

IMPLEMENTATION OF THE RECOVERY AND RESILIENCE FACILITY:



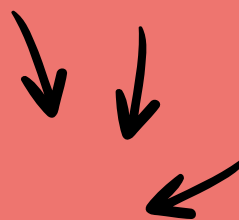
Challenges and success factors of public,
cooperative, and social housing providers.

MAY 2025





DISCLAIMER



Our analysis of the National Recovery and Resilience Plans is based on available information—from the European Commission, national Ministries and our Member organisations (public, cooperative and social housing providers).

While every effort has been made to ensure that this paper's data and other information are accurate, some errors may remain. In some cases, the report mentions approximate figures, as precise information was not available at the time of going to publication.

While the author has used various sources and data, including from the European Commission, estimates and aggregate figures were computed by the author and the responsibility for the accuracy of those figures lies with the author. Views, thoughts, and opinions in the text belong solely to the author and Housing Europe.

Housing Europe, the European Federation for Public, Cooperative and Social Housing.



EXECUTIVE SUMMARY

The present report builds on Housing Europe's 2021 paper on the *Impact of the Recovery Plans on the Social and Affordable Housing Sector*¹ and digs deeper into how challenging the implementation proved to be for public, cooperative, and social housing providers. The report also provides some successful project examples showing what is possible with the support of EU funding. Finally, the report draws conclusions about how a potential future Recovery and Resilience Facility (RRF) should be adapted to the sector's needs.

Key constraints identified in this publication regarding the implementation of the RRF include: mismatch between the policy objectives of the European Commission and the actual use of funding; issues pertaining to eligibility criteria; governance issues; administrative challenges; implementation delays; financial gaps; and information disparity.

Based on the above, we have formulated policy recommendations which would enhance the governance of similar instruments in the future, such as the Social Climate Fund (SCF).

These recommendations include:

- improving the eligibility criteria for the public, cooperative, and social housing sector
- clarifying and simplifying rules and procedures under the RRF while enabling for more flexibility (for example, in case of implementation delays)
- better partnership and coordination with local actors
- better financing for the renovation and construction of new dwellings by the public, cooperative, and social housing sector
- linking the funding to proven needs

¹ Housing Europe, (2021). *Impact of the Recovery Plans on the Social and Affordable Housing Sector*.
<https://www.housingeurope.eu/resource-1635/impact-of-the-recovery-plans-on-the-social-and-affordable-housing-sector>



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INTRODUCTION



In their Recovery and Resilience Plans (RRP), multiple European Member States recognised the urgent need for decent, affordable housing that could lift people and communities. **In our first report presented back in 2021**, we saw this **recognition taking different forms** – through **energy efficiency renovation, support for social services, boosting the Housing First model or introducing digitalised or circular models** that could make our homes fit for the challenges of this century.

In the 2021 report, we assessed that Member States had allocated **€47.28 billion for the renovation of social, cooperative, and public housing** in their National RRP, and that **€5.5 billion** had been allocated for the provision of social housing and Housing First. In addition, key housing reforms have been planned in several countries. The total commitments on housing could be considered a modest amount (€52.8 billion) when compared to the current investment need (min €342 billion up to 2026), however it represents an important financing stream for the sector.

Since 2021, the sector has faced **several challenges while implementing the Plans**: the rising costs of materials, a lack of skilled construction workers, heavy bureaucracy and the energy crisis. The European Commission tried to tackle the latter by introducing ‘REPowerEU’ plan to secure Affordable, secure and sustainable energy for Europe.

The present publication digs deeper into **how these challenges impacted the implementation in public, cooperative, and social housing** and provides some successful project examples on what is possible with the support of EU funding. Finally, the report draws **conclusions about how a potential future RRF should be adapted to the sector’s needs**.



CASE STUDIES

IN DIFFERENT AREAS OF WORK OF PROVIDERS

1 Energy efficient renovation of buildings



Circular renovation of 132 social dwellings – Brussels, Belgium

CONTEXT:

The building sector is the biggest emitter of greenhouse gases in the Brussels Region. This is why the region must reduce its greenhouse gas emissions by at least 32% by 2030. This objective must be achieved through the sustainable renovation of existing buildings.

The current approach aimed at reducing the environmental impact of existing buildings states that the social housing stock must obtain at least an energy performance certificate (EPC) rating of D by 2025.³ This project, which receives a grant of €31 million from the Recovery and Resilience Facility, involves the publication, award and execution of 12 works contracts by public housing companies for the renovation of at least 1 325 homes.

The Vandeuren project⁴ involves the complete renovation of buildings with significant heritage value, aiming to achieve low-energy standards and upgrade all technical and sanitary installations. The project emphasises circularity and sustainability.

TIMEFRAME:

2021-2025

TOTAL INVESTMENT:

€29,6 million

CO-FINANCING:

Recovery and Resilience Facility, Brussels region

PROJECT PARTNERS:

The study bureaus: P&P Architectes, A4

The entrepreneur: Artes and Delens

MORE INFORMATION:

<https://binhome.brussels/> and <https://slrb-bghm.brussels/>



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³ Next Gen Belgium, (n.d.). *Rénovation écoénergétique de logements sociaux en Région de Bruxelles-Capitale* [Energy-efficient renovation of social housing in the Brussels-Capital Region].

<https://nextgenbelgium.be/fr/projet/r%C3%A9novation-%C3%A9co%C3%A9nerg%C3%A9tique-de-logements-sociaux-en-r%C3%A9gion-de-bruxelles-capitale#:~:text=L%E2%80%99approche%20actuelle%20qui%20vise,%C3%A0%20faible%20%C3%A9mission%20de%20carbone>

⁴ SLRB, (2024). *Cité Vandeuren* [Vandeuren City]. <https://slrb-bghm.brussels/fr/chantiers/vandeuren-phase-3>

KEY FEATURES:

- ➡ **Preservation and re-use:** The goal is to preserve the existing residential block as much as possible and reuse materials. The buildings are renovated and restructured, featuring a central garden and several collective spaces accessible to residents and locals, providing a refreshing area in a densely populated social neighborhood.
- ➡ **Facade Restoration:** The facades of the buildings from the 1930s were completely renovated and cleaned, restoring their original luster. The aluminum “boxes” on the rooftops were built using the traditional joists from the old floors.
- ➡ **Material Recovery:** Extensive efforts were made to dismantle and recover materials:
 - **In Situ Recovery:** 7 596,52 meters of beams, 255 m³ of bricks, and 813 m² of cement tiles were recovered from the site.
 - **Recycled Materials:** The roofs of the duplex apartments were constructed using a maximum of recycled beams. Bricks (gabions in the central garden), wooden cottages, and cement tiles were installed using recovered materials.

SUCCESS FACTORS:

- ➡ A project owner and design offices committed and ambitious to testing innovative processes, particularly in terms of reuse and circularity.
- ➡ Service Market Specifications focused on limiting gray energy, in addition to more traditional requirements (energy performance). Use of the TOTEM (materials impact assessment tool) tool to measure material choices.
- ➡ Ambitions on circularity have made it possible to obtain additional funding, in particular via calls for projects from Brussels Environment (Be-Exemplary 2019 Laureate).
- ➡ Upstream management of material resources available on site: identification of reuse potential and establishment of a selective deconstruction market prior to the renovation works market with a social economy company for training through work (professional reintegration) and an adapted work company (people with disabilities).
- ➡ Flexibility of project management and project authors
 - in relation to the non-existent guarantees and certifications of reused materials acceptance of risk
 - in relation to the non-linearity of the project: constant adaptations
 - in relation to finishing requirements (reused materials)
- ➡ Available storage space for materials (necessary for reuse)
- ➡ Project planning allows sufficient time to carry out this type of project including circularity and the integration of social economy enterprises, upstream of the major renovation project.

LESSONS LEARNT:

- ➡ The Phases III & IV project of the Boondael/Vandeuren blocks benefited from the experience of the previous Phases I & II. During these first renovations, there were far too many demolitions. It was therefore decided to work on a renovation focused on more measured demolitions and reuse.
- ➡ In 2020, at the time of the deconstruction contract, the legal framework (approvals) for social economy enterprises was difficult to obtain and there was little specialisation in deconstruction. SLRB has noticed an evolution since then and is not concerned as much to deviate from the approval.
- ➡ It was ultimately not too complicated to integrate the principles of circularity into the specifications. The specificities of circularity were added as additional positions, which allows easy adaptability during the construction site.
- ➡ There were unforeseen events (related or not to reuse) that generated additional delays and costs; additional budget supplements were necessary for the work and fees of the project authors (additional funding obtained). Experience will help to better refine the forecast budgets for future projects.
- ➡ The circularity approach takes more time, for the drafting of the specifications, studies, site monitoring. This time is essential and must be taken into account in the planning of the project.
- ➡ It is always possible to integrate circularity into a project, regardless of its state of progress. Ex. The planning permission for the project was filed when circularity was included in the project.



Subsidies for energy renovations for social housing actors in Flanders – the Flemish Climate Fund (VKF) – Flanders, Belgium

In 2012, the Flemish Government decided to set up the Flemish Climate Fund — Vlaams Klimaatfonds (VKF) in the form of an organic budget fund (with a decretal basis in Article 14 of the Decree of 13 July 2012). The VKF is fed by the auction revenues from the EU Emissions Trading System (EU ETS) that flow to Flanders.

According to the Flemish government's assessment, in 2024, €678 million from the VKF fund was allocated, with 62% dedicated to reducing greenhouse gas emissions in homes and buildings—including government facilities, schools, hospitals, and cultural centres—through the promotion and implementation of energy renovations.⁵

In 2023-2024, between 13% and 16% went directly to retrofitting private housing (in total around €27 million). In 2021 and 2022 8-10% of the budget was allocated to retrofitting social housing (in total around €25 million).



PROJECT TITLE:

Energiepremies voor sociale woonactoren (VKF-subsidies)
(Subsidies for energy renovations for social housing actors in Flanders)



COUNTRY/CITY:

Belgium - Flanders



PROJECT PROMOTER/PARTNERS:

Social housing actors



TIMEFRAME:

Subsidy system established in 2015. RRF funds have been allocated to projects registered between Sept 2021 and Dec 2022.



WEBSITE OF THE PROJECT PROMOTER/PARTNERS:

<https://www.vlaanderen.be/sociaal-woonbeleid/financiering/projectfinanciering/mogelijkheden-op-jaarbudget/energiepremies-voor-sociale-woonactoren-vkf-subsidies>



TOTAL INVESTMENT:

The subsidy system has been kept operational with funds from different sources, in total €151.1 million, of which €25 million specifically from RRF funds.

⁵ Vlaamse Regering, (2024). *Bis-mededeling aan de vlaamse Regering [Bis-Communication to the Flemish Government]*.
https://assets.vlaanderen.be/image/upload/v1710856325/VR_2024_1503_MED.0095-1_Besteding_middelen_VKF_in_2024_-_mededelingBIS_hpmk16.pdf

CO-FINANCING AND SOURCE:

Co financed through rent subsidies on FS3-loans (i.e. market-based annuity loans with a term of 33 years, offered at a market-referenced interest rate).

The Flemish government, through the Flemish Society for Social Housing (Vlaamse Maatschappij voor Sociaal Wonen, VMSW), offers annuity loans to social housing providers to support the construction and renovation of social housing. Instead of a classic annuity loan, where the repayment amount of the capital remains constant over the installment, the repayment amount starts at a lower level, and increases every year with 2%, in line with inflation and expected increases in future rental income.

The interest paid on the outstanding debt is market-based. The housing provider receives a rent subsidy, covering not only the market-based interest but also 1% of the residual capital. The real interest rate therefore on the loans is negative 1%.

The rent subsidy given to projects that have used VKF-subsidies is considered as co-financing. The source is the Flemish budget.

