



#EnergyPoverty

Conference on Energy poverty at the crossroads of the European Pillar of Social Rights and the European Green Deal

REPORT



European Economic and Social Committee



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Building efficiency - a key element of combating energy poverty

Introduction

By 2030, the European Union should have not just the Green Deal, a green transition and zero greenhouse gas emissions, but also zero energy poverty. According to Eurostat, in 2019 almost 35 million Europeans were unable to keep their homes warm enough in winter or cool enough in summer, while 6.2% of them could not afford to pay their bills or get basic energy services.

This is the definition of **energy poverty**, a silent phenomenon that has many real, albeit different, impacts in the European Union. In the years to come, it also risks getting worse – both as a result of the COVID-19 health crisis and as the indirect consequence of the environmental and energy transition that the European Union is implementing through the Green Deal – the vast economic transformation plan launched by the European Commission in December 2019, which risks widening social inequalities and lacks the necessary safeguards to avoid this.

Heating, cooling, lighting and energy to power household appliances are services considered essential and necessary to ensure not just a decent standard of living, but also people's health. While the issue of access to energy and clean energy will dominate the EU's political narrative in the years ahead, the level of energy expenditure is potentially a barrier that risks creating even more poverty and social exclusion. Tackling energy poverty at EU level can at the same time help to achieve climate neutrality goals, reduce inequalities in the European Union and in parallel support the recovery from the economic crisis triggered by the COVID-19 pandemic.

These are the three pillars serving as input into the deliberations of the European Economic and Social Committee (EESC), which held an online conference on Tuesday 20 April 2021 on **Energy poverty at the crossroads of the European Pillar of Social Rights and the European Green Deal** that sought to showcase an issue that still affects more than 7% of Europe's population. Held jointly by the Section for Transport, Energy, Infrastructure and the Information

Society, the Section for Employment, Social Affairs and Citizenship and the Section for Agriculture, Rural Development and the Environment, the event brought together high-level representatives from European civil society, the Brussels institutions, national and local authorities and academia.

The aim: to focus attention on energy poverty at a time when Brussels is preparing for an environmental and energy transition that seeks to “**leave no one behind**” and make the transition “just”. Injecting tangible meaning into these words involves crafting a political narrative that makes energy poverty one of the priorities of the European Green Deal and establishes the clear goal of reaching zero energy poverty in the EU by 2030. The European Union has pledged to reduce greenhouse gas emissions by at least 55% compared with 1990 levels by 2030, as a stopover in achieving full climate neutrality by mid-century. This is in line with the requirements of the 2015 Paris Climate Agreement, which seeks to confine the rise in temperatures to below 2 degrees and to reach net-zero emissions by 2050. It is now time to add a new goal to the Green Deal priorities.

Specifically, we are calling for the formation of a coalition of all EU institutions and civil society organisations to fight energy poverty as a united front. “To be successful, the EU and Member States have to work together,” warned **Christa Schweng**, president of the European Economic and Social Committee, at the beginning of the online conference, reminding participants that the task of the EU institutions was to “avoid the risk of increasing inequalities in Europe”. If “one in five people were at risk of poverty and social exclusion in the EU” even before the COVID-19 pandemic, the health and economic crisis now risked exacerbating these inequalities, hitting those who are already poor and marginalised, but above all edging new people into poverty.

People are experiencing forced confinement within the four walls of their homes. The pandemic and the resulting containment measures have also led to an increase in the time people have spent inside their homes, highlighting even more the human and social costs of this crisis. National governments have asked citizens to stay in their homes to protect themselves from the virus, but “how can you stay at home when your house is damaging your very health?”. This was the question posed by **Sarah Coupechoux** from the Fondation Abbé Pierre in France, who pointed out that the health emergency had afflicted people who were already living financially on the edges of society.

The risk is a further increase in energy poverty and the number of people out of work.

The call of the European Economic and Social Committee is therefore for targeted policy initiatives to be taken in synergy with civil society and hence also with the public, without whom it would be difficult to achieve “the objective”. “This is a unique moment”, pleaded Ms Schweng, “to take coordinated action simultaneously on climate neutrality, recovery from the COVID-19 crisis and social cohesion. Energy poverty reduction cannot be achieved without the active involvement of organised civil society.”

The Renovation Wave and the Recovery and Resilience Plans as part of the answer

Energy poverty stems from an amalgam of various factors, from high energy prices to low incomes, to say nothing of low energy efficient housing – i.e., poorly insulated, damp and with old appliances that have a greater impact on the climate and are frequently the source of high energy costs. Those hardest hit are low-income Europeans such as the poorest workers or low-income pensioners, as well as young adults or entire families living in often inefficient low-cost housing. The steady rise in electricity prices in most EU countries in recent years, arrested only during the pandemic, together with the health crisis and the poor energy performance of Europe’s housing stock, raises concerns of an increase in energy poverty in Europe in the aftermath of COVID-19.

In general, women suffer more than men (because on average they have lower wages in many parts of Europe) and, as data from the Jacques Delors Institute reveals, the regions of southern Europe are the most affected. This was highlighted by **Thomas Pellerin-Carlin**, director of the Jacques Delors Energy Centre, in his remarks at the opening of the conference’s first panel – “**Tackling energy poverty to contribute to the climate objectives**”.



