

Time for a strong impetus for renovation: FIEC welcomes European Parliament adoption of Energy Efficiency Directive

FIEC warmly welcomes the European Parliament's adoption of the Energy Efficiency Directive and especially applauds the directive's **provision for long-term national roadmaps for the renovation of Europe's building stock**. Commenting on the adoption, FIEC President Thomas Schleicher said, "given the low replenishment rate of the building stock, **the key to reducing Europe's demand for energy whilst maintaining skilled employment lies in Europe's existing buildings which account for 40% of final energy demand and over a third of greenhouse gas emissions**. The directive provides a much needed impetus to national governments in driving up renovation rates but none of this can be achieved without the necessary investment and financing mechanisms" Schleicher continued.

Whilst the exemplary role given to public buildings and central government procurement in the directive are welcome, **such measures cannot distract from the main objective which must be to transform the market to one that prioritizes energy savings**; both in order to meet the EU's targets for reduced greenhouse gas emissions but also to reduce the EU's expensive reliance on imported fossil energy thus keeping more money in Europe's economy. Furthermore **the economies of scale associated with the development of a real market around energy savings in buildings will fuel the capacities and skills in the construction sector**.

In order to really seize the potential of renovating Europe's ageing building stock, **overcoming the huge financial barrier to investment is essential**. This can come through large scale financing such as revolving funds or pay-as-you-save schemes that reimburse the cost of the works through savings in energy bills. Fiscal incentives such as reduced VAT for services linked to renovation that leads to demonstrable energy savings have also proven to stimulate the market. **FIEC therefore calls on those countries that use reduced rates of VAT for renovation works to continue to do so**.

FIEC also calls for the **EPC or Energy Performance Certificate to be transformed into a real and reliable gauge of a building's energy consumption**, more than just a box ticking exercise as is so often the case today. Fiscal incentives should be linked to certified improvements in the building's performance in order to create confidence and foster quality in the market.

Finally FIEC underscores the **benefit of renovation works to the economy as a whole**, as underlined by a recent impact study on energy efficiency investments in Germany carried out on behalf of the German Development Bank (KfW). This study found that for every euro invested in energy efficient renovation an extra five euros net accrued to the German exchequer through increased tax receipts and lower unemployment benefit payments. Schleicher commented that "such figures show that whether economically or environmentally, **taking up the challenge of renovating Europe's building stock makes sense**. Now that the directive is in place Member States must act to turn good intentions into reality".

FIEC is the European Construction Industry Federation, representing via its 33 national Member Federations in 29 countries (27 EU & EFTA, Croatia and Turkey) construction enterprises of all sizes, i.e. craftsmen, small and medium-sized enterprises as well as "global players", carrying out all forms of building and civil engineering activities.

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