DESCRIPTION OF OPERATIONS:

In total **4,296 social dwellings** renovated so far:

Social housing actors can apply for a renovation subsidy: the current subsidy system is differentiated into 3 sub types with their own subsidy amounts:

- ➡ **Complete reconstructions:** projects where the cost of renovation would exceed the cost of demolition and constructing a new building
- ➡ **Total Energy Renovations (TER):** projects where the outer shell and Heating, Ventilation and Air-conditioning (HVAC) and sanitary hot water installations are completely renovated
- ➡ **Partial renovations:** projects that only carry out partial energy upgrades, for example: new double glazing, insulation, ventilation systems, heating systems, etc...

SUCCESS FACTORS:

- ➡ The VKF subsidy system for social housing already existed. Therefore the implementation of the RFF funds was very fast and with a low initial administrative cost.
- ➡ With support from the RRF, 135 social housing renovation projects in Flanders received subsidies, enabling the (partial) renovation of 4,142 housing units. These interventions are expected to achieve an average theoretical energy saving of 39% per unit, translating into an estimated annual reduction of 8,129 tonnes of CO₂ emissions.

PICTURES:

- ➡ **Vinkenhof Berlaar – Leefgoed**
Total energy renovations of **50 houses** with prefabricated facade elements



©Google Maps

BEFORE:



AFTER:



DIFFICULTIES:

➔ Different requirements between European subsidy funds (e.g. ETS1 & RRF). The majority of the funding of the VKF subsidy system originates from ETS1-funds. The ETS1 criteria at the time were different from the RRF criteria. For example: RRF resources were not allowed to be used for gas heating systems. As a result, they had to modify the eligibility criteria of their subsidy system in general, meaning that the use of these additional funding had an impact on the subsidy system as a whole.

➔ **Communications issues:** There was no direct cooperation with the national management authority. VKF obtained their information through different (regionalised) channels. According to VDK, the availability and distribution of essential information could have been better.

➔ **Administrative burden:** VDK, as a government agency, took responsibility for ensuring that resource use met the required criteria, thereby reducing the administrative burden on its implementing partners, the housing companies. However during the audit, stricter requirements emerged. Since the Housing Companies themselves were the contracting authority for their renovation projects, it was very time-consuming for VDK to collect all of the necessary documentation to demonstrate that all conditions had been met.



Brownfield regeneration projects

– Czechia



PROGRAMME TITLE:

Brownfields revitalisation: (Component 2.8 – investment 1 and 2)



BENEFICIARY:

Ministry of Regional Development/State Investment Support Fund



TIMEFRAME:

31 December 2025



WEBSITE OF THE BENEFICIARY:

<https://sfpi.cz/>



TOTAL INVESTMENT:

Component 2.8 – approximately €110 960 000 (Investment 1: The investment shall support at least 10 brownfield regeneration projects, Investment 2: The investment shall support at least 30 non- business brownfield regeneration projects).



CO-FINANCING AND SOURCE:

Component 2.8: RRF

DESCRIPTION OF THE PROGRAMME:

Component 2.8: contributes to addressing the challenge of supporting revitalisation of former industrial or unused sites in urban areas (henceforth brownfield sites) with the ultimate goals to:

- ➔ improve energy efficiency of renovated or reconstructed buildings;
- ➔ construct new energy-efficient buildings, where renovation would neither be possible nor efficient;
- ➔ create natural carbon sinks.

The component shall initiate comprehensive site conversions and enhance the ecological stability of the landscape by creating new green areas without affecting agricultural land. The revitalisation of the territory is expected to contribute to a more efficient use of technical and transport infrastructure, reduced energy consumption and increased energy efficiency.

SUCCESS FACTORS: ➔ Comprehensiveness, wide scope for funding across different areas.

DISADVANTAGES AND RECOMMENDATIONS FOR FUTURE RRF:

➔ Significant administrative burden linked to frequent monitoring and reporting. Moreover, the number of indicators and the type of information required for projects funded by the RRF has increased over time and is not fixed from the start, which complicates the additional data collection and reporting processes.

➔ The system for preventing double financing is complex. Double financing is interpreted as reporting on similar milestones or targets under different funding sources. From a control perspective, it is difficult to design a system that effectively monitors such similar milestones and targets. It would be more practical to focus control efforts on ensuring that the same or similar expenditures are not reimbursed more than once.



Building capacity of municipalities – Czechia



PROJECT/MEASURE TITLE:

Housing Support Act



COUNTRY/CITY:

Czechia



PROJECT PROMOTER/PARTNERS:

Ministry of Regional Development
Ministry of Labour and Social Affairs



TIMEFRAME:

June 2024: Approval of the government
July 2024: The act passed the first reading in the government
Next steps depend on the future political situation.
Milestone (National Recovery Plan): the act should enter into force by 30.9.2025.



WEBSITE OF THE PROJECT PROMOTER/PARTNERS:

<https://mmr.gov.cz/cs/microsites/bydleni-pro-zivot/uvod>
<https://mmr.gov.cz/en/homepage>



TOTAL INVESTMENT:

80 million CZK from the RRF funds (about €3.19 million)



CO-FINANCING AND SOURCE:

After successful initial implementation: 1.5 billion CZK from the state budget.

TOOLS OFFERED BY THE LAW:

- ➡ Housing contact points in each municipality to provide basic and specialised counseling, housing need assessment and support proposal, coordination, control and data collection
- ➡ A system of guarantees (for private apartment owners) and compensations with the motivation to increase the supply of rental apartments on the market that will be available to vulnerable groups
- ➡ Housing assistance (support for tenants in apartments)

SUCCESS FACTORS:

- ➡ monitoring through municipal housing reports and the report on housing in the Czech Republic every three years
- ➡ milestone from the Czech RRP fulfilled, when the act entered in force
- ➡ successful implementation should lead to:
 - reducing the extent of housing crisis
 - preventing the emergence of housing crisis
 - reduction of housing shortage



SOLAS recovery skills response investment programme, green skills action – Ireland



PROJECT/MEASURE TITLE:

SOLAS Recovery Skills Response Programme (i) — green skills action – Development of skill provision opportunities under the ‘Skills to Compete’ programme



COUNTRY/CITY:

Ireland



PROJECT PROMOTER/PARTNERS:

City of Dublin ETB, Cork ETB, Laois and Offaly ETB, Limerick and Clare ETB, Mayo, Sligo and Leitrim ETB, Waterford and Wexford ETB.



TIMEFRAME:

2021–2026



WEBSITE OF THE PROJECT PROMOTER/PARTNERS:

<https://www.solas.ie/programmes/green-skills/>



TOTAL INVESTMENT:

€114 million⁶



CO-FINANCING AND SOURCE:

Irish Government
European Social Fund (ESF+)



⁶ Government of Ireland, (2021). *Ireland's National Recovery and Resilience Plan: Europe's Contribution to Ireland's Recovery*.
<https://www.gov.ie/pdf/?file=https://assets.gov.ie/162639/e5f1a2bf-35aa-4e25-9a8a-9b49c8b0b50f.pdf#page=null>

DESCRIPTION OF OPERATIONS:



In October 2021, the unit incorporated a Green Skills mandate. This area of the unit is tasked with developing and managing the SOLAS Green Skills Action Plan which is SOLAS' responsibility under Ireland's National Recovery & Resilience Plan⁷.

SOLAS Recovery Skills Response Programme sees a range of additional educational and training programmes rolled out as part of the Skills to Compete scheme and the establishment of the SOLAS Green Skills Action programme focusing on providing training to address climate and low carbon economy issues.

The Green Skills Action Plan, part of the National Recovery and Resilience Programme, targeting upskilling to support the national retrofitting plan, and the embedding of green skills across all Further Education & Training (FET) Provision. FET commitments include a dedicated green skills module, now available via the eCollege platform. Also included in this and the National Recovery Plan are commitments for delivery under Skills to Compete.

The objective of the SOLAS Recovery Skills Response Programme (measure 3.2) is to support reskilling and upskilling activities in order to equip participants with the skills needed for the twin transition as well as in target sectors with employment opportunities⁸.

SUCCESS FACTORS:

Green Skills and Construction focused on the expansion of the national FET provision in both green skills and future construction skills in line with key Government policies around climate and housing

The SOLAS Green Skills team oversees implementation of National and European mandates including Climate Action policy across the FET sector, not only for construction, but also in renewable energy (onshore and offshore, solar PV), e-mobility, biodiversity, bioeconomy, marine and waste management.

Under the Construction, Quality and Green Skills team, work progressed in 2023 towards establishing Ireland's first Modern Methods of Construction Park in Mount Lucas with Laois and Offaly Education and Training Board (ETB). In fulfilling the Housing for All programme, SOLAS is managing the rollout of six Nearly Zero Energy Buildings (NZEB) in City of Dublin ETB, Cork ETB, Laois and Offaly ETB, Limerick and Clare ETB, Mayo, Sligo and Leitrim ETB, and Waterford and Wexford ETB. In Q2 of 2023, Cork ETB's NZEB Centre of Excellence (CoE) was officially opened.⁹

Although the Further Education and Training system has over achieved in many of the targets, there is one that bucked the trend. The green skills target of 18 428 learners for 2022 has not been reached. A number of new initiatives were envisaged that would support ETBs to meet their green skills targets, however, it was not until late 2022 that these modules became available¹⁰.

⁷ SOLAS, (2021). *Annual Report and Accounts*. https://www.solas.ie/fi/70398/x/9a0af12b29/solas_annual-report-2021_english.pdf

⁸ European Commission, (2024). *Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the first payment request submitted by Ireland on 7 September 2023*. p. 55 https://commission.europa.eu/document/download/6c1e1d42-2e9e-46a3-be61-a3ede71dd81a_en?filename=C_2024_3490_1_EN_annexe_acte_autonome_nlw_part1_v2.pdf

⁹ SOLAS, (2024). *Annual Report and Accounts 2023*. <https://www.solas.ie/fi/70398/x/0940f7c409/solas-annual-report.pdf>

¹⁰ SOLAS et al., (2023). *Annual Progress Report 2022: Transforming Learning Strategic Performance Agreements – The Further Education & Training System 2022-2024*. p. 11. https://www.solas.ie/fi/70398/x/9422b7c0ea/annual-report_strategic-performance-agreements_-2022-progress_.pdf



Multi-apartment building renovation – Raasiku, Estonia



PROJECT/MEASURE TITLE:

20.4.01.22-0158 Nurme 10, Raasiku apartment housing renovation



COUNTRY/CITY:

Estonia, Raasiku local municipality



PROJECT PROMOTER/PARTNERS:

Raasiku local municipality



TIMEFRAME:

01.09.2020 – 31.12.2024



WEBSITE/EMAIL OF THE PROJECT PROMOTER/PARTNERS:

<https://raasiku.ee/>
raasiku.vald@raasiku.ee



TOTAL INVESTMENT:

€693 931



CO-FINANCING AND SOURCE:

€346 965,50 from the RRF

DESCRIPTION OF OPERATIONS:

Complete renovation of social housing building with for approximately 20 people, 6 apartments

SUCCESS FACTORS:

- ➔ This solution was more affordable for local municipality than the construction of new building
- ➔ Nurme 10, was used as social housing before the renovation (originally the house was a hospital building built in the 1950s)
- ➔ Complete renovation means less maintenance cost for local municipality in the future



Multi-apartment building renovation – Tori, Estonia



PROJECT/MEASURE TITLE:

20.4.01.22-0457 Pärnu highway 51, Sindi apartment housing renovation



COUNTRY/CITY:

Estonia, Tori local municipality



PROJECT PROMOTER/PARTNERS:

Tori vald



TIMEFRAME:

01.11.2020 - 02.01.2024



WEBSITE/EMAIL OF THE PROJECT PROMOTER/PARTNERS:

<https://www.torivald.ee/>
tori@torivald.ee



TOTAL INVESTMENT:

€773 129,98



CO-FINANCING AND SOURCE:

€386 564,99 RRF

DESCRIPTION OF OPERATIONS:

Complete renovation of an apartment building that was out of use because of its poor state. Since the renovation, the building is required to be used as a small apartment building.

