

Fact sheet on energy efficiency investment programmes in Romania



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Introduction

A successful transition to a decarbonised economy is carried out by prioritising investments in energy efficiency, one of the main pillars of the European Green Deal. Romania has committed to reduce its final energy consumption by 40.4 per cent and its primary energy consumption by 45.1 per cent by 2030, reaching a total consumption of 25.7 millions of tonnes of oil equivalent (Mtoe) and 32.5 Mtoe respectively. To reach these objectives, coherent and effective investment schemes for measures that increase energy efficiency are needed. This fact sheet analyses the existing energy efficiency investment schemes available at the national level, as well as other measures and policies currently in place that aim to increase energy savings.

For more information

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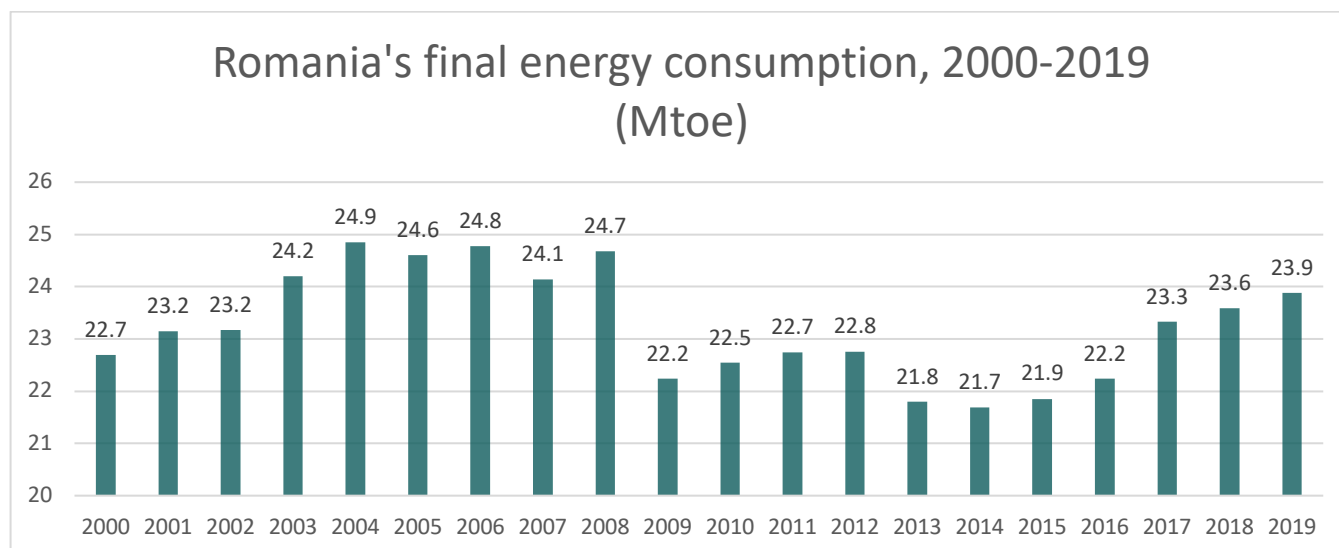
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Current state of energy efficiency