Energy poverty reduction cannot be achieved without the active involvement of organised civil society

Christa Schweng,
EESC President

In a nutshell, extensive renovation and modernisation to improve energy efficiency are a response and part of the solution, but, as Pellerin-Carlin warned, “we need **greater political commitment on this issue and to build a political narrative of this reality**”. He also underscored the health problems, psychological as well as physical, that energy vulnerability could cause. For this reason, he stressed the role that carefully considered building renovation could play in both energy poverty and the environmental impact of buildings in the EU, which would yield benefits for the climate.



The proliferation of energy poverty can also – and primarily – be attributed to mistaken policy choices, although “non-choices” would be more accurate. Making buildings more energy efficient “has not been a priority in many cases and in many countries,” explained Mr Pellerin-Carlin. “We have chosen not to renovate as quickly as we should and could have done and so we still have too many people living in this situation.”

There was, however, a solution in the guise of renovation of buildings that could also help to diminish their impact on climate change thanks to more efficient approaches. To achieve this, however, a political coalition was needed tasked with bringing energy poverty in the EU down to zero by 2030, with tangible goals to be implemented through EU policies and funding instruments made available to the Member States as well as those we already have and ones to be brought on line in the future.

In the first instance, attention should focus on the **National Energy and Climate Plans** (NECPs) and long-term strategies for the renovation of Europe’s building

stock. This is because it is the Member States who in fact transpose the European Union directives on this matter through their NECPs, which provide for investment to be mobilised for the residential sector through measures to enhance its sustainability. However, recovery from the pandemic offers a unique opportunity to also tackle energy poverty through the **National Recovery and Resilience Plans (NRRPs)**, which Member States use to plug into resources from Brussels in exchange for reforms and policies to steer investment. The European Commission's **Next Generation EU** plan – the EUR 750 billion temporary instrument for recovery, made up of loans and grants – suggests by its very name that the recovery investment plans will have to put future generations centre stage.

As the EESC president stated at the conference: “Europe’s recovery plans must be guided by the principles of environmental sustainability, solidarity, cohesion and convergence and the determination not to leave behind any Member States, regions or individuals.” Needless to say, the European Economic and Social Committee believes that combating energy poverty should be at the heart of Next Generation EU and be regarded as an investment priority in national plans to recover from the pandemic.

At least **37% of the European recovery funds** will be earmarked for climate action, so Member States will be able make the fight against energy poverty one of the investment priorities in their NRRPs. Investment in building renovation and in reduced-cost, but energy-efficient, social housing: now the finances are there to invest in policies that cut poverty, including poverty in basic access to energy. Current estimates of the prevalence of energy poverty in Europe do not take into account the impact of the health (and associated economic) crisis on the impoverishment of Europe’s population, and there is no doubt that the phenomenon will be further exacerbated indirectly by COVID-19, with a loss or fall in income.

It is therefore evident that, as part of the recovery from the pandemic, green recovery funds will also need to be used to improve people’s ability to adequately heat their homes. EU plans to modernise buildings to make them more energy efficient will play a key role in getting to grips with energy poverty.



The discussion highlighted time and again the importance of the **Renovation Wave** initiative, published by the European Commission last October as one of the central pillars of the European Green Deal: the plan from the Berlaymont to renovate the EU building stock envisages (at least) double the annual energy renovation rate of the EU's non-residential housing and buildings by 2030 and supports their thorough energy renovation together with modernisation to also curb their impact on the environment.

The Continent's building stock is responsible for **40%** of Europe's energy consumption and **36%** of greenhouse gases coming from the energy sector. This is why the Commission has enshrined in the plan the goal of having 35 million buildings renovated by 2030. The road ahead is long and Brussels makes no attempt to conceal the fact that building renovation is one of the areas with the greatest investment shortfall, although the new Multiannual Financial Framework (2021-2027) associated with the Next Generation EU temporary recovery instrument affords the possibility of also mobilising large-scale investments in renovation. The implementation of this literal "renovation wave" will also be backed up by National Recovery and Resilience Plans, which will have to translate the resources mobilised by Brussels from the temporary recovery fund into specific projects.

And we are, according to the European Commission, on track. The challenge of energy poverty is an intrinsic element of "leaving no one behind" in the Green Deal transition, according to **Adela Tesarova**, head of the Consumers, Local Initiatives, Just Transition Unit of the European Commission's Directorate-General for Energy (DG ENER). She confirmed that the energy renovation plan for buildings was "a key element in tackling energy poverty" as well as in achieving the European Union's climate targets, including the central



The energy renovation plan for buildings is "a key element in tackling energy poverty"

Adela Tesarova,
head of the Consumers,
Local Initiatives, Just Transition
Unit of the European
Commission's Directorate-General
for Energy (DG ENER)

goal of carbon neutrality by mid-century. As planned by Brussels, the strategy should assist in eliminating hurdles to building renovation and in galvanising new – public and especially private – investment.

But according to the European Commission, the plan will also be crucial to the economic recovery from the coronavirus, because “building renovation is one of the sectors in which ever more jobs can be created”. In numbers, the EU estimates there will be 160 000 new “green” jobs in the construction sector in order to achieve the aim of upgrading 35 million buildings in the EU. At the time of the conference, the Member States should have finalised their national recovery plans, to be presented in Brussels by the end of April, and the Commission had remained “in close contact” with them over the preceding six months. We would see whether the responses to energy poverty would include enough space for building renovation in the Member States’ post-coronavirus recovery plans. Care should be taken, however, to make sure that Renovation Wave investment did not lead to the most vulnerable groups being further excluded from housing by prioritising only certain types of dwelling.