SUCCESS FACTORS:



As the building is also an architectural monument of woodworks (built between 1830-1860) the renovation was a necessary step for local municipality



The local municipality got the opportunity to renovate a building that was out of use



PICTURES:

BEFORE:



AFTER:



AFTER:



AFTER:



Pärnu highway 51, Sindi apartment housing renovation

BEFORE:



AFTER:



Nurme 10, Raasiku apartment housing renovation



Thermal renovation of 40 000 social housing – Bobigny, France

As part of the Recovery Plan, a budget of €500m for the period 2021-2022 has been earmarked for the renovation of the social rental housing stock, of which €445m is earmarked for the financing of restructuring, renovation, and thermal renovation projects; and €40m to support large-scale energy renovation using industrial solutions ('MassiRéno' call for projects). A budget of €15.5m has also been earmarked for social rental housing in the French overseas regions and departments under a special scheme. The target of renovating 40 000 social rental housing units to be renovated has largely been achieved, with more than 53 000 units financed for €490m (balance sheet data at 31/01/2023, i.e. 98% of the budget). These 53 000 units include:

- 48 581 dwellings for major restructuring or renovation in mainland France;
- 2 219 dwellings under the MassiRéno call for projects to promote exemplary renovation of the social housing stock;
- 2 281 dwellings under the special scheme for the French overseas territories.

The level of performance of the homes after renovation must be at least class C of the energy performance diagnosis. The work must also comply with a requirement of non-degradation of GHG emissions. Through deep renovations of buildings, the ambition is to progressively eliminate thermal sieves and achieve at least 30% of energy savings on average by the end of 2026. The below example illustrates one of the projects funded under MassiRéno.



PROGRAMME/PROJECT TITLE:

Rehabilitation of the Estienne d'Orves Residence, winner of the MassiRéno call for projects - Bobigny (93)



BENEFICIARY:

Emmaüs Habitat



TIMEFRAME:

2020-2026



WEBSITE OF THE BENEFICIARY:

<https://www.emmaus-habitat.fr/>



TOTAL INVESTMENT:

The MassiRéno subsidy (€11 615/home) enables more ambitious thermal targets to be achieved for a residence where the technical and architectural complexity means that the landlord has to react to the urgency of the situation.



CO-FINANCING AND SOURCE:

Social housing eco-loan (intended for renovation work on the 800,000 most energy-intensive homes in the social rented housing stock) helps to balance the operation financially.

DESCRIPTION OF THE PROGRAMME:

CONTEXT

This renovation programme is one of 10 national winners of the government's MassiRéno call for projects. The Résidence Estienne d'Orves in Bobigny, built in 1998, has benefited from energy renovation work coupled with an overall refurbishment of the property. The initial E energy label required major thermal renovation work. What's more, the buildings were in a state of disrepair, with damp bathrooms and kitchens, poor joinery condition, unsuitable shutters, water seepage through skylights and so on.

As part of the MassiRéno grant, the renovation challenges for this residence were particularly ambitious, imposing greater constraints than the usual energy renovations: MassiRéno requires monitoring of the entire chain of actual energy consumption during the works, from the choice of raw materials, the energy used to produce them and the maintenance of materials, right through to the consumption of users. The government's call for projects set a total energy consumption threshold of 60 kilowatt EF/m² per year, equivalent to the targets for new BBC housing, and requires consumption to be measured over a 30-year period. This is a highly ambitious approach, given that the existing building had an EPD E rating of 187 kWh EF/sq.m/year, and that the project is both comprehensive and integral, requiring Emmaüs Habitat to monitor the commitments made by the contractors involved in the project, as well as those made by the tenants themselves. This parameter implies future collaborative work with Emmaüs Habitat's Social Cohesion, Solidarity and Communication Department (DC2SC) to encourage good practice.

OPERATIONS

- ➡ Improvement of the efficiency of the heating system and a significant reduction in consumption: separation of the hot water production and heating systems, installation of a complete hot water network with repairs to the initial distribution network, protection and insulation of the network, removal of the two gas boilers and the individual modules in the existing dwellings, and connection of the residence to the urban heating network using geothermal energy for heating, and installation of air-water heat pumps for DHW.
- ➡ Emmaüs habitat has also replaced all the joinery, with double-glazed windows and external roller shutters, in order to achieve a B energy label and a BBC Neuf (Bâtiment Basse Consommation Neuf) label.
- ➡ The drainage system has been improved, as it had a number of malfunctions, such as rainwater spilling onto private terraces.

SUCCESS FACTORS:

- ➡ **Contribution to the just transition:** The investment contributes to the very ambitious targets set by the promoter to accelerate and multiply the pace of thermal renovations. This is expected to result in significant environmental benefits through reduced energy consumption. The overall renovation of the residence is also expected to enhance the value of an asset located in the heart of the city, in a high-traffic area.
- ➡ **Tenants' involvement:** The project raised tenants' awareness of energy consumption. The tenants' association was present on site, acting as a local contact.
- ➡ **Usage of monitoring tools:** The implementation of measurement and monitoring tools aims to ensure continuous oversight of energy management. As part of the tendering process, this operation has led to a shift in Emmaüs Habitat's practices. In addition to providing technical guidance, it also places a strong emphasis on the innovative solutions proposed by participating companies. This open dialogue with companies represents a new approach within the rehabilitation programmes.
- ➡ **Better internal coordination:** This project calls for even greater cross-functionality between Emmaüs Habitat's departments. As soon as the call for tenders was put together, it was necessary for Emmaüs Habitat to work together with the departments in charge of operations. Once the work has been completed, a partnership with the rental management and DC2SC departments will ensure that energy consumption is controlled over the long term.

LESSONS LEARNT:

- ➡ The project tackles major thermal and energy challenges.
- ➡ The numerous stakeholders (shops on the ground floor managed by another landlord, tenants' association, tenants, co-ownerships) add to the complexity of the implementation
- ➡ The contractor consultation stage was crucial to ensuring that the project commitments were met. As the work progressed, regular expert assessments ensured that the ECD target was met.



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The Support for energy communities and the New Energy Act – Czechia



REFORM TITLE:

Component 7. Support for decentralisation and digitalisation of the energy sector. Reform 2: Support for Energy Communities¹²



DATE OF ENTRY INTO FORCE:

➡ Since the beginning of 2024, Czech law recognizes community energy, but practical implementation required the launch of the Electroenergy Data Center (“Elektroenergetické datové centrum”) to manage shared electricity data. The operations were launched in August 2024.

➡ Full operation, which will expand EDC’s operations and services related to aggregation, accumulation and flexibility, is expected in the second half of 2026.¹³



OBJECTIVE:

Establishment and support of energy communities, acceleration of renewable energy deployment, and facilitation of electricity sharing.



RELEVANT PROVISIONS ON ENERGY COMMUNITIES:

Acceleration of renewable energy deployment: Czechia amended the Energy Act to incentivise electricity sharing and the development of energy communities. This enables, for example, people to produce electricity from solar panels and share it with their neighbours. The reform also simplified the permitting process for renewable energy by eliminating the requirement for permits for small-scale installations and streamlining permits for large ones. This reform also supports the introduction of a Single Environmental Opinion, which replaces the up to 26 previously required environmental approvals.



RENEWABLE ENERGY ACCELERATION MEASURES:

➡ Provisional electricity sharing started mid 2024, facilitated by the Electro-Energetic Data Center (EDC).

➡ Simplified permitting for renewable energy: removal of permit requirements for small-scale installations and streamlined process for larger ones.

➡ Introduction of a Single Environmental Opinion, replacing up to 26 previous environmental approvals.

¹² Czech National Recovery Plan Website, (2024). *Elektroenergetické datové centrum spustilo provoz* [The electric power data center has started operations].

<https://translate.google.com/?sl=cs&tl=en&text=narodni%20plan%20obnovy&op=translate>

¹³ Czech Ministry of Industry and Trade, (2024). *Komunitní energetika odstartovala. Zájemci o sdílení elektřiny se mohou registrovat u Elektroenergetického datového centra* [Community energy has started. Those interested in sharing electricity can register with the Electricity Data Center].

<https://mpo.gov.cz/cz/rozcestnik/pro-media/tiskove-zpravy/komunitni-energetika-odstartovala--zajemci-o-sdileni-elektriny-se-mohou-registrovat-u-elektroenergetickeho-datoveho-centra--282389/>



Reform on the the acceleration of renewable energy production – France



REFORM TITLE:

Law No. 2023-175 on the acceleration of renewable energy production¹⁴



DATE OF ENTRY INTO FORCE:

Q1 2023 (March, 10 2023)



OBJECTIVE:

- ➔ Plan deployment of renewables with local elected officials.
- ➔ Simplify authorisation procedures for renewable projects.
- ➔ Use already artificialised spaces for renewables.
- ➔ Share value of renewable projects with hosting territories.
- ➔ Regulate the collective self-consumption regime.



RELEVANT PROVISIONS ON ENERGY COMMUNITIES:

- ➔ **Article 3:** Integrates the EU definition of ‘energy communities’ and specifies the different forms they can take.
- ➔ **Article 42:** Requires social housing (Habitation à loyer modéré, HLM) organisations to conduct feasibility studies on self- consumption during energy diagnosis renewals.
- ➔ **Article 88:** Simplifies procedures for collective self-consumption, removing the need for a dedicated board or additional budget for surplus photovoltaic production.

¹⁴ Relevant links:

Légifrance, (2023). *Loi relative à l'accélération de la production d'énergies renouvelables* [Law on the acceleration of renewable energy production]. N° 2023-175.

<https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000047294244/>

L'Union Sociale pour l'Habitat, (2023). *Production d'énergie et autoconsommation : faciliter la mise en place d'un projet d'autoconsommation collective* [Energy production and self-consumption: facilitating the implementation of a collective self-consumption project]. Repères, 122. https://www.union-habitat.org/sites/default/files/reperes_122_web.pdf

European Commission, (2024). *Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the third payment request submitted by France on 16 January 2024, transmitted to the Economic and Financial Committee by the European Commission.*

https://commission.europa.eu/document/download/c96dbf96-8b3b-4c11-99f4-8dc6b261db7a_en?filename=C_2024_3149_1_EN_annexe_acte_autonome_nlw_part1_v1.pdf p. 124



Accommodation for people with disabilities – Italy



PROJECT TITLE:

M5C2: Social Infrastructure, Families, Communities and Third-Sector - Investment 1.2 Paths to autonomy for people with disabilities¹⁵



COUNTRY/CITY:

Via Ferretti, 8 - Fabbrico (RE) - Italy



PROJECT PROMOTER/PARTNERS:

→ Unione Comuni Pianura Reggiana
→ Comune di Fabbrico
→ ACER RE



TIMEFRAME:

July 2024 – February 2025



WEBSITE OF THE PROJECT PROMOTER/PARTNERS:

→ Unione Comuni Pianura Reggiana website:
<https://www.pianurareggiana.it/servizi/Menu/dinamica.aspx?idSezione=3503&idArea=29226&idCat=29226&ID=29226&TipoElemento=area>
→ Comune di Fabbrico website: <https://www.comune.fabbrico.re.it/novita/notizie/villa-adele/#data>
→ ACER RE website: www.acer.re.it



TOTAL INVESTMENT:

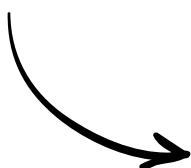
€178 722,43 of which €80 000 is for building and installation works.



CO-FINANCING AND SOURCE:

The investment is fully financed with RRF funds.

