



EUROPEAN
COMMISSION

Brussels, 30.6.2025
C(2025) 4132 final

ANNEX 2

ANNEX

to the

COMMUNICATION TO THE COMMISSION

Approval of the content of the draft Commission Notice providing guidance on new or substantially modified provisions of the recast Energy Performance of Buildings Directive (EU) 2024/1275

Financial incentives, skills and market barriers (Article 17) and one-stop shops (Article 18)

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to the

Commission Notice providing guidance on new or substantially modified provisions of the recast Energy Performance of Buildings Directive (EU) 2024/1275

Financial incentives, skills and market barriers (Article 17) and one-stop shops (Article 18)

1. INTRODUCTION

This document contains guidance and recommendations on Article 17 and Article 18 of the recast Energy Performance of Buildings Directive ('the recast EPBD')¹.

Article 17 lays down requirements for the financing framework to support energy-performance improvements in buildings. The aim of this financing framework is to optimally address the barriers to the energy renovation of buildings. This aim is reflected in the first paragraph of the Article, which states that 'Member States shall provide appropriate financing, support measures and other instruments able to address market barriers in order to deliver the necessary investments identified in their national building renovation plan to transform their building stock into zero-emission buildings by 2050'.

Member States are advised to rely on the process for preparing their national building renovation plans to:

- identify such barriers, both economic and non-economic, and assess how they can best tackle them through financing instruments and other types of measures, regulatory or not, including through their: (i) 'policies and measures'²; (ii) 'public investments'; and (iii) 'budgetary sources'³;
- ensure that the investments estimated to take place by 2030, 2040 and 2050 match the total investment needs⁴.

On financing instruments specifically, Article 17(6) also stipulates that 'Member States shall make best cost-effective use of national financing and financing available established at Union level, in particular the Recovery and Resilience Facility, the Social Climate Fund, the Cohesion Fund, InvestEU, auctioning revenues from emission trading pursuant to Directive 2003/87/EC of the European Parliament and of the Council (31) and other public funding sources. Those funding sources shall be deployed consistently with a path to achieving a zero-emission building stock by 2050'. As per this paragraph, Member States have to ensure that the share of national financing (national budget) and EU financing they rely on for building renovation is in line with both the potential and needs for buildings to meet their energy and climate targets⁵. In addition, Article 17(6) also states that Member States must ensure they achieve a zero-emission building stock by 2050 in a cost-effective way.

¹ [Directive \(EU\) 2024/1275](#).

² As per the template for the national building renovation plans, Annex II, Section (c) 'Overview of implemented and planned policies and measures'.

³ Template for the national building renovation plans, Section (d) 'Outline of the investment needs, the budgetary sources and the administrative resources'.

⁴ *Idem*, with the breakdown between public and private investments. This means that the Member States must also provide – and justify – their estimated leverage factor (volume of private investments triggered by the public investments).

⁵ As laid down typically in their national energy and climate plans.

Article 17(6) should be read jointly with the planning and reporting requirements set out in Article 3 and Annex II on the national building renovation plans, based on which Member States must provide an outline of: (i) the investment needs for the implementation of their national building renovation plan; (ii) the financing sources and measures for implementation of the plan; and (iii) their administrative resources for building renovation⁶.

The process of preparing their national building renovation plans will allow Member States to shape their financing framework so that it supports those objectives, but also delivers on other key priorities as also laid down in the recast EPBD⁷. These other key priorities include: (i) alleviating energy poverty; (ii) empowering vulnerable households; and (iii) making housing affordable.

Against this background, this document provides guidance on:

- addressing the barriers to renovations by ensuring both the deployment of enabling instruments and the accessibility of financing schemes and permitting procedures (Section 2);
- ensuring the best cost-effective use of financing (Section 3);
- prioritising vulnerable households (Section 4).

Member States are therefore invited to refer to this document not only when transposing the recast EPBD but also when preparing their national building renovation plans.

For several provisions of Article 17, this guidance refers to other recent Commission recommendations and documents, either directly in the main body of the document or in Appendix I ‘Other relevant Commission documents for transposing Article 17 of Directive EU/2024/1275’. Appendix I lists those other guidance documents and reports, etc. In particular, Appendix I lists the relevant subsections of Article 17 for transposing, and links these relevant subsections to the provisions of Article 17 of the recast EPBD.

Article 18 has a different focus. It requires Member States to set up technical assistance facilities to assist members of the public throughout the renovation process.

The establishment of these technical assistance facilities, most commonly known as one-stop shops, should involve all necessary actors, including: homeowners; administrative personnel; technical experts; businesses; banks.

Member States must ensure adequate coverage of these one-stop shops throughout their territories and to all members of the public. The EPBD provides different criteria to evaluate and ensure this outreach capacity, including: (i) the number of facilities per citizen; (ii) the time it takes a member of the public to reach one of these one-stop shops; or (iii) the geographical coverage of these one-stop shops.

On Article 18, this document provides guidance in four areas, each of which are discussed in the bullet points below.

- The first area of guidance is on the types of services and support that technical assistance facilities and one-stop shops must provide. In that respect this guidance should be read together with the following two documents:

⁶ As laid down in Section (d), with the mandatory indicators ‘total investment needs for 2030, 2040, 2050, public investments, private investments, budgetary resources’.

⁷ Including in Article 17 and Annex II.

- Commission Recommendation⁸ (EU) 2024/2481 setting out guidelines on Articles 21, 22 and 24 of the Energy Efficiency Directive (EED) recast ‘Information and awareness raising’; and
- the upcoming joint guidelines responding to the requirement of Article 22(6) of the EED recast and Article 18(1) of the EPBD recast, to include indications, suggestions and examples of practices as inspiration for Member States setting up and operating their one-stop shops.
- The second area of guidance covers recommendations to ensure the effective deployment of technical assistance and one-stop shops across the national territory according to the criteria indicated in Article 18(1).
- The third area of guidance covers recommendations on how to efficiently combine online and physical/on-the-ground approaches.
- The fourth area of guidance covers recommendations on invitations to one-stop shops such as the mandatory invitations (i.e. when an invitation to one-stop shops has to be issued) pursuant to Article 19(13).

These one-stop shop facilities are one of the main elements of the enabling framework to effectively encourage and support renovations. They should therefore be an integral part of both the development and delivery of national building renovation plans. Member States are therefore invited to refer to the one-stop shops both when transposing the provisions in Article 18, and when preparing their national building renovation plans (the Annex II template includes a specific section to describe policies and measures related to ‘the creation of one-stop shops or similar mechanisms pursuant to Article 18’).

2. BARRIERS TO RENOVATION, FINANCING INSTRUMENTS AND ACCESSIBILITY OF FINANCING (ARTICLE 17 - PARAGRAPHS 2 TO 9, 11 AND 13)

2.1. Scope and objectives of the requirements

Article 17 refers to barriers to renovations⁹ in several paragraphs.

Article 17(1) requires Member States to ‘provide appropriate financing, support measures and other instruments able to address market barriers’.

Article 17(3) asks Member States to ‘assess and, where appropriate, address barriers related to upfront costs of renovations’.

Problems related to the upfront costs of renovations are typically due to three main causes: (i) a lack of solvency (the structural ability of the building owner to meet its financial obligations, e.g. repaying a loan); (ii) a lack of liquidity (ability to cover the cost of renovation at a certain moment in the short term, i.e. ability to provide the necessary capital to renovate the building before the works have taken place and the benefit of the renovation have materialised); or (iii) a failure to prioritise the renovation works compared to other spending

⁸ Commission Recommendation (EU) 2024/2481 of 13 September 2024 setting out guidelines for the interpretation of Articles 21, 22 and 24 of Directive (EU) 2023/1791 of the European Parliament and of the Council as regards the consumer related provisions. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202402481.

⁹ The typical barriers to renovations are set out in Section 2.2 of the Commission Impact Assessment accompanying the Proposal for a Directive of the European Parliament and of the Council on the energy performance of buildings (recast), Part 1/4. Accessible at <https://op.europa.eu/en/publication-detail/-/publication/daf643a4-5da2-11ec-9c6c-01aa75ed71a1/language-en>.

considered by the building owner. These three different situations warrant different approaches.

Given these different barriers, Article 17(7) requires Member States to give financial assistance to promote the energy renovation of buildings. It states:

‘To support the mobilisation of investments, Member States shall promote the effective development and use of enabling funding and financial tools, such as energy efficiency loans and mortgages for building renovation, energy performance contracting, pay-as-you-save financial schemes, fiscal incentives, for example reduced tax rates on renovation works and materials, on-tax schemes, on-bill schemes, guarantee funds, funds targeting deep renovations, funds targeting renovations with a significant minimum threshold of targeted energy savings and mortgage portfolio standards. [...] Member States may also promote and simplify the use of public-private partnerships.’

Article 17(9) complements this by stating that ‘the enabling funding and financial tools may include renovation loans or guarantee funds for energy performance renovations, including in combination with relevant Union programmes, where applicable’¹⁰.

On fiscal incentives specifically, Member States have many options. For example, they can impose lower rates of value added tax for energy renovations as opposed to non-energy renovations or new construction. They can also give incentives through the property tax system. Property tax is usually attached to the value of the building unit, but Member States could impose a reduced rate for building units where it can be demonstrated that the building unit has undergone an energy renovation. The property tax incentive could also take the form of a discount or refund given through annual income taxes.¹¹

Article 17(7) also refers to ‘mortgage portfolio standards’. This mechanism is defined in Article 2(39) as ‘mechanisms incentivising mortgage lenders to establish a path to increase the median energy performance of the portfolio of buildings covered by their mortgages towards 2030 and 2050, and to encourage potential clients to improve the energy performance of their property in line with the Union’s decarbonisation ambition and relevant energy targets in the area of energy consumption in buildings, relying on the criteria for determining environmentally sustainable economic activities set out in Article 3 of Regulation (EU) 2020/852’ (Taxonomy Regulation¹²).

Member States’ support for such innovative financial instruments will make it possible to remedy the different types of difficulties in upfront cost financing while providing more value for money for the public funding dedicated to renovations (higher leverage effect). This greater value for money in public funding can be achieved by lowering the share of financial support provided through grants by prioritising the use of grants only for vulnerable households. As part of their national energy and climate strategies, and in the framework of their national hub on energy efficiency financing as part of the European Energy Efficiency Financing Coalition¹³, Member States could consider discussing potential trajectories that would allow national credit institutions to progressively allocate a higher share of their

¹⁰ In addition, where applicable, Member State must ensure that supported investments comply with State aid rules.

¹¹ The design of these policies also needs to take into account the foregone revenue that would have otherwise been collected and the incentives should be targeted as a priority to vulnerable or low- and middle-income households.

¹² Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R0852>

¹³ [European Energy Efficiency Financing Coalition](#).

turnover to mortgages and non-collateralised loans targeting the energy renovation of worst-performing buildings.

The leverage factor is the proportion of private investment mobilised through public funds. The leverage factor for the energy renovation of buildings will vary significantly depending on the type of support provided. A mix of public subsidies and private mortgages will be different from a mix of public and private funds in a financial scheme (e.g. through the use of guarantees), and these will be different again from a scheme that provides technical assistance (e.g. the ELENA facility¹⁴).

In addition to Articles 17(7) and 17(9), Article 17(11) relates i.a. to the bundling of energy-renovation loans into products that can be traded and invested in by banks and other financial actors. Article 17(11) asks Member States to ‘facilitate the aggregation of projects to enable investor access as well as packaged solutions for potential clients. Member States shall adopt measures that promote energy efficiency lending products for building renovations, such as green mortgages and green loans, secured and unsecured, and ensure that they are offered widely and in a non-discriminatory manner by financial institutions and are visible and accessible to consumers. Member States shall ensure that banks and other financial institutions and investors receive information on opportunities to participate in the financing of the improvement of the energy performance of buildings’.

On the scope of this innovative funding and these financial tools, please refer to Section 2.2.1 of the annex to the Commission Recommendation on transposing Article 30 of the Energy Efficiency Directive recast (‘EED recast’)^{15, 16}.

