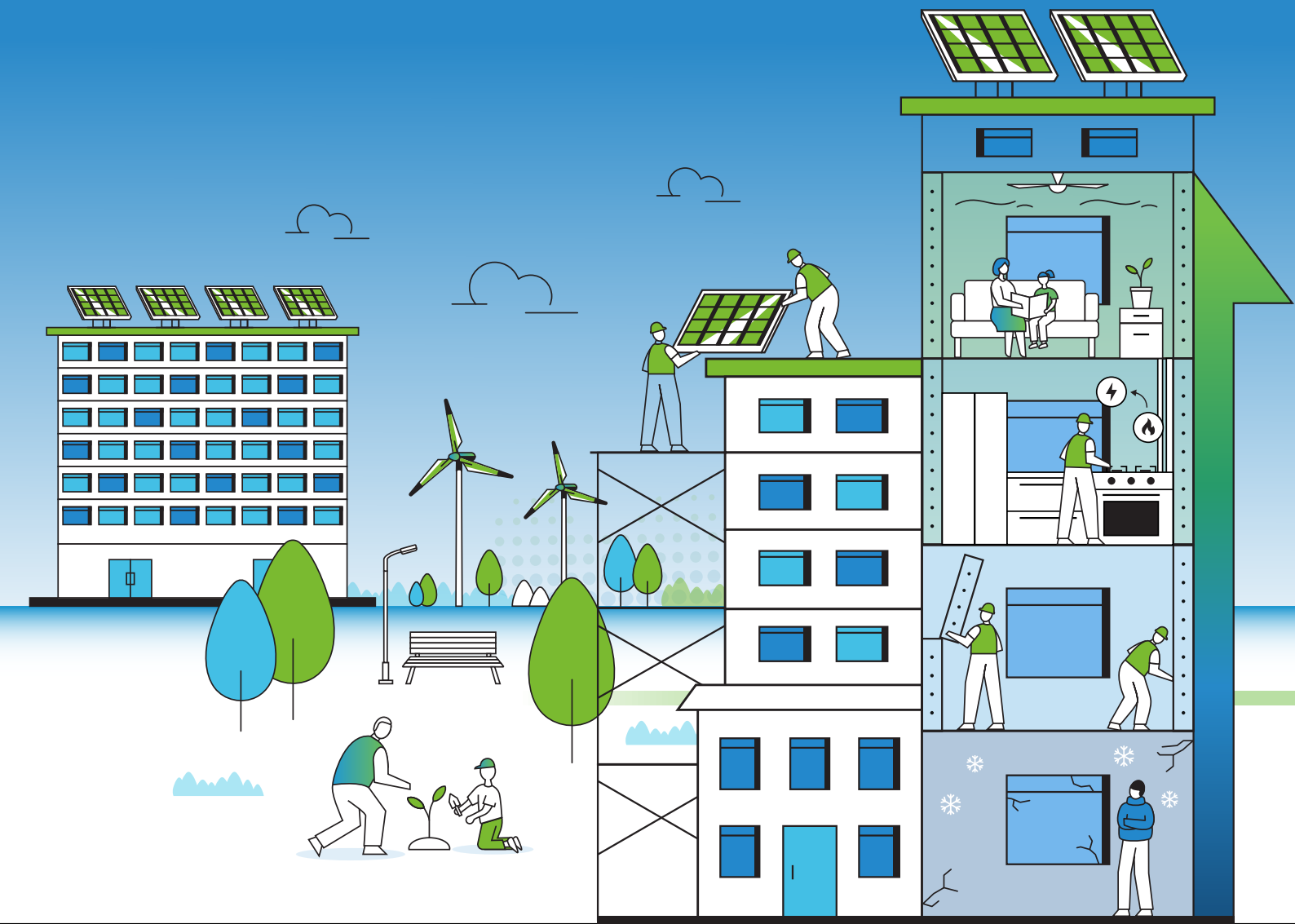




ComActivate

Enabling community action for energy sufficiency

BRIDGING THE IMPLEMENTATION GAP:

15 recommendations for national policymakers to accelerate renovation and alleviate energy poverty

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Executive summary

Current EU policy requires Member States to accelerate renovation, prioritise worst-performing buildings, strengthen support for vulnerable households, expand renewable energy solutions, and improve national and local delivery capacity.

This report assesses the gap between what Member States are expected to achieve under the EU framework for building policies and what is currently in place at national level. The analysis is carried out through the lens of the ComActivate project, focusing on its key priorities: the alleviation of energy poverty, the decarbonisation of multi-family apartment buildings, the role of resource centres, and the development of neighbourhood energy sufficiency roadmaps. While the report draws on national check-ins from the pilot countries of ComActivate – Bulgaria, Hungary and Lithuania – its findings and recommendations are relevant beyond these three Member States.

The report highlights **four main areas where policy action is needed**:

- 1** Member States need clearer and more operational definitions for energy poverty, vulnerable households and worst-performing buildings, in order to develop better-targeted policies and programmes.
- 2** Public consultation and participation should become more inclusive, ensuring that vulnerable households, tenants, homeowner associations, municipalities and local actors are involved in shaping policies.
- 3** Renovation measures should be better integrated, linking building renovation with heating and cooling decarbonisation, renewable energy, energy sufficiency, neighbourhood approaches and one-stop shops.
- 4** Funding frameworks should be predictable, accessible and socially targeted, with adequate technical support for vulnerable households and mixed-income multi-family buildings.

Fifteen policy recommendations emerge from the four policy needs described above. They are designed to support Member States in reducing the gap between EU requirements and national implementation. These recommendations translate the identified policy gaps into practical areas for action, helping national policymakers across the EU – and particularly in Central and Eastern Europe – to strengthen support towards vulnerable households and worst-performing buildings, improve participation in policy co-design, develop integrated renovation measures, and establish predictable funding frameworks that are both effective and socially fair.

This report is particularly relevant for policymakers as it focuses on the point where EU ambition often breaks down: implementation. It shows why recognising energy poverty in a strategy is not enough if vulnerable households cannot be identified in practice; why prioritising worst-performing buildings will not work if data systems still favour buildings that are simply better organised; why multi-family apartment buildings need dedicated policy solutions rather than to be treated as ordinary residential stock; and why one-stop shops must become trusted local intermediaries, not just information portals.

1. Introduction

The aim of this report is to identify the existing policy gaps between what needs to be achieved and what has been implemented. The assessment was carried out through the lens of key topics covered in the ComActivate project: renovation of multi-family apartment buildings (MFABs), alleviation of energy poverty, development of resource centres (see Box), energy sufficiency, and neighbourhood- or district-based approaches. Building on earlier ComActivate policy and financing analyses, the report takes an implementation-oriented perspective. It considers not only whether relevant EU requirements have been transposed or reflected in national strategies, but also whether Member States have the data, governance structures, local delivery capacity, financing mechanisms and social safeguards needed to translate these commitments into effective action for households and buildings most in need.