Addressing energy poverty was first and foremost an opportunity to **reduce inequalities in Europe**, which risked getting worse as a result of the pandemic. This was the call from some organised civil society representatives at the conference’s second panel, on “**Tackling energy poverty to reduce inequalities**”. The focus in the recovery from the pandemic should be on the most vulnerable groups – those already experiencing difficulties before the pandemic and who were at risk of seeing these exacerbated because of the crisis.

Existing structural inequalities made not just women, the homeless, the elderly and entire low-income families, but also migrants and asylum seekers those most affected by energy poverty. Policy-makers should prioritise measures against social exclusion, including in relation to housing, stressed **Helder Ferreira** from the European Anti-Poverty Network (EAPN). For her, it was essential to make this transition a transition “for all” and “especially for vulnerable groups, ensuring that the implementation of European policies brings tangible benefits”. Adequate investment was crucial, but so too was the development of energy efficiency and technical assistance programmes for Member States. This was a point also brought to the fore by **Jagoda Munić**, representative of Friends of the Earth Europe, who highlighted the need for policies to make social housing accessible.

Launching the transition and at the same time leaving no one behind was the great challenge of this legislature and of the current Commission led by Ursula von der Leyen. It was a point also acknowledged by the European Commissioner for Energy, **Kadri Simson**, kicking off the third panel, on “**Energy poverty at the crossroads of the European Pillar of Social Rights and the European Green Deal**”. She noted that if the EU were unable to deliver on its promise to leave no one behind in implementing its Green Pact for Europe, then: “The transition will fail. We are fully committed to achieving the just transition that the Green Deal wants to deliver.” It emerged from the debate with Ms Simson that Europe still lacked “a standard definition of energy poverty”, since Member States had their own criteria for defining it. The Commissioner said this made the European Renovation Wave strategy “even more important” and stressed that sustainable and energy-efficient buildings should be “the new normal” and that the initiative would support a wider availability of affordable housing.

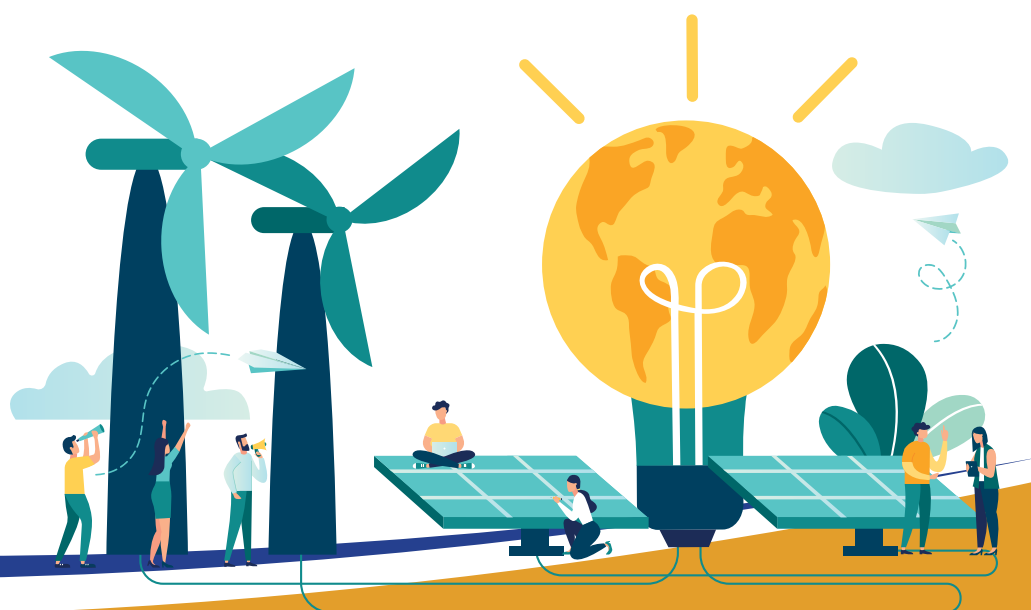


If the EU were unable to deliver on its promise to leave no one behind in implementing its Green Pact for Europe, then: “The transition will fail”

Kadri Simson,
European Commissioner
for Energy

More than just recovery plans and MFF (2021-2027). Finally, as a contribution to the fight against energy poverty, Ms Simson referred to the role that the **Just Transition Fund** would also play in providing the necessary resources and supporting the clean energy transition of those areas and communities in Europe that were lagging behind in terms of decarbonisation. The digital and green transition could not be rolled out at full speed while there was still so much energy poverty in the European Union, she went on to say, stressing that “Europe must be an example of a successful transition” by adopting restructuring strategies for all of the EU population and not just part of it.