For rented buildings specifically, split incentives, as defined in Article 2(54) of the EED recast are a significant barrier to renovation. Removing these split incentives is required as part of the enabling framework for minimum energy performance standards (MEPS) schemes as per Article 9(4)(d) of the recast EPBD. In addition, Article 22(9) of the EED recast stipulates that ‘Member States shall take the necessary measures to remove regulatory and non-regulatory barriers to energy efficiency as regards split incentives between owners and tenants, or among owners of a building or building unit’. The recast EPBD also requires Member States to ‘report such barriers and the measures taken’ to address these barriers in their national building renovation plans¹⁷.

Higher rents, compliance with minimum standards, and the increase in a property’s value from a future-proofed building can provide economic incentives for building owners to engage in energy renovation of their building. However, these individual economic incentives may have to be complemented by additional measures such as financial instruments or updates to tenancy laws to ensure that existing tenants do not face eviction or dramatically higher rents following an energy renovation of their dwelling.

¹⁴ [ELENA – European Local ENergy Assistance](#).

¹⁵ Commission Recommendation of 12 December 2023 on transposing Article 30 on national energy efficiency funds, financing and technical support of the Directive (EU) 2023/1791 on energy efficiency (‘EED recast’), https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:C_202301553.

¹⁶ Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AJOL_2023_231_R_0001&qid=1695186598766.

Split-incentive is defined as meaning ‘the lack of fair and reasonable distribution of financial obligations and rewards relating to energy efficiency investments among the actors concerned, for example the owners and tenants or the different owners of building units, or owners and tenants or different owners of multi-apartment or multi-purpose buildings’.

¹⁷ As part of section (a) ‘Overview of the national building stock’.

Article 17(5) refers to both the issue of non-economic barriers to building renovation and ways to overcome these non-economic barriers. It stipulates that Member States ‘shall take appropriate regulatory measures to remove non-economic barriers to building renovation. With regard to buildings with more than one building unit, such measures may include removing unanimity requirements in co-ownership structures, or allowing co-ownership structures to be direct recipients of financial support’. Depending on the framework prevalent in Member States, co-ownership structures are not considered legal persons and therefore might not be legally able to: (i) be direct recipients of funding (public or private); (ii) carry out administrative procedures; or (iii) be legally responsible for the works. This generates uncertainty and complexity in the renovation process. Member States should evaluate whether these constraints are justifiable in the case of energy renovations. Removing such non-economic barriers also forms part of the required enabling framework for MEPS schemes as defined in Article 9(4)(d).

In multi-apartment buildings in co-ownership structures¹⁸, the owners of different units may have differing needs, understandings, motivations and practical reasons for undertaking or not undertaking a renovation. In such buildings, it may be more difficult to carry out renovations compared with single building units, due to the shared nature of the façade, heating systems, and other common elements. The owners typically have to reach agreement on the distribution of the investment costs, related typically to the distribution of benefits. Co-ownership structures, such as multi-storey apartments, present a distinctive set of challenges and opportunities for renovation compared with single buildings or building units. Typical challenges in these co-ownership structures include the need to reach agreement on the distribution of the investment costs or the distribution of benefits. This may include a requirement to obtain unanimous consent from all unit owners. However, there are also a number of opportunities to be gained from updating co-ownership structures. These include: (i) simplifying the administration process by reducing the number of individual applications, agreements and monitoring processes; (ii) achieving economies of scale by allowing the bulk procurement of materials; (iii) sharing labour costs and streamlining project management; and (iv) incentivising comprehensive renovation in areas not strictly related to energy performance (such as structural upgrades, and improvements to accessibility and indoor climate).

Complex and lengthy administrative procedures around energy renovation projects can create further uncertainty and add significant barriers to renovation efforts. For changes to buildings that require permits, the time taken by local authorities to reach a decision can vary, and longer procedures make projects more challenging for a variety of reasons (e.g. seasonal weather requirements). Complex and lengthy administrative procedures are also a problem when waiting for decisions on financing applications or other support. These complexities and uncertainties can lead to difficulties in securing additional financing, purchasing the necessary materials, or scheduling renovation works with the involved professions (electricians, architects, plumbers, etc.).

The accessibility of financing is the focus of three paragraphs in Article 17. The three bullet points below discuss these three paragraphs in more detail.

- Article 17(2) requires Member States to ‘ensure that applications and procedures for public financing are simple and streamlined in order to facilitate access to financing, especially for households’. Potential recipients of financial support, and households in particular, may indeed be discouraged by complex procedures.

¹⁸ With ‘co-ownership structure’ to be understood for this provision as buildings with several building units and owners, not necessarily the joint ownership of a single building unit.

- Article 17(8) requires Member States to ‘ensure that information about available funding and financial tools is made available to the public in an easily accessible and transparent manner, including by digital means’. Transparency implies information on the available budget, section or allocation procedure and processing times.
- In addition, Article 17(13) states that ‘Member States shall ensure that [...] programmes [*with the aim of increasing the energy performance of buildings*] are developed in a way that they are accessible to organisations with lower administrative, financial, and organisational capacities’.

2.2 below describes criteria for ensuring compliance with those provisions.

2.2. Choice of policy measures to fulfil the requirements

2.2.1. *Enabling funding and financial tools and promotion of lending products for building renovations*

The Commission Recommendation on transposing Article 30 of the EED recast (Section 2.2.2. of the annex thereto) provides several potential measures to fulfil the requirement to promote the effective development and use of enabling financial and funding tools (i.e. the requirements set out in Articles 17(7) and 17(9)). In addition, useful information on innovative products is contained in the report on the evolution of financing practices for energy efficiency in buildings¹⁹.

Information on on-bill and on-tax financing specifically is provided in Section 2.3 of the annex to the guidance on Article 30 of the EED recast²⁰.

On compliance with the Eurostat guidance on the recording of energy performance contracts in government accounts, further explanations are provided in the annex to the guidance on Article 29 of the EED recast²¹, Section 4.3.

Options for how Member States can promote energy efficiency lending products for building renovations and ensure a wide offering of such products (Article 17(11) EPBD) are listed in Section 2.2.2 of the annex to the guidance on Article 30 of the EED recast.

2.2.2. *Addressing split incentives*

On top of the financing instruments listed in Article 17(7) (which include direct financial and fiscal incentives towards the target groups of tenants/landlords and on-bill finance), other mechanisms target the problem of split incentives. For example, Section 5.5 of the annex to the guidance on Article 22 of the EED recast²² provides ways to remove such barriers related

¹⁹ Energy Efficiency Financial Institutions Group (2022): Report on the evolution of financing practices for energy efficiency in buildings, SMEs and in industry. <https://op.europa.eu/en/publication-detail/-/publication/a3032517-c761-11ec-b6f4-01aa75ed71a1/language-en>.

The report on financing energy renovations at local and regional level also provides an analysis of several schemes from across the EU: Economidou, M., Della Valle, N., Melica, G., Valentini, O. and Bertoldi, P., (2021): Financing energy renovations at local and regional levels. <https://publications.jrc.ec.europa.eu/repository/handle/JRC123755>

²⁰ Annex to the Commission Recommendation C/2023/1553 of 12 December 2023 on transposing Article 30 on national energy efficiency funds, financing and technical support of the Directive (EU) 2023/1791 on energy efficiency ('EED recast'). https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:C_202301553.

²¹ Annex to the Commission Recommendation 2024/2476 of 13 September 2024 setting out guidelines for the interpretation of Article 29 of Directive (EU) 2023/1791 as regards energy services. [EUR-Lex - 32024H2476 - EN - EUR-Lex](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:C_202402476).

²² Commission Recommendation (EU) 2024/2481 of 13 September 2024 setting out guidelines for the interpretation of Articles 21, 22 and 24 of Directive (EU) 2023/1791 of the European Parliament and of the Council as regards the consumer related provisions. [EUR-Lex - 32024H2481 - EN - EUR-Lex](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:C_202402481).

to split incentives, that can be of a regulatory or financial nature. Regulatory measures include: (i) minimum performance standards; (ii) a revision of rent laws and condominium laws; and (iii) individual metering or submetering, as required under Directive EU/2023/1791, which enables tenants to become more aware of their energy consumption.

The EED recast states that individual meters must be installed to measure the consumption of heating, cooling or domestic hot water for each building or building unit, subject to technical feasibility and cost-effectiveness.

Article 15(3) of the EED recast also addresses the case of multi-apartment or multi-purpose buildings supplied from district heating or cooling or relying on their own common heating or cooling systems. For such buildings, Member States must also have in place national rules to ensure transparency and accuracy of accounting for individual consumption. Detailed guidance on those transparency and accuracy rules (such as on heat allocation to individual apartments) is provided in Section 5, ('Heat allocation rules') of the Annex to the Commission Recommendation on metering and billing provisions²³.

Some Member States rely on indoor-temperature-based rental agreements, such as all-inclusive rents ('warm rent'), whereby owners (i.e. landlords) and tenants agree on the indoor temperature for the heating or cooling season, and rents are set on this basis²⁴. This can be monitored by indoor temperature sensors and linked to individual energy meters based on weather normalisation and calibration²⁵, in compliance with Article 18(1) of the EED recast²⁶. In this way, building owners, who pay the heating costs, benefit from the reduced energy costs resulting from the renovation. Tenants in this scenario typically pay for the rebound effects which would arise if they were to (significantly) increase the indoor temperature post renovation. 'Warm rent' models may lead to higher energy use in situations when tenants would open the windows for ventilation purpose, in particular in less energy-efficient buildings with no automated ventilation, but the use of individual meters will limit this risk.

Section 4 of this document discusses some considerations for situations affecting vulnerable tenants specifically.

2.2.3. Co-ownership structures

Dedicated financing instruments for co-ownership structures: The accessibility of financial instruments for co-ownership structures can ensure the renovation of building units under co-ownership is viable. Some members of the co-ownership structure may find it difficult to finance or obtain loans individually and through conventional channels. As a result, the renovation of the entire building may not be possible because the necessary capital cannot be raised. The availability of financing instruments that allow co-ownership structures to make combined applications for financial support (or – depending on their legal nature – making the co-ownership structure itself the direct recipient of support), enables the renovation of a

²³ Commission Recommendation (EU) 2019/1660 of 25 September 2019 on the implementation of the new metering and billing provisions of the Energy Efficiency Directive 2012/27/EU. [EUR-Lex - 32019H1660 - EN - EUR-Lex](#)

²⁴ European Commission Joint Research Centre (2017): Overcoming the split-incentive barrier in the building sector. Unlocking the energy efficiency potential in the rental & multifamily sectors, <https://op.europa.eu/en/publication-detail/-/publication/ae5716d7-fb39-11e7-b8f5-01aa75ed71a1/language-en>.

²⁵ Agora Energiewende and Universität Kassel (2021): CO₂ Emissions Trading in Buildings and the Landlord-Tenant Dilemma: How to solve it. <https://www.agora-energiewende.org/publications/co2-emissions-trading-in-buildings-and-the-landlord-tenant-dilemma-how-to-solve-it>

²⁶ Article 18(1): 'Where meters or heat cost allocators are installed, Member States shall ensure that billing and consumption information is reliable, accurate and based on actual consumption or heat cost allocator readings, in accordance with Annex IX, points 1 and 2 for all final users'.

number of dwellings under a single financial assistance programme. As the examples below show, such specific instruments for multi-unit buildings in the form of loans and loan guarantees can facilitate access to finance for renovation.

Existing practice: financing of co-ownership structures

The Estonian Business and Innovation Agency (formerly KredEx) oversees the administration of renovation financing programmes dedicated to apartments. These programmes comprise a combination of grants, loans and guarantees. Examples of four of these programmes are set out in the four bullet points below.

-The *Reconstruction Grant 2022-2027*²⁷, offers a grant that covers some of the investment costs that improve energy performance in apartment buildings with three or more apartments. The apartment buildings must have been in use before 2000 and at least 80% of the apartments must be owned by natural persons. The government of Estonia has earmarked a total of EUR 300 million from the European Union Structural Funds for this programme.

-The *Apartment building renovation loan*²⁸ is available for apartment associations that encounter difficulties in obtaining financing through conventional channels. The minimum loan amount is EUR 15 000. Loan conditions include a requirement for self-financing of at least 5% (i.e. the apartment owners must finance at least 5% of the renovation cost to be eligible to receive a loan for the remaining 95%).

-The *Loan guarantee for apartment associations*²⁹ provides a guarantee of up to 80% of the loan amount for apartment associations that require a guarantee to secure a bank loan for renovation work. However, this programme is not dedicated only to energy efficiency improvements.