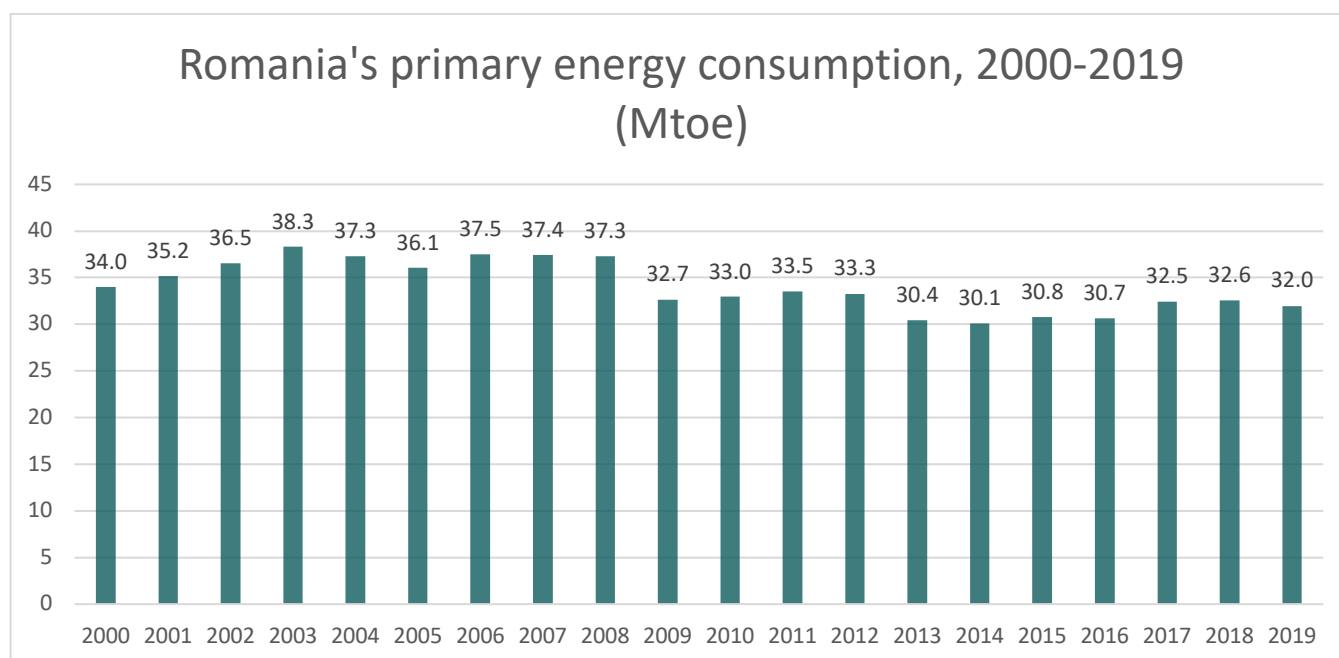
Evolution of final energy consumption

In 2019, the final energy consumption in Romania reached 23.8 Mtoe, after constantly increasing since 2014 as seen in the graphic below.



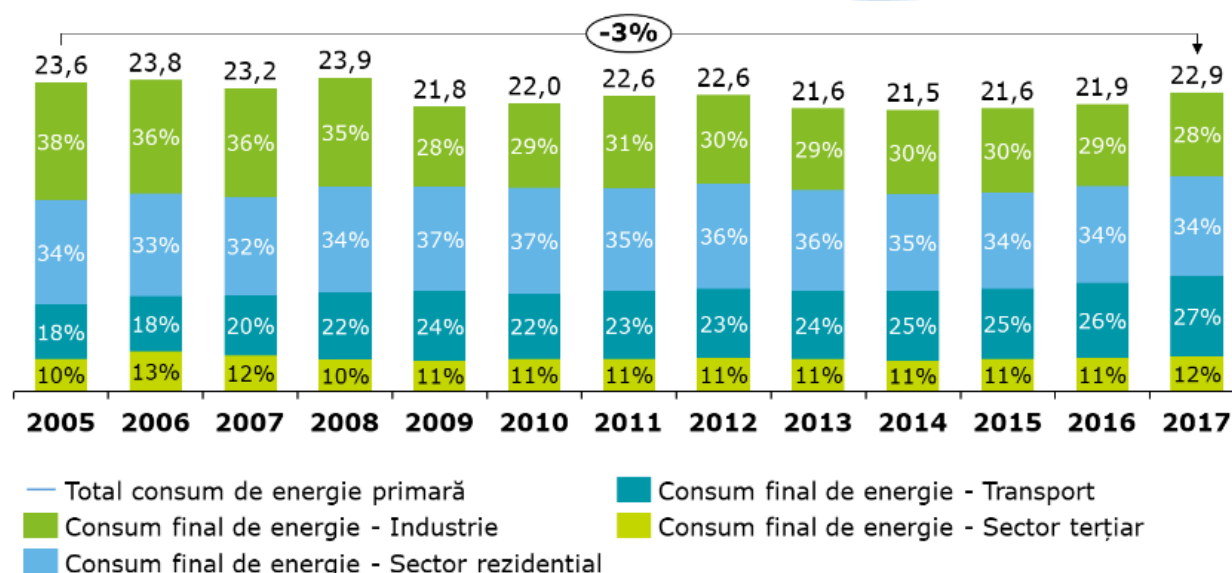
Source: [Eurostat database](#), accessed June 2021

Primary energy consumption fluctuated over the analysed period and reached 31.9 Mtoe in 2019.