DESCRIPTION OF OPERATIONS:



The project aims to support three people with disabilities in transitioning out of their family households to achieve full autonomy. This is being accomplished through educational, assistive, training, and employment pathways, which include housing accommodations equipped with home automation interventions. These accommodations are to be provided in three “Social Housing” apartments located in “Villa Adele,” a property owned by the Municipality of Fabbrico.

¹⁵ Italia Domani, (2021). Piano Nazionale di Ripresa e Resilienza [National Recovery and Resilience Plan]. p. 211. <https://www.governo.it/sites/governo.it/files/PNRR.pdf>

KEY UPGRADES

SMART HOME SYSTEM & AUTOMATION:

- ➡ Upgraded electrical and telephone systems to ensure reliable connectivity.
- ➡ Advanced home automation for remote control of lighting, security alarms, and emergency alerts via smartphone apps.
- ➡ Installation of liquid and smoke sensors to detect water leaks and fire hazards.

EMERGENCY & SAFETY FEATURES:

- ➡ Emergency call buttons strategically placed to send alerts to the caretaker's apartment.
- ➡ Hospital-grade telecare system, integrated with a Bticino alarm control unit, capable of sending emergency calls and SMS alerts.

COMFORT & ACCESSIBILITY ENHANCEMENTS:

- ➡ New video intercom system with a 4" PC-programmable screen for improved communication.
- ➡ Emergency lighting in key areas for added safety.
- ➡ Summer cooling system with modern, energy-efficient air conditioners.

SUCCESS FACTORS:

The advantage of analysing the needs with the future users of the flats and aiming to install simple and intuitive technology was grasped from the outset. Moreover, the simplicity of the systems installed makes it possible to imagine the possibility of replicating this project in other flats and with the aim of facilitating the habitability of further segments of the population with critical self-sufficiency (e.g. the elderly).

LESSONS LEARNT:

This type of intervention has generated an important social value by allowing people with disabilities to preserve their autonomy in a protected environment at a sustainable cost. At the same time, this type of system fosters social inclusion by offering opportunities to establish meaningful neighbourly relations among the residents of the historic villa. Not least, an important building of historic value, renovated in compliance with the constraints to protect the artistic heritage, has been made available to the community.



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Grant Scheme to encourage the use of Renewable Energy Sources and Energy Saving in Homes – Cyprus

PROGRAMME/PROJECT TITLE:

Grant Scheme to encourage the use of Renewable Energy Sources and Energy Saving in Homes



➔ **Investment 3 (C2.113):** Encouraging the use of renewables and energy savings by local/wider public authorities and facilitating the transition of local communities towards climate mitigation & adaptation

➔ **Sub-measure 1:** Encouraging the use of renewables and energy savings by local/wider public authorities as well as NGOs

BENEFICIARY:



The first calls have been published on the RES and Energy Conservation Fund and target natural persons.

Under the category of vulnerable households, the grant calls include residences used as the main and permanent place of residence by a “vulnerable electricity consumer¹⁶” as beneficiaries.



TIMEFRAME:

2021–2026

The current call for application has opened on 29/02/2024 and will close on 20/12/2025.



WEBSITE/EMAIL ADDRESS OF THE BENEFICIARY/PROGRAMME:

Website of the RES and Energy Conservation Fund: <https://resecfund.org.cy/en/sxedia>



TOTAL INVESTMENT:

For the year 2024-2025: €90 million¹⁷



CO-FINANCING AND SOURCE:

€12.5 million from RRF for the period 2021–2026¹⁸

DESCRIPTION OF THE PROGRAMME:

The sub-measure shall consist in setting up a grant scheme for providing support for large-scale energy efficiency and RES measures in buildings, infrastructure, and social housing targeting local and wider public authorities¹⁹.

¹⁶ RES and Energy Conservation Fund, (n.d.). Vulnerable Electricity Consumers. <https://resecfund.org.cy/en/node/130>

¹⁷ Information Portal for Funding Programme, (2025). Grant Scheme to encourage the use of Renewable Energy Sources and Energy Saving in Homes (2024-2025). <https://www.fundingprogrammesportal.gov.cy/en/call/grant-scheme-to-encourage-the-use-of-renewable-energy-sources-and-energy-saving-in-homes-2024-2025/>

¹⁸ European Commission, (2021). Commission Staff Working Comment: Analysis of the recovery and resilience plan of Cyprus.

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021SC0196&qid=1632756205046>

¹⁹ Council of the EU, (2021). Annex to the Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Cyprus. p. 13. <https://data.consilium.europa.eu/doc/document/ST-10686-2021-ADD-1/en/pdf>

LESSONS LEARNT:

Regarding the eligibility of the available calls, a grant for rental housing is only available when the property is rented from one natural person to another. If the property is rented by a legal entity (e.g., a company), it is not eligible for sponsorship. According to the provisions of the Scheme, **“the residences should not be rented by a legal entity and should not be used in the context of economic activity for a period of at least five (5) years from the date of submission of the application”²⁰**.



National Seismic Risk Reduction Strategy – Romania

The Romanian Recovery and Resilience Plan (C5.I1) includes the establishment of a **Renovation Wave Fund** under the Romanian National Seismic Risk Reduction Strategy. It aims to support the **energy efficiency and seismic reinforcement** of multi-family residential buildings, public buildings, and private housing²¹. Romania is one of the EU countries most exposed to seismic risk, requiring an integrated approach to renovation that improves both **structural resilience and energy performance**.

The investment aims to increase the energy renovation rate while ensuring cost-efficiency and long-term impact. Renovation projects must also **respect architectural and cultural heritage** where applicable. Additionally, the programme supports **building accessibility improvements**, adapting infrastructure for persons with disabilities and the ageing population.

The first contracts for energy efficiency improvements and seismic improvements have been signed²², including the **integrated renovation of Bloc 230, Bloc 231, and Bloc 232 in Poiana Câmpina, Prahova County**.



PROGRAMME/PROJECT TITLE:

Integrated renovation (seismic consolidation and moderate energy renovation) of multifamily residential buildings – Block 230, Block 231 and Block 232 in Poiana Campina, Prahova County²³



BENEFICIARY:

Poiana Câmpina Commune, Dimitrie Gusti Street, No. 7, CIF 2845737, Prahova County (which redistributes to households/natural persons)



TIMEFRAME:

09.12.2022–08.08.2025



WEBSITE/EMAIL ADDRESS OF THE BENEFICIARY/PROGRAMME:

Website: www.primariapoiana-campina.ro

E-mail: primpoianacampina@yahoo.com

²⁰ RES and Energy Conservation Fund, (n.d.). *Grant scheme for the encouragement of the use of res and energy savings in dwellings 2022-2023*. https://resecfund.org.cy/en/kategoria_3b_2022

²¹ Council of the EU, (2023). *Anexă la de modificare a Deciziei de punere în aplicare din 29 octombrie 2021 de aprobare a evaluării planului de redresare și reziliență al României [Annex to amending the Implementing Decision of 29 October 2021 approving the assessment of Romania's recovery and resilience plan]*, p. 794.

<https://mfe.gov.ro/wp-content/uploads/2023/12/08bdfbfc069494531a2faa582204eb5e.pdf>

https://commission.europa.eu/projects/establishment-renovation-wave-fund-improve-energy-efficiency-existing-building-stock_en

European Commission, (n.d.). Project: Establishment of a renovation wave fund to improve energy efficiency of the existing building stock.

https://commission.europa.eu/projects/establishment-renovation-wave-fund-improve-energy-efficiency-existing-building-stock_en

²² Romanian Ministry of Development, Public Works and Administration, (2025). *Componenta 5 – Valul Renovării [Component 5 – The Wave Of Renewal]*. <https://www.mdipa.ro/pages/c5valulrenovarii>

²³ Romanian Ministry of Development, Public Works and Administration, (2022). *Cereri de finanțare aprobate (urmează încheiere contract) - Componenta C5 - Valul renovării [Approved funding applications (contract to be concluded) - Component C5 - Renovation Wave]*. p. 11. <https://www.mdipa.ro/uploads/articole/attachments/63623f3414096717822535.pdf>



TOTAL INVESTMENT:

11 256 171,98 lei with VAT (approx. €2 261 547,30)



CO-FINANCING AND SOURCE:

Eligible value from RRF: 9 458 968,05 lei, excluding VAT (approx. €1 900 402,22)

VAT value related to eligible expenses from RRF: 1 797 203,93 lei (approx. €361 076,42)

DESCRIPTION OF THE PROGRAMME:

“Integrated renovation (seismic consolidation and moderate energy renovation) of multi-family residential buildings - BLOC 230, BLOC 231 and BLOC 232 from Poiana Câmpina Commune, Prahova County”, financed by the National Recovery and Resilience Plan, Component 5 - Renovation Wave, Axis 1 - Grant scheme for energy efficiency and resilience in multi-family residential buildings, Operation A.1 - Integrated renovation (seismic consolidation and moderate energy renovation) of multi-family residential buildings.

The call for projects managed by the Ministry of Development, Public Works and Administration – financed from European funds through the National Recovery and Resilience Plan of Romania and from national funds – have been released²⁴.

General objective of the project: Transition to a resilient and green built stock.

Specific objective of the project: Moderate or in-depth energy renovation of multi-family residential buildings, respectively integrated renovation of multi-family residential buildings (energy efficiency and seismic reinforcement).

The main activities of the project are:

- ➡ Seismic reinforcement works of existing buildings
- ➡ Thermal rehabilitation works of building envelope elements
- ➡ Other types of works



²⁴ Romanian Ministry of Development, Public Works and Administration, (2025). *Componenta 5 – Valul Renovării [Component 5 – The Wave Of Renewal]*. <https://www.mdlpa.ro/pages/c5valulrenovarii>

Ten countries put forward ambitious plans to improve access to social housing and Housing First with a total allocation of €5.51 billion. The Portuguese Plan seems the most ambitious, with its six different programmes, dedicating 20% of the RRP for affordable housing. Spain follows Portugal in terms of budget size. The Spanish programme for the construction of social housing whose cost is estimated at €1 billion aims to create at least 20 000 new dwellings for social rental purposes or at affordable prices.



Promoting housing for All – Portugal

Housing shortages in Portugal have become a challenge for both lower- and middle-income households. They have accumulated over decades and have always worsened in times of crisis (e.g. the international financial crisis, the COVID-19 pandemic and the inflation crisis that followed Russia's full-scale invasion of Ukraine).

A reform of the housing sector started in 2018 with the approval of the new generation of housing policies. The overall goal is to ensure access to adequate housing for everybody. To this end, the objective is to significantly expand the housing stock through public support. In this context, the Ministry of Housing was set up and the housing bill 'Mais Habitação' was approved in May 2023. Portugal put in place a scheme of allowances to help families pay rents and mortgages.

The main challenges Portugal faces in terms of housing relate to:

- ➡ limited affordable housing policy;
- ➡ limited supply of social housing;
- ➡ families living in undignified and inadequate housing;
- ➡ reduced availability of dwellings;
- ➡ high level of supply of short-term holiday rental accommodation (particularly in Lisbon, Porto and other touristic areas), which has contributed to massive increases in general rental prices.



PROGRAMME/PROJECT TITLE:

Promoting housing for all



BENEFICIARY:

- ➡ Local authorities;
- ➡ Public entities;
- ➡ Third sector entities;
- ➡ Residents' associations, housing and construction cooperatives;
- ➡ Owners of properties located in degraded areas.



