – Discussion – Opinions

13.50 Event wrap-up

- **Paul Kidner**, Advisor, TIMA Charitable Foundation
- **Alice Corovessi**, Man. Director INZEB & Country Coordinator for European Climate Pact

14.00 Event closing and time for networking

ROUNDTABLE BACKGROUND

In Greece, the need to support vulnerable groups of elderly citizens through institutionalised care is set to continue to grow in the coming years. Care homes are also by default heavy energy consumers, typically accommodating between 30 to 60 elderly residents and employing an average of 15 to 30 staff. Most elderly care homes are housed in buildings with inadequate insulation, old windows, and old-style heating, ventilation, and air conditioning (HVAC) installations. As a result, they have high energy consumption needs to heat their premises during the winter and cool them in the summer months.

Energy consumption is also high due to the constant demand for hot water throughout the year, the supply of which, in Greece at least, is usually provided using electricity. The same applies to other energy requirements, such as lighting and running large kitchens. The ever-increasing energy costs add an unjustified and unnecessary burden to the basic operating costs of care homes and, by extension, their ability to provide quality services. Reducing energy consumption and costs enables care homes to leverage resources which would otherwise be spent on energy to improve services for the elderly.

Efficient energy use in care homes is necessary to keep the energy cost factor socially acceptable and affordable in the care sector. Several studies and reports showcase the financial, health and social benefits of energy-efficient buildings hosting care and nursing homes. In Germany, for example, about 11,000 nursing and care buildings serve as homes for 800,000 elderly citizens. According to the EU research project Save Age, the reduction potential of 500,000 to 2.5 million tonnes of CO₂ per year was identified by implementing energy efficiency measures, including energy-conscious behaviour of employees, residents, and visitors.

In Greece, the energy-saving potential for care homes is not easy to quantify, as official care home registries are incomplete; thus, the exact number of nonprofit and for-profit care homes is unknown. Nevertheless, it is estimated that approximately 800 care homes are in operation, hosting an assessed 36,000 elderly citizens. To promote the energy modernisation of Greek care homes, the TIMA Foundation, in partnership with INZEB, initiated the Net Zero Energy Care, whose vision is to decarbonise heavy energy-consuming care home buildings and expand these benefits to organisations that serve our most vulnerable citizens throughout Greece. The project is being realised with the technical support of INZEB and the financial support of the TIMA Charitable Foundation, Bodossaki Foundation, The John S. Latsis Public Benefit Foundation, and The Hellenic Initiative Canada.

The Net Zero Energy Care pilot promotes multiple energy and social benefits ranging from better living standards for some of our most vulnerable citizens (the 24x7 elderly residents) and staff, lower operational costs for management leading to more sustainable institutions and better services and of course, a much lower environmental footprint for institutions that are currently heavy carbon emitters. Other partners who share in our vision include major Greek philanthropies: the Bodossaki Foundation, the Latsis Foundation, The Hellenic Initiative Canada and the Helidoni Foundation.

The Net Zero Energy Care pilot aims to showcase the need for nonprofit care homes to be eligible for private social impact financing and state subsidy programmes. Nonprofit care homes and other similar institutions are currently excluded from easy access to funding. By providing them access, institutions that care for our most vulnerable will become greener and more sustainable, providing climate and social benefits to all whilst meeting crucial EU goals.

POLICY FRAMEWORK IN A NUTSHELL

Renovating public and private buildings is an essential priority to meet our climate goals, according to the European Green Deal published in December 2019. To underline this importance, in 2020, the European Commission published a strategy entitled "A Renovation Wave for Europe – Greening our Buildings, Creating Jobs, Improving Lives" to boost renovation in the EU. The Renovation Wave aims to double the annual energy renovation rates at the EU level in 10 years from the strategy's launch.

Apart from the increase in renovation rates, the strategy aims to reduce greenhouse emissions and enhance the quality of life for people living in and using the buildings. The Renovation Wave identifies three focus areas: (a) tackling energy poverty and worst-performing buildings, (b) renovating public buildings and social infrastructure, and (c) decarbonising heating and cooling.

The Renovation Wave initiative builds on the national Long-Term Building Renovation (LTRS) strategy (renamed to Building Renovation Plans), the Energy Performance of Buildings Directive (EPBD) and the building-related aspects of each EU country's National Energy and Climate Plans (NECPs).