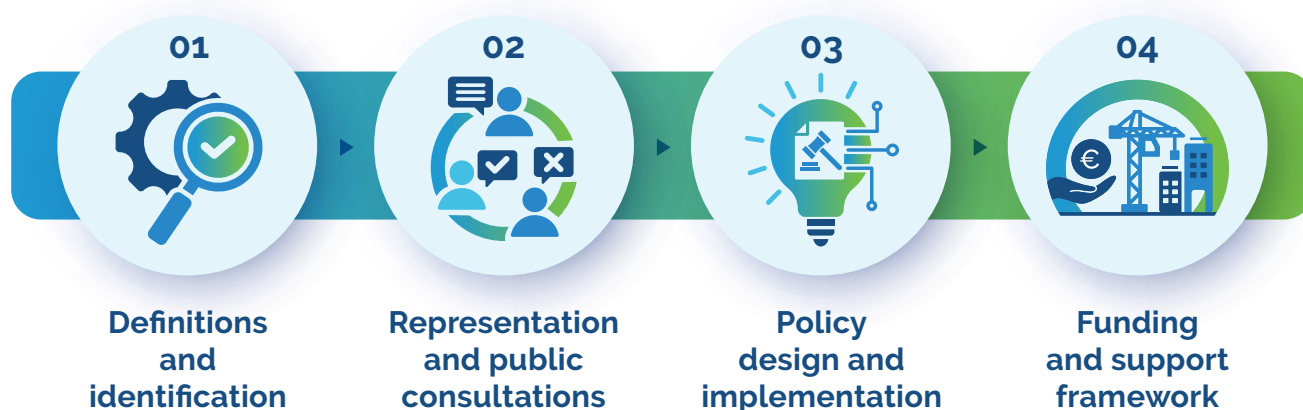
First, the report provides an overview of the EU legislative and strategic framework that defines what needs to be achieved, including the [Energy Performance of Buildings Directive \(EPBD\)](#), the [Energy Efficiency Directive \(EED\)](#), the [Renewable Energy Directive \(REDIII\)](#) and [Social Climate Fund \(SCF\) Regulation](#), as well as of wider EU policy trends on affordable housing and energy, and consumer empowerment. Second, it provides national check-ins for the three countries covered in ComActivate, i.e. Bulgaria, Hungary and Lithuania, assessing what has been implemented so far and where important gaps remain. On this basis, the report synthesises cross-country policy gaps and develops recommendations for Member States, with a specific focus on aligning building renovation and decarbonisation with social fairness, energy sufficiency and a neighbourhood-based approach.

Resource centres and one-stop shops



Throughout the report, the terms **resource centres** and **one-stop shops** are used interchangeably. **Resource centres** is the terminology used within the ComActivate project to describe local support structures that provide households, homeowners' associations and municipalities with guidance on renovation, energy poverty alleviation, energy sufficiency and the neighbourhood approach. **One-stop shops** is the term used in EU legislation, particularly in relation to advisory services for building renovation and energy efficiency measures. While the wording differs, both terms are used here to refer to accessible, locally anchored support structures that offer technical, financial and administrative assistance to households. **For this report, as we are looking into EU legislation, we will be using the term one-stop shops.**

In terms of structure, the reports starts with an overview of the relevant EU legislation to confirm what needs to be achieved and implemented at national level. It continues with a national check-in from the three countries to assess what has been implemented so far. Building on this assessment, the following chapter synthesises the main policy gaps in an aggregated manner. These gaps are structured around four categories of policy needs:



First, “**definitions and identification**” looks at whether key concepts such as energy poverty, vulnerable households, worst-performing buildings and priority MFABs are clearly defined and can be used to target support effectively. Second, “**representation and public consultations**” examines whether key stakeholders, including vulnerable households, tenants, homeowner associations, municipalities and local intermediaries, are meaningfully involved in policy design and implementation. Third, “**policy design and implementation**” assesses whether renovation and decarbonisation measures are integrated, practical and socially fair, including their links to energy sufficiency, one-stop shops (OSS) and neighbourhood-based approaches. Fourth, “**funding and support framework**” considers whether financial and technical support is accessible, predictable and sufficient to enable renovation, particularly for vulnerable households and residents of MFABs. Together, these categories provide the analytical basis for identifying policy gaps and developing targeted recommendations.

Finally, the report translates these policy gaps into targeted policy recommendations for Member States. While the analysis is informed by the experiences of Bulgaria, Hungary and Lithuania, the recommendations are designed with a replication dimension, making them relevant for other EU Member States facing similar challenges in aligning renovation, decarbonisation and energy poverty policies with social fairness and local implementation capacity.

The report is primarily addressed to national policymakers involved in the design, transposition and implementation of the EU legislation. It is also relevant for local and regional authorities, municipalities, energy agencies, social services, resource centres/OSS and other implementation actors that play a direct role in translating EU and national policy objectives into practice.

2. What Member States need to achieve

2.1. An overview of EU legislation

This chapter sets out the EU policy framework that shapes national action on building renovation, decarbonisation and energy poverty. It focuses on EU legislation and strategic initiatives with direct implications for the ComActivate priorities: renovation of MFABs, alleviation of energy poverty, development of resource centres, energy sufficiency, and neighbourhood- or district-based approaches.

This section first reviews the main binding legislative files adopted under the Fit for 55 package, in particular the Energy Performance of Buildings Directive (EPBD), the Energy Efficiency Directive (EED), the revised Renewable Energy Directive (REDIII) and the Social Climate Fund Regulation (SCF). These instruments establish core requirements for Member States, including renovation trajectories, prioritisation of worst-performing buildings, protection and support for vulnerable households, energy savings obligations, renewable energy deployment, OSS, National Building Renovation Plans, and Social Climate Plans.

Next, it considers complementary EU policy trends reflected in the Action Plan for Affordable Energy, the Citizens Energy Package and the European Affordable Housing Plan. Although these initiatives do not create direct national transposition obligations, they are relevant for policy implementation because they indicate how the EU policy agenda is evolving: towards affordability, consumer empowerment, energy sharing, simplified access to support, better use of the existing building stock, and stronger links between housing, energy and social policy.

Energy Performance of Buildings Directive

The EPBD, [Directive \(EU\) 2024/1275](#), is a key component of the Fit for 55 package and the main EU file overseeing the building sector. It proposes specific measures and policy instruments to accelerate the rate of building renovations, contributing to both energy efficiency and renewable energy goals, as well as to greenhouse gas (GHG) emissions reductions in the buildings sector. Additionally, it reinforces the social dimension of building renovation by requiring Member States to address energy poverty explicitly in their National Building Renovation Plans (NBRPs) (Article 3). It prioritises action on worst-performing buildings (Article 9.2), where energy poverty is most concentrated, and calls for targeted financial and technical support for vulnerable households (Article 17). To overcome practical barriers, the EPBD promotes integrated, accessible support systems. In particular, it requires the establishment of OSS (Article 18) that provide households with comprehensive guidance, covering technical, financial and administrative aspects of renovation, while paying special attention to those most vulnerable. The EPBD does not explicitly mention the neighbourhood or district approach. The EPBD works in synergy with other EU climate and energy policies that cover provisions on building decarbonisation, including the EED, the REDIII, ETS2 and the SCF.