TIMEFRAME:

2022-2026

WEBSITE OF THE BENEFICIARY/PROGRAMME:



→ <https://pnaes.pt/financiamento-prr/>
→ <https://www.portugal.gov.pt/pt/gc23/comunicacao/noticia?i=inaugurado-o-1-edificio-da-novaresidencia-da-universidade-de-lisboa>
→ <https://www.portaldahabitacao.pt/prr-paacessohabitacao>
→ <https://www.portaldahabitacao.pt/1.%C2%BA-direito>
→ <https://recuperarportugal.gov.pt/habitacao-c2/>



TOTAL INVESTMENT:

€3 228 million



CO-FINANCING AND SOURCE:

NA

DESCRIPTION OF THE PROGRAMME:



SPECIFIC OBJECTIVE 1 – housing access support programme; budget: €1.211 million

The housing access support programme has a more cross-cutting, integrated, and participatory approach than in the past, with the aim of promoting social and territorial inclusion. It goes beyond previous programmes for the public promotion of social housing, which were directed almost exclusively at eliminating only one particular problem – people living in precarious and illegal structures. This investment is expected to address at least **26 000 households by 2026**.



SPECIFIC OBJECTIVE 2 – national urgent temporary housing fellowship; budget: €176 million

The aim of the national housing stock exchange is to create a structured and cross-cutting response for those in need of emergency housing solutions (due to exceptional or unforeseeable events or situations of imminent risk) or in transition (in situations which, by their nature, require accompanying housing responses before they can be directed to a definitive housing solution). The objective is to ensure their social inclusion, protection and empowerment, and to combat inequalities and ensure adequate social protection against situations of risk and emergency.

The aim of this investment is to address different needs with the creation of **2 000 units of emergency or reception/transition accommodation of a more crosscutting nature, and 473 dwellings, 3 housing blocks and 5 temporary installation centres and spaces specifically for the security forces**.



SPECIFIC OBJECTIVE 3 – strengthening the supply of supported housing in Madeira; budget: €136 million

Madeira has developed its 2030 regional housing strategy based on a vision of 'decent housing for all citizens of the region'. It aims at developing social cohesion and ensuring equal opportunities in access to housing, including for families living in inadequate conditions and experiencing limited capacity to afford adequate housing. The aim is to reduce the housing shortage by 29 % by 2026. A total of **1 422 families should be relocated to new social housing and renovated housing units**.



SPECIFIC OBJECTIVE 4 – increasing the housing stock of the Azores; budget: €60 million

The 2020–2031 housing agenda in the Azores aims at ensuring a public supply of affordable housing. To this end, it is planned to support the construction of **91 buildings and 4 housing units**.



SPECIFIC OBJECTIVE 5 – affordable public housing stock; budget: €755 million

The aim is to support the **construction and rehabilitation of housing units and then to promote affordable rental housing**. The target group is limited to households that cannot afford to rent on the traditional market.



SPECIFIC OBJECTIVE 6 – affordable student accommodation; budget: €375 million

The objective is the realisation of student housing system reform to accelerate the availability of affordable housing units by 2026. To this end, support will be provided for the construction, adaptation and renovation of student residences. The priority is to renovate buildings owned by public authorities and higher education institutions. Particular attention will be paid to energy performance. The overall goal is to provide **15 000 beds in student accommodation / residential units by 2026**.

SUCCESS FACTORS:



Strategic coordination and governance between national, regional, and local authorities, especially in Madeira and the Azores.



Cross-cutting solutions that integrate social protection and housing security.

LESSONS LEARNT:

Complex bureaucracy that slows down implementation: The approval and execution of housing projects have faced delays due to administrative and regulatory hurdles. **The approval processes should be streamlined and reducing bureaucracy** can help speed up the delivery of affordable housing.



Social Housing Pilot Programme – Greece



PROJECT/MEASURE TITLE:

Pilot Social Housing Programme



COUNTRY/CITY:

Athens and Thessaloniki, Greece



PROJECT PROMOTER/PARTNERS:

Municipality of Thessaloniki, the Ministry of Family and Social Cohesion, and the Social Rental Agency of MDAT



TIMEFRAME:

2023-2025

WEBSITE/EMAIL OF THE PROJECT PROMOTER/PARTNERS:



➡ <https://thessaloniki-housing.gr/en/actions-for-the-right-to-housing/pilot-social-housing-programme-for-the-most-vulnerable-groups-recovery-and-resilience-fund/>
➡ <https://www.athenskatoikia.gr/>
➡ <https://mdat.gr/?lang=en>



TOTAL INVESTMENT:

€1.3 million (100% funded by RRF under Pillar 3)



CO-FINANCING AND SOURCE:

N/A

DESCRIPTION OF OPERATIONS:

The Pilot Social Housing Programme aims to provide 100 housing units.

The programme has been implemented differently in Athens and in Thessaloniki. In Athens, **direct grants are provided to private home owners of vacant properties** for renovation in exchange for a currently unclear duration of tenancy agreements. In Thessaloniki, the stock is exclusively generated through **vacant public properties owned by public benefit institutions**. The social rental agency conducts the renovation and the property owners commit to approximately 8 years of affordable tenancy agreements.

SUCCESS FACTORS:

➡ **The flexibility of the Ministry** of Family and Social Cohesion (initially Ministry of Labour) in allowing the Municipality of Thessaloniki and MDAT (Social Rental Agency) to adapt the specificities of the intervention to the local conditions and its policy priorities, namely generation of housing stock from public properties that are vacant and supporting long-term public purview over the housing outcomes of the investment.

LESSONS LEARNT:

➡ **Short timeline provided** for the implementation of the pilot programme, especially in a context where institutional structures for the management of social and affordable housing are in their nascency (i.e., to provide the necessary resources not only to return or reclaim vacant public housing as social and affordable housing, but also to support the post-renovation phase—namely, the provision of social services to ensure housing security, and the necessary guarantees to property owners (even when they are public institutions or public-benefit entities), in order to strengthen stakeholder commitment to a long-term social housing initiative).

➡ The Pilot programme provides for the renovation of the units however **does not cover the placement and support to vulnerable households**. In order to ensure long-term impact of the intervention, MDAT has chosen to work exclusively with empty public properties in order to guarantee public purview over social outcomes of the housing units.

➡ **Insufficient funds allocated per housing unit** (on average €16 000) which provides for a narrow margin of improvement in what concerns energy performance of the housing units.

➡ **Demanding procedures** compared to other financial instruments (multiple levels of approvals introduced by several software systems) **that created delays** in the process.

PICTURES:

BEFORE:



AFTER:



BEFORE:



AFTER:





Grant scheme for the construction, reconstruction and acquisition of affordable rental flats – Czechia



PROGRAMMES TITLES:

Affordable Housing: (Component 2.10 – investment 1)



BENEFICIARY:

Ministry of Regional Development/State Investment Support Fund



TIMEFRAME:

Until 31 August 2026



WEBSITE OF THE BENEFICIARY:

<https://sfpi.cz/>



TOTAL INVESTMENT:

Component 2.10 – on the basis of the RRF investment, the Facility aims at initially providing at least €170 460 000 of financing.



CO-FINANCING AND SOURCE:

Component 2.10: The total budget of the scheme is CZK 12 000 000 000 (approx. €476 million) and is financed partly from the State budget and partly from RRF. The total budget of the scheme consists of CZK 7 500 000 000 from the State budget and CZK 4 500 000 000 from the RRF (approx. €179 723 250.00).

DESCRIPTION OF OPERATIONS:

Component 2.10:

➔ This component of the Recovery and Resilience Plan contributes to addressing the current and escalating housing affordability crisis. The notified aid scheme on affordable rental housing is designed to support the construction, reconstruction, and acquisition of affordable rental flats. The aid will be granted in the form of a loan, or the combination of a loan and a grant. In addition, a beneficiary must always have the financial resources to co-finance at least 10% of the project. In built rental apartments, the rent will be no more than the cost rent, and Rental housing units must be rented to specific target groups (young people, middle income households (8th income decile), or to people working in the fields of health care, education, the integrated rescue system, the maintenance of public security, the provision of social services or the exercise of public administration.

SUCCESS FACTORS:

Wide scope for funding across different areas.

DISADVANTAGES AND RECOMMENDATIONS FOR FUTURE RRF: (cf. p. 11)



Provision of public rental housing – Slovenia

The Ministry for a Solidarity-Based Future confirmed the payment of funds for 12 projects that applied to the public tender “Housing Policy, Investment: Provision of Public Rental Housing”. They represent more than €16 million of investment, with which 324 new apartments were acquired in Slovenia.

The Housing Fund of the Republic of Slovenia was the most successful in obtaining RRF funds in 2023, as it provided 269 new public rental apartments within the framework of six projects²⁵, obtaining a total of disbursed funds in the amount of €14 147 796.

After the completion of the projects, contracts were concluded and requests were submitted based on the data from the realisation of the projects in the total amount of €14 266 396.

In the process of reviewing the eligibility of the reported costs, the competent Ministry for a Solidarity-Based Future **defined part of the costs as ineligible and consequently approved the payment on 29 December 2023 of the reduced amount of €14 147 796** and in the Municipality of Šmarje pri Jelšah, facility O1), obtained a total of disbursed funds in the amount of €14 147 796. According to the decisions received, the Housing Fund expects €14.3 million in funds in 2024, and the remaining €9 million by the end of 2025²⁶.



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²⁵ Under Pekrsko gorco, 1st phase, in MO Maribor, Harpf in the MoD Slovenj Gradec, purchase in the Municipality of Sveta Ana in Slovenske gorice, project in the Municipality of Slovenske Konjice, purchase of apartments in the Municipality of Rogaška Slatina and in the Municipality of Šmarje pri Jelšah, facility O1.

²⁶ Housing Fund of the Republic of Slovenia, (2023). *Letno Poročilo [Annual Report]*, p. 47.

<https://ssrs.si/wp-content/uploads/2024/07/Letno-porocilo-2023.pdf>. The report of the Housing Fund also mentions the different projects that have benefited from RRF All housing projects from RRF supported by the National Housing Fund: Housing Fund of the Republic of Slovenia, (n.d.). *NOO projekti [NOO projects]*. <https://ssrs.si/noo-ceb-projekti/noo-projekti/> Biggest project under RRF in Slovenia: Housing Fund of the Republic of Slovenia, (n.d.). Maribor Pod Pekrsko Gorco. <https://ssrs.si/projekti/maribor/predstavitev-soseske/>



PROJECT TITLE:

LIFE IN A NEW URBAN NEIGHBORHOOD: Pod Pekrsko gorca (Phase 1 and 2)



COUNTRY/CITY:

Slovenia, Maribor



PROJECT PROMOTER/PARTNERS:

Housing Fund of the Republic of Slovenia



TIMEFRAME:

- ➔ **Building permit:** October 15, 2019
- ➔ **Phase 1 completion:** September 5, 2022
- ➔ **Phase 2 completion:** March 9, 2023



WEBSITE OF THE PROJECT PROMOTER/PARTNERS:

- ➔ Pod Pekrsko gorca 1st phase:
<https://ssrs.si/noo-ceb-projekti/noo-projekti/pod-pekrsko-groco-1-faza-mb/>
- ➔ Pod Pekrsko gorca 2nd phase:
<https://ssrs.si/noo-ceb-projekti/noo-projekti/pod-pekrsko-groco-2-faza-mb/>



TOTAL INVESTMENT:

€26 191 449,49



CO-FINANCING AND SOURCE:

EU Co-financing: €10 770 387,18 from the Recovery and Resilience Mechanism under Component 16: "Housing policy, investment: Provision of public rental housing".

DESCRIPTION OF OPERATIONS:

The project involves the construction of a modern, sustainable residential neighbourhood in Maribor, Slovenia, with a total of 370 rental apartments across two phases (212 in Phase 1 188 in Phase 2). The apartments cater to various target groups, including young families, seniors, and vulnerable groups, with 60 serviced apartments for the elderly. The design incorporates almost zero-energy buildings (class A1), green spaces, and intergenerational living facilities such as the Sožitje residential community for people with special needs. Additional public amenities include playgrounds, a public square, and underground parking. The project addresses the deficit of public rental housing in Slovenia and emphasises sustainable development principles, including climate change mitigation, circular economy promotion, and biodiversity protection.