The fight against energy poverty would also be central during the forthcoming presidencies of the European Union, and confirmation of this political commitment had come from the countries that would be taking up Portugal’s legacy – first **Slovenia and then France**. “It will be at the heart of our presidency, because we know that it is a central part of a just transition” was the assurance from **Emmanuelle Wargon**, France’s Minister for Housing representing Paris, which would take over the Council of the EU for the first six months of 2022. She stressed that tackling energy poverty was at the heart of a “strong and just green transition”, insisting: “We need a just transition so that no one is left behind.” Slovenia would take over the EU Council from 1 July, straight after Portugal. The need not just for leaving no one behind, but also for a fair share-out during the energy transition was made clear by **Blaž Kosorok**, State Secretary at Slovenia’s Ministry of Infrastructure, in his remarks at the conference. He stressed the need for a “holistic approach”, which meant one that was sensitive to the problem of energy poverty and brought together all social and environmental elements so as to leave no one behind.



A European strategy for the right to energy



Nobody should have to choose between eating, switching on the lights or heating their home: access to affordable and green energy should not depend on income but should be seen as a **social right** and, more than anything, as a **human right**. The European Economic and Social Committee had therefore launched in-depth deliberations on the issue of energy poverty by identifying European civil society on the one hand and the Brussels

institutions on the other as key partners in establishing a collaboration in which the EESC would act as a bridge between the two.

The deliberations were based on two central articles of the **European Pillar of Social Rights**, adopted by the European Union in 2017 to promote equal opportunities and access to the labour market, fair working conditions, and social protection and inclusion: on the one hand, **Principle 19** (right to adequate shelter), which refers to the right of everyone to have dignified and healthy accommodation; and on the other **Principle 20** (access to essential services), which is about the right to access essential services, one of which is energy.

It should not go unnoticed that the call for joining forces to buttress the social dimension of the Green Deal and the green transition came at a time when **Portugal** had decided to put the strengthening of the European social model and the EU's **Pillar of Social Rights** at the heart of its policy agenda to exit from the crisis in a way that left no one behind. This would be at the heart of the Social Summit to be held by the Portuguese Presidency of the Council of the EU in Porto on 7 May. The Brussels institutions had also confirmed that, notwithstanding the pandemic, the summit would provide the political impetus to carry out a new Action Plan for the implementation of the European

Pillar of Social Rights, to be presented by the European Commission in this first half of 2021. This plan was an opportunity to turn the pillar's principles into tangible actions, especially the two mentioned above, 19 and 20.

What emerged at the EESC conference was a strong call for the EU to work out a true, comprehensive and general strategy to take on energy poverty, under the umbrella of the Green Deal and the European Pillar of Social Rights, in order to secure results in both dimensions – the social dimension and the green, environmental dimension. This strategy to be drawn up should be guided by a coalition composed of all EU institutions and civil society organisations, with the Committee acting as a bridge between the two and with the aim of ending energy poverty in Europe by 2030.

No mean goal, given that the long-term effects of the pandemic on the social fabric of the Union were not yet known. The idea of the European Economic and Social Committee was that this coalition should raise even more awareness of this issue and meet regularly – at least once a year – to monitor progress made and still to be made. There was awareness of the problem and there was also some notion of the possible answers to a complex issue that affected diverse aspects of EU citizens' lives, from lighting to heating and bills to be paid.

This encounter of politicians and civil society at the conference had brought to light a number of obstacles that should be removed to achieve this. Meanwhile, the social and environmental objectives should be mutually reinforcing, with the Green Deal focusing more keenly on accommodating social rights during the transition to a carbon-free economy. Energy poverty, and thus the increase in inadequate housing across Europe, had consequences for the quality of life and the health of Europe's citizens. It was imperative to take forward a discussion on how to ensure access to energy, especially clean energy, for all, whatever the level of income, and how to recognise this as a **human and social right**.

But on such a complex issue, the first thing needed was for Member States to settle on a **common definition of energy poverty at European level**, so as to make it integrated in – and aligned with – EU policies. The fight against energy poverty – which in concrete terms means making not just housing affordable, but also the investment that households need in order to make the buildings they live in efficient – should be identified as a priority on the EU agenda, and as such addressed in all Commission initiatives that claim to have “the weakest” in mind. It was difficult to compare data without a common definition of energy

poverty and so it was all the more difficult to grasp its extent and impact on the various regions of Europe. There was also a need to shape a strong narrative at the political level that took on board the role of civil society organisations, which helped to put the social situation in the Member States in the spotlight.



For the first time in many years, Member States also had considerable resources to spend on recovery and solving the problem. In concrete terms, however, the Commission had only bound Member States to spending **37%** of their recovery plans on climate action and it should therefore continue to encourage them to frame national strategies to eradicate energy poverty and monitor their implementation. This would ensure that the policies were used to make both buildings generally and social housing more efficient and so more affordable. Generally speaking, those living in these buildings were low-income individuals or entire households, and making renovation possible through public funds could simultaneously reduce the energy poverty rate and increase the energy efficiency of Europe's building stock.

The Brussels institutions should therefore see to it that these priorities were central to the **National Recovery and Resilience Plans**. In addition, the issue of zero energy poverty should be made central to the transition and the European Economic and Social Committee took the view that the EU's policies and initiatives for the transition to a low-carbon economy should all be preceded by an assessment of their social impact, so as to monitor and prevent further tears in the fabric.

One option was to bring in minimum and mandatory energy performance standards for different types of building. This was currently being considered by the European Commission in the revision of the Energy Performance of Buildings Directive, out for public consultation until 22 June.