1. A more detailed overview of relevant EU policies and national policy frameworks is provided in ComActivate report D5.1, [EU and national level. Policy analysis and monitoring](#).

Energy Efficiency Directive

The revision of the EED, [Directive \(EU\) 2023/1791](#), has raised the level of ambition of the energy efficiency targets at the EU level and made them binding. This should lead to an 11.7% reduction in final energy consumption by 2030 (Article 4), compared to the baseline projections. Member States are now legally required to prioritise energy efficiency in policymaking, planning and major investments (Article 3), giving the Energy Efficiency First principle substantial legal standing for the first time. EU countries are required to achieve an average annual energy savings rate of 1.49% from 2024 to 2030 (Article 8), up from the previous requirement of 0.8%, driving energy savings in critical sectors such as buildings, industry and transport. With a formal definition for energy poverty included in the legislation (Article 2), EU countries are compelled to prioritise energy efficiency improvements for vulnerable consumers, low-income households and individuals in social housing, including within the scope of the energy savings obligation. The EED further strengthened the exemplary role to be played by the public sector in enhancing energy efficiency by introducing an annual energy consumption reduction target of 1.9% for the public sector as a whole (Article 5). Moreover, an annual 3% building renovation obligation is being extended to all levels of public administration (Article 6).

Renewable Energy Directive

To reach the 2030 target, the REDIII, [Directive \(EU\) 2023/2413](#), proposed to increase the overall binding target for the proportion of renewables in the EU energy mix from the previous 32% to 42.5% (Article 3). This will be complemented by indicative national contributions, showing what each Member State should contribute to reach the collective target. Besides the overall binding target of at least 42.5% renewable energy in the EU's energy mix by 2030, REDIII strengthened annual renewables targets for the heating and cooling sectors (Article 23) and for renewable energy used in district heating systems (Article 24). It also introduced a specific non-binding renewable energy benchmark of 49% for energy consumption in buildings by 2030 to complement EU buildings legislation (Article 15a).

REDIII also strengthens the framework for renewable self-consumption, renewable energy communities and citizen participation in the energy transition. Member States are expected to remove unjustified regulatory and administrative barriers, improve access to information and finance, and enable households, local authorities, small enterprises and community actors to participate in renewable energy projects. These provisions are particularly relevant for MFABs, where individual households may not be able to invest in renewable energy alone but can benefit from collective self-consumption, shared solar installations or community-led renewable projects.

Additionally, these provisions are particularly relevant for the Neighbourhood Energy Sufficiency Roadmaps (NESRs), as they show how building renovation can be connected to local renewable energy generation, energy sharing and community ownership models. REDIII implementation may therefore help clarify the practical conditions under which apartment owners, homeowner associations (HOAs), municipalities and energy communities can participate in joint renewable energy projects. It can also support a better understanding of how the benefits of such projects could reach vulnerable households, and how local renewable energy initiatives could be linked with renovation, heating and cooling planning, and broader energy sufficiency measures at neighbourhood level.

Social Climate Fund Regulation

A cornerstone of the Fit for 55 package was to build on the achievements of the EU Emissions Trading System by strengthening it with the introduction of the Emissions Trading System for buildings, road transport and additional services (ETS2) ([Directive \(EU\) 2023/959](#)). ETS2 will apply a carbon price to fuels used in buildings and road transport, with the revenues generated funding the newly created SCF ([Regulation \(EU\) 2023/955](#)) to support European citizens most affected by or at risk of energy or mobility poverty.

Fossil fuel suppliers are likely to transfer the incurred costs to final energy users, so the SCF aims to partially alleviate the burden on final users and support vulnerable households. Social Climate Plans (SCPs) are a key component of the SCF, designed to help Member States mitigate the social and distributional impacts of ETS2. The SCP should outline how each Member State will utilise SCF funding (running from 2026 to 2032) to support vulnerable households, microenterprises and transport users affected by higher carbon pricing.

The first trading of allowances was supposed to start in 2027, but in November 2025 the European Parliament and the Council formally delayed the application of ETS2 by one year. Member States were supposed to submit their SCPs to the European Commission by 31 June 2025. Key elements of SCPs are the identification of vulnerable groups most affected by ETS2, the design of support measures (both temporary direct income support and structural investments to improve buildings), and indicators to track progress and effectiveness of measures.

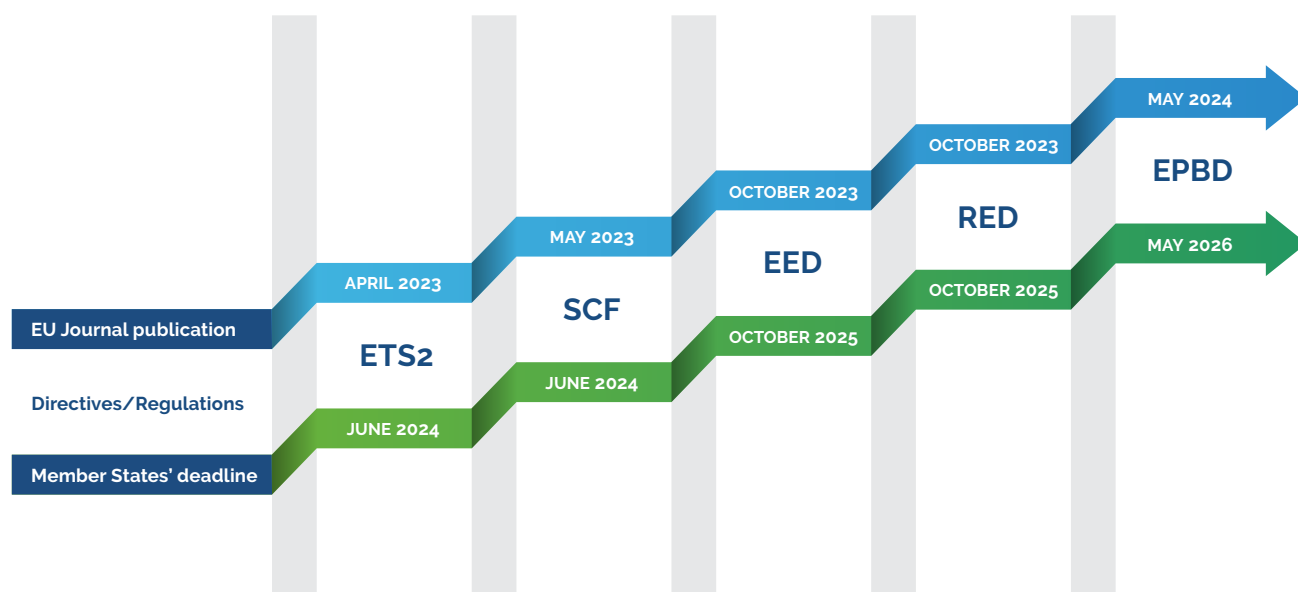


Figure 1: Overview of transposition timelines

² At the time of writing this report (June 2026), only eight countries have submitted their plans to the European Commission. Two SCPs, submitted by Sweden and Lithuania, have been approved, while the remaining six are still under assessment by the European Commission.