SUCCESS FACTORS:

High energy efficiency (class A1, almost zero-energy buildings), social inclusion (housing for seniors and people with special needs), quality urban living environment (green areas, intergenerational facilities), accessibility for people with reduced mobility, and climate-resilient construction practices.

PICTURES:





The National Affordable and Accessible housing Plan and the Regional Plan VIVE Andalucía – Spain

The Ministry of Housing and Urban Agenda leads five programmes to contribute to achieving the goal of building some 183 040 homes for social or affordable rent spread throughout Spain. This figure includes the 50 000 homes to be mobilised by Sareb and the 11 000 from the Social Fund.





Specifically, the initial objective of MIVAU is to make approximately 123 040 highly energy-efficient social homes available through the Recovery, Transformation and Resilience Plan – European recovery funds (NextGenerationEU), the State Housing Plan, the Public Business Entity for Land (Sepes), and agreements with local entities. These homes will be intended for social rental or affordable housing, particularly in areas with insufficient social housing supply²⁷.

The modified plan moreover includes a reform of the land law and a loan facility with at least €4 billion of financing to facilitate the construction of new energy-efficient social and affordable housing²⁸.

Maximum amount of this subsidy may not exceed 50 000 euros per dwelling, and may not in any case exceed the cost of the eligible actions.







ELIGIBLE ACTIONS:

-  Cost of construction
-  Overheads
-  Expenses for mandatory reports
-  Industrial profit



ACCESS TO FUNDING CAN BE ONLY ENSURED IN CASE OF:

-  Convenience of the direct granting procedure.
-  Limitation on rental price (affordability ensured)
-  Requirements for payment of aid to the final recipient.
-  Maximum tenant income (subject to local regulations).

In order for the Ministry to reach its objective of increasing the stock of public housing for social or affordable rent, collaboration with autonomous communities and cities and with local entities is essential to meet the objective. The Plan VIVE Andalucía 2020-2030 is a great example of EU funds from the RRF has been distributed to a region (i.e. Autonomous Community) to reach these national targets.



²⁷ Ministry of Housing and Urban Agenda, (n.d.). *Programa de ayuda a la construcción de viviendas en alquiler social en edificios energéticamente eficientes* [Program to help build social rental housing in energy-efficient buildings]. https://www.mivau.gob.es/ministerio/proyectos-singulares/prtr/agenda_urbana_y_vivienda/programa-de-ayuda-la-construccion-de-viviendas-en-alquiler-social-en-edificios-energeticamente-eficientes

Ministry of Housing and Urban Agenda, (n.d.). *Plan de Vivienda en Alquiler Asequible: Objetivo más de 184.000 viviendas* [Affordable Rental Housing Plan: Targeting more than 184,000 homes]. <https://www.mivau.gob.es/vivienda/plan-estatal-de-vivienda/plan-vivienda-alquiler-asequible>

²⁸ European Commission, (2024). Recovery and Resilience Scoreboard – Thematic analysis: Energy efficiency in buildings. p. 17.

https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/assets/thematic_analysis/scoreboard_thematic_analysis_efficiency.pdf



PROGRAMME TITLE:

Plan VIVE Andalucía 2020-2030



BENEFICIARY:

Residents of the Community of Andalusia



TIMEFRAME:

The VIVE Andalucía 2020-2030 plan aims to define the housing policy and guarantee a decent home for families in need.



WEBSITE OF THE BENEFICIARY:

<https://www.juntadeandalucia.es/organismos/fomentoarticulaciondelterritorioyvivienda/areas/vivienda-rehabilitacion/planes-instrumentos/paginas/plan-vive-principal.html>



TOTAL INVESTMENT:

The VIVE Andalucía 2020-2030 plan foresees a total of 217.457 actions in housing.



CO-FINANCING AND SOURCE:

The sources of financing for the VIVE plan are:

- ➔ **Autonomous:** €269 927 079
- ➔ **State:** €294 391 068
- ➔ **European funds:** €127 914 373
- ➔ **With a total of:** €692 232 520

DESCRIPTION OF THE PROGRAMME:

Plan Vive Andalucía is a housing programme of the regional government of Andalucía that was launched for the period 2020-2030. Its main features include:



MAIN OBJECTIVES:

- ➔ Facilitate access to housing for families with limited income
- ➔ Promote affordable rental
- ➔ Promote the rehabilitation of homes
- ➔ Prevent residential exclusion



MAIN LINES OF AID:

1. For home purchase:

- ➔ Direct aid for young people under 35 years of age
- ➔ Subsidies for officially protected housing
- ➔ Specific support in rural areas

2. For rent:

- ➔ Rental assistance for families with limited income
- ➔ Specific programme for young people
- ➔ Support for people at risk of exclusion

3. Rehabilitation:

- ➔ Aid to improve energy efficiency
- ➔ Accessibility subsidies
- ➔ Urban regeneration programmes



GENERAL REQUIREMENTS TYPICALLY INCLUDE:

- ➔ Have a maximum income according to each programme
- ➔ Not own another home
- ➔ Use the home as a habitual residence
- ➔ Be registered in Andalucía



TO REQUEST THIS AID OR OBTAIN UPDATED INFORMATION, IT IS RECOMMENDED:

- ➔ Consult the website of the Department of Development of the Board
- ➔ Go to the provincial delegations or Contact municipal housing services

SUCCESS FACTORS:



POSITIVE ASPECTS IDENTIFIED:

- ➔ It has achieved a good reception in youth rental aid
- ➔ Simplification of administrative procedures compared to previous plans
- ➔ The temporal extension (2020-2030) allows for more stable planning

DISADVANTAGES AND RECOMMENDATIONS FOR FUTURE RRF:



CHALLENGES AND LIMITATIONS:

- ➔ High demand has often exceeded the available budget
- ➔ Aid processing and payment times have been longer than desired
- ➔ The rise in prices in the real estate market has made the effectiveness of some measures difficult



POINTS TO CONSIDER:



- ➔ It is a relatively recent plan and some of its programmes need more time to show results
- ➔ The impact varies significantly depending on the geographical area within Andalucía
- ➔ Effectiveness depends a lot on coordination between administrations



7 Housing reforms

In total 10 countries put forward substantial housing reforms, mostly through urban development and spatial planning. The introduction of reforms in an EU funding instrument is a revolutionary step by the European Commission which is welcomed by Housing Europe.

Reforms **impact** Member States' **housing policies in the long-term, and are able to create structural changes in the housing sector**. While investments provide immediate financial support for projects, reforms **address underlying policy and regulatory issues** to tackle the root causes of unaffordability and **ensure the development of long-term housing systems**.

COUNTRY	REFORM	TIMELINE
	<p>GREEN FINANCE AGENDA²⁹</p> <p>Establishment of a Monitoring framework (Reform: 4.D.6 Green Finance), that mobilises private capital for the necessary investments to achieve the climate and energy targets of 2030.</p> <p>Specific actions included in the Green Finance Agenda are: promoting the agreement on a 'Green Supporting Factor' at EU level and, based on the EU agreement, national implementation of the 'Green Supporting Factor' to facilitate granting of 'green loans'; development of strategies and methods for a better risk management in the context of green finance, e.g. the systematic measurement and reduction of the exposure to climate and environmental risk; and further development of appropriate methods and the related guidance. The reform contributes to addressing the Country Specific Recommendation related to need of sizeable private investment needed to for Austria's transformation to a climate neutral economy (Country Specific Recommendation 3 in 2020)³⁰.</p>	<p>Adopted in 2022, some specific actions are still undergoing³¹</p>
	<p>A NEW MODEL OF GREEN URBAN RENEWAL STRATEGIES 2021-2030</p> <p>Elmplementation of a pilot project for the development of green infrastructure and the circular management of buildings and space³².</p>	<p>2021-2026 In progress</p>








²⁹ Federal Ministry Republic of Austria Climate Action, Environment, Energy, Mobility, Innovation and Technology, (n.d.), *Austrian Green Finance Agenda*.

³⁰ European Commission, (2021). *Annex to the Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Austria*. 90-91.

³¹ Federal Ministry Republic of Austria, (2024). *EU 2021/241, RRP, Reform 4.D.6., Milestone 161*.

³² Croatian Ministry of Physical Planning, Construction and State Assets, (n.d.). *National Recovery and Resilience Plan (Initiative: Building reconstruction)*.

<https://mpgi.gov.hr/national-recovery-and-resilience-plan-initiative-building-reconstruction/14307>

COUNTRY	REFORM	TIMELINE
 Italy 	 SIMPLIFICATION OF BUILDING PERMITS Streamlined bureaucratic processes for housing renovation and construction, particularly for energy efficiency upgrades. Aim: ensuring faster housing delivery even after public investments decrease. Rent control adjustments: Implemented legal changes to provide more stability in rental agreements.	 2022-2026 In progress
Ireland 	CLIMATE ACTION AND LOW CARBON DEVELOPMENT BILL Aim: setting an emissions reduction target for 2030; increasing the provision of social and affordable housing through progressing the Affordable Housing Bill and the Land Development Agency Bill ³³ .	Adopted in 2021
Slovenia 	AMENDMENT OF THE HOUSING ACT It adjusts the calculation of non-profit rents and permits additional borrowing by public housing funds, thereby strengthening their financial foundation and enabling the expansion of public rental housing, especially for socially disadvantaged groups. Aim: expanding the public rental stock by at least 5 000 additional dwellings and 'activating' approximately 2 000 further dwellings ³⁴ .	Adopted in 2021
Spain 	NEW HOUSING LAW to address the various public planning, programming and collaboration instruments already in place to support the right to decent and adequate housing. The new legal framework also regulates rental prices in high-demand areas and strengthens tenant protections. ³⁵ LAW ON THE QUALITY OF ARCHITECTURE AND BUILDING ENVIRONMENT and the NEW NATIONAL ARCHITECTURE STRATEGY aims to declare the quality of architecture and buildings as a public good, to improve the quality of life. ³⁶ ESTABLISHMENT OF A NEW INSTITUTO DE CRÉDITO OFICIAL (ICO) GUARANTEE line to partially cover the risk of loans granted by private financial institutions to renovate residential buildings; and to improve access to finance for communities of owners.	Adopted in 2021 Adopted in 2021 In progress









³³ European Commission, (n.d.). *Increasing the Provision of Social and Affordable Housing*. https://commission.europa.eu/projects/increasing-provision-social-and-affordable-housing_en

³⁴ Official Gazette Of The Republic Of Slovenia, (2021). *Zakon o spremembah in dopolnitvah Stanovanjskega zakona [Act on Amendments to the Housing Act]*.