-The *Factory reconstruction grant*³⁰ for apartment buildings facilitates the adoption of new technical solutions in apartment buildings, such as factory-assembled and prefabricated building elements and components that improve the energy performance of the buildings and achieve a better indoor climate.

Removing unanimity requirements in co-ownership structures: In co-ownership structures, such as apartment buildings, it is crucial to foster a consensus among owners on collective decisions, such as those pertaining to maintenance, renovations, or other significant actions affecting the property. However, requiring a unanimous vote may lead to stalemate situations where there are not enough owners willing to finance a renovation project with the result that energy renovation never happens. Removing the requirement for a unanimous vote by replacing it with a requirement for simple majority may facilitate the decision-making process and encourage the participation of building owners.

Existing practices: voting rules in co-ownership structures

In Estonia, a decision on the scope and budget of renovation works can be implemented if a majority of 51% of building owners agree^{31, 32}.

In Spain, amendments to the law on condominiums, particularly through Law 8/2013³³, have replaced the unanimity vote requirement with a majority vote requirement. This majority vote

²⁷ <https://www.kredex.ee/en/kodudkorda>.

²⁸ <https://www.kredex.ee/en/services/ku-ja-kov/Apartment-building-renovation-loan>.

²⁹ <https://www.kredex.ee/en/services/ku-ja-kov/loan-guarantee-apartment-associations>.

³⁰ <https://www.kredex.ee/en/element>.

³¹ [https://www.fi-](https://www.fi-compass.eu/sites/default/files/publications/case_study_renovation_loan_programme_estonia_0.pdf)

[compass.eu/sites/default/files/publications/case_study_renovation_loan_programme_estonia_0.pdf](https://www.fi-compass.eu/sites/default/files/publications/case_study_renovation_loan_programme_estonia_0.pdf).

³² https://link.springer.com/chapter/10.1007/978-3-030-23392-1_16.

requirement also allows the costs of decisions on the installation of energy or water efficiency equipment to be shared based on owners' participation quotas (i.e. based on the usual share of the building's common costs paid by the condominium owner)³⁴. This legislative change aims to streamline decision-making processes within condominiums, making it easier for communities of owners to implement environmentally beneficial upgrades without facing the previous hurdles posed by unanimity requirements. For example, Article 15 of Spain's Law 8/2013 sets out rules for procedures needed to undertake energy renovations in a multi-residential property. This article states that energy renovation works can be carried out with the approval of at least one third of the neighbours, who must finance the works.

In the Netherlands, a super-majority of 70% of residents in favour of home improvement work is sufficient to allow the work to go ahead³⁵.

In Germany, under the 'WEG' reform (the 2020 reform of the Housing Ownership Act), the community of apartment owners can decide by simple majority that renovation measures must be carried out. On the distribution of costs, a graduated procedure applies: if the decision is only passed by a simple majority resolution, only those owners who voted in favour of the measure share the costs. However, if the community decides on the measure with a two thirds majority of the votes cast, everyone has to pay - in proportion to their co-ownership shares³⁶.

Similar measures to ease the governance structure of jointly owned apartment buildings are in place in Austria, France and Lithuania.

The role of building managers: Ensuring the involvement of managers throughout the renovation is essential. Within the building co-ownership, these building managers could contact owners to explain legal requirements, building regulations, financing conditions, etc. This is particularly helpful before decisions are taken (e.g. before assemblies), but is also necessary throughout the renovation process (i.e. by keeping owners involved and informed). Building managers could also contact the one-stop shops, which could provide them with information and tools to carry out their role or engage them directly in the process if relevant.

2.2.4. Administrative complexity, uncertainty and delays for planning energy renovations

One-stop shops offer a significant opportunity to facilitate administrative procedures and overcome the difficulties that may be associated with them. For more on one-stop shops, please refer to the annex to the guidance on Articles 21, 22 and 24 of the EED recast³⁷ (Section 5).

In addition, Member States are required to submit to the Commission their first national building renovation plan by 31 December 2026 and the first draft by 31 December 2025. Member States are invited to include in their plan an assessment of the administrative procedures around permitting and financial support instruments, with the goal of speeding up decision-making on building permitting and financing support. In their national building

³³ [BOE-A-2013-6938 Ley 8/2013, de 26 de junio, de rehabilitación, regeneración y renovación urbanas.](https://www.boe.es/buscar/act.php?id=BOE-A-1960-10906)

³⁴ [https://www.boe.es/buscar/act.php?id=BOE-A-1960-10906.](https://www.boe.es/buscar/act.php?id=BOE-A-1960-10906)

³⁵ [https://www.rijksoverheid.nl/onderwerpen/energie-thuis/vraag-en-antwoord/gaat-de-huur-omhoog-na-renovatie.](https://www.rijksoverheid.nl/onderwerpen/energie-thuis/vraag-en-antwoord/gaat-de-huur-omhoog-na-renovatie)

³⁶ [https://www.energetische-stadtsanierung.info/wp-content/uploads/2022/03/Arbeitshilfe-WEG_2022-02-09.pdf.](https://www.energetische-stadtsanierung.info/wp-content/uploads/2022/03/Arbeitshilfe-WEG_2022-02-09.pdf)

³⁷ Commission Recommendation (EU) 2024/2481 of 13 September 2024 setting out guidelines for the interpretation of Articles 21, 22 and 24 of Directive (EU) 2023/1791 of the European Parliament and of the Council as regards the consumer related provisions. [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202402481.](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202402481)

renovation plans, Member States could: (i) analyse the durations of procedures for permitting and finance, and set time limits for these procedures; and (ii) allocate more resources to the enforcement of those time limits, similar to the requirements stemming from Directive 2023/2413/EU (RED III)³⁸, which addresses common challenges in administrative and authorisation procedures for renewable energy projects³⁹.

Existing practice: permitting processes

Czechia introduced substantial changes to the permitting process for construction projects. Law 283/2021⁴⁰ restructures the responsibilities of permitting authorities by creating single contact points for different building categories. The law also introduces a primarily digital procedure that enables permit seekers and authorities to communicate through an online platform. There are limits to the duration of processing times between initial application and the time a decision is reached and these limits must be communicated to the applicant. For residential buildings, this limit is 30 days⁴¹.

2.2.5. Accessibility: simple and streamlined applications and procedures for receiving support

Clarity and transparency are critical parameters for accessible financing instruments. Clarity should include ensuring that instructions for applications are detailed and understandable to a non-expert audience. In addition, application templates should be provided to all applicants, and required support documents should be clearly listed. If applicable, the submission deadlines for calls and selection criteria should be disclosed to allow sufficient planning and preparation times.

To maximise clarity and transparency, the use of digital procedures should be strongly considered. The digital submission of applications offers solutions for: (i) completeness checks; and (ii) pop-up windows with explanations or requests for additional information based on the inputs made. In addition, digital tools enable the fast exchange of data between authorities and direct communication with financing applicants.

Existing practice: administrative support

A good example of administrative support is Vienna's Clean Heating for all programme. This programme is featured in the EU's Social Climate Fund guidance on cost-effective measures and investments⁴², and the programme uses a simple online portal and supports beneficiaries throughout the application process.

Support programmes should also aim to avoid short rounds of a stop-and-go approach where there are multiple requests for additional information. Avoiding these multiple exchanges is

³⁸ Directive (EU) 2023/2413 of the European Parliament and of the Council of 18 October 2023 amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652. [Directive - EU - 2023/2413 - EN - Renewable Energy Directive - EUR-Lex](#).

³⁹ This assessment and related measures could be part of Section (c) 'Overview of implemented and planned policies and measures addressing market barriers and market failures', indent (n) 'addressing market barriers and market failures'.

⁴⁰ <https://mmr.gov.cz/cs/ministerstvo/stavebni-pravo/pravo-a-legislativa/novy-stavebni-zakon>.

⁴¹ The full entry into force of the law was on 1 July 2024. Therefore, the degree to which permits are granted within this timeline could not be accessed by the time this document was published.

⁴² European Commission, Directorate-General for Climate Action, Ludden, V., Laine, A., Vondung, F. et al., Support for the implementation of the Social Climate Fund – Note on good practices for cost-effective measures and investments, Publications Office of the European Union, 2024, <https://data.europa.eu/doi/10.2834/602067>.

critical when the length of the application process may be the decisive factor in determining whether the energy renovation project proceeds or not.

When the demand for financial support is expected to exceed the public budget earmarked for it, calls for applications for financial support that have sufficient timespans and clear selection criteria are the preferred option, on top of adaptations of the financial support (typically by lowering the percentage of eligible costs covered by grants).

Where different authorities are involved in the allocation of financing, or when the decision on financing is connected to a decision on permits, close collaboration between all authorities can help to streamline benefits and result in faster reactions to applicants.

One-stop shops are highly relevant solutions as they combine the necessary expertise on financial and technical support. Their benefits are also highlighted in the guidance for Article 22⁴³ and for Article 30⁴⁴ of the EED recast. It is also recommended to take a combined approach on Articles 17 and 18 of the recast EPBD (i.e. to address both articles at the same time) to combine awareness raising with technical and financial support targeted at the appropriate governance level.

Existing practices: advice to households

There are several initiatives in place that provide combined advice to households. For example, the pilot project OpenGela in the Basque region of Spain offers advice and support at neighbourhood level. The advice and support cover administrative, technical and financial issues for energy-related issues, but also for other relevant topics, such as accessibility for people with a disability. In addition to the one-stop shop service itself, OpenGela also developed an online tool with an energy map of all buildings in the Basque region. The tool provides an integrated framework to support the development of renovation plans complemented with estimates of financial implications at multiple levels: national, regional, neighbourhood and individual dwelling. OpenGela also supports the development of strategies to apply the measures set out in the national building renovation plans, for example, by identifying needs, including identifying the worst-performing buildings. This information can then be used to determine the areas where it would be most beneficial to set up one-stop shops. Finally, the tool can also be used as a basis or starting point for each building to determine its energy-renovation needs. In the Basque Country, the model is based on identified building typologies and information from the property register⁴⁵.

A similar initiative specifically intended for multifamily apartment buildings exists in Vilnius, Lithuania, where the ‘Renovate the City’ project (*Atnaujinkime miestą* in Lithuanian) offers advice to both owners and tenants about renovation benefits, technical options and financing opportunities, depending on the tenant structure of the building⁴⁶.

Households may not be very familiar with financing applications and the necessary project documentation. Beyond general application procedures, access to ambitious energy renovation financing usually requires calculations of energy performance or potential improvements in GHG emissions. To account for this and allow for a wide range of households to access financing programmes, the involvement of external experts such as energy advisers should be actively considered. External experts could be allowed to prepare and submit applications.

⁴³ [EUR-Lex - 32024H2481 - EN - EUR-Lex.](#)

⁴⁴ [EUR-Lex - 32023H01553 - EN - EUR-Lex.](#)

⁴⁵ <https://opengela.eus/what-is-opengela>.

⁴⁶ <https://amiestas.lt/apie-mus/>.

Existing practice: submission of applications

In the German support scheme for replacing fossil-fuelled boilers with heat pumps, energy advisers are allowed to submit applications on behalf of property owners⁴⁷.

Such support for the preparation of assessments, documentation and applications should be covered financially by the programme based on realistic estimations.

The consideration of accessibility and support should also be made available to small and medium-sized enterprises (SMEs) as they face similar constraints.

2.2.6. Accessibility: easily accessible information on financing options

Easily accessible information about financing support schemes is a crucial design feature for public policy on energy renovation. This is because easily accessible information supports inclusivity and broader participation across diverse household demographics, enterprises (especially SMEs), and building owners overall. A key criterion for this accessibility is the use of language and wording that is understandable to non-expert audiences. By avoiding technical jargon and presenting information clearly, policymakers can engage a wider audience, ensuring that all households and enterprises (especially SMEs), regardless of their expertise in energy efficiency or finance, can understand and benefit from available support schemes. This inclusivity is essential in promoting widespread energy renovations, leading to greater energy efficiency and reduced carbon footprints across communities.

Integrating both digital and non-digital information streams makes it possible for public policy to effectively support and encourage comprehensive energy-renovation efforts.