2.2. Complementary initiatives

Although the following EU strategic documents do not create direct national implementation obligations in the same way as directives or regulations, they are important for interpreting the broader direction of EU policy and should inform Member States' implementation choices.

Action Plan for Affordable Energy

Presented by the European Commission in February 2025, the [Action Plan for Affordable Energy](#) (COM/2025/79) is a central initiative under the EU's [Clean Industrial Deal](#) aimed at ensuring that energy in Europe becomes more affordable, secure and sustainable. It responds to persistently high energy costs affecting households, businesses and industry, while also addressing the structural challenges of the EU energy system.

The plan combines short-term measures to reduce energy bills with longer-term structural reforms designed to strengthen the Energy Union and make it more resilient to future price shocks. In particular, it targets all key components of energy costs – supply prices, network charges, and taxes and levies – while promoting energy efficiency and the expansion of clean energy. Structured around four main pillars, the Action Plan focuses on lowering energy costs for consumers and businesses; completing a more integrated and efficient Energy Union; attracting investment in clean energy and infrastructure; and improving preparedness for potential energy crises.

Overall, the initiative aims not only to provide immediate financial relief, but also to accelerate Europe's transition towards a decarbonised energy system, reduce dependence on imported fossil fuels, and enhance the EU's competitiveness in a rapidly changing global energy landscape.

The plan is highly relevant for tackling energy poverty by combining immediate bill relief with long-term measures such as energy efficiency, electrification and access to cheaper clean energy, helping vulnerable households reduce both costs and consumption. Its focus on simplifying procedures and improving guidance supports the development of OSS, which are key to helping citizens – especially in MFABs – navigate complex renovation and energy decisions. At the same time, the plan promotes energy communities, enabling collective investment and access to affordable renewable energy. Through its emphasis on local grids, heat networks and coordinated planning, it also implicitly encourages a district or neighbourhood approach, where integrated solutions can deliver greater savings and more inclusive outcomes.

Citizens Energy Package

As part of the Action Plan for Affordable Energy, the Commission published the [Citizens Energy Package](#) in March 2026. The package focuses on empowering households and communities to actively participate in energy markets by improving access to information, enhancing consumer rights, and removing barriers to participation in clean energy solutions such as renewable self-consumption and energy sharing. The package seeks to make the energy system more inclusive and fairer, ensuring that all citizens can benefit from lower-cost, cleaner energy. Specifically, it focused on four main goals: (1) lower energy bills for households; (2) protect and empower consumers; (3) tackle energy poverty; and (4) implement the existing EU laws effectively.

It is particularly relevant for energy poverty as it strengthens protections for vulnerable households while promoting access to cheaper renewable electricity and efficiency solutions that reduce energy bills. It supports OSS by encouraging clearer information, guidance and support mechanisms that help consumers navigate energy choices and investments. For MFABs, it helps address coordination barriers by enabling collective self-consumption and shared renewables projects. It also reinforces a district and neighbourhood approach by recognising the importance of local actors – such as municipalities and energy communities – in facilitating energy sharing and local renewables projects. Finally, it strongly promotes energy communities, enabling citizens to jointly produce, consume, store and sell renewable energy, thereby increasing affordability, local engagement, and energy independence.

The European Affordable Housing Plan

In December 2025, the European Commission published its first-ever [Affordable Housing Plan](#), addressing one of the most pressing needs of European citizens: access to affordable, sustainable and good-quality housing. The plan presents a series of concrete actions to tackle the structural causes of the housing crisis. It aims to increase access to housing, trigger investments and reforms, and support the people and the areas most affected.

The plan emphasises that affordability should go hand-in-hand with sustainability and quality. Energy-efficient, resilient homes that are built with the lowest possible carbon footprint reduce maintenance and utility costs while enhancing long-term value, while sufficient quality is essential to deliver healthy, safe and dignified living conditions.

A central priority of the plan is to maximise use of the existing building stock, specifically by repurposing the 20% of dwellings that currently sit vacant and by implementing a housing simplification package in 2027 to cut through the red tape of permitting and zoning. Maximising the efficient use of the existing building stock – avoiding unnecessary demolition and waste – should be a priority, alongside new sustainable constructions. This includes renovating inefficient buildings, repurposing them and bringing vacant properties back into use.

Additionally, to increase the housing supply, the plan introduces the [European Strategy for Housing Construction](#) and a Construction Services Act³ aimed at boosting industrial productivity, scaling up innovation in construction, and addressing a severe shortage of skilled labour. To mobilise the estimated €150 billion in annual investment required to meet demand, the Commission and the European Investment Bank are launching a [Pan-European Investment Platform](#) in 2026 to pool public and private resources and share innovative financing models. This also includes the revision of state aid rules ([Commission Decision \(EU\) 2025/2630](#)), which will allow Member States to provide financial support for affordable housing for low- and middle-income groups without prior Commission notification. This financial push is reinforced by the SCF and the Energy Efficiency First principle.

³ In January 2026, the European Commission opened a public consultation on the future Construction Services Act, with stakeholders required to send their input by April 20, 2026.

	EPBD ⁴	EED	REDIII	SCP	Action Plan for Affordable Energy	European Affordable Housing Plan	Citizens' Energy Package
Multi-family apartment buildings	Article 2 Article 3 Article 9(2)	Article 25	n/a	Article 4 Article 6 Article 8	Action 4: Energy efficiency – delivering energy savings	Action 3: Combining affordability, sustainability and quality in housing	Action 3: Boosting the use of clean and energy-efficient technologies
Energy poverty	Article 9(2) Article 17 Article 18	Article 2(52) Article 3 Article 4 Article 8(3) Article 9(5), (6) Article 24 Article 25(6)	n/a	Article 4 Article 6 Article 8	Action 1: Making electricity bills more affordable Action 2: Bring down the cost of electricity supply	Action 10: Addressing homelessness and supporting tenants and households in vulnerable situations	Action 8: Joining forces to reduce energy poverty Action 9: Protecting vulnerable citizens from disconnections
Resource centres	Article 18	Article 22 Article 24 Article 29(5c)	n/a	n/a	n/a	Action 3 Action 10	n/a
Neighbourhood Energy Sufficiency Roadmaps	n/a	Article 25(6)	Article 23(4)	Article 8	n/a	n/a	Action 5: Boosting energy self-production and energy sharing among citizens

Figure 2: Overview of EU legislation relevant for different ComActivate topics

⁴ For a more detailed overview of the EU provisions on ComActivate key topics, please see [D5.1 EU and national level. Policy analysis and monitoring](#).