³⁵ Official Gazette of Spain, (2023). *Ley 12/2023, de 24 de mayo, por el derecho a la vivienda [Law 12/2023, of May 24, on the right to housing]*. <https://www.boe.es/buscar/act.php?id=BOE-A-2023-12203>

³⁶ European Commission, (n.d.). *Spain's recovery and resilience plan*.

https://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility/country-pages/spains-recovery-and-resilience-plan_en

COUNTRY	REFORM	TIMELINE
 Finland 	 REFORM OF THE LAND USE AND BUILDING ACT Aim: provision of guidance for low-carbon construction and for the digitalisation of information throughout the construction life cycle. ³⁷	 Adopted in 2023
Poland 	SPATIAL PLANNING REFORM to increase the quality and transparency of the spatial planning system, with the goal to prevent the uncontrolled sprawl of development into suburban areas. In practice: the existing land use plan is replaced by the General Master Plan, which holds the status of a local law act. This plan is binding for municipal authorities when preparing local zoning plans and issuing zoning decisions. REFORM ON THE HOUSING FINANCE SYSTEM in relation to increasing the energy efficiency of residential buildings.  Energy Performance Contracting Plus (EPC+): it offers 20-year guaranteed performance contracts to building owners through an on-bill payment scheme.  Expanded subsidies for energy efficiency: The funds can be used for replacing old coal-fired boilers with cleaner energy sources, connecting housing units to efficient heat sources, and installing solar panels. Individuals can receive up to 43 900 zloty (approx. €10 228), while housing associations can apply for as much as 375 000 zloty (approx. €87 373). ³⁸	Adopted in 2023 Adopted in 2020
Portugal 	NEW HOUSING FRAMEWORK LAW: Established a long-term strategy for affordable housing, including incentives for private sector participation in social housing projects. ³⁹ URBAN RENTAL MARKET REFORM: Revised regulations to balance tenant protection with incentives for landlords to offer long-term leases. ADDITIONAL MEASURE: Bill allowing the reclassification of rural land for urban use to increase the availability of affordable housing. This reform grants municipalities the authority to reclassify land without multiple public entities' approval, ensuring that at least 70% of reclassified areas are dedicated to public or affordable housing. To prevent property speculation, new house prices will be capped.	Adopted in 2023 Adopted in 2025

³⁷ Ministry of the Environment, (2023). *Parliament adopted acts that will reduce emissions from building and promote digitalisation.*

<https://vm.fi/en/-/1410903/parliament-adopted-acts-that-will-reduce-emissions-from-building-and-promote-digitalisation>

³⁸ Feantsa, (2023). *Energy Poverty and Unfit Housing in Poland – An investment strategy to renovate the worst-performing segment of the housing stock.*

https://www.feantsa.org/public/user/Resources/reports/2023/Energy_poverty_unfit_housing_in_Poland/ES - Energy_Poverty_Unfit_Housing_in_Poland.pdf

³⁹ Portal da Habitação, (2021). *Lei de Bases da Habitação [Housing Framework Law].* <https://www.portaldahabitacao.pt/lei-de-bases-da-habita%C3%A7%C3%A3o>

CONSTRAINTS WITH THE IMPLEMENTATION OF THE RRF

ELIGIBILITY CONSTRAINTS



- ➔ **Eligibility criteria in different countries** did not take into account the diversity of housing providers (social, cooperative, public) that fulfill a mission of general interest, addressing complex housing needs. The some examples of exculsion from the RRF are below.
- ➔ **Certain technical or documentary elements required under the RRF framework** may be difficult or impossible to implement in buildings that are already under construction, limiting project eligibility and execution.

CONSTRAINTS ON ELIGIBILITY

➔ The case of Bulgaria



Bulgaria has earmarked €1.3 billion, or 20.1% of its RRF allocation⁴⁰, for energy efficiency in buildings. However, none of this funding was explicitly dedicated to social housing. Municipal housing, historically owned by local authorities and rented to low-income households, has suffered from chronic underinvestment, leading to a steady decline in available stock. Attempts to incorporate municipal housing renovations within the RRF selection criteria proved unsuccessful, highlighting a critical gap in support for vulnerable households.

Investments and Implementation underway:



- ➔ **2.B Green Bulgaria, Low-Carbon Economy (Investment 1):** Energy efficiency in buildings, involving two phases with grants covering 100% and 80% of costs, respectively. However, no specific provisions were made to prioritise social housing or energy-poor households.
- ➔ **2.D Fair Bulgaria, Social Inclusion (Investment 1):** Modernisation of long-term care facilities, including renovations for buildings offering social services, though not explicitly for social housing. Yet, social housing remained outside its scope⁴¹.

Despite full grant coverage in the initial project phase, no priority was given to vulnerable or energy-poor households. As of 2023, municipal housing remains underdeveloped, with approximately 900 social housing units constructed in 20 municipalities since 2012.

⁴⁰ Bank Watch, (2024). *Financing the Renovation Wave: How to align EU funding with new building legislation*. https://bankwatch.org/wp-content/uploads/2024/09/2024_09_05_Financing-the-Renovation-Wave.pdf p. 8

⁴¹ Council of Ministers of the Republic of Bulgaria, (2022). *Национален план за възстановяване и устойчивост [National Plan for Recovery and Sustainability]*, p. 89, 210. <https://nextgeneration.bg/14>

→ The case of Ireland



Ireland's National Recovery and Resilience Plan (NRRP) did not allocate any RRF funding to social housing providers. The only reference to housing in the plan was related to legislative reforms, with no direct investment in social or affordable housing, thus limiting the ability of social housing providers to expand or renovate housing stock.

Policy Focus:



→ Legislative Reforms were made in the NRRP – Priority Component 3: Social and Economic Recovery and Job Creation.

- The Affordable Housing Bill 2021: Established the Affordable Purchase Scheme for homes on public land and introduced the Cost Rental Scheme.
- The Land Development Agency bill 2021, with the establishment of the Land Development Agency as a commercial State agency tasked with increasing housing supply, including social and affordable housing.⁴²

Regardless of these reforms, no direct funding was available for social housing investment under the RRF, limiting the ability of social housing providers to expand or renovate housing stock.

→ The case of Italy



Italy allocated €2.8 billion from the RRF⁴³ to social housing through the PINQUA programme, primarily aimed at refurbishing public housing, but housing cooperatives were not eligible for these funds—even under public-private partnership (PPP) models.⁴⁴

Recent reports indicate that a large portion of the PINQUA funds may be de-financed due to significant delays in implementation⁴⁵. Allowing housing cooperatives to access these funds could have mitigated such risks, given their long expertise in conducting such projects in Italy.



⁴² Government of Ireland, (202x). Ireland's National Recovery and Resilience Plan Europe's Contribution to Ireland's Recovery. p. 29.

<https://www.gov.ie/pdf/?file=https://assets.gov.ie/162639/e5f1a2bf-35aa-4e25-9a8a-9b49c8b0b50f.pdf#page=null>

⁴³ Government of Ireland, (2021). Ireland's National Recovery and Resilience Plan – Europe's Contribution to Ireland's Recovery, p. 29.

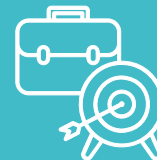
<https://www.gov.ie/pdf/?file=https://assets.gov.ie/162639/e5f1a2bf-35aa-4e25-9a8a-9b49c8b0b50f.pdf#page=null>

⁴⁴ Colombo, G. (2025, January 17). Scatta la revisione del Pnrr, primi tagli all'edilizia sociale [The PNRR review kicks in, first cuts to social housing]. *La Repubblica*.

https://www.repubblica.it/economia/2025/01/17/news/pnrr_revisione_edilizia_sociale-423943721/

⁴⁵ Italian Government, (2021). "Piano Nazionale di Ripresa e Resilienza" [National Recovery and Resilience Plan]. p. 211. <https://www.governo.it/sites/governo.it/files/PNRR.pdf>

POLICY OBJECTIVES MISMATCH



- ➔ There is a clear mismatch between the European Commission's policy goals and the actual use of funding in Member States (for example Fit for 55 package);
- ➔ Despite building renovation being a flagship initiative of the RRF, the lack of clear and enforceable earmarking meant that the facility failed to provide additional funding for the renovation of social housing;
- ➔ Additionality issue: Member States were allowed to use RRF funding for projects that were already planned or financed. This approach led to a scarcity of additional projects and limited the potential impact of the RRF;
- ➔ Concerns about the fairness of refinancing projects if targets are not met.

CONSTRAINTS ON POLICY OBJECTIVES

➔ The case of Greece



Greece plans to invest €1 billion in upgrading its national building stock, focusing on energy efficiency and smart energy systems. However, only €30 million has been directly allocated to social housing renovations, of which €25 million has been disbursed by the end of 2023 for 137 projects covering 4 296 dwellings.

➔ The case of the Netherlands



The Dutch Recovery Plan allocates €538 million for the housing construction stimulus (Measure 3.111: Housing construction impulse under Priority 3: Improving the housing market and making the built environment more sustainable)⁴⁶.

European Semester 2024 country report on the Netherlands by the European Commission indicates that the Dutch Recovery and Resilience Plan (RRP) is helping to speed up the construction of housing and make buildings more energy efficient. To support new developments, the plan includes reforms to remove bottlenecks in planning and permitting procedures and sets construction targets for new dwellings. In addition, the Dutch RRP is investing in energy efficiency improvements in public and private buildings, which are complemented by cohesion policy initiatives on energy efficiency in deprived neighbourhoods⁴⁷.

⁴⁶ Dutch Ministry of Finance, (2022). *Het Nederlandse Herstel- en Veerkrachtplan [The Dutch Recovery and Resilience Plan]*. p. 158.

<https://www.rijksoverheid.nl/documenten/rapporten/2022/10/10/definitief-nederlands-herstel-en-veerkrachtplan>

⁴⁷ European Commission, (2024). *Commission Staff Working Document 2024 Country Report - Netherlands Accompanying the document Recommendation for a Council Recommendation on the economic, social, employment, structural and budgetary policies of the Netherlands*.

https://economy-finance.ec.europa.eu/document/download/c3a6d1e0-8289-4fb9-91ab-3f3fb1ba6dee_en?filename=SWD_2024_619_1_EN_Netherlands.pdf

However, it appears that this is not additional funding—these funds were redirected from other sources, with municipalities as the main recipients, indirectly benefiting social housing providers.⁴⁸

For building renovation, €849 million was allocated, with €225.3 million used for public building renovations rather than housing. The remaining €624 million supports a subsidy scheme for renewable energy uptake (ISDE), with €400 million as additional funding – highlighting that no funds were directly disbursed for social housing from the RRF.

GOVERNANCE ISSUES



- ➔ **Unclear distribution of competencies between the EC and national authorities;**
- ➔ **Tight timeframe despite the lengthy investment cycle which includes preparatory and application activities (i.e. securing plots, obtaining permits, applying for support, and contractor selection);**
- ➔ **Lack of transparency about the name of organisations that received RRF funding;**
- ➔ **Lack of special monitoring mechanisms on the implementation presented to the local stakeholders.**

CONSTRAINTS ON LENGTHY INVESTMENT CYCLES

➔ The case of Poland



The Ministry of Economic Development previously indicated the need for extended deadlines in the first NRP revision due to the lengthy investment cycle which includes preparatory and application activities – securing plots, obtaining permits, applying for support, and contractor selection⁴⁹, typically lasting 2-3 years, and construction works – generally lasting about 2 years⁵⁰. However, the European Commission did not adjust the timeframe accordingly.⁵¹

⁴⁸ Based on data provided by a Dutch entity, retrieved by Housing Europe, (2024).

⁴⁹ Based on a questionnaire to the Polish Ministry of Economic Development retrieved by Housing Europe, (2024).

⁵⁰ Based on Central Statistical Office data for multi-family buildings.

⁵¹ Based on a questionnaire to the Polish Ministry of Economic Development retrieved by Housing Europe, (2024).

ADMINISTRATIVE ISSUES



- ➔ Complex rules, regulations for the RRF are judged to be more demanding compared to other financial instruments, requiring multiple levels of approval and checks.
- ➔ Modified eligibility criteria due to the energy crisis (resources were not allowed to be used for gas heating systems), resulting in additional costs and delays both for the authorities and implementers.
- ➔ Heavy administrative burden related to the preparation of the technical documentation and reporting within a short timeframe.
- ➔ Reporting on the Do No Significant Harm (DNSH) principle for individual projects was burdensome to small local project promoters.
- ➔ Public procurement regulations often imposed terms that were not compatible with RRF deadlines, leading to delays in project implementation.
- ➔ Tender documents must be specifically adapted to meet RRF format requirements, adding complexity and administrative burden.

OPERATIONAL DIFFICULTIES AND IMPLEMENTATION DELAYS



- ➔ The audit requirements were unclearly communicated/ unknown in advance in a number of countries, and they have become stricter over time;
- ➔ Homeowners associations experienced delays in their decision making about renovation;
- ➔ Rising prices of materials and higher energy costs resulted in the considerable reduction of project sizes and delays;

CONSTRAINTS ON OPERATIONAL DIFFICULTIES AND IMPLEMENTATION DELAYS

➔ The case of Italy



The Italian government is considering scaling down one of the most significant investment components of its National Recovery and Resilience Plan (NRRP): the construction of 60 000 new accommodations for university students. This decision is driven by delays in implementation, raising concerns about the feasibility of meeting the agreed targets within the established timeline. The Italian government is expected to submit a revised plan to the European Commission, potentially formalising the reduction in student housing targets. The precise number of accommodations that may be affected remains unclear⁵².