- Digital platforms, such as websites, offer significant advantages for disseminating information about financing support schemes. These platforms provide wide access and can be regularly updated, ensuring the best possible transparency on programme deadlines, funding volumes, and other critical details. Furthermore, digital services can offer targeted information based on pre-selected data related to building location, type, and energy performance, making it easier for households to find relevant support options. Such websites are in place in many EU countries already, but should be evaluated based on the user experience and clarity of the information they present.
- However, to accommodate households with limited internet access or literacy, non-digital means, such as local events and brochures, should also be employed. This multi-channel approach ensures that all households, regardless of their access to digital resources, can stay informed and take advantage of available energy renovation financing. Approaching households locally can be an appropriate way to create awareness of energy renovations and support programmes.

Existing practice: physical and mobile provision of information

The city of Freiburg in Germany set up an ‘Energy Caravan’ to inform building owners from different neighbourhoods about energy renovation⁴⁸. Such an approach offers great opportunities to combine financial and technical support information as part of a one-stop shop as defined in Article 18.

⁴⁷ <https://www.energiewechsel.de/KAENEF/Redaktion/DE/Dossier/waermepumpe.html>.

⁴⁸ Information on this initiative is available through the BUILD UP platform: <https://build-up.ec.europa.eu/en/resources-and-tools/case-studies/energy-caravan-campaign-decarbonise-freiburgs-built-environment>.

The local-level approach also makes it possible to reach areas with higher shares of vulnerable households with targeted information, and can be considered as creating the enabling framework for a MEPS instrument according to Article 9(4)(b) of the EPBD.

3. USE OF FINANCING (ARTICLE 17 - PARAGRAPHS 12 AND 14 TO 16)

3.1. Scope and objectives of the requirements

Article 17(14) of the recast EPBD states that financial assistance has to be tied to the energy savings or improvements created by the energy renovation project. It states that ‘With due regard to vulnerable households, Member States shall link their financial measures for energy performance improvements and reduced greenhouse gas emissions in the renovation of buildings to the targeted or achieved energy savings and improvements, as determined by one or more of the following criteria:

- (a) the energy performance of the equipment or material used for the renovation and the related greenhouse gas emission reduction; in which case, the equipment or material used for the renovation is to be installed by an installer with the relevant level of certification or qualification and shall comply with at least minimum energy performance requirements for building elements or higher reference values for an improved energy performance of buildings;
- (b) standard values for the calculation of energy savings and greenhouse gas emission reduction in buildings⁴⁹;
- (c) the improvement achieved due to such renovation by comparing energy performance certificates issued before and after renovation;
- (d) the results of an energy audit;
- (e) the results of another relevant, transparent and proportionate method that shows the improvement in energy performance, for example by comparing the energy consumption before and after renovation with metering systems, provided it complies with the requirements set out in Annex I.’

This requirement applies to all types of financial measure, including tax measures.

The requirement applies irrespective of whether the renovation in question constitutes a ‘major renovation’ within the meaning of Article 2(22) of the recast EPBD.

Member States must use one or more of the above-mentioned criteria (a) to (e). They must also ensure that the works have actually been carried out.

Criterion (e) is about employing alternative, suitable, transparent and proportionate methodologies to demonstrate improved energy performance. For instance, a comparison of the metered energy consumption before and after the renovation may be employed. Nevertheless, the procedure and basis for using metered energy consumption must comply with the requirements set out in Annex I. This means that the calculation methodology for metered energy consumption must be capable of capturing the influence of occupant behaviour and the local climate (the influence of the local climate (deviations from typical temperatures, etc.) should be excluded from the result).

The reference ‘with due regard to vulnerable households’ should be read in conjunction with Article 17(18), which states that ‘Financial incentives shall target, as a priority, vulnerable

⁴⁹ The standard values could be calculated on the basis of typical energy-saving measures (e.g. adding insulation, installation of heat pump, installation of PV panels) when applied to typical building typologies (e.g. single residential buildings under 200 m², multi-residential buildings of a certain type).

households, people affected by energy poverty and people living in social housing [...]'. This means that Member States must ensure that their financing schemes address jointly those two priorities: (i) prioritising higher support to vulnerable households; and (ii) including criteria related to the targeted or achieved energy savings and improvements⁵⁰. One cannot be prioritised over the other. These two requirements must be complied with simultaneously to deliver on those two essential objectives, namely to ensure cost-efficient energy renovations and help vulnerable households to carry out energy renovations.

Article 17(14) should also be read together with Article 17(12), which stipulates that 'Member States shall put in place measures and financing to promote education and training with a view to ensuring that there is a sufficient workforce with the appropriate level of skills corresponding to the needs in the building sector, especially targeting SMEs, including microenterprises, as appropriate. One-stop shops set up pursuant to Article 18 may facilitate access to such measures and financing.'

Skills are central to ensuring the quality of a renovation, so financial measures for energy performance should require that renovation measures are implemented by qualified or certified installers. This is particularly important in the case of criterion (a) above, according to which a qualified and certified installer must be involved to both: (i) install the equipment or material used for the renovation; and (ii) verify the improvements. Member States should review their national regulations on relevant professions of installers to ensure that only qualified and certified installers are involved in the renovation process.

The limited availability of workers equipped with the right skills can in turn be a barrier to the wide rollout of energy renovations. Therefore, Article 17(12) requires measures and financing to be put in place to train and qualify workers with the skills needed to improve the energy performance of buildings. The inclusion of this paragraph highlights: (i) the importance of a workforce capable of carrying out the needed work; and (ii) the responsibility of Member States to support training and education at all levels of the building value chain. Examples of the skills needed to transform the building stock through energy renovations include: (i) performing energy audits; (ii) installing energy-efficient and renewable-energy-fuelled building systems; and (iii) determining appropriate insulation solutions.

SMEs, including microenterprises, face particular difficulties in training their employees. Among other factors, these difficulties are related to their limited financial capacity and the inherent constraints of their size, which result in less flexibility to take on new work when employees are in training or out of the jobsite. When designing training or qualification schemes, Member States should pay close attention to the situation, needs and constraints of SMEs. This includes the design of the training and qualification schemes (i.e. the requirements for workers), as well as the design of support measures specifically targeting SMEs. This is particularly relevant given the very high proportion of SMEs in the building sector (over 90% of construction companies are SMEs).

Article 17(16) provides that deep renovations and staged deep renovations should benefit from greater support, including financial, fiscal, administrative and technical support. The relevance of the prioritised support for deep renovations is also highlighted in Article 9(4)(c) as part of the enabling framework for a MEPS scheme.

⁵⁰ In addition, Article 8(3) of the EED recast asks 'Member States [to] implement energy efficiency obligation schemes, alternative policy measures, or a combination of both, or programmes or measures financed under a national energy efficiency fund, as a priority among [...] people affected by energy poverty, vulnerable customers, people in low-income households and, where applicable, people living in social housing.'

The terms ‘deep renovation’ and ‘staged deep renovation’ are defined in Article 2(20) and 2(21). From 2030 onwards, zero-emission buildings should be the default result of a deep renovation process. Article 11 further lays down the requirements for these buildings in terms of carbon emissions and energy demand.

Renovations to achieve zero-emission buildings may not always be feasible. In such cases, the lack of feasibility can be determined based on technical or economic conditions. The requirement to comply with the definition of ‘zero-emission building’ (laid down in Article 11) can be adapted for these difficult renovation cases, and for the specific purpose of Article 17, a 60% reduction in primary energy use can therefore be considered a deep renovation and receive priority support. Given the depth of renovation needed to achieve this 60% reduction, and the proportionally higher funding rates that this 60% reduction can be awarded, the Commission recommends that, when using public funds, the energy savings should be calculated on the basis of: (i) comparing energy-performance certificates (EPCs) issued before/after the renovation; (ii) an energy audit; or (iii) another relevant, transparent and proportionate method.

It should be noted that a major renovation may need to take place to bring a building up to nearly zero-energy building or zero-emission building standard in one single renovation, particularly if starting from a worst-performing building. In this case, the issuance of an EPC after the renovation works have been completed is already a requirement (Article 20(1)). Furthermore, Article 23(8) requires Member States to put in place inspection schemes or alternative measures to certify the quality of the delivered works.

Existing practices: relying on EPCs before and after the works

In Greece, the ‘SAVING’ programme for residential property owners uses EPCs in the initial application and later for the certification of the project. These EPCs are used both to prioritise the worst-performing buildings during the application process, and to confirm that buildings have achieved significant energy savings following the works.

In Romania, an EPC is required for the pre-renovation state of the building (together with the energy audit report), and a new EPC is required for the renovated building (after all the work has been completed) together with an implementation report (describing how the impact indicators have been met). The impact of the refurbishment is assessed on the basis of the difference between the initial EPC and the final EPC in: (i) the difference between final and primary energy; (ii) CO₂ emissions; and (iii) renewable energy (and other key performance indicators).

In Portugal, the EPC is used to evaluate the success of the incentive programme itself, at aggregate level.

For further guidance on the criteria for feasibility, please refer to the guidance on Technical Building Systems, Indoor Environmental Quality and inspections (Annex 10) – Section 5.

3.2. Choice of policy measures to meet the requirements

3.2.1. *Linking the financial measures to the targeted or achieved energy savings and improvements*

On the choice of tool(s) to be used, EPCs can play a key role in assessing the impact of a given renovation measure, while also supporting the quantification of the energy performance

of the national building stock⁵¹. EPCs are also used by credit institutions to verify energy savings and meet the requirements of financial instruments. The integration of EPCs and building renovation passports with incentive programmes would improve their effectiveness by: (i) giving clearer guidelines for public administrations on what renovation interventions should be incentivised as a priority; (ii) tying the exact amount of funds to specific and measurable energy improvements; and (iii) providing building owners with clear, reliable and actionable information, thus making renovations more accessible.

The framework for the introduction of renovation passports and the requirements to be met by a renovation passport system are set out in Article 12 and Annex VIII. Some of these provisions are mandatory, while others are not. In essence, the renovation passport provides an estimate of energy improvements after each step in the renovation process, including: (i) the improvement in energy performance; (ii) savings in primary and final energy consumption; and (iii) the reduction of operational greenhouse gas emissions.

Therefore, a Member State could decide, for example, to either require an EPC before and after renovation or to rely on a renovation passport, while ensuring that the works are carried out.

Having chosen the quality criteria to be applied, Member States should disseminate and communicate the national measures transposing Article 17(14) of the recast EPBD to all appropriate authorities/agencies (i.e. operational authorities) responsible for designing and implementing financial measures. This is important to ensure that the design and implementation of the measures are linked to one or more of the criteria.

3.2.2. *Greater support for deep renovations and sizeable programmes*

To offer greater support for deep renovations, specific financing instruments or criteria can be created or made accessible in addition to the more general schemes for energy renovations which sometimes achieve only minimum energy performance improvements. On financial support, different levels of support can be determined according to the increase in energy performance as measured by an EPC, an energy audit or a renovation passport.

Existing practices: modular coverage of costs through grants

In Vienna, the Wohnfonds Wien offers low-interest loans for which energy renovations in general are eligible. However, for renovations to achieve specific minimum energy performance improvements and reaching a high energy performance, increasing parts of the loan can be transformed into grants⁵².

In Germany, the Bundesförderung für effiziente Gebäude (Federal support for energy-efficient buildings) increases the level of grant support depending on the resulting energy performance of a building⁵³. In addition, it offers a range of options to increase the level of support for: (i) renovations that result in the use of renewable energy sources; (ii) the renovation of a worst-performing building; or (iii) renovations conducted through a serial renovation process.

A third example is the MaPrimeRénov' scheme in France. The regular scheme can be upgraded through the additional support scheme MaPrimeRénov' Parcours accompagné

⁵¹ Building Performance Institute Europe (2024): Enhancing incentives through iBRoad2EPC. How to best use financial and non-financial incentives for renovation in implementing markets. [iBRoad2EPC-D5.4-Enhancing-incentives-through-iBRoad2EPC.pdf](#).

⁵² https://www.wohnfonds.wien.at/erstinfo_thewosan_energieeinsparung.

⁵³ <https://www.energiewechsel.de/KAENEf/Redaktion/DE/Dossier/beg.html>.

(*parcours accompagné* means ‘guided procedure’⁵⁴). In this additional support scheme, the number of energy classes gained through the renovation (e.g. an upgrade in EPC from F to C) increases the eligible grant amount. In the German example above, the renovation of worst-performing buildings is rewarded with additional support. Moreover, the costs for technical assistance from an energy adviser throughout the renovation process are covered by the scheme. MaPrimeRénov Parcours accompagné further differentiates the support levels based on the household’s income, making it a good example of how to help vulnerable households to undertake deep renovations. This feature is further highlighted in Section 4.2 of this report and creates strong synergies with the enabling framework for a MEPS framework in residential buildings in line with Article 9(4) by targeting vulnerable households while improving worst-performing buildings with deep renovations.

On administrative support, Member States could require the relevant authorities (in most cases the local authorities) to take into consideration deep renovations, for instance by: (i) simplifying procedures for deep renovation; (ii) providing greater flexibility in the application of specific rules for deep renovation (e.g. permits for RES installations); or (iii) prioritising the processing of applications for deep renovation. Providing clear information on the timeframe for procedures and any subsequent updates in the process is particularly relevant for deep renovations, which require detailed planning of works and resources. Therefore, Member States are encouraged to revise both the procedures for these deep renovations and the information they provide to the public on these deep renovations. Additional support or assistance, especially tailored assistance, has been demonstrated to be a useful tool to facilitate deep renovation processes.

On technical support, Member States could provide specific advice tailored for deep renovations, for instance through one-stop shops. This could include not only advice on efficiency measures or the installation of renewable energy equipment on-site, but also advice on other building aspects such as: fire protection, accessibility, structural stability or seismic protection. These are all important aspects to consider when a building is deeply renovated. It should be noted that these and other aspects may already be part of existing requirements when carrying out a deep or major renovation (e.g. bringing a building up to modern fire-safety standards or updating the electric installation).

Article 17(16) also requires greater incentives for sizeable programmes to renovate several buildings or neighbourhoods. This approach can be particularly relevant for systematic approaches to connected blocks of worst-performing buildings or vulnerable households.

In this respect, the terms ‘sizeable programmes’ and ‘high number of buildings’ are not to be understood in absolute terms. It is instead important to consider: (i) the size of the programme in relation to the budget size of the public authority running the programme; (ii) the size of the programme in relation to the number and share of buildings targeted on the territory covered by such a programme; and (iii) the relative energy performance of the buildings that are to be renovated. Specific support options that combine greater and dedicated financial, fiscal, administrative and technical support or that enable the use of different support elements are well suited for sizeable programmes. A minimum energy efficiency gain (defined as a reduction in primary energy use of at least 30%) and tiered support depending on the improvement in performance should form part of these instruments.

Member States should provide greater support to deep renovations and medium renovations at scale, not only through direct financial instruments from national governments to end

⁵⁴ <https://www.anah.gouv.fr/anatheque/le-guide-des-aides-financieres-2024>.

recipients like building owners, but also through their regulations, guidance and financial support to lower levels of government and financial intermediaries.

3.2.3. *Support for training and capacity building*

The limited availability of skilled workers has been identified as a significant bottleneck to the uptake of renovations. This limited availability results in delays, increased costs and potential quality issues. In line with the national building renovation plans, Member States are encouraged to put in place measures to support the development of a skilled workforce.⁵⁵ Member States may do this by supporting both the supply and demand side of skills.

On the demand side, Member States may introduce requirements to ensure that works are carried out by trained professionals with sufficient skills or with specific requirements for qualifications. This may include changing existing requirements or creating new ones if such requirements are not already in place. To allow for the progressive introduction and adoption of requirements, Member States may make these requirements compulsory when financial support is provided through public funds (e.g. subsidies, fiscal incentives or financial instruments).

On the supply side, Member States may support the development or deployment of the training themselves. This may include, for example, subsidies or fiscal incentives to companies when they provide training for their employees. Given the significant challenges faced by SMEs (including microenterprises) Member States are strongly encouraged to develop specific measures to facilitate their access to training. This could include especially tailored schemes⁵⁶.

When developing their measures to support training and capacity building in the construction sector, Member States are encouraged to use the lessons learnt from the BUILD UP Skills initiative.

The BUILD UP Skills initiative⁵⁷ managed by the EU's Climate, Infrastructure and Environment Executive Agency (CINEA) has supported more than a hundred projects since 2011. These projects provided a framework for the upskilling actions needed across Europe to make energy renovations possible at the scale implied by the targets for energy efficiency and energy performance of buildings. BUILD UP Skills has supported the development by key stakeholders of national skills strategies, which in 2024 had been updated in 15 Member States. In addition, the supported projects piloted innovative approaches that are now available for replication and upscaling at national level. These innovative approaches included: (i) qualification and training schemes reflecting emerging skills; (ii) awareness campaigns to increase the demand for skills; and (iii) measures to increase demand for skills and qualifications in procurement procedures. The Commission encourages Member States to take advantage of the work done throughout multiple projects (from identifying needs to implementing training) in the further development of their actions on skills. This could apply both when Member States are drafting their national building renovation plans and when Member States are developing financial schemes for training.

⁵⁵ To address this issue, the Large-Scale Skills Partnership for the Construction ecosystem, implemented under the Pact for Skills, promotes upskilling and reskilling of 30% of the workforce each year by 2030 across the industry. https://pact-for-skills.ec.europa.eu/about/industrial-ecosystems-and-partnerships/construction_en

⁵⁶ Those schemes would be adapted to the targeted trade (construction sector, architectural and engineering activities, etc.)

⁵⁷ [BUILD UP Skills](#) | [BUILD UP](#).

4. SOCIAL FAIRNESS (ARTICLE 17 (3) AND ARTICLES 17(17) TO 17(19))

4.1. Scope and objectives of the requirements

The definition of ‘vulnerable households’ in Article 2(28) refers to both: (i) households struggling to afford energy or at risk of not being able to afford energy in the future due to price increases; and (ii) households that cannot afford the investment necessary for a renovation. This scope of definition means that vulnerability can include both property owners and tenants. The bullet points below discuss these two categories in more detail.

- Vulnerable homeowners often live in buildings with poor energy performance because they are unable to afford the necessary renovation works. Loans for covering the upfront investments may be unavailable or carry high additional costs, due to the financial situation of the prospective borrower.
- Vulnerable tenants are in a different situation but can also face financial challenges before – or as a result of – energy performance renovations. In worst-performing buildings they may face high energy bills. Going beyond the concept of energy poverty and the definition of ‘vulnerable households’ in Article 2(28) strictly speaking, certain tenants may face a rent increase after an energy renovation that is more than the amount the tenant saves thanks to the reduced energy costs. This can lead to a situation where low-income households are forced out of their home as an indirect result of the energy renovation. This effect is also referred to as ‘renoviction’ in the EU Commission staff working document on energy poverty⁵⁸ on which the Commission Recommendations on energy poverty⁵⁹ are based.

Several provisions from the recast EPBD are linked to vulnerable households, including in Article 3, Article 9, Article 17 and Article 18. Member States are therefore expected first to identify the segments of their population that would fall under the scope of ‘vulnerable households’.

The Commission’s staff working document ‘EU guidance on energy poverty’⁶⁰ discusses the situation of households in energy poverty. It sets out indicators and data sources and also explains challenges in diagnosing whether a tenant or owner is vulnerable. The information provided in that document is a highly relevant basis for determining eligible target groups for financing support and rent safeguards⁶¹.

Member States should also lay down criteria to define the other categories of ‘vulnerable households’, not just energy-poor households.

Specific attention to vulnerable households is required as part of the enabling framework for minimum energy performance standards. As defined in Article 9(4)(a), appropriate financial measures are a key element to support the implementation of MEPS, including when MEPS are laid down for residential buildings.

⁵⁸ European Commission, 2023, SWD(2023) 647 final. Commission Staff Working Document EU guidance on energy poverty accompanying the document Commission Recommendation on energy poverty. https://energy.ec.europa.eu/publications/commission-staff-working-document-eu-guidance-energy-poverty_en.

⁵⁹ Commission Recommendation (EU) 2023/2407 of 20 October 2023 on energy poverty. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202302407.

⁶⁰ European Commission, 2023, SWD(2023) 647 final. Commission Staff Working Document EU guidance on energy poverty accompanying the document Commission Recommendation on energy poverty. https://energy.ec.europa.eu/publications/commission-staff-working-document-eu-guidance-energy-poverty_en.

⁶¹ The annotated template on the National Building Renovation Plans provides clarifications on indicators related to energy poverty [[hyperlink to the annotated template once published](#)].

The considerations and instruments described in the following section offer guidance on how to also comply with the additional requirements for a MEPS framework for residential buildings.

4.2. Choice of policy measures to fulfil the requirements

4.2.1. Providing greater support to building owners with lower financial capacity

As stated in Article 17(18), incentives for renovations must be available as a priority to vulnerable households and people living in social housing. To target those recipients, Member States are invited to set eligibility rules, based for example on: (i) income ceilings (no eligibility above a certain income); (ii) degressive support, linked to the household's income (the higher the income, the lower the support); (iii) number of dependent family members (such as children); and (iv) number of properties owned and type of property (for instance no financial support for holiday homes or for owners of many properties).

Another complementary option is to reserve a minimum share of the overall funding to vulnerable households and social housing providers.

To ensure that the measures target the relevant groups, Member States should ensure that criteria for prioritisation are linked – or proportional – to the available indicators related to social fairness, vulnerable households or energy poverty. For example, criteria could be linked to the national definition of energy poverty or 'low-income household'.

Existing practices: linking the financial support to household income

Several existing instruments provide examples of linking financial support to household income.

The 'Gent Knapt Op' ('Gent is renovating') programme provides grant amounts ranging from EUR 15 000 to EUR 30 000 in funding for homeowners with limited income to renovate their homes. This initiative aims to improve living conditions by addressing essential repairs, improving energy efficiency, and increasing overall comfort. By offering substantial financial support, the programme helps vulnerable households reduce energy costs and improve their quality of life⁶².

The 'Klimabonus' programme in Berlin provides tenants with supplemental rent support ranging from EUR 0.40 to EUR 0.60 per square metre per month, depending on the energy efficiency measures put in place by the landlord/owner and the standards achieved by these energy-efficiency measures. This bonus aims to mitigate the impact of rising living costs due to necessary energy-saving renovations made by the landlord/owner, ensuring that low-income households can afford their rent despite improvements that might otherwise increase their housing expenses⁶³.

The Warmer Homes Scheme, managed by the Sustainable Energy Authority of Ireland, offers free energy-efficiency upgrades to eligible low-income households. The scheme covers improvements such as attic and wall insulation, energy-efficient lighting, and heating system upgrades, aiming to reduce energy costs and improve comfort. Eligibility criteria include: (i)

⁶² <https://stad.gent/nl/wonen-bouwen/betaalbaar-wonen/gent-knapt-op>.

⁶³ https://www.berlin.de/sen/soziales/service/berliner-sozialrecht/kategorie/ausfuehrungsvorschriften/av_wohnen_anlage1-571941.php#:~:text=Klimabonus,-Zur%20Umsetzung%20des&text=Durch%20den%20Klimabonus%20soll%20den,Euro%20und%2022%2C00%20Euro.

owning and living in a home built before 2006; (ii) the home having a Building Energy Rating Certificate (BER) of C, D, E, F or G; and (iii) receiving certain welfare payments⁶⁴.

Another example of degressive support is the French support scheme MaPrimeRénov Parcours accompagné⁶⁵, which has already been mentioned above. This scheme helps owner-occupiers to finance energy renovation works, including energy audits. The scheme offers different funding categories based on income ceilings and allows homeowners to combine incentives and local grants, enabling low-income homeowners to receive support of up to 90% of the total project cost. To benefit from the grant, homeowners must visit the government's website, create an account, follow the application steps, and provide necessary documents (latest income tax return, valid email address, etc.).

In addition to those 'in-built' parameters, Member States are invited to contact vulnerable households, who may not be aware of the financial support at hand or may not feel entitled to ask for it.

4.2.2. Addressing the risk of 'renoviction' and the owner-tenant dilemma

According to Article 17(17), 'Member States shall address the eviction of vulnerable households caused by disproportionate rent increases following energy renovation of their residential building or building unit'. It is for Member States to lay down the criteria specifying the level at which the rent increase would be 'disproportionate' for vulnerable households.

As non-exhaustive indications, the rent increase could be disproportionate compared to:

- the costs incurred by the building owner and compared to the estimated payback on those costs based on the higher rent, or
- the improved energy performance.

Article 17(17) goes on to say that Member States should take those steps 'without prejudice to their national economic and social policies and to their systems of property law'. What this means is that a Member State can decide to assess whether there are measures that would not require fundamental changes to its property laws, but that would still protect tenants. As an example, in a Member State where rents are not currently capped or rent increases not regulated, a Member State may decide either to introduce rent regulations, or direct support to tenants or both.

At the same time, financial instruments should be put in place to financially benefit both tenants and owners (Article 17(19)). Building renovation is beneficial for vulnerable households because: (i) it improves the indoor environmental quality of their dwelling; and (ii) it can lower their energy bills. However, as mentioned in Section 2.1. of this guidance, the split incentives ('split' because the owner/landlord pays for the upgrade, but the tenant receives the benefit of a warmer house that is cheaper to heat) can deter the building owner from undertaking the works.

The following considerations can serve as guidance to address this split-incentive barrier, including in MEPS schemes.

⁶⁴ <https://www.citizensinformation.ie/en/housing/housing-grants-and-schemes/grants-for-home-renovations-and-improvements/warmer-homes-scheme/#:~:text=The%20Sustainable%20Energy%20Authority%20of,as%20the%20Warmer%20Homes%20Scheme.>

⁶⁵ <https://france-renov.gouv.fr/aides/maprimerenov-renovation-ampleur.>

Options for reconciling the split between incentivising owners to renovate and safeguarding tenants from high rent increases would usually involve tenancy regulations and payments to owners or tenants.

Tenancy and rental regulations are a key policy instrument for protecting tenants from the risk of disproportionate or excessive rent increases and evictions resulting from the expenses incurred by building owners for renovations. Overall, regulations must encourage dialogue between landlords and tenants about rent increases, inconveniences, etc. Rent increases should be proportionate to the cost of renovations, meaning also that: (i) rent increases should not discourage deep renovations; (ii) there should be sufficient safeguards for tenants to mitigate rent increases and ‘renoviction’ in the form of appropriate welfare measures; and (iii) there should be legal recourse for potentially disproportionate increases.

In addition, and depending on the national or regional tenancy regulations, if the building owner can increase the rent substantially following the energy renovation, then some percentage of the subsidy they received for the energy renovation should be clawed back.

Existing practice: owner-tenant dialogue and capped rent increases

In Denmark, as per the Tenancy Act and the Housing Regulation Act⁶⁶, rent increases must be mutually agreed upon and based on the documented cost of the energy improvement work. This increase should provide a reasonable return on the expenses incurred, covering depreciation, maintenance, administration, and insurance costs. For works resulting in energy savings, landlords can raise the rent based on the total reasonable expenses, but not exceeding the savings achieved for tenants. Landlords may be required to offer temporary accommodation to tenants who have the right to return to the same flat after the renovation.

According to the German Civil Code (Section 559), the share of implementation costs of energy renovations allowed to be passed on via rents is capped at 8% per year and may not exceed EUR 3 per m² per month in the six years following the implementation, subject to other conditions⁶⁷. Additionally, in Germany, the environmental-protection ordinance (Milieuschutzgesetz) was introduced to prevent as much as possible: (i) the composition of an area’s population from being completely changed as a result of expected renovation measures; and (ii) less assertive population groups (i.e. lower income groups or groups with lower levels of education) from being pushed out of an area that has recently undergone energy renovation. Several actions by building owners are subject to approval by local government and if these actions change the overall character of a dwelling (e.g. merging of apartments) they are usually not approved. Rent caps are possible by mutual agreement⁶⁸.

In France, rent increases must follow the rules of the rent reference index. In areas of high rental demand, the adjustment of the annual rent cannot exceed 15%⁶⁹ of the actual cost of renovation carried out since the last renewal of the lease (including non-energy-related improvement works), including taxes⁷⁰.

In the Netherlands, the energy performance of a rental property affects its maximum rent through a point system (*woningwaarderingssstel*⁷¹). Better energy efficiency, determined by energy labels and indices, adds more points, thereby increasing potential rent. From 2021, the

⁶⁶ <https://dklegalpractice.ca/EN/landlord-tenant/tenant-focused-concerns/renovictions>.

⁶⁷ https://www.gesetze-im-internet.de/englisch_bgb/englisch_bgb.html#p2550.

⁶⁸ <https://www.berliner-mieterverein.de/recht/infoblaetter/info-68-milieuschutzgebiete-was-mieter-wissen-sollten.htm>.

⁶⁹ <https://www.service-public.fr/particuliers/vosdroits/F34407?lang=fr>.

⁷⁰ <https://www.service-public.fr/particuliers/vosdroits/F13723>.

⁷¹ <https://www.volkshuisvestingnederland.nl/onderwerpen/wet-betalbare-huur#:~:text=De%20Wet%20betaalbare%20huur%20is,de%20kwaliteit%20van%20de%20woning>.

energy performance of a rental property influences its rent points based on its energy label⁷². The points system varies for independent and shared living spaces, with better energy labels leading to higher points, thus allowing higher rents. Energy renovations that improve performance can thus lead to higher rents, but tenants must be informed of these changes.

In Sweden, tenants have multiple avenues for protection and recourse, including rent reductions, temporary relocations, and legal mediation through organisations, such as the Tenants' Union (Hyresgästföreningen) and the Rent Tribunal (Hyresnämnden), which mediates disputes between tenants and landlords about renovations.

In addition to regulation, the rent increases for vulnerable tenants can be alleviated through direct financial support payments, an example of which is given in the box below.

Existing practice: payment to cover the rent increase

In Germany, the Wohngeld scheme⁷³ is available to low-income households and provides financial support to cover housing costs. The support rates are determined in part by energy and carbon costs, but since the latest revision in 2022 they also include a component to account for higher rents in energy renovated buildings).

Many programmes exist to alleviate the cost of energy for ordinary citizens. Member States could use similar measures to compensate for rent increases after renovation.

A robust approach to reducing the split-incentive problem is by combining different financing instruments that support both owners and tenants while also limiting negative impacts for both sides. For example, making a direct link between investment costs for energy renovations and the combined total of permitted rent increases for all tenants in a building is an important underlying element. This also makes it possible to factor in any public grants that reduce the cost of the private investments made by the owner and deduct these from the project investment costs.

Incentives for building owners to carry out energy renovation should remain in place, while not penalising vulnerable households. Combining the capping of rent *increases* (not the capping of the rent) and support payments to tenants can provide an effective balance between incentives and safeguards. Table 1 below describes attention points for policy development depending on whether either of the two instruments or both are already in place.

Table 1 - Policy options to address split incentives depending on the existing safeguards in place for vulnerable tenants

		Tenant protection through capped rent <i>increase</i> in place	
		Yes	No
Direct support to tenants for rent payments	Yes	Additional support payments could be introduced to cover the remaining difference, if any, between (measured) monetised energy cost savings for the tenant and the rent increase resulting from the renovation.	The sole reliance on support payments for vulnerable tenants in the context of increasing renovations of residential buildings, particularly worst-performing ones, may require the Member State to substantially increase these support payments in response to

⁷² <https://www.rijksoverheid.nl/onderwerpen/huurwoning-zoeken/vraag-en-antwoord/welke-invloed-heeft-het-energielabel-op-de-huurpunten-van-mijn-woning>.

⁷³ <https://www.bmwsb.bund.de/SharedDocs/topthemen/Webs/BMWSB/DE/wohngeld-plus/wohngeld-plus-artikel.html>.

in place			energy renovations. This factor has to be considered in the planning of necessary financing volumes for rent support in order to safeguard vulnerable tenants. Alternatively or in complement, a cap on rent increases may be introduced.
	No	Without additional support to vulnerable households, the role of caps on rent increases is critical. However, such caps may limit the incentives for building owners if these caps do not allow the building owner to recover enough of their incurred costs. Specific support instruments targeted at owners of rented buildings for the works they undertake could be set up to complement the cap. Alternatively or in complement, tenant support payments may be envisaged (see cell above).	Without either of the two instruments, tenants may be left exposed to large increases in rent. The introduction of an aligned policy framework should be considered. Such a framework could combine regulation for rent increases and tenant support payments to cover cost differences.

5. ONE-STOP SHOPS (ARTICLE 18 AND ARTICLE 19 (3))

5.1. Introduction: scope, legal context and policy context

Article 18(1) of the EPBD recast requires the Commission to provide guidelines on setting up one-stop shops (OSS) to improve the energy performance of buildings. These guidelines respond to this requirement and aim to support Member States in ensuring that technical assistance facilities (including one-stop shops) are available across their territory in compliance with Article 18 of the EPBD recast. They also clarify other aspects relevant to one-stop shops such as inviting building owners to a one-stop shop pursuant to Article 19(13) of the EPBD recast.

The present guidelines are to be read together with the following two documents.

- The first document is Commission Recommendation⁷⁴ (EU) 2024/2481 setting out guidelines on Articles 21, 22 and 24 of the EED recast ‘Information and awareness raising’.
- The second document is the upcoming joint guidelines responding to the requirement of Article 22(6) of the EED recast and Article 18(1) of the EPBD recast.

5.2. Relevant definitions and concepts

The concept of ‘one-stop shop’ (OSS) is not legally defined in the EED and EPBD recast. Nevertheless, Articles 18(2) and 18(3) of the recast EPBD detail the services that technical assistance, including inclusive one-stop shops to be set up by Member States pursuant to Article 18(1), must offer. These services include: (i) providing streamlined technical and

⁷⁴ Commission Recommendation (EU) 2024/2481 of 13 September 2024 setting out guidelines for the interpretation of Articles 21, 22 and 24 of Directive (EU) 2023/1791 of the European Parliament and of the Council as regards the consumer related provisions. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202402481.

financial information; (ii) providing independent advice; (iii) providing holistic support with a particular focus on households affected by energy poverty and worst-performing buildings; and (iv) providing support covering the different stages of the retrofit project.

In addition, Commission Recommendation (EU) 2024/2481 setting out guidelines on Articles 21, 22 and 24 of the EED recast (Section 3.2.2. of the Annex) indicates that one-stop shop refers ‘to a virtual or physical place where stakeholders are supported in all questions as well as implementation stages of renovation project[s] related to energy efficiency, ranging from advice on the topic to all information and services they need to implement an ambitious global energy efficiency/renovation project’. One-stop shops typically provide technical, administrative and financial advice and assistance on energy efficiency, in particular for building renovations.

Section 5.3 below provides examples of one-stop shop services.

The concept of the one-stop shop expresses the idea of a simplification of the practical renovation journey for building owners, particularly by reducing and simplifying contacts to be made and procedures to be undertaken. The objectives pursued when setting up one-stop shops vary and may include all or some of the objectives set out in the following five bullet points.

- The first possible objective is to disseminate information and practical advice on building renovations, with a major effort to ensure both: (i) the consistency of the messages and information provided by all the actors involved in renovations; and (ii) the credibility of the entity (or entities) disseminating these messages and this information. The objective is to make simple, practical and clearly understandable the actions to be taken to improve and renovate the buildings.
- The second possible objective is to rationalise access to financial support (e.g. by setting up a single funding portal) by streamlining objectives and eligibility conditions, and optimising management costs.
- The third possible objective is to clarify liabilities and secure trust, a necessary condition for more ambitious refurbishments. Clarifying liabilities and securing trust also helps to structure new markets which, while they could eventually be supplied by the private sector, are not spontaneously structured by private initiatives, or at least not at the desired pace.
- The fourth possible objective is to pool skills by bringing together specialist skills and supporting the development of new skills.
- The fifth possible objective is to aggregate small-scale investments and reach critical mass with some of these investments. Achieving this critical mass for investors could then justify the development of dedicated financial solutions, including financial instruments and dedicated partnerships with financial institutions⁷⁵.

5.3. Availability of one-stop shops across national territories

Financing alone will not be enough to meet the need for renovation. Together with financial support, it is also indispensable to provide the right enabling framework and break down non-financial barriers to renovation. One of the ways this can be done is by setting up accessible

⁷⁵ Note that this last point is the subject of specific guidance aimed at unlocking private investment, in accordance with Article 30 of the EED recast (see: Commission Recommendation of 12 December 2023 on transposing Article 30 on national energy efficiency funds, financing and technical support of the Directive (EU) 2023/1791 on energy efficiency (EED recast), C/2023/8558, ELI: <http://data.europa.eu/eli/C/2023/1553/oj>.

and transparent advisory tools and assistance instruments such as one-stop shops that provide integrated energy renovation services.

To be effective, one-stop shops should provide technical assistance and be easily available to all those involved in building renovations, including homeowners, administrators, and providers of financing, and businesses such as SMEs and microenterprises.

This section provides some clarifications on how to effectively implement the obligation to ensure easy and smooth access to one-stop shops for every relevant stakeholder in terms of geographical coverage and format (online vs physical).

5.3.1. *Geographical coverage*

Article 18(1) of the EPBD recast sets out that:

‘Member States shall ensure that technical assistance facilities are available across their territory by establishing at least one one-stop shop:

- (a) per 80 000 inhabitants;
- (b) per region;
- (c) in areas where the average age of the building stock is above the national average;
- (d) in areas where Member States intend to implement integrated district renovation programmes; or
- (e) in a location that can be reached within less than 90 minutes of average travel time, on the basis of the means of transport that is locally available.’

The key requirement in the above provision is that Member States must set up and operate by the EPBD transposition deadline (29 May 2026) one-stop shops in their territory in accordance with one or several of the five criteria of (a) to (e) set out in Article 18(1). Although the minimum requirement is to comply with one of the criteria only, Member States are responsible for ensuring the effective implementation of the obligation to ensure that technical assistance facilities are available across their territory. Therefore, they are encouraged to structure the ecosystem and the distribution of one-stop shops across the territory to tap into the potential of one-stop shops, including by going beyond Article 18(1) when appropriate. The already established networks of local energy agencies with relevant expertise could also be used to set up one-stop shops for energy renovations.

As a preliminary clarification, ‘one-stop shops’ can have different names in the Member States as long as they comply with the EPBD requirements.

When implementing the provision in Article 18(1), Member States need to ensure that its objective is achieved, namely that technical assistance facilities are available across their territory. To ensure the effective implementation of this requirement, Member States could follow a step-by-step approach combining the above criteria, for example:

- Step 1: Set up at least one one-stop shop offering the services listed in Article 18(2) and 18(3) per region⁷⁶ (criterion b).
- Step 2: Set up additional one-stop shops in regions where the one-stop shop established as per step 1 cannot be reached within less than 90 minutes of average travel time from every part of these regions (criterion e). This step should ensure effective availability and accessibility across the territory.

⁷⁶ Referring to NUTS 2 regions as per the EU Common classification of territorial units for statistics.

- Step 3: In areas/regions with high population density such as metropolitan areas: assess the need to ensure the availability of at least one one-stop shop for every 80 000 inhabitants (criterion a). This step should ensure accessibility of the one-stop shops in a reasonable time for the greatest number of users.
- Step 4 (if relevant): set up additional one-stop shops in areas⁷⁷ where the government or local municipality intends to implement an integrated district renovation programme (criterion d) or where the average age of the building stock is above the national average (criterion c).

The criterion of accessibility in a reasonable time (within 90 minutes of average travel time) indicates that a minimum level of on-site presence with physical offices needs to be ensured, where reasonably possible⁷⁸. The set up of a ‘network of physical one-stop shops at local level where independent experts are available to follow up’ was also recommended by the citizens’ panel on energy efficiency⁷⁹.

To comply with criterion (d), Member States will need to ensure that they have comprehensive and up-to-date knowledge of initiatives for integrated district renovation programmes. Integrated district renovation programmes address the renovation of buildings that are spatially related such as housing blocks. By targeting a high number of buildings, they may help to increase the cost-effectiveness of the renovations and offer a variety of solutions at a larger scale. They may also address complementary issues related to urban planning such as: energy supply, mobility, green infrastructure, waste, and water treatment. In addition, they may consider local and regional resources, circularity and sufficiency.

In addition, as per Article 18(1) EPBD recast, ‘Member States may designate the one-stop shops established pursuant to Article 22(3), point (a), of Directive (EU) 2023/1791 as one-stop shops for the purposes of this Article’. In other words, Member States may rely on the one-stop shops set up to comply with the EED requirement to transpose the EPBD requirement. It is important to note that Member States that decide to do this must comply with the obligation to ensure availability across the territory as per Article 18(1) EPBD recast and ensure that those one-stop shops offer the services described in Articles 18(2) and 18(3).

5.3.2. *Combining online and physical approaches*

As mentioned in the previous section, the provision on availability across the territory in Article 18(1) has to be understood as ensuring an on-site presence with physical offices.

This is because a fully online approach is insufficient for the type of renovation work that is called for (i.e. integrated renovations contributing to the EU’s climate, competitiveness and energy-security objectives). Firstly, this is because citizens have different levels of digital literacy, and even the best online tool will inevitably miss a significant proportion of the population, often the oldest and most vulnerable. But more fundamentally it is because it is less likely that a household would undertake major works in their living space at a significant cost without having multiple in-person interactions with the person(s) specifying the work, i.e. providing detailed instructions or guidance on what needs to be carried out during the project.

In this context, it is relevant to recall what emerged during the citizens’ panel on energy efficiency, which the European Commission organised between February and April 2024. The panel consisted of 150 randomly selected citizens from all EU Member States. They adopted

⁷⁷ Referring to NUTS 3 regions as per the EU Common classification of territorial units for statistics.

⁷⁸ Referring to the accessibility challenges inherent to outermost regions, recognised under Article 349 of the Treaty of the Functioning of the European Union (TFEU).

⁷⁹ https://citizens.ec.europa.eu/european-citizens-panels/energy-efficiency-panel_en.

13 final recommendations. Recommendation 1 highlights the importance of the accessibility of one-stop shops across the entire territory of the Member State. In this context, participants highlighted the importance of ensuring that all citizens have access to these establishments (including citizens from smaller towns, rural areas, or remote areas or citizens with reduced mobility). The recommendation from the panel highlights the importance of the local level which is closest to the citizens. The panel recommended that Member States set up ‘a network of physical one-stop shops at municipal level (city halls, libraries) where independent experts are available to follow up. The network should not discriminate between rural/urban areas, and social groups. The one-stop-shop should provide advice on legislative, financial, technical aspects, and local service providers. Local actors are called upon to spread awareness of the service’⁸⁰.

Not all one-stop shops in the relevant territory need to provide all the services described in Article 18(2) and Article 18(3) of the EPBD recast, but all those services have to be provided according to the criterion or criteria chosen by the Member State. The services may also be provided in a complementary way by various one-stop shops and/or other technical assistance facilities.

Member States are invited to refer to the guidelines on Article 22(6) of the EED recast, which provide inspiring cases, examples and models of different types of one-stop shop.

Furthermore, in order to ensure the greatest outreach at a moderate cost, Member States could also set up additional online one-stop shops. Online one-stop shops can be helpful in raising the awareness of building owners as to how they consume energy, the importance of controlling their energy consumption, and the means of controlling their energy consumption. The impact of the advice provided can be increased if it is well combined with information on available financial support. Online tools can be used to identify and pre-select owners who could benefit the most from such targeted services. For a moderate cost, online approaches are likely to reach a large audience, and may not only trigger immediate actions but also inspire more people to engage in renovation.

Finally, recommendation 1 from the citizens’ panel on energy efficiency also highlighted the importance of the accessibility of information provided to consumers to empower households and organisations to become more energy efficient. The panel recommended the creation of ‘an online portal with a self-audit function to help consumers assess their needs regarding transport, home improvements, and low-costs tips. It would provide them with a solutions package, including next steps and contact information’⁸¹. This recommendation confirms the importance of an online tool serving as a first step in the process. Nevertheless, it is essential to complement an online offer with a physical presence, at least in dedicated regional/local offices, but also on the site of the property to be renovated as is already the case in many regions and municipalities.

5.4. Invitation to a one-stop shop

Setting up a network of one-stop shops is necessary but not sufficient to ensure they are used and that they contribute to the renovation efforts needed to improve the energy performance of buildings. Therefore, this section examines the factors and means that can encourage people to contact one-stop shops – either off their own initiative or due to mandatory requirements.

⁸⁰ European Citizens’ Panel on Energy Efficiency, 2024, [Final recommendations](#).

⁸¹ European Citizens’ Panel on Energy Efficiency, 2024, [Final recommendations](#).

While information and marketing may be enough to trigger the simplest renovation actions, they are not sufficient to trigger deep energy renovations, which are more complex and expensive and which are typically undertaken at specific moments in time.

For example, it is particularly important to approach households when they are in the process of buying their home, as they may be inclined to carry out significant renovation works before moving in. Households may also be encouraged to carry out work when their family expands or, conversely, when children leave home. Using energy more efficiently and reducing energy bills is not necessarily a central trigger in any of these situations, but these can be complementary goals in a process initiated by other concerns. A typical example of an energy ‘trigger’ is when a boiler or another piece of energy equipment is faulty or breaks down. However, if a boiler breaks down, the household is more likely to be focused on the urgency of fixing the boiler, and less likely to be considering a comprehensive energy renovation.

Another triggering event can be an obligation to renovate stemming from the implementation of MEPS as laid down for non-residential buildings in Articles 9(1) and possibly 9(2) of the recast EPBD, depending on a Member State’s measures. When identifying building owners that need to comply with any national MEPS, the relevant authorities may ensure that they are invited to a one-stop shop to receive renovation advice.

Finally, pursuant to Article 19(13) of the recast EPBD, owners of buildings with an EPC below level C must be invited to a one-stop shop to receive renovation advice on whichever of the following two dates is earlier:

- immediately after the energy performance certificate of the building expires; or
- five years after the issuance of the energy performance certificate.

To ensure this provision is effectively implemented, Member States and relevant authorities are invited to plan well in advance: (i) the additional demand for technical assistance services that this provision will create for one-stop shops; and (ii) the related budget.

They could do so by:

- (1) estimating and identifying the number of buildings that fall under this category and/or are concerned by MEPS using the national EPC database or other relevant source (e.g. landlord registry, application form of financing scheme);
- (2) planning accordingly the one-stop shop resources to cope with the invitations, in part to ensure that this provision leads to meaningful results (e.g. that a minimum percentage of invited owners end up embarking on the energy renovation and related renovations works) and no frustration from the building owner if faced with too much delay for meeting with an expert.

In addition, Member States should:

- (1) determine the best ways to identify the concerned owners, such as through registries of landlords, local homeowner associations, business registers and others;
- (2) ensure that all concerned owners receive the invitation, for which Member States can rely on a combination of letters, emails, phone calls and informative workshops.

APPENDIX I: OTHER RELEVANT COMMISSION DOCUMENTS FOR TRANSPOSING ARTICLE 17 OF DIRECTIVE EU/2024/1275

Guidance and existing practices provided in other EU Commission documents							
Paragraph of Article 17	Specific provision	Annex of Commission Recommendation C/2023/1553 of 12 December 2023 on transposing Article 30 on national energy efficiency funds, financing and technical support of the Directive (EU) 2023/1791 on energy efficiency ('EED recast') ⁸²	Commission Recommendation 2023/2407 of 20 October 2023 on energy poverty (including SWD(2023) 647 final) ⁸³	Unlocking private investment in energy efficiency – guidance to Member States and market actors, as per Article 30(10) EED [upcoming]	Support for the implementation of the Social Climate Fund. Note on good practices for cost-effective measures and investments (June 2024) ⁸⁴	Report on the evolution of financing practices for energy efficiency in buildings, SMEs and in industry, Energy Efficiency Financial Institutions Group (EEFIG, 2022) ⁸⁵	Other documents and reports
1	Appropriate financing, support measures and other instruments to address market barriers						Description of barriers to energy renovations in Section 2.2 or the impact assessment accompanying the proposal for the EPBD recast (SWD)(2021 453 final) Link: https://op.europa.eu/en/publication-detail/-/publication/daf643a4-5da2-11ec-9c6c-01aa75ed71a1/language-en
1	Deliver the necessary investments identified in their national building renovation plan to transform their building stock into zero-emission buildings by 2050						See template for the national building renovation plans for the necessary investments.

⁸² https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:C_202301553.

⁸³ Recommendation: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202302407; Staff Working Document: https://energy.ec.europa.eu/document/download/a17c2aa6-02ca-49b3-8df6-b106ca9f37ed_en?filename=SWD_2023_647_F1_OTHER_STAFF_WORKING_PAPER_EN_V5_P1_3016190.PDF.

⁸⁴ <https://op.europa.eu/en/publication-detail/-/publication/af68b4c7-3508-11ef-b441-01aa75ed71a1/language-en>.

⁸⁵ <https://op.europa.eu/en/publication-detail/-/publication/a3032517-c761-11ec-b6f4-01aa75ed71a1/language-en>.

2	Member States shall ensure that applications and procedures for public financing are simple and streamlined in order to facilitate access to financing, especially for households		Importance of trust, engagement and communication for households at risk of energy poverty described in Chapter VIII (SWD)		Examples on support and use of intermediaries for access to financing instruments from vulnerable households (Section 3.5.4)		Guidance on Article 24 EED, and guidelines on setting up one-stop shops as per Article 22(6) of the EED and Article 18(1) of Directive EU/2024/1275 (to be published)
3	Address barriers related to upfront costs of renovations					Mentions barriers (financial and non-financial) together with drivers for renovations in Section 2.4. Instruments described in Section 2.3	
4	Consider whether to use revenue-based parameters						
4	Member States may use the national energy efficiency funds, where such funds are set up pursuant to Article 30 of Directive (EU) 2023/1791, to finance dedicated schemes and programmes for energy performance renovations	Covered in detail in Section 3					

5	Member States shall take appropriate regulatory measures to remove non-economic barriers to building renovation.					Lists barriers (financial and non-financial) together with drivers for renovations in Section 2.4	Summary of the full range of barriers in Section 2.2 or the impact assessment accompanying the proposal for the EPBD recast (SWD(2021 453 final)) Link: https://op.europa.eu/en/publication-detail/-/publication/daf643a4-5da2-11ec-9c6c-01aa75ed71a1/language-en More detailed description of non-economic barriers mainly, such as hassle factor, perceived risks, etc. in European Environment Agency (EEA) report 'Accelerating the energy efficiency renovation of residential buildings'. Link: https://www.eea.europa.eu/publications/accelerating-the-energy-efficiency
5	With regard to buildings with more than one building unit, such measures may include removing unanimity requirements in co-ownership structures, or allowing co-ownership structures to be direct recipients of financial support		Split incentives discussed in Chapter VII Part 2.c.i. (SWD)			Some relevant instruments and lessons learnt mentioned in Section 2.3.3 (page 67)	European Commission Joint Research Centre (2017): Overcoming the split-incentive barrier in the building sector. Unlocking the energy efficiency potential in the rental & multifamily sectors, Link: https://op.europa.eu/en/publication-detail/-/publication/ae5716d7-fb39-11e7-b8f5-01aa75ed71a1/language-en
6	Make best cost-effective use of national financing and financing available established at Union level and of other public funding sources		EU financing options to combat energy poverty are described with several examples in Chapter X (SWD)		Recommendations on cost-effective support for energy renovations and protection of vulnerable households in Section 3.1.5, examples in Section 3.1.1-3.1.4		For EU-level financing, specific reports on the Cohesion Fund, the European Regional Development Fund (ERDF), InvestEU, etc. e.g. link: https://managenergy.ec.europa.eu/publications/2021-2027-cohesion-policy-support-energy-efficiency-and-building-renovation_en.

6	Those funding sources shall be deployed consistently with a path to achieving a zero-emission building stock by 2050						See template for the national building renovation plans for the necessary investments.
7	Member States shall promote the effective development and use of enabling funding and financial tools, such as energy efficiency loans and mortgages for building renovation, energy performance contracting, pay-as-you-save financial schemes, fiscal incentives, for example reduced tax rates on renovation works and materials, on-tax schemes, on-bill schemes, guarantee funds, funds targeting deep renovations, funds targeting renovations with a significant minimum threshold of targeted energy savings and mortgage portfolio standards.	Guidance for potential measures to promote enabling financing tools in Section 2.2.2; descriptions of on-bill financing and on-tax schemes covered in Section 2.3	Relevance of energy performance contracting for vulnerable housing outlined in Chapter VII Part 2.c.ii. (SWD) Examples of different financing and policy instruments, including innovative ones are collected in Chapter X (SWD)	In the scope of the guidance		Summary of financing instruments in Section 2.3.1 with additional examples in Annex D. Specified recommendations for commercial buildings (Section 2.3.2) and residential ones (Section 2.3.3).	European Commission Joint Research Center (JRC) report (2019): 'Accelerating energy renovation investments in buildings'. It covers a range of finance schemes Link: https://publications.jrc.ec.europa.eu/repository/handle/JRC117816 . More information and analysis on Energy Performance Contracting and its implementation on building renovation can be found in this report: Moles-Grueso, S., Bertoldi, P. and Boza-Kiss, B., Energy Performance Contracting in the EU – 2020-2021 Link: https://publications.jrc.ec.europa.eu/repository/handle/JRC133984
7	They shall guide investments into an energy-efficient public building stock, in line with Eurostat guidance on the recording of energy performance contracts in government accounts.						Section 4.3.2. of the annex to the Commission guidance on Article 29 EED provides clarifications on how the rules of the European System of National and Regional Accounts should apply to energy performance contracts Link: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L_202402476
7	Member States may also promote and simplify the use of public-private partnerships	Mentioned in Section 2.4.1				European Energy Efficiency Fund is mentioned as a public-private partnership for public buildings (Section 2.3.4)	

8	Member States shall ensure that information about available funding and financial tools is made available to the public in an easily accessible and transparent manner, including by digital means	Described in relation to general energy efficiency finance in Sections 2.2.1 and 2.2.2	Importance of trust, engagement and communication for households at risk of energy poverty described in Chapter VIII (SWD)		Covered with some example of good practice in Section 3.4 and Section 4.1		
9	The enabling funding and financial tools may include renovation loans or guarantee funds for energy performance renovations	Loan guarantees described in Section 2.5.2				Part of the list of financing instruments in Section 2.3.1 and Annex D	
9	including in combination with relevant Union programmes, where applicable	Use of InvestEU and cohesion policy framework described in Section 2.5.2					

10	By ... [12 months from the date of entry into force of this Directive], the Commission shall adopt a delegated act in accordance with Article 32 supplementing this Directive by establishing a comprehensive portfolio framework for voluntary use by financial institutions that supports lenders in targeting and increasing lending volumes provided in accordance with the Union's decarbonisation ambition and relevant energy targets, in order to effectively encourage financial institutions to increase lending volumes provided for energy performance renovations. The actions set out in the comprehensive portfolio framework shall cover increasing lending volumes for energy renovations and shall include suggested safeguards to protect vulnerable households through blended funding solutions. The framework shall describe best practices to encourage lenders to identify and act upon the worst-performing buildings within their portfolios.						
11	Member States shall facilitate the aggregation of projects to enable investor access as well as packaged solutions for potential clients	Covered in Sections 2.4.1 and 2.4.2		In the scope of the guidance		Part of the instruments described in Sections 2.3.1 and 2.5	

11	Member States shall adopt measures that promote energy efficiency lending products for building renovations, such as green mortgages and green loans, secured and unsecured, and ensure that they are offered widely and in a non-discriminatory manner by financial institutions and, are visible and accessible to consumers	Almost identical wording in Section 2.2, particularly information on the scope of innovative enabling financing tools and non-discrimination in Section 2.2.2				Part of the list of financing instruments in Section 2.3.1 and Annex D	
11	Member States shall ensure that banks and other financial institutions and investors receive information on opportunities to participate in the financing of the improvement of the energy performance of buildings	Covered in Section 2.4.2		In the scope of the guidance			
12	Member States shall put in place measures and financing to promote education and training with a view to ensuring that there is a sufficient workforce with the appropriate level of skills corresponding to the needs in the building sector, especially targeting SMEs, including microenterprises, as appropriate.		Examples for the promotion of green skills in construction and building sectors are described in Chapter IX (SWD)				
12	One-stop shops established pursuant to Article 18 may facilitate access to such measures and financing	One-stop-shops covered in Section 2.1.2, but not specific to training				Mentioned as an important driver of investment and renovation in Section 2.3.3	Guidance on Article 24 EED, and guidelines on setting up one-stop shops as per Article 22(6) of the EED, and Article 18(1) of Directive EU/2024/1275 (to be published)

13	The Commission shall, where appropriate and upon request, assist Member States in setting up national or regional financial support programmes with the aim of increasing the energy performance of buildings, especially of existing buildings, including by supporting the exchange of best practice between the responsible national or regional authorities or bodies.						
13	Member States shall ensure that such programmes are developed in a way that they are accessible to organisations with lower administrative, financial, and organisational capacities.						

14	With due regard to vulnerable households, Member States shall link their financial measures for energy performance improvements and reduced greenhouse gas emissions in the renovation of buildings to the targeted or achieved energy savings and improvements, as determined by one or more of the following criteria: (a) the energy performance of the equipment or material used for the renovation and the related greenhouse gas emission reduction; in which case, the equipment or material used for the renovation is to be installed by an installer with the relevant level of certification or qualification and shall comply with at least minimum energy performance requirements for building elements or higher reference values for an improved energy performance of buildings; (b) standard values for the calculation of energy savings and greenhouse gas emission reduction in buildings; (c) the improvement achieved due to such renovation by comparing energy performance certificates issued before and after renovation; (d) the results of an energy audit; (e) the results of another relevant, transparent and proportionate method that shows the improvement in energy performance, for example by comparing the energy consumption before and after renovation with metering systems, provided it complies with the requirements set out in Annex I.			40			
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16	Member States shall incentivise deep renovation and staged deep renovation with higher financial, fiscal, administrative and technical support.						
16	Where it is not technically or economically feasible to transform a building into a zero-emission building, a renovation resulting in at least a 60% reduction of primary energy use shall be considered to be a deep renovation for the purposes of this paragraph.						
16	Member States shall incentivise sizeable programmes that address a high number of buildings, in particular the worst-performing buildings, such as through integrated district renovation programmes, and that result in an overall reduction of at least 30% of primary energy use, with higher financial, fiscal, administrative and technical support, according to the level of performance achieved.						

17	Without prejudice to their national economic and social policies and to their systems of property law, Member States shall address the eviction of vulnerable households caused by disproportionate rent increases following energy renovation of their residential building or building unit		Definition of energy poverty in Chapter IV, with indicators, data sources and further explanations (SWD) General elements for tackling energy poverty, including social tariffs and rebates described in Chapter VI (SWD) Examples of practices to avoid renoventions in Chapter VII Part 2.c.ii. (SWD) Further examples of financing and policy instruments in Chapter X (SWD)		Eviction not described in dedicated section, but several practice examples include measures relevant for this provision (e.g. Sections 3.2.3, 3.3.5)		
18	Financial incentives shall target, as a priority, vulnerable households, people affected by energy poverty and people living in social housing, in accordance with Article 24 of Directive (EU) 2023/1791		Good practices in Chapter VII Part 2.c (SWD) Further examples of financing and policy instruments in Chapter X (SWD)		Recommendations and best practices collected across the document (e.g. Sections 2.1, 3.1.5, 3.4.2, 3.4.3, 3.5.4)		
19	When providing financial incentives to owners of buildings or building units for the renovation of rented buildings or building units, Member States shall aim at financial incentives benefiting both the owners and the tenants		Description of options to reduce split-incentive challenges in Chapter VII Part 2.c.i., including examples of on-bill financing and energy performance contracting (SWD) Further examples of financing and policy instruments in Chapter X (SWD)				Section 5.5 of the guidance on Article 22 of Directive EU/2023/1791 provides options on how to remove such barriers related to split incentives European Commission Joint Research Centre (2017): Overcoming the split-incentive barrier in the building sector. Unlocking the energy efficiency potential in the rental & multifamily sectors, Link: https://op.europa.eu/en/publication-detail/-/publication/ae5716d7-fb39-11e7-b8f5-01aa75ed71a1/language-en

19	Member States shall introduce effective safeguards, to protect in particular vulnerable households, including by providing rent support or by imposing caps on rent increases, and may incentivise financial schemes that tackle the upfront costs of renovations, such as on-bill schemes, pay-as-you-save schemes or energy performance contracting, as referred to in Article 2, point (33), and Article 29 of Directive (EU) 2023/1791.		Examples of on-bill financing and energy performance contracting described in Chapter VII Part 2.c.i., Examples of regulatory safeguards in tenancy regulations mentioned in Chapter VII Part 2.c.ii. (SWD) Details and examples on affordability for energy poverty households in Chapter VI (SWD) Further examples of financing and policy instruments in Chapter X (SWD)				
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