3. National progress on implementation

This chapter provides a concise national check-in for Bulgaria, Hungary and Lithuania, the three countries covered by ComActivate. Its aim is to assess how far each country has progressed in implementing or preparing the national measures required under the relevant EU directives and regulations, and how these developments relate to the project's priorities: energy poverty alleviation, renovation of MFABs, resource centres/OSS, energy sufficiency and neighbourhood-level approaches.

The information was compiled through targeted questions sent to national ComActivate partners, asking for updates on the implementation status of the revised EPBD, EED, REDIII and SCF, as well as relevant national strategies, support schemes and institutional arrangements. Partner responses were complemented with information from existing ComActivate deliverables, and organised around the same thematic categories in each country to allow comparison across national contexts.

The check-ins do not aim to provide a comprehensive legal transposition assessment. Instead, they focus on implementation readiness, delivery capacity, and the extent to which national frameworks are becoming capable of reaching vulnerable households and priority buildings in practice.

3.1. Bulgaria

Bulgaria's current policy trajectory on buildings, energy efficiency and energy poverty reflects an active process of alignment with the revised EU legislative framework, with several important reforms under development to support a more targeted and effective implementation. The country has submitted its NBRP and is advancing reforms under the EED, REDIII and SCF framework. However, several core instruments remain either under development, weakly institutionalised, or dependent on future financing and administrative arrangements.



Energy efficiency targets and savings obligations

Bulgaria's contribution to the EU energy efficiency target is framed less as a single headline percentage and more as a quantified cumulative final energy savings obligation for 2021–2030. The national approach follows the EU trajectory of progressively increasing annual savings, with Bulgaria making use of the option to gradually raise the rate from 0.7% to 0.92%, reaching a cumulative target of 4,357.55 thousand tonnes of oil equivalent (ktoe) by 2030. For 2025–2030, the annual rate is indicated at 0.93%, reflected in the Energy Efficiency Act, the National Energy and Climate Plan (NECP) and the National Action Plan for Energy Efficiency.

The main delivery mechanism remains a hybrid energy savings obligation scheme combining an Energy Efficiency Obligation Scheme with alternative measures, such as public programmes, EU-funded schemes and regulatory instruments. Obligated parties include energy suppliers and traders across electricity, district heating, natural gas and solid and liquid fuels, excluding transport fuels. Around 90–100 companies are covered. This broad, fuel-neutral design provides flexibility, allowing obligated parties to implement measures directly, work through third parties such as ESCOs, acquire verified savings, use banking or borrowing mechanisms, or pay into the Energy Efficiency and Renewable Sources Fund.

While this flexibility supports compliance, it also weakens incentives for direct investment, especially in the residential sector, due in particular to weak enforcement, low penalties, heavy reliance on alternative measures, limited transformation of retail energy-market behaviour, and insufficient targeting of social or energy-poverty objectives. The building sector appears to account for only a small share of savings delivered through obligations, estimated at around 5%, and the mechanism is described as having limited practical impact in the residential sector.

The Energy Efficiency Act does mention that energy efficiency improvement measures should be implemented as a priority for vulnerable customers, including households affected by energy poverty and people receiving shelter-related social or integrated health and social services. However, this legal priority has not yet been translated into a robust operational framework with clearly earmarked obligations, dedicated financing or systematic targeting of vulnerable households.



Energy poverty and vulnerable households

Bulgaria has traditionally relied on heating subsidies and general social assistance for low-income households, rather than dedicated energy-poverty renovation support. A long-awaited regulation on energy poverty, adopted in March 2026, will introduce safeguards against electricity disconnection for vulnerable consumers, along with support for renovations to make their homes energy efficient. It also envisages an information system to identify and monitor energy-poor and vulnerable households.

This is a significant step towards more targeted policy design, but the financial instruments and delivery programmes remain underdeveloped. At present, available tools are largely limited to financial aid and heating subsidies, with expectations that dedicated mechanisms for energy efficiency renovation will be introduced. The effectiveness of this reform will depend on whether Bulgaria can move from a welfare-compensation model toward a structural renovation-based approach that permanently reduces energy costs and improves living conditions.



One-stop shops and local support capacity

OSS are emerging in Bulgaria but remain fragmented and unevenly institutionalised. The long-awaited National Decarbonisation Fund is expected to play a role in making OSS operational at national level, but this function has not yet been implemented. In practice, several municipalities already host resource centres or advisory structures, and NGOs and some private actors also provide support. The Renewable Energy Sources Act also envisages “centres for administrative services” in municipalities with more than 40,000 inhabitants to support renewable energy projects.

Current services remain relatively limited in the absence of stable, long-term renovation programmes. These centres mainly provide general information, consultations and initial advice. Dedicated services for vulnerable or energy-poor households are not yet well developed.

Support has so far been more relevant for MFABs than for single-family homes, largely because public funding opportunities have historically focused on MFABs. This reflects Bulgaria's broader renovation model, where collective building-level renovation is central, particularly for apartment blocks and HOAs. However, the absence of a coherent national OSS network limits the ability to provide consistent technical, financial and administrative assistance across municipalities.



Institutionally, EPBD implementation is shared between the Ministry of Energy, responsible for energy efficiency policy and overall EPBD implementation; the Ministry of Regional Development and Public Works, responsible for building regulations, technical standards and renovation frameworks; and the Sustainable Energy Development Agency, responsible for operational implementation and monitoring. This division of responsibilities is logical but requires strong coordination, particularly as renovation, energy poverty and local delivery increasingly overlap.

Bulgaria has submitted its NBRP and is awaiting the European Commission's assessment, while beginning the national consultation process. The plan links renovation with reduced heating costs, improved comfort and reduced energy-poverty risk, particularly in dense urban areas. It also recognises an important structural problem: low recorded energy consumption may reflect energy deprivation rather than efficiency, as households may heat only one room or underheat their homes.

MFABs are strongly integrated into the plan and are treated as a priority due to their concentration of residents, high energy-saving potential and relevance for energy poverty. Panel buildings and pre-1990 mass housing stock are particularly important, as they combine high heat losses with large populations and social vulnerability. This focus is consistent with EPBD priorities, but the selection of buildings remains heavily dependent on programme calls, funding availability and readiness criteria such as a HOA agreement, rather than a systematic national prioritisation of worst-performing buildings.

The identification of worst-performing buildings is currently based on energy audits and energy classes, with buildings in classes F and G generally considered the lowest-performing. However, the system is constrained by outdated and incomplete building-stock data. Renovated buildings are not always reflected accurately in databases, and there is not yet a fully operational methodology for ranking and prioritising the worst-performing buildings across the national stock. This creates a risk that renovation funding will continue to favour better-organised applicants rather than the buildings and households with the greatest need.