In addition, enterprises, including private companies, would play an important role in grappling with energy poverty by using the resources of EU funds to develop innovations and the right technologies for energy efficiency. These were critical not just to technological development, but also to job creation, which underpinned the process of recovery from the crisis.

As well as raising awareness, the European Economic and Social Committee believed that forming a **political coalition** would be an opportunity to see how joint action at European level could solve the real problems of its citizens, a way of bolstering the social dimension of the Green Deal. The level of poverty in Europe was still too high and combating it was an imperative because what was at stake was the cohesion of European society.

Conclusions: towards a social dimension of the Green Deal

Social fairness was, then, the key to getting out of and surmounting the crisis, but for this people had to be placed at the heart and forefront of the recovery. Seeking and finding solutions to a problem that affected a sizeable part of the European population could be transformed for the EU institutions into an opportunity to reconnect with that section of the population that, because of its own circumstances, was more remote and so felt more marginalised by the Union itself.

It would need to strengthen the **social dimension** that the Green Deal promises to incorporate during the transition to a climate neutral continent, aware that without strengthening the social dimension there will be neither a green nor a digital transition in the European Union that could be said to be truly sustainable for its citizens. The European Economic and Social Committee was ready to give a voice to the voiceless and to monitor the next steps of the Brussels institutions to ensure that not a single family felt cold in their own homes and to reach the goal of zero energy poverty by 2030. Putting an end to this situation in Europe was an ambitious goal, but it was part of the just transition and its goals, which sought to create a future that was not just greener but also more responsive to the social impact of change. Behind the numbers, behind the statistics, there were families and there were tragedies.

While Europe continued to face the effects of the pandemic, stimulating recovery from the economic crisis offered a unique opportunity to tackle energy poverty and for a more sustainable future for European society.

But while setting out its recovery strategy, the European Union must be careful not to build on old business models but instead transform the economy in order to meet climate goals and ensure a more sustainable future, including in social terms. This was the European Economic and Social Committee's



warning at the conclusion of the conference: **the economy, the social dimension and sustainability** are complementary aspects of the same process, they have the same goals and they must go hand in hand. They must be translated into a unique opportunity to address climate neutrality, the recovery and social cohesion, as would also become clear at the Porto Summit for collective and effective political action.

Eradicating energy poverty in Europe by 2030 was a responsibility – and must also become a goal – of the European Union – in the guise of a “coalition” between institutions and organised civil society – in the coming years. Because tackling energy poverty as a binding target could prove that the European Union is also able to face other challenges facing its citizens: and so, delivering answers could be a way of reconnecting with those of Europe’s citizens who perceive it as increasingly remote from them.

Conference



PROGRAMME

Brussels, 20 April 2021

10.00-10.30 > Opening remarks

Energy poverty as a concrete reality for many European citizens

- **Christa Schweng**, President of the EESC
- Screening of the film: *COVID-19 pandemic risks undermining progress on energy poverty - Euronews* (2021)
- **Sarah Coupechoux**, Responsible for Europe of Fondation Abbé Pierre in France
- **Jeppe Mikél Jensen**, Chair of the new European Energy Poverty Observatory (Energy Poverty Advisory Hub)

10.30-11.40 > First panel

Tackling energy poverty to contribute to the climate objectives

Moderated by **Baiba Miltoviča**, President of the TEN Section of the EESC

- **Thomas Pellerin-Carlin**, Director of the Jacques Delors Energy Centre, Jacques Delors Institute
- **Adela Tesarova**, Head of Unit for Consumers, Local Initiatives, Just Transition, DG ENER
- **Pierre Jean Coulon**, Member of the EESC
- **Jagoda Munić**, Director of Friends of the Earth Europe (partner of the Right to Energy Coalition)
- **Monique Goyens**, Director General of BEUC (partner of STEP project)

11.50-13.00 > Second panel

Tackling energy poverty to reduce inequalities

Moderated by **Aurel Laurențiu Plosceanu**, President of the SOC Section of the EESC

- **Helder Ferreira**, Director of the European Anti-Poverty Network (EAPN)
- **Freek Spinnewijn**, Director of the European Federation of National Organisations Working with the Homeless (FEANTSA0)
- **Barbara Kauffmann**, Director for Employment and Social Governance, DG EMPL
- **Lutz Ribbe**, Member of the EESC
- **Jean-Luc Alluard**, Director for CSR and Sustainable Development, Regional Direction of Pays de la Loire, ENEDIS-EDF

14.30-15.45 > Third panel

Energy poverty at the crossroads of the European Pillar of Social Rights and the European Green Deal

Moderated by **Peter Schmidt**, President of the NAT Section of the EESC

- **Kadri Simson**, Commissioner responsible for energy
- **Emmanuelle Wargon**, French Minister Delegate for Housing, attached to the Minister for Ecological Transition
- **Blaž Košorok**, Slovenian State Secretary from the Ministry of Infrastructure
- **Ville Niinistö**, Member of European Parliament
- **Moritz Schleicher**, Board Member, JEF Europe and Generation Climate Europe

15.45-16.00 > Closing remarks

- **Cillian Lohan**, Vice-President in charge of Communication of the EESC
- **Stefano Mallia**, President of Employers' Group (Group I) of the EESC
- **Oliver Röpke**, President of Workers' Group (Group II) of the EESC
- **Séamus Boland**, President of Diversity Europe Group (Group III) of the EESC

Main conclusions proposed

REACHING A ZERO ENERGY POVERTY TARGET BY 2030

Establishing an overarching strategy to tackle energy poverty that affects 35 million Europeans

- A **comprehensive and consistent European political strategy to tackle energy poverty needs to be deployed**. Energy poverty must be fully integrated into the European Green Deal, the Sustainable Development Goals and European Pillar of Social Rights to deliver on the green, social and economic objectives.
- Member States should develop **national plans or policies to eradicate energy poverty integrating and giving coherence to all funding and policy instruments** at EU and national levels. The **National Recovery and Resilience Plans** should provide a great opportunity to create these synergies for the post-COVID period.
- **Civil society organisations should play a key role** in the definition, implementation and monitoring of these policies. They should be supported as they can provide **direct assistance to the most vulnerable** in the short as well as in the long term and facilitate the **renovation of the EU's building stock** which is crucial for eradicating energy poverty.
- **EU citizens**, especially the most vulnerable, **need special measures and support such as one-stop shops** so that they can benefit from unbiased information on renovation possibilities and financing at local level to tackle energy poverty at its roots.
- The measures to be implemented can **boost local jobs**, especially in the construction and manufacturing sector. In this regard, reskilling and vocational training should be a priority. Enterprises can play an important role also in generating innovation and the necessary technologies.
- **Decentralised energy production with a social and solidarity objective** is needed to empower citizens by offering more choices.

Ensuring a common understanding of the phenomenon

- Member States need to agree on a **common definition of energy poverty at EU level** based on Commission proposals, to ensure that understanding of the term and policy implementation in the field are consistent across the EU.
- EU institutions and Member States need to continue to develop **common metrics and comprehensive indicators** that allow EU, national and local policymakers

Implementing specific policy measures

- **Make the Renovation Wave for Europe operational** - ensuring appropriate funding and implementation measures.
- **Address energy poverty under the upcoming reviews of the energy legislation**, such as the Energy Performance of Buildings Directive, Renewable Energy Directive and Energy Efficiency Directive, by addressing the needs of the most vulnerable groups and making sure they do not pay the highest bill.
- Support **research and innovation** with energy poverty eradication objectives.
- **Reinforce local action** on energy poverty.
- Make the best use of the **EU funding programmes** via the Cohesion Fund, the Just Transition Fund and Recovery and Resilience Facility to tackle energy poverty.

Launching a broad and ambitious coalition to keep commitment high

- The European Commission (and its EU Energy Poverty Observatory), the European Parliament, the Council, the Member States, the European Committee of the Regions, the European Economic and Social Committee and civil society organisations must build a strong narrative and a broad coalition with one objective: a target of zero energy poverty by 2030.
- The coalition should organise an annual meeting to take stock of progress in reaching the targets and raise awareness of joint action.

Conclusions

Introduction

Gaining political momentum on the issue of energy poverty

In 2019, over 35 million Europeans claimed to be unable to afford to keep their homes warm enough; in the context of the COVID-19 pandemic, concerns about energy poverty have increased. Energy poverty affects the practical living conditions of families, women, young couples, children, elderly people and, in particular, the most vulnerable households. This is a distressing problem, which has serious human, social and financial costs and cannot remain unaddressed by EU decision-makers. The EU and its Member States should develop a political narrative and coalition to make energy poverty a priority on the EU agenda, setting a specific target of zero energy poverty in the EU by 2030.

The ambitious climate targets that the EU has set itself will require the transition to speed up in a way that may increase inequalities in Europe with regard to access to energy. Including the issue of energy poverty as a priority under the European Green Deal's (EGD) action plan and narrative, giving tangible sense to the "no-one left behind" motto, is key in order to build consensus around its objectives.

Moreover, the recovery from the effects of the coronavirus crisis is an opportunity for a system reset to enhance EU society's resilience and address energy poverty at its core. The investments should deliver a European "wellbeing" economy, based on the EU fundamental principles of democratic values and the rule of law, protecting human and social rights, strengthening the economic resilience of the EU, boosting its economy, and achieving the UN Sustainable Development Goals (SDGs), climate neutrality and the full implementation of the European Pillar of Social Rights (EPSR) by 2050 at the latest. Tackling energy poverty is relevant to all of these goals. In fact, reducing the number of people at risk of poverty or social exclusion by at least 15 million is one of the three headline targets to be reached by the EU by 2030, as indicated in the Action Plan for the Implementation of the EPSR.

Therefore, energy poverty must be tackled under the Sustainable Development Goals, the European Green Deal and the Action Plan on the Implementation of the European Pillar of Social Rights to deliver green, economic and social objectives.

Call for a broad political coalition

Energy poverty should be addressed on the basis of a broad political coalition across all three EU institutions and European organised civil society. It should be the opportunity to show how EU action can help national governments solve European citizens' practical problems and promote solidarity among Member States. The upcoming Slovenian Presidency and the new trio that will follow it (France - Czech Republic - Sweden) should make alleviating energy poverty a priority. Civil society organisations should play a key role in the definition, implementation and monitoring of energy poverty in Europe.

Therefore, the EESC proposes to hold an annual conference to take stock of progress made in combatting energy poverty at European level by the three EU institutions and organised civil society working closely together.

The Porto Summit on 7-8 May 2021 will be already an excellent opportunity to give political impetus to the inclusion of energy poverty in the EPSR and its Action Plan and reinforce the social dimension of the EGD.

Based on the outcomes of the online conference organised by the EESC on *Energy Poverty at the crossroads of the European Pillar of Social Rights and the European Green Deal* on 20 April 2021, these conclusions will outline the main challenges and recommendations put forward by the conference participants.

Establishing an overarching strategy, national plans and financial support

The new Multiannual Financial Framework and the NextGenerationEU recovery instrument should be used to tackle energy poverty in the post-COVID period. In particular, they should support large-scale EU investment in building renovations and in affordable, energy-efficient social housing as well as community housing projects. Moreover, the Cohesion Fund and the Just Transition Mechanism could provide resources for regions and communities that are most affected by the clean energy transition, ensuring for example that coal-fired district heating systems are offered clean and

affordable alternatives. The Commission should also continue funding energy poverty projects under Horizon Europe and the LIFE Programme.

Member States which show a lack of commitment to tackling energy poverty under their National Energy and Climate Plans (NECPs) should be encouraged to step up their efforts with clear monitoring and evaluation frameworks, in accordance with the Commission's Recommendation on energy poverty. All Member States should be encouraged to develop relevant measures under their Long-Term Renovation Strategies.

Member States should develop national plans and policies for the eradication of energy poverty, integrating and giving coherence to all funding and policy instruments. The National Recovery and Resilience Plans (NRRPs) should provide a great opportunity to create these synergies for the post-COVID period and they should be consistent with the NECPs. For example, Member States could include in their plans measures such as the creation of a national fund for low-income energy efficiency measures, and the introduction of performance standards for new and old buildings and of minimal quality standards for rented housing or financial incentives for refurbishment which are graduated according to household income.

Civil society organisations should play a key role in the definition, implementation and monitoring of these policies at national and EU level, also using their specific knowledge and connections to propose structural improvements to the regulatory framework.

Ensuring a common understanding of the phenomenon

Energy poverty is a complex issue that concerns many aspects of everyday life: heating, cooling, lighting, energy to power appliances, mobility, etc. A common understanding of the issue of energy poverty is necessary to be able to take harmonised action at European, national and local level.

Members States therefore need to agree on a common definition of energy poverty at EU level on the basis of proposals by the Commission, and the EU institutions and Member States need to continue to develop common metrics and comprehensive indicators to allow EU, national and local policymakers to understand energy poverty and align it with the implementation of the SDGs.

These should take into account not only the main issue of heating buildings but also cooling and access to transport.

The European Commission has issued dedicated energy poverty recommendations, which assist and guide the assessment of the phenomenon at national and regional level, as well as on identifying best practices.

Eradicating energy poverty with a special focus on the most vulnerable

Already before the pandemic, social protection systems were underfunded and had difficulty in covering the vulnerable population properly. The pandemic revealed and deepened structural inequalities and weaknesses, which hit the most vulnerable disproportionately. Energy poverty is no exception, affecting in our developed society in particular the following groups: elderly people, homeless people, atypical and self-employed workers, low-income households, women, children in low-income families, people with disabilities, travellers and Roma, migrants and asylum seekers.

To end energy poverty for these groups, the following measures are proposed:

Right to energy

Access to clean and affordable energy should be guaranteed for everybody, irrespective of their income, and be recognised as a human and social right in accordance with Principles 19 (Right to adequate housing) and 20 (Right to essential services) of the European Pillar of Social Rights. To this end, tailored direct income support for low-income households (e.g. by means of social/reduced tariffs, specific heating/housing allowances or supplements to welfare benefits) and a ban on disconnection should be introduced.

Measures at EU and national level

- The fight against energy poverty should be mainstreamed into and tackled in all initiatives providing for the more vulnerable, particularly in the upcoming Affordable Housing Initiative, the Platform for collaboration against homelessness and the already adopted European Disability Strategy 2021-2030, the 2020-2030 EU Roma Strategic Framework for Equality, Inclusion and Participation, and the Child Guarantee.

- All EU and national policies and regulations for a transition to a green and carbon-free economy in the framework of the Green Deal and the initiatives planned in the EPSR Action Plan should be subject to a prior social and distributional impact assessment to ensure that inequalities are not increasing as a consequence.
- Protecting the most vulnerable households should be a priority also under the upcoming revision of the relevant energy legislation, ensuring that the energy poor are no longer locked into fossil gas or coal infrastructure or foot the bill for the transition. Concerns have been raised regarding the possibility of the EU Emissions Trading System (ETS) being extended to buildings as this could result in poor households facing rises in energy prices, rent increases and less affordable housing. There would be benefit in forging clearer synergies between the Energy Efficiency Directive (EED), the Energy Performance of Buildings Directive (EPBD) and the Renewable Energy Directive (RED) to streamline renovations and renewable installations towards 100% renewable-energy-based heating and cooling systems and prioritise access to them for the vulnerable. The revised EED could provide Member States with a significant budget to ensure that energy efficiency is accessible and available for those living in Europe's worst performing buildings and that low-income households are given access to funding, tailored schemes and practical assistance. Specific energy efficiency programmes should prioritise social housing and housing associations, low-income tenants and low-income homeowners. Ambitious measures will also be required in the forthcoming revision of the EPBD, for example by setting high-performance standards for heating equipment and making it accessible to as many people as possible.
- The Renovation Wave should not support investments leading to further housing exclusion of low-income and vulnerable groups. A clear call could be made to Member States to monitor the impact of building renovations on rent increases and prevent these through, for instance, rent caps or bans on evictions. A regulatory framework could be set up to curtail soaring property prices and maintain the same levels of rent after renovation work.

Measures at local level

- EU citizens, especially the most vulnerable, need special measures and support such as one-stop shops so that they can benefit from unbiased information on renovation possibilities and financing at local level to tackle energy poverty at its roots. This would be a holistic, non-biased initiative that could benefit consumers in general. To make it accessible to more vulnerable households, specific outreach and engagement services should be provided.
- To successfully reach vulnerable households, it is essential to reinforce action at local level. In this regard, synergies should be encouraged with existing initiatives such as the Covenant of Mayors, Clean Energy for EU Islands, Coal Regions in Transition platforms and the new Energy Poverty Advisory Hub, to allow best practice to be shared and provide technical guidance and monitoring of outcomes and progress. This should also ensure that EU and national funds for low-income energy efficiency measures are successfully invested in local actors at municipal level. In this regard, civil society organisations should be involved so that they can contribute to developing, implementing and monitoring initiatives.
- Both loans and pure aid should be used, depending on the target group, as far as possible using small banks, municipalities and regional authorities.
- Synergies between companies producing or distributing energy, local authorities and organisations protecting the most vulnerable can come up with innovative solutions, to identify hidden vulnerabilities and help monitor consumption levels.

Involvement of civil society

- The role of civil society organisations should be reinforced in providing direct assistance to the most vulnerable in the short as well as in the long term. Their role in facilitating the renovation of the EU's building stock should be duly recognised and supported.
- Vulnerable groups and their representative organisations should be better and more involved in the decision-making process and in the formulation and evaluation of policies put in place to prevent or reduce energy poverty, as well in the regulation of energy services.

- Regular structured dialogue with social civil society organisations – including Social NGOs - is needed to ensure the needs of the most vulnerable groups are integrated into the European Green Deal and Climate Pact, the National Energy and Climate Plans and the National Recovery and Resilience Plans.
- Thanks to their connections with citizens and businesses at grassroots level, civil society organisations could also contribute to raising awareness, creating synergies and partnerships and making tangible policy proposals, participating in their roll-out through targeted action at micro level.

A triple win for economic recovery, climate neutrality and european citizens

The Renovation Wave can provide a significant contribution to climate neutrality and EU economic recovery and boost employment in the construction sector. The renovation market is a vital part of business for many construction SMEs, which represent more than 90% of the businesses in the EU building sector. As both individual building renovation projects and neighbourhood renovation projects are targeted by the Renovation Wave, public tenders should aim to offer equal opportunities to both large companies and SMEs.

Enterprises should generate innovation and appropriate technologies and follow a deep and holistic renovation approach, where affordability should be not forgotten. Research and innovation should be supported by European Union programmes with energy poverty eradication objectives.

To have a tangible impact, it is necessary to identify clear goals and financial incentives which take into account the different kinds of buildings and the economic capacity of actors: buildings built in the Soviet era in Eastern Europe need to be renovated, as do buildings built in Western European cities. The building sector has to be placed at the centre of the transition and the Renovation Wave must provide a particular ringfenced mechanism to specifically target energy poverty.

Targeted investments and funding instruments in energy efficient housing and sustainable buildings can have a positive impact on the economy. Moreover, the building itself can be integrated into energy networks. This would allow buildings to be used as energy hubs and storage facilities.

The role of private enterprises in fighting energy poverty could also be better explored with regard to innovation and creation of tools and technologies for energy efficient materials and for wind and wave motion energy systems, using EU funding where appropriate.

Reskilling and upskilling the workforce is essential, especially in the context of the digital transition. It is of the utmost importance also to make the building industry attractive for young people (e.g. decent wages; new, safe, green and high-quality jobs at local level). A European campaign should promote this new wave of industry and these potential new jobs to the younger generations by launching an “Erasmus for energy-efficiency renovation 2050” programme.

New ways of energy production: decentralised energy production

The energy transition is not just a technological matter – it is also a profoundly social and political challenge. Workers, trade unions and consumers must be involved in the energy transition, as promised by policymakers.

The energy sector in Europe is going through a revolution, with transition to green and renewable forms of energy and the energy union as its objective. This process brings the opportunity to develop new ways of energy production with people as principal actors and which can contribute to reducing energy poverty.

The EU and Member States can facilitate this process by reducing excessive bureaucracy and enabling more people to invest.

Decentralised, renewable and digitalised forms of energy supply have the potential to reduce pollution, bring economic development to regions, improve energy efficiency in housing and decrease energy poverty.

In a decentralised system, consumers can contribute to value creation as active customers, citizen energy communities, farmers, SMEs and municipal companies. Decentralised energy systems provide major impetus for regional development and can lead to the creation of new, high-quality and skilled jobs in the regions.

While developing these projects, however, it is important to ensure that the returns are socially reinvested in the community and in local services that can benefit the poor.

Energy communities and cooperatives should be encouraged to give citizens, including the most vulnerable, an active role in producing clean energy for themselves.

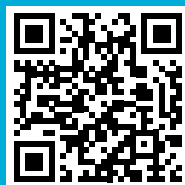




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