Source: [Eurostat database](#), accessed June 2021

According to the National Energy and Climate Plan (NECP), from 2005 to 2017, the residential sector had the highest share in the final energy consumption almost every year, reaching a 34 per cent in 2017. The next highest share was registered by the industrial sector, followed by the transport and tertiary sectors, respectively. **Given the considerable share of energy consumed by the industrial sector, as well as the wear and tear of the equipment used, this sector has a significant potential for the application of energy efficiency measures in the period from 2021 to 2030.**



Source: Government of Romania, [The 2021-2030 Integrated National Energy and Climate Plan](#), European Commission, 163.¹

Investment schemes available

Energy efficiency programmes

A series of investment programmes are available at the national level, providing funding opportunities for increasing energy efficiency in the residential sector (thermal rehabilitation of apartment buildings or single-family homes), the district heating system or in the industry sector.

¹ Total consum de energie primară – Total primary energy consumption; Consum final de energie - Industrie – Final energy consumption - industry; Consum final de energie - Sector rezidențial – Final energy consumption - residential sector; Consum final de energie - Transport – Final energy consumption - transport; Consum final de energie - Sector terțiar – Final energy consumption - tertiary sector

I. National programmes

Programme on energy efficiency works for single-family homes, implemented by the Environmental Fund Administration (EFA)

- The programme offers non-reimbursable financing from the Environmental Fund for works intended to increase energy efficiency in single-family homes. Its objective is to increase the energy performance of buildings and/or the use of renewable energy, aiming at the same time to reduce greenhouse gas emissions.
- The budget of the programme comes from the revenues resulting from the sale of greenhouse gas emission certificates collected by the Environmental Fund and allows for non-reimbursable financing of a maximum of RON 70 000 (approximately EUR 14 000) for each beneficiary, without exceeding 60 per cent of the total value of the eligible expenses. The remaining 40 per cent must be supported by the beneficiary.
- The amount of financing granted differs based on the amount of energy savings that will be generated by the works. This is based on energy efficiency indicators set out in the financing guide.
- The works eligible for financing include the thermal rehabilitation of buildings, heating system installations based on renewable energy sources, heat recovery installations and efficient lighting systems, as well as the issuance of an Energy Performance Contract and energy audits.
- This programme was launched in September 2020, and since then almost 2,200 requests have been registered. Unfortunately, due to the reduced capacity of the administration to evaluate the requests, the programme is currently blocked and no payments have been made to the approved beneficiaries yet.

National multiannual programme on increasing the energy performance of apartment blocks, implemented by the Ministry of Public Works, Development and Administration

- This multiannual programme, implemented since 2009, finances the thermal rehabilitation of apartment blocks, rehabilitation works on the heating and hot water supply systems, the installation of alternative systems for the production of energy from renewable sources and other similar works that increase the energy performance of the buildings.
- It aims at improving thermal comfort, reducing heat loss and energy consumption, maintenance costs for heating and hot water consumption, and reducing the overall greenhouse gas emissions generated by energy production, transport and consumption.
- The financing for the rehabilitation works is provided from state budget and local authorities' funds, as well as contributions from owners' associations constituted for the proper administration of apartment blocks.

- To enrol in the programme, the administration identifies apartment blocks for participation and the owners' associations are notified about their building's registration in the programme. A decision of the general meeting of the owners is needed to mandate the rehabilitation works. After the works are finished, an energy performance certificate is issued together with a performance guarantee at the final reception.