ENERGY EFFICIENCY DIRECTIVE (EED)

The revised Energy Efficiency Directive (EU/2023/1791), published in the Official Journal on 20 September 2023, significantly raises the EU's ambition for energy efficiency. It establishes 'energy efficiency first' as a fundamental principle of EU energy policy, giving it legal standing for the first time. In practical terms, EU countries must consider energy efficiency in all relevant policies and major investment decisions in the energy and non-energy sectors. The 2023 revision of the directive follows the Commission's proposal for a recast directive on energy efficiency in July 2021 as part of the EU Green Deal package. The 2021 proposal was further enhanced as part of the REPowerEU plan, presented by the Commission in May 2022, aiming to decrease the EU's dependency on fossil fuel imports from Russia. Indicative articles connecting the increase of energy efficiency with vulnerability minimisation, energy poverty mitigation, health benefits, and climate resilience include:

(23) [...People facing or risking energy poverty, vulnerable customers, including final users, low- and medium-income households, and people living in social housing should benefit from the application of the energy efficiency first principle...]

(68) [...As an alternative to requiring obligated parties to achieve the amount of cumulative end-use energy savings required under the energy savings obligation laid down in this Directive, it should be possible for Member States, in their obligation schemes, to permit or require obligated parties to contribute to a national energy efficiency fund, which could be used to implement policy measures as a priority among people affected by energy poverty, vulnerable customers, people in low-income households and, where applicable, people living in social housing...]

(77) [...Each Member State should define the concept of vulnerable customers, which may refer to energy poverty and, inter alia, to the prohibition of disconnection of electricity to such customers in critical times. The concept of vulnerable customers may include income levels, the share of energy expenditure of disposable income, the energy efficiency of homes, critical dependence on electrical equipment for health reasons, age, or other criteria. This allows Member States to include people in low-income households...].

POLICY FRAMEWORK IN A NUTSHELL

SOCIAL CLIMATE FUND

The transition to net zero emissions will benefit the environment and people. However, the higher fossil fuel prices resulting from introducing a new emissions trading system for buildings, road transport, and fuels may affect those in low-income and micro businesses. The proposed Social Climate Fund (SCF) will support vulnerable groups most affected by this new system as part of the Fit for 55 package. EU Member States within the Council have agreed on a general approach to the fund. The Council and the European Parliament reached a provisional deal on the new fund in December 2022. The Council formally adopted the new rules in April 2023.

The Social Climate Fund is a new tool for financially supporting people and businesses who have been heavily impacted (by climate change?) by introducing a new emissions trading system for buildings, road transport and fuels. The fund will help tackle energy poverty and improve access to zero- and low-emission mobility and transport in the EU. The beneficiaries of the new tool will be vulnerable households, vulnerable micro-enterprises and vulnerable transport users. The SCF will be funded mainly by revenues from the new emissions trading system up to a maximum of EUR 65 billion, supplemented by national contributions. It is established temporarily over the period 2026-2032.

Member States are required to submit their social climate plans (SCPs) outlining concrete measures by 30 June 2025. The plans must first be the subject of consultation with local and regional authorities and other stakeholders. They should include national and regional measures to renovate buildings, decarbonise heating and cooling systems, integrate renewable energy and increase the uptake of zero- and low-emission mobility and transport.

ENERGY PERFORMANCE OF BUILDINGS DIRECTIVE (EPBD) under revision

The European Commission proposed a recast Energy Performance of Buildings Directive (EPBD) on 15 December 2021. The EPBD recast proposal sets higher performance standards for new buildings and introduces EU-wide minimum energy performance standards (MEPS) for existing buildings. It focuses on lifecycle greenhouse gas (GHG) emissions, Indoor Environmental Quality (IEQ) and the phaseout of fossil fuels.

The Council adopted its negotiating position in October 2022, and the Parliament on 14 March 2023. The interinstitutional negotiations are underway. **Final adoption and publication is expected before the end of 2023.** Indicative proposed articles (European Parliament) connecting the increase of energy efficiency with vulnerability minimisation, energy poverty mitigation, health benefits, and climate resilience include:

(6b) *[... To ensure that all citizens benefit from the improved energy performance of buildings and the associated living quality, environmental, economic and health benefits, a proper regulatory, financial and advisory framework should be put in place to support building renovations. There should be a special focus on vulnerable and middle-income households, as these often live in the worst-performing buildings in urban and rural areas...].*

(17) *[...The optimisation method and the macroeconomic calculation of global costs should include the environmental and health externalities of energy use and economy-wide macroeconomic benefits in terms of, for instance, job creation and GDP...]*

(35) *[...Member States should support energy performance upgrades of existing buildings that contribute to achieving healthy indoor environmental quality, including healthy and affordable living space...]*

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