ASSESSMENT OF DRAFT NATIONAL BUILDING RENOVATION PLAN FOR BULGARIA

[Bulgaria's draft NBRP](#) provides a substantially stronger analytical basis for building renovation policy than previous strategic frameworks, particularly through its detailed segmentation of the residential stock, recognition of market barriers, and proposed shift from grant-dominated support toward blended finance, technical assistance and institutional coordination.

The strongest area of alignment is the prioritisation of MFABs. The draft recognises apartment blocks as the most strategically important segment of the residential stock from an energy and social perspective. Although they represent only around 3.9% of residential buildings, they contain close to 58% of dwellings and account for 52.7% of the useful floor area of occupied dwellings. The plan therefore correctly identifies them as a high-impact renovation segment, where interventions can reach many households, use public funds more efficiently, reduce energy poverty, and contribute faster to national energy efficiency and climate objectives. It also notes that MFABs are structurally more standardised and technically predictable than many single-family houses, making them more suitable for integrated renovation measures.

The draft acknowledges that residential renovation has so far been dominated by grant schemes which, despite their social importance, have not produced sustainable scaling or systemic transformation. It therefore proposes a shift toward differentiated programmes according to building type, renovation depth and owner financial capacity. This is a positive direction for multi-family renovation, but key governance questions remain: how HOAs will be supported, how collective decision-making barriers will be addressed, how buildings will be selected beyond application readiness, and how deep renovation will be balanced with staged or partial measures where full renovation is not immediately feasible.

Energy poverty is addressed more explicitly than in earlier frameworks. The draft includes a dedicated section on the definition of energy poverty and indicators, and it recognises the need for targeted social support alongside renovation investment. It also frames the Social Climate Fund as a mechanism primarily suited to residential buildings and households at risk of energy poverty, with the strategic role of complementing major renovation programmes, targeting vulnerable groups and coordinating with social policy. Importantly, the plan states that 100% grant funding should be reserved solely for socially vulnerable or energy-poor households as Bulgaria transitions toward co-financing and blended finance models. However, a critical policy gap is represented by the lack of practical mechanisms for identifying eligible households, linking them to renovation support, and ensuring co-financing requirements do not exclude low-income owners and tenants of MFABs.

One-stop shops are included as part of the proposed EPBD implementation architecture, but the model of OSS is still emerging in Bulgaria. The National Decarbonisation Fund is presented as the central institutional vehicle for structuring, coordinating and scaling renovation investments, combining grants, repayable finance, guarantees and technical assistance. This creates a potential national anchor for advisory and project preparation services. The draft also recognises the need for campaigns, advisory tools, an open building renovation portal, renovation passports, energy logbooks, and demonstration projects to overcome low awareness, mistrust, limited transparency and weak access to data. The draft clearly recognises that financial instruments alone will not deliver renovation without technical assistance, trusted advice and better information. However, it does not yet fully define a local OSS model with clear mandates, service standards, staffing, financing, and links to municipalities, HOAs and vulnerable households.

The energy sufficiency dimension remains underdeveloped. The plan does not yet appear to frame demand reduction, efficient use of space, avoidance of unnecessary energy use or behavioural change as a distinct policy pillar.

The draft NBRP includes a dedicated section on integrated neighbourhood and territorial renovation programmes, with references to energy maps, geographic information systems, municipal capacity building, pilot projects supported by the National Decarbonisation Fund, and coordination between energy, climate and spatial policies. It also commits to supporting at least 10 pilot integrated territorial building renovation programmes by 2030. These programmes are expected to combine building renovation, renewable energy integration and efficient district heating and cooling, aligned with municipal heating and cooling plans.



Renewable energy and citizen-led projects

Bulgaria's transposition of the revised REDIII is progressing but remains incomplete. Recent legislative proposals have sought to introduce outstanding provisions on guarantees of origin for renewable energy, including amendments to the Renewable Energy Sources Act and new responsibilities for the Sustainable Energy Development Agency regarding the residual energy mix and the publication of related data. Further developments are expected through the parliamentary process.

The NECP sets a national target of 34.9% renewable energy in gross final energy consumption by 2030. Bulgaria reached 23.21% in 2024, slightly above the projected level for that year. Longer-term targets envisage 45.55% by 2035 and 60.13% by 2040.

Energy communities and citizen-led renewables projects are legally recognised under the Renewable Energy Sources Act but remain at an early stage. They are beginning to connect with building renovation and, to a lesser extent, neighbourhood-level energy planning, but links to district heating or large-scale local energy systems remain limited. The main barriers include recent and still-evolving regulation, low public awareness, weak cooperative culture, financing gaps, and very low deep renovation rates. These barriers are particularly relevant for multi-family housing, where collective decision-making and upfront financing remain difficult. Bulgaria's building stock, especially in urban areas with large concentrations of MFABs, offers potential for district or neighbourhood-based renovation approaches. However, current policy delivery remains largely programme-based and building-by-building, rather than integrated with wider local energy planning or urban regeneration.



Social Climate Plan

Bulgaria's SCP is still under revision and has not yet received formal approval from the European Commission. Civil society and professional stakeholders have been actively involved in consultations. Their feedback has focused on the need for stronger criteria to identify vulnerable households, clearer social impact analysis, more realistic financial assumptions, better legal and market frameworks, and stronger mechanisms to include and reach out to vulnerable households.

Following exchanges with the Commission, Bulgaria prepared a second version in autumn 2025. This version generalised investment descriptions for household and building measures, enhanced transport poverty measures and updated governance arrangements. However, many stakeholder recommendations were not reflected, and the draft was again returned for further revision. Work on a third version is ongoing, with continued NGO and stakeholder input aimed at improving the targeting of vulnerable households, increasing long-term energy efficiency investment, coordinating better with EU funds, and strengthening monitoring and evaluation.

Buildings and energy efficiency measures represent a substantial share of the draft plan. Roughly one-third of the total plan is allocated to buildings, with around €768 million, or approximately 23% of the total SCP, dedicated to renovation. Clean energy measures, including photovoltaics, appliances and heating shifts, are embedded in the plan, though there is no strong dedicated budget line for district heating decarbonisation. The heating transition is therefore framed mainly at building level rather than system level.

MFABs are central to the draft SCP. Around €568 million is allocated to multi-family renovation, making it the largest single energy investment. The approach continues Bulgaria's model of 100% public subsidies for building-level renovation rather than apartment-level intervention. The plan is explicitly intended to support vulnerable households and micro-enterprises, with 100% financing for energy-poor households under renovation measures, direct income support for energy and transport, technical assistance and municipal outreach. However, there is no clear quantified share reserved exclusively for energy-poor households across all measures.

The SCP does not explicitly introduce a neighbourhood-based renovation model, but it may enable such approaches indirectly. It includes support for energy communities and gives municipalities an active role in identifying buildings and households, coordinating local implementation and hosting OSS structures. The plan also foresees local OSS within municipalities and mobile expert teams to support applications, document collection, technical advice and contractor coordination. This could significantly strengthen local implementation capacity, if governance arrangements, funding flows and eligibility rules are clarified.



Overall assessment

Bulgaria is moving toward a more integrated framework for building renovation, renewable energy and social climate policy, but implementation remains fragile. The strongest policy direction is the prioritisation of MFABs, which are central to the NBRP and the draft SCP. At the same time, several gaps require attention. Energy savings obligations remain weakly connected to residential renovation and energy poverty. OSS exist only in fragmented form and lack dedicated services for vulnerable households. Local heating and cooling planning is not yet mandatory or integrated with renovation strategies. Energy communities remain promising but underdeveloped. Most importantly, the systems for identifying energy-poor households and worst-performing buildings are still incomplete, limiting Bulgaria's ability to target support where it is most needed.

3.2. Hungary

Hungary's current policy framework for building renovation and household energy transition is marked by a strong focus on single-family homes, growing reliance on the Energy Efficiency Obligation Scheme, and delays in the development of several strategic instruments required under the revised EU framework. The National Building Renovation Plan is still under elaboration, the Social Climate Plan has not yet been developed, and key delivery mechanisms such as OSS and municipal heating and cooling plans remain uncertain. At the same time, the country's residential building stock creates a clear need for a socially targeted renovation strategy: single-family houses dominate occupied floor area, and a large share of these buildings falls within the worst-performing segment.



Energy efficiency: national targets and the central role of the obligation scheme

Hungary's NECP sets a reduction in total energy consumption from 752 PJ in 2019 to 740 PJ by 2030. In the buildings sector, the 2021 Long-term Renovation Strategy aimed to achieve 20% energy savings in residential buildings by 2030 compared with 2018/2020, alongside an additional 18% saving in public buildings. However, lower-than-expected resources have made a revision of these targets necessary, and this revision has not yet been completed because the NBRP is still under elaboration.⁵

Energy savings in the residential sector are currently supported through three main types of measures. The Home Renovation Scheme, introduced in June 2024 and closed in April 2026, combined grants and interest-free loans of up to €13,500 each for energy efficiency interventions in family houses built before 2007, provided that at least 30% energy savings could be validated. The scheme was expected to support renovation in around 20,000 houses, but due to low up-take it ended up supporting the renovation of only about 13,000 housing units. A separate programme supports the purchase and renovation of family houses in settlements of below 5,000 residents, but this is targeted at families with children and pensioners rather than at energy-poor households as a distinct group.

The Energy Efficiency Obligation Scheme has become the most important delivery mechanism. In operation since January 2021, it initially focused mainly on short-term measures in industry and transport. Changes introduced in 2025 shifted the scheme toward the buildings sector: at least two-thirds of certified savings must now come from building renovation. This has led to rapid delivery of lower-cost interventions, especially attic insulation in family houses, with around 130,000 homes reported to have already taken advantage of the scheme. The scheme is expected to provide the largest contribution to Hungary's energy reduction goals, at around 26%.

Energy providers achieved the 2025 obligation level relatively easily through this programme, and the 2026 obligation level had already been reached in the first months of 2026, thus no further interventions are expected. This demonstrates the scheme's ability to generate high volumes of certified savings, while also showing its current concentration on standardised, lower-complexity measures rather than comprehensive deep renovations. In addition, the costs of the interventions are transferred completely to customers though energy price increases, thus the energy providers do not take any risk in operating the scheme, while their clients pay less competitive prices for their energy.

⁵ More precisely, the draft NBRP has already been drafted by the previous Ministry of Energy, but due to the national elections in April 2026, the new government has to accomplish the internal validation process before the draft is issued for public consultation.



Energy poverty and vulnerable households: limited operational targeting

Energy poverty remains weakly integrated into Hungary's renovation policy framework. The NECP contains a definition that interprets the EED definition in a restricted way – which, moreover, has not been operationalised. In the absence of a Social Climate Plan, there is no additional SCP-based definition for vulnerable households.

Current renovation schemes do not systematically target energy-poor or vulnerable groups. The Home Renovation Scheme initially included preferential treatment for households and micro-regions below a certain income threshold, but this condition was removed because of the slow start of the programme. As a result, energy poverty is not meaningfully reflected in national renovation schemes, and there are no targeted measures for energy-poor or vulnerable households under the current Energy Efficiency Obligation Scheme.

Around 92% of residential buildings in Hungary are owner-occupied, which reduces some split-incentive barriers, but investment capacity differs significantly across households. Around 1.2 million single-family houses are estimated to have a value below €25,000, limiting their use as collateral or as a basis for major renovation investment.⁶ These conditions underline the need for a unified definition of vulnerable households and for support instruments that reflect both poor building performance and limited household investment capacity.



One-stop shops and local implementation capacity

The future role of OSS remains unclear because the NBRP has not yet been published. However, the ministry involved in preparing the plan has shown interest in the concept, making it likely that OSS will be referenced in some form.

A stronger OSS framework would be highly relevant for Hungary. The combination of high owner-occupation, a large stock of inefficient single-family homes and wide disparities in investment capacity creates a need for accessible advice, project preparation support, financing guidance and household mobilisation. Such services would also be essential for MFABs, where collective decision-making and HOA processes create additional barriers. At present, the absence of a clearly defined OSS network limits Hungary's capacity to support complex renovation projects and vulnerable households. Without local advisory structures, uptake is likely to remain concentrated among households able to navigate programmes independently or among measures that obligated parties can implement at scale with minimal transaction costs.



Building stock priorities: single-family homes dominate, while MFABs remain underserved

Hungary's renovation priorities are strongly shaped by the structure of the residential building stock, with single-family houses accounting for more than 70% of occupied floor area. Around 40% of households are estimated to fall into the three worst-performing energy classes.⁷ About 90% of the worst-performing buildings are single-family homes, while only about 10% are multi-family units. This makes single-family houses a central segment for EPBD Article 9 implementation and for achieving progress within the 43% of worst-performing residential buildings.⁸

⁶ Habitat for Humanity Hungary annual report on energy poverty 2023, 2024.

⁷ The estimations are based on the previous EPC scheme in Hungary (in place until October 2023); more details can be found in [A magyarországi lakóingatlan-állomány energia-igényének becslése \[Estimating the energy demand of the housing stock in Hungary\]](#).

⁸ See EPBD Article 9(2).

The strong focus on single-family houses is therefore understandable, but it creates an important policy imbalance. MFABs are largely excluded from current support schemes. Although they can theoretically participate in the Energy Efficiency Obligation Scheme, implementation is concentrated in family houses because these projects are easier for obligated parties to deliver. As a result, there are practically no effective measures for MFABs under the current framework.

This is a significant gap for future EPBD implementation. MFABs require tailored delivery models, including support for HOAs, collective decision-making, project preparation, financing and aggregation. A renovation framework that relies primarily on detached or single-family houses will not be sufficient to address the full residential stock or the specific barriers faced in apartment buildings.



EPBD implementation and the National Building Renovation Plan

Hungary's NBRP is still under preparation. Stakeholders participated in a consultation phase in December 2025 and January 2026, but the draft had not yet been circulated officially. There was no confirmed information on how energy poverty proposals would be reflected, and no expectation that the plan would include a neighbourhood or district-based renovation approach.

Hungary's existing Long-term Renovation Strategy already includes targets to renovate 100,000–130,000 homes per year until 2050 and reduce residential building energy consumption by 20%. The updated Energy Efficiency Obligation Scheme is expected to trigger the partial renovation of 150,000 homes by 2027. The next step is to assess how these existing instruments align with the EPBD milestones for 2030 and 2035, and whether they can deliver sufficient improvements in the worst-performing segment.

A key implementation challenge will be the identification of worst-performing buildings. This should rely on reliable and representative data, not only on EPC data. This is particularly relevant in Hungary, where poor-performing single-family homes are widespread, but households differ significantly in their ability to finance or organise renovation.



Heating, cooling and renewable energy

There are no substantial developments on municipal heating and cooling plans. Municipalities in Hungary do not appear to be actively preparing such plans, and there is no clear national obligation in place. This means that EED Article 25 implementation remains at an early stage and is not yet linked to local energy planning, district renovation, renewable heating, waste heat or neighbourhood-based approaches.

Heating decarbonisation is nevertheless a strategic issue. The residential building stock consumes around 155 kWh/m²/year for space heating on average.⁹ Natural gas accounts for 46.4% of final energy consumption in the residential sector, while around 20% of households rely on solid fuels, particularly wood and coal.¹⁰ These figures point to the importance of applying the Energy Efficiency First principle: building performance improvements should precede or accompany heating system replacement to avoid oversized, costly or poorly-targeted clean heating investments.

⁹ [Sectoral Profile - Households](#)

¹⁰ [Energy consumption in households](#)

On renewable energy, recent legislative changes have made energy communities more feasible in MFABs, particularly through energy sharing between apartments. However, the administrative and technical arrangements are still unresolved, meaning that implementation remains limited in practice. This creates a potential opening for citizen-led renewables projects in MFABs, but the framework is not yet mature enough to support scaled deployment.



Social Climate Plan

Hungary has not prepared or submitted a draft SCP. Work had reportedly started but was terminated under the previous government, and the plan is not currently under preparation. This is a major gap in Hungary's social climate policy architecture. Without an SCP, there is no dedicated national investment and support framework to address the distributional effects of carbon pricing on households. The absence of the plan also weakens coordination between EPBD implementation, energy poverty policy and future affordability risks linked to ETS2.



Overall assessment

Hungary has made meaningful progress in mobilising residential energy savings through the Energy Efficiency Obligation Scheme. The 2025 reforms have redirected the scheme toward buildings and enabled rapid delivery of certified savings, especially through attic insulation in family houses. This provides a practical foundation for scaling renovation activity, but the current model remains narrow. It is concentrated on single-family homes, standardised insulation measures, and households that can be reached through relatively simple delivery channels.

The main weaknesses concern social targeting, MFABs and strategic planning. Energy poverty is not operationally defined, worst-performing buildings and vulnerable households are not systematically identified and prioritised, and MFABs are largely absent from the current schemes. The NBRP has not yet been published, and the SCP has not been prepared. These gaps delay Hungary's ability to define a clear EPBD-compliant renovation trajectory, identify the worst-performing buildings, and align renovation policy with affordability and social protection objectives.

Hungary's next phase should build on setting up new and widespread subsidy schemes aiming to reach a large segment of the housing stock, and specifically vulnerable groups. The current setup of the Energy Efficiency Obligation Scheme is not appropriate for that. The new system would require dedicated instruments for MFABs, an operational definition of energy poverty, targeted grant and technical assistance for vulnerable households, and a national OSS framework capable of supporting both individual homeowners and collective renovation projects. Stronger links between renovation, renewable energy, clean heating and municipal planning would also be needed to move from fragmented savings delivery toward a socially just and EPBD-aligned renovation pathway.

3.3. Lithuania

Lithuania's current policy framework for energy efficiency, building renovation and social climate policy shows a comparatively advanced and structured approach, particularly in relation to MFAB renovation and the integration of vulnerable households into support schemes. The country has set 2030 energy efficiency targets, amended its energy efficiency legislation in 2025, submitted its NBRP, and had its SCP approved by the European Commission. Renovation policy is strongly centred on the modernisation of older MFABs, with significant public support, preferential financing, municipal involvement, and planned expansion of OSS. Nevertheless, implementation challenges remain, especially concerning the pace of renovation, uneven municipal capacity, and the need to ensure that new advisory and social support structures operate proactively and effectively.

In June 2026, the European Commission approved Lithuania's SCP, which allocates more than €422 million from the SCF to improve housing affordability in the country. The largest portion of the funding – nearly €270 million – will be directed toward comprehensive and partial renovations of apartment buildings, enabling the renovation of more than 37,000 apartments nationwide.



Energy efficiency targets

Lithuania's updated NECP sets a national contribution to the EU's 2030 energy efficiency target through cumulative final energy savings of 39.3 TWh by 2030. By the same date, annual primary energy consumption should not exceed 63.3 TWh, while final energy consumption should remain below 51.0 TWh. These targets are supported by the 2025 amendment of the Law on Improving Energy Efficiency, which transposes the EED into Lithuanian law, strengthens energy-saving requirements, defines the role of municipalities, establishes guidance for municipal energy efficiency action plans, and revises procedures for mandatory company energy audits.

The broader strategic framework is shaped by the updated 2024 National Energy Independence Strategy. This strategy supports the objective of 100% renewable electricity by 2030 and sets a longer-term ambition for Lithuania to become an energy-independent country by 2050, generating enough energy to meet its own needs and exporting surplus energy. Building renovation is therefore positioned not only as an energy efficiency measure, but also as part of a wider energy security, decarbonisation and social affordability agenda.



Energy savings obligation scheme and implementation progress

Lithuania operates a mixed energy efficiency system based on an Energy Efficiency Obligation Scheme, regulated by the Law on Improving Energy Efficiency. Within the 2021–2030 NECP, 39.35 TWh of energy savings are planned, of which 5.5 TWh are expected from energy efficiency obligations. Obligated parties include suppliers of electricity, gas, heat and oil products, which must achieve defined savings among end-users. They may either finance energy-saving measures directly or contribute to a special fund supporting energy efficiency projects.

For 2021–2027, more than €1.3 billion has been allocated to energy efficiency measures, including €207 million for the public sector and €225 million for business. The planned measures include lighting modernisation, building automation and control systems, vehicle fleