



Policy Brief

Renewing Rural Homes: Recommendations for Energy Poverty Mitigation



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Highlights



88
energy audits

across 17 pilot areas in 7 European countries to address the lack of understanding regarding the specificities of the rural building stock linked to energy poverty



25
policies and initiatives

from European countries have been gathered and analysed



130
key stakeholders and experts

were surveyed deriving insights on existing needs, barriers, and proposed solutions for energy poverty in rural and peri-urban areas across Europe



Significant changes within EU and national policies are needed and can be brought on by the implementation of new financial mechanisms, increased stakeholder engagement, wider education and awareness building opportunities as well as policies specifically addressing rural areas and their households' needs.

Introduction & Energy Poverty in rural / pilot regions

Energy poverty is defined as a situation in which households are **unable to access essential energy services and products**. Despite its wide recognition and referencing in various legislative and non-legislative documents and initiatives, energy poverty receives limited attention when it comes to European rural areas. As such, the EU-funded RENOVERTY project focuses on upgrading the framework of energy poverty and energy efficiency in rural areas, whilst developing renovation roadmaps to help alleviate the issue.

To fully understand energy poverty in rural areas, RENOVERTY gathered detailed information about the energy characteristics, energy systems and energy sources of 88 rural dwellings through the **conduction of the energy audits across the pilot areas in 7 countries**. Most surveyed homes were found to lack proper insulation, have outdated heating systems, and inefficient windows, **resulting in higher energy bills and discomfort for occupants**.

Retrofitting older buildings to improve energy efficiency can be challenging and costly, but it is also essential for addressing energy poverty among citizens living in such structures. The implementation of energy audits in the RENOVERTY pilot regions has therefore played a crucial role in **identifying opportunities for improvement**, for **prioritizing energy renovation measures**, and to **integrate the results in country-specific renovation roadmaps**.

Based on the conducted analysis of existing policies and measures across pilot countries and the EU, as well as considering results of energy audits and a stakeholders' needs assessment, the following main findings were identified:

- Most policies do not address rural areas specifically, and when they do, most of them **fail to describe or implement frameworks tailored to their unique characteristics**.
- There is a wide **lack of monitoring/evaluation of the policies implemented**, leading to a limited understanding of the effectiveness of the policies.
- The policies focused on advisory/educational measures are mainly comprised of two objectives: the **identification and mapping** of energy poverty and the in-person engagement of vulnerable groups, as well as the **provision of information and consultation services** for the groups involved.
- In many cases, the **measures implemented to alleviate energy poverty are exclusively or mainly financial aids**.
- **Eligibility for benefiting from available policies and measures**, such as legality of the building, often **presents a significant obstacle for vulnerable groups**, especially in CEE, SEE and SE regions.

Within RENOVERTY, further research in rural energy poverty will be undertaken. Based on these findings, follow-up policy recommendations and a second policy brief will be prepared.

Policy Recommendations:

What can EU governmental bodies do?

Addressing the renovation of energy-poor households in rural areas **requires a comprehensive set of policies implemented in coordination and collaboration with different stakeholders** to achieve tailor-made solutions addressing the specific needs of local rural communities.

At the EU level, the Clean Energy for All Europeans package includes several provisions on energy poverty. The recently revised Energy Performance in Buildings Directive (EU/2024/1275) notes that according to Eurostat, energy balances and EEA Greenhouse Gas Inventory (2023), 85% of EU buildings were built before 2000 and amongst those, 75% have a poor energy performance. **Acting on the energy efficiency of buildings is therefore key to saving energy, reducing bills for citizens and small enterprises and achieving a zero-emission and fully decarbonised building stock by 2050.**

The revised directive facilitates more targeted financing to investments in the building sector, complementing other EU instruments and fighting energy poverty by supporting vulnerable consumers. Member States must ensure that at least **55% of the decrease in average primary energy use** is achieved through the renovation of worst-performing buildings. Similarly, the energy savings obligation of Article 8 under the EED also includes a focus on energy poor households, as it states that to save more energy, buildings must become more efficient. Furthermore, the revised Energy Efficiency Directive (EU/2023/1791) puts a stronger focus on alleviating energy poverty as well, as it aims to raise awareness and provide information on energy efficiency, thereby **empowering consumers through stronger requirements for EU countries**. Additionally, it emphasises the creation of **one-stop shops, technical and financial advice, consumer protection** via out-of-court mechanisms for the settlement of disputes, and includes **improved regulations to identify and remove barriers related to split incentives** for energy efficiency renovations between tenants and owners or among multiple owners. These provisions could have an impact on rural areas due to the poor efficiency of the rural housing stock in most Member States, even if measures such as one-stop-shops and tenant protections are more likely to be taken up in urban areas.

The draft of the new Directive on the EU's Electricity Market Design (adopted by the EU Parliament on 11 April 2024) foresees that energy sharing projects owned by public authorities make shared electricity accessible to vulnerable or energy poor customers or citizens. When doing so, **Member States must promote that an average of at least 10 % of that accessible energy comes from shared energy**. This can play a significant role for the decarbonisation of the rural energy-poor building stock while decreasing the burden of rural household's electricity bills.

Strategies focused on rural areas, i.e. the Common Agricultural Policy, while it has three clear environmental goals, each of which are echoed in the European Green Deal, does not specifically address energy poverty or building renovation as a mechanism for boosting rural development.

Based on RENOVERTY findings together with new and upcoming EU legislation, the following first series of recommendations for mitigating energy poverty in rural areas through renovation of the building stock have been identified:



Policy Transformations

Country-specific targets for energy efficiency and energy poverty reduction in rural areas need to be set and include strategies focused on rural areas. EU institutions can work to develop policies that support the implementation of these targets, enabling effective energy-efficiency projects



Financial mechanisms and support

There is a need for new funding mechanisms and financial support specifically directed for energy efficiency initiatives in rural contexts, making projects feasible and sustainable in rural settings



Stakeholder engagement and collaboration

EU and national institutions should engage with all relevant stakeholders, including governments, communities and institutions, to collectively address energy poverty in rural areas and finding solutions for identified specificities such as eligibility for available funding and accessibility of the support schemes



Education and awareness building

EU and national level institutions can initiate outreach programmes such as workshops, training programmes and the development of one-stop-shops to enhance awareness and understanding of energy poverty issues within rural communities and to empower vulnerable groups to become active participants in the energy transition

ABOUT RENOVERTY

RENOVERTY fosters energy efficiency building upgrades in the energy poor households of Central and Eastern Europe (CEE) / South-eastern Europe (SEE) and Southern European countries (SE) by establishing the methodological and practical framework to build renovation roadmaps for vulnerable rural districts in a financially viable and socially just manner.

RENOVERTY ensures that building retrofits consider the social dimension by incorporating security, comfort, and improved accessibility in the roadmaps to further improve the quality of life of vulnerable populations. Over the project's three years, seven pilots located in Sveta Nedelja (Croatia), Tartu (Estonia), Bükk-Mak & Somló-Marcalmente-Bakonyalja Leader (Hungary), Zasavje (Slovenia), Parma (Italy), Coimbra (Portugal), and Osona (Spain) will implement the roadmaps, while wider integration of rural and peri-urban development is foreseen in the long run.

Our website: <https://ieecp.org/projects/renoverty/>

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