II. Programmes financed by European funds

Large Infrastructure Operational Programme 2014-2020

- Dedicated investments regarding energy efficiency were able to be financed through Priority Axis 6 – Promotion of clean energy and energy efficiency, which allocated financial resources amounting to approximately EUR 124 million, out of which the EU Regional Development Fund's (ERDF) contribution represented almost EUR 105.5 million.
- The specific objectives of this priority axis were to reduce energy consumption at the level of industrial consumers, reduce the average consumption of electricity of final consumers and increase energy savings through high efficiency cogeneration.
- Another priority axis that prioritised energy efficiency was dedicated to increasing the efficiency of the district heating systems. The funds available for this type of intervention amounted to approximately EUR 117.6 million.

Regional Operational Programme 2014-2020

- One of the priority axes of the Regional Operational Programme was dedicated to supporting the transition to a low-carbon economy, covering investments for increasing energy efficiency in public and residential buildings and in the public lighting sector.
- The financial allocation for this priority axis amounted to almost EUR 1.6 billion.

Sustainable Development Operational Programme 2021-2027

- A new operational programme dedicated to sustainable development will target energy efficiency in the industrial sector and will support large enterprises and SMEs in improving their energy efficiency. According to the draft documents available, the financial allocations for this type of investment will amount to approximately EUR 470 million.

Regional Operational Programmes 2021-2027

- Energy efficiency works targeting residential and public buildings as well as the district heating systems will be eligible for finance in the new Regional Operational Programmes and are constituted in different priority axes under Policy Objective 3 – A region with environment friendly cities. The approximate budget available for these interventions amounts to EUR 870 million, which will be divided among all eight regions of Romania.

Long-term national renovation strategy

- This recent strategic document proposes measures to improve energy efficiency, to reduce greenhouse gas emissions and to increase the renewable energy share in the total energy consumption through renovation of the national stock of buildings.
- The measures developed under the Strategy are designed to reduce energy poverty (currently estimated at 1.7 million households), to improve thermal comfort and the level of safety in buildings, and to support the development of skills and innovation in the energy efficiency sector.
- The budgetary implications for the implementation of the Strategy are estimated at EUR 5 billion by 2030, which will be covered by the state budget and European funds available through the new operational programmes for 2021-2027 and the Recovery and Resilience Facility – approximately EUR 870 million will come from the Regional Operational Programmes 2021-2027, and EUR 2.2 billion are available through the allocations of the national recovery and resilience plan.

Discussion – will the current investment schemes help the country reach climate goals?

Energy efficiency measures have a great potential to accelerate Romania's path to a decarbonised economy, in line with the energy and climate targets the country has to reach by 2030 and 2050. Most of the measures need to prioritise the energy and buildings sectors, those generating the highest levels of greenhouse gas emissions, but some improvements can also be made in the transport and tertiary sector. The investment schemes available, if implemented and monitored correctly, can increase the level of energy savings while decreasing the costs for energy consumption and contribute to the reduction of emissions throughout all the sectors mentioned.

Recommendations – what needs to happen for the country to reach climate goals?

As Romania has already started to implement energy efficiency measures, a series of recommendations are needed in order to increase the investment schemes' level of success and to have a complete overview of how these investments contribute to reaching energy savings commitments.

The Environmental Fund Administration, one of the authorities which implements annual energy efficiency programmes, has been confronted many times with a low level of administrative capacity that translated into blockages and delays in the reimbursement of funds to beneficiaries. For this to change, the quality of the administrative capacity must be improved when it comes to evaluating and approving financing requests. The monitoring of the results and how the measures helped achieve energy efficiency objectives needs to be done thoroughly and with full transparency – at this moment, there are no available sets of official data on how much of a contribution the programmes made.

Regarding the managing authorities of the operational programmes, improvements are needed to decrease the level of bureaucracy, which often hinders the financing process. In this case as well, changes can be made

to simplify the application and revision processes of the financial requests, while increasing the level of communication with the beneficiaries can also generate better results in terms of contracted projects.

The simplification of public procurement procedures for energy efficiency services is necessary as well, as the current system makes procurement difficult and increases the duration of implementation of energy efficiency measures. The authorities need to improve the way they supervise and monitor energy efficiency works and must put forward clear legislative frameworks detailing the energy efficiency standards in all economic sectors.

Funded by



'The RegENERate project has received funding from the LIFE Programme of the European Union.'