⁵² Colombo, G. (2025, February 21). Pnrr, a rischio i 60 mila posti letto per gli universitari. Il governo verso il taglio [Pnrr, 60 thousand beds for university students at risk. The government is moving towards a cut]. La Repubblica. https://www.repubblica.it/economia/2025/02/21/news/pnrr_posti_letto_universitari_foti_bernini-424018297/?ref=RHLM-BG-P12-S1-T1

FINANCIAL ISSUES



- ➔ **Higher energy and environmental standards compared to other EU funds (potentially increasing costs by about 20%); EU funding allocations do not necessarily align with the increased costs associated with meeting higher energy and environmental standards, placing additional strain on national budgets.**
- ➔ **Lack of VAT support under the RRF;**
- ➔ **Inability to use RRF funds for salaries, which affects recruitment, and unclear guidelines for monitoring and reporting. The national budget's limitations in funding further exacerbate the issue, with needs significantly exceeding available resources;**
- ➔ **Different co-financing rules of different programmes for energy efficiency (e.g. under RRF, ESIF) makes the combination challenging;**
- ➔ **Difficulty to access low-cost co-financing, especially for small-scale housing associations;**
- ➔ **Implementation limitations, related to the credit part of the RRF financing, has forced reliance on limited national funds, potentially leading to unmet support applications;**
- ➔ **Financial burden to pre-financing projects: The revised RRF funding covers often only a portion of construction costs, with the remaining amount requiring national co-financing. As a result, local governments must secure upfront funding before receiving RRF reimbursements, creating financial pressure and potentially limiting their capacity to implement new projects.**

CONSTRAINTS ON FINANCIAL ISSUES

➔ The case of Poland



Dwellings financed under Poland's National Recovery and resilience Plan must comply with higher energy and environmental standards, leading to an estimated 20% increase in construction costs. At the same time, a reduction in the RRF loan allocation for the B3.5.1 investment in energy-efficient housing for low- and middle-income households⁵³ has increased reliance on national budget funding. This raises concerns about whether available resources will be sufficient, given that housing investment needs far exceed the allocated budget.

To compensate for the reduced RRF funding, Poland has allocated additional national budget funds. Under the current framework, RRF financing covers only 25% of construction costs for moderate-income households and 15% for low-income households, while national funds contribute up to 60% and 95%, respectively. However, local governments must initially provide their own funds before accessing RRF support, unlike projects fully financed through the national budget, where funding is available upfront. While this pre-financing requirement and strict public finance rules enhance transparency, they also place a significant financial burden on local governments at the outset⁵⁴.

⁵³ Polish Ministry of Funds and Regional Policy, (2022). *Krajowy Plan Odbudowy i Zwiększania Odporności [National Recovery and Resilience Plan]*, p. 373. <https://www.funduszeuropejskie.gov.pl/media/109762/KPO.pdf>

⁵⁴ Based on a questionnaire to the Polish Ministry of Economic Development retrieved by Housing Europe, (2024).

→ The case of Romania



In Romania, schemes for energy efficiency are provided with the support of Cohesion Fund Programmes and the RRF (in particular, the recently added REPowerEU chapters). However, most of those financing schemes do not apply the same co-financing rules, as in some cases the beneficiaries (homeowners associations) must contribute financially, at different percentages, based on decisions taken by the local authorities.

INFORMATION GAP AND TECHNICAL ASSISTANCE



- **The availability and distribution of essential information was slow and scattered (for example applicable State Aid rules, energy audits or satisfactory fulfilment of milestones and targets);**
- **Some central or regional governments offered assistance in complying with the DNSH principle in some countries, and there was no available assistance in others.**



RECOMMENDATIONS FOR A FUTURE RRF

The analysis of the RRF's implementation has highlighted several constraints and provided insights into how future iterations of this key instrument – or similar instruments based on a similar governance model – could better serve the housing sector. Drawing on experiences and interviews made with public, cooperative, and social housing providers in various Member States, the following recommendations are proposed:

1

EXPAND ELIGIBILITY CRITERIA FOR PUBLIC, COOPERATIVE AND SOCIAL HOUSING PROVIDERS

- ➔ **Ensure that all housing providers fulfilling a mission of general interest** — i.e. public, cooperative, and social housing providers — **are eligible for EU funding**. Eligibility criteria should not favor one type of provider over another, as this limits the sector's ability to address complex housing needs effectively.
- ➔ **Eligibility of VAT and salaries** should be included.

2

SIMPLIFY OF RULES AND PROCEDURES TO ENHANCE THE UPTAKE OF THE FUNDING

Across multiple countries, stakeholders have emphasised the need for simplified rules and greater clarity from the outset.

- ➔ **Easier rules (single rulebook) and longer timeframes** would enhance accessibility and usability of the Fund:
 - **Unified co-financing rules of different programmes** under the energy efficiency priority.
 - **Streamlined audit requirements**, with clear communication to ensure proper data collection from the beginning.
- ➔ **Simplified and clarified processes** established before the start of projects. The type of process used should be connected to the scale of investment and the level of the grant.

3

IMPROVE THE COORDINATION AND PARTNERSHIP PRINCIPLE

- ➔ Ensure that national managing authorities **involve implementing partners** early in both the planning and monitoring phases to improve coordination.
- ➔ **Avoid overly complex partnership structures that slow down implementation**, and establish clear roles to minimise the need for improvisation during the execution phase.

4

HAVE A CLEAR AND ENFORCEABLE EARMARKING OF THE FUNDING TOWARDS THE PUBLIC, COOPERATIVE, AND SOCIAL HOUSING SECTOR

- ➔ **Clear earmarking** to make sure that the plans provide additional funding for renovation and the creation of new housing stock.
- ➔ The Renovation wave must be **anchored into regular programmes** to ensure continuity.
- ➔ **A mix of grants and financing** for housing associations and rental housing companies is critical for both renovation and new housing developments.

ENHANCE FLEXIBILITY AND ADAPTABILITY TO ENSURE THE FULL UPTAKE OF THE FUNDING

5

Flexibility in performance criteria and project adjustments is essential to address evolving circumstances and ensure the full uptake of the funding.

- ➡ During the course of grants, processes must allow for **adjustments due to economic or regulatory changes** (such as the shift from oil heating to heat pumps).
- ➡ **Addressing sector-specific challenges** like limited social housing stock in several countries (allowing extended deadlines).
- ➡ Allow **flexibility in case of implementation delays** without leading to budget cuts in the sector and cancellation of programmes.

ENSURE BETTER FINANCING

6

Ensuring that RRF funds supplement rather than replace national efforts is critical for achieving additionality.

- ➡ Feedback indicates that RRF funds were sometimes used for pre-existing projects rather than creating new initiatives. **Mechanisms to verify additionality** should be reinforced.
- ➡ **Larger grant intensity** for housing investments is needed to reach local impact.
- ➡ **Possibility of pre-financing** is needed to tackle the financial burden.
- ➡ **Have the possibility** for the social, public, and cooperative housing providers **to combine grants and loans** within the RRF framework but most importantly, **increase the support levels to fully cover investment costs and to shift housing investments from loans to grants**, ensuring they meet societal needs effectively.
- ➡ **Technical assistance** for social, public, cooperative housing providers to prepare their application.

7

MITIGATE THE POLITICAL INFLUENCE OVER THE INVESTMENTS AND REFORMS

- ➡ Reducing the politicisation of investments by **linking funding to clear needs and aligning it closely with Country-Specific Recommendations (CSRs)** would help ensure resources are allocated based on objective criteria rather than political priorities.



CONCLUSION



The Recovery and Resilience Facility (RRF) has proven instrumental in driving recovery and resilience across Europe. However, its full potential remains untapped due to **constraints in design, implementation, and coordination**. By addressing these challenges—**simplifying rules, anchoring renovation efforts, enhancing inclusivity, and ensuring additionality**—future iterations of the RRF can better align with both EU-wide objectives and national needs.

A collaborative and flexible approach, rooted in the lessons learned from the current framework, is essential for fostering long-term sustainable growth in the housing sector.

With the Social Climate Plans, being finalised by mid 2025, an additional funding instrument of at least €86.7 billion will contribute to the decarbonisation of the European housing sector. Nevertheless, while the Social Climate Fund (SCF) is a more than welcome funding opportunity for the short-term, we fear that **it will not be enough to continue to accelerate the decarbonisation** of the building sector for the decades to come. For example, in 2018, it was established that the affordable housing sector has an annual €57-billion **investment gap**.

Moreover, **if similar governance is implemented** as in the case of the RRF, the above **mentioned constraints from the public, cooperative, and social housing sector are relevant**. Alternatively, the governance could be administered akin to the Modernisation Fund (MF). The MF provides beneficiary countries with direct funds to invest in projects that meet specific criteria. Investments are submitted by the beneficiary EU countries, who are responsible for the implementation of the Fund and who need to submit a Modernisation Plan to the European Commission. This means that the fund leaves the beneficiary Member States the freedom to decide on the form of support: they can use grants, premium, guarantee instruments, loans or capital injections.

In terms of timeframe, the SCF or any other future fund will only **be successful if it facilitates long-term and stable financing opportunities** for the sector. In terms of key milestones, regardless of the management structures, they can then be **linked to targets** as included in Green files such as the Recast of the European Performance of Buildings Directive (EPBD).

Beyond the SCF, the remainder of EU Emission Trading System II (EU ETS-II) revenues will need to be invested by Member States in Green investments while prioritising those with a specific social impact. It is exactly within this remaining percentage of ETS-II revenues that we see a great opportunity to earmark additional financing for the decarbonisation of the housing sector for the coming decades. This is in acknowledgment that for our sector to comply with the renovation obligations as set out by i.a. the EPBD, Energy Efficiency Directive (EED), and Renewable Energy Directive (RED), it will be essential that the remaining revenues under ETS-II are ring fenced so we may have a guarantee that beyond regulatory clarity, there will also be a predictable availability of financing for decarbonisation measures.

We therefore urge the EU to start negotiations for a new Decarbonisation Fund for Housing that will be at the heart of a socially-just Renovation Wave.

⁵¹ https://climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets/social-climate-fund_en



GLOSSARY



CoE	→	Centre of Excellence
DNSH	→	Do No Significant Harm
EDC	→	Power Data Centre (“Elektroenergetické datové centrum”)
EED	→	Energy Efficiency Directive
EPBD	→	European Performance of Buildings Directive
EPC+	→	Energy Performance Contracting Plus
ESF	→	European Social Fund
ETB	→	Education and Training Board
EU ETS	→	EU Emissions Trading System
EU ETS-II	→	EU Emission Trading System II
FET	→	Further Education & Training
HLM	→	Habitation à loyer modéré, French social housing
HVAC	→	Heating, Ventilation and Air-conditioning
ICO	→	Instituto De Crédito Oficial, Official Credit Institute
ISDE	→	Dutch subsidy scheme for renewable energy uptake
MF	→	Modernisation Fund
NRRP	→	National Recovery and Resilience Plan
NZEB	→	Nearly Zero Energy Buildings
PPP	→	Public-private partnership
RED	→	Renewable Energy Directive
RRF	→	Recovery & Resilience Facility
RRP	→	Recovery and Resilience Plan
SCF	→	Social Climate Fund
TER	→	Total energy renovations
VAT	→	Value Added Tax
VFK	→	Flemish Climate Fund
VMSW	→	Flemish Society for Social Housing (Vlaamse Maatschappij voor Sociaal Wonen)



NOTES





