

August 25, 2010

Rehabilitating the buildings' retrofitting programme

Position paper

Given the requirements of Directive 2010/31/UE of the European Parliament and the Council on the Energy Performance of Buildings;

Considering that the effects of climate change are increasing both in frequency and intensity, being aware of the urgency required in taking energy efficiency measures for buildings, since in the EU energy consumption in buildings represents 40% of both the total consumption and greenhouse gas emissions;

Given the current economic and financial crisis which should compel us to take more effective and sustainable action on a long term.

Analyzing the current state of the national legislation regarding the thermal rehabilitation of buildings and especially the new Government Emergency Ordinance 69/2010 regarding the thermal rehabilitation of residential buildings using funding by bank loans guaranteed by the Government;

Considering how the Romanian Government uses the emergency ordinance procedure to approach major legislative issues, thus avoiding parliamentary debate and without ensuring effective consultation with other stakeholders involved in the thermal rehabilitation programs;

ALMA-RO Association urges the Romanian government to take the following steps:

- To reference legislation for improving the energy performance of buildings with the requirements of EU legislation by transposing it in letter and spirit;
- To ensure a real debate in the Romanian Parliament on an topic of public interest, referring to guidelines and deadlines agreed at European level, by promoting bills and not by resorting to the procedure of emergency ordinances;
- To adopt a new program only after elaborating a detailed evaluation of programs already in place regarding the thermal rehabilitation of buildings, together with local authorities. It should highlight the program's impact on the population, the ratio between investments made and energy cost savings over the lifetime of buildings included in the program, greenhouse gas emission reductions and a comparative analysis of costs per surface unit between the towns involved in the program, taking their geo-climatic conditions into account;
- To observe the recommendations of Directive 2010/31/UE regarding energy efficiency measures and to establish financial instruments and adapt them accordingly. According to Art. (18) of the directive, "*such financial instruments at Union level include, inter alia, Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund, amended to allow increased investments in energy efficiency in housing; the public- private partnership on a 'European energy-efficient buildings' initiative to promote green technologies and the development of energy-efficient systems and materials in new and renovated buildings; the EC- European Investment Bank (EIB) initiative 'EU sustainable energy financing initiative' which aims to enable, inter alia, investments for energy efficiency and the EIB-led 'Marguerite Fund': the 2020 European Fund for Energy, Climate Change and Infrastructure; Council Directive 2009/47/EC of 5 May 2009*

amending Directive 2006/112/EC as regards reduced rates of value added tax, structural and cohesion funds instrument Jeremie (Joint European Resources for micro to medium enterprises); the Energy Efficiency Finance Facility; the Competitiveness and Innovation Framework Programme including the Intelligent Energy Europe II Programme focused specifically on removing market barriers related to energy efficiency and energy from renewable sources through for example the technical assistance facility ELENA (European Local Energy Assistance); the Covenant of Mayors; the Entrepreneurship and Innovation programme; the ICT Policy Support Programme 2010, and the Seventh Research Framework Programme. The European Bank for Reconstruction and Development also provides funding with the aim of stimulating energy-efficiency-related measures."

- To develop programs aimed at thermal rehabilitation of public institutions, so they may offer an example, according to Directive 2010/31/UE paragraph (23) and (24);
- To officially clarify the complementarity (if any) of Ordinance 69/2010 regarding the thermal rehabilitation of residential buildings financed by bank loans with government guarantee and a new thermal rehabilitation program of residential buildings, applicable beyond 2010;
- To appropriately consult and involve local and regional authorities that play an important role in implementing Directive 2010/31/UE.

Regarding newly adopted Ordinance 69/2010 regarding the thermal rehabilitation of residential buildings, funded through bank loans guaranteed by the Government, ALMA-RO Association highlights the following:

- this piece of legislation may result in a stop of the buildings' thermal rehabilitation program, in the absence of other financial incentives, as the estimated time for return on investment is 7 to 9 years, and the unstable economic situation is a major risk for any citizen. Under these conditions, even those who currently afford to support such an investment would wonder whether to enter a credit program for five years or not. Regarding owners who can afford such an investment in full, they will not resort to a program that imposes bureaucratic procurement procedures and a technical expertise of buildings etc.
- the requirement that 90% of the owners in a building should agree with the loan made by the owners' association (Article 5. 2), can block any such loan programme, given the diversity of income of the tenants.

Consequently, the new Ordinance 69/2010 can "kill" the thermal rehabilitation programme that barely started.

ALMA-RO Association provides individuals, organizations and institutions interested in this topic, through its web page: www.alma-ro.ngo.ro, the brochure and leaflet "Energy efficient buildings - the first step to significantly reduce greenhouse gas emissions". An analysis of the implementation of building thermal rehabilitation program implemented in Romania is to be published soon. The documents above were elaborated during the "Energy-efficient buildings - the first step toward significantly reducing greenhouse gases in Romania" Project, developed by ALMA-RO and financed by the Governments of Iceland, Liechtenstein and Norway through the EEA Financial Mechanism (EEA) 2014 - 2009 - The NGO Fund, the 2009 call for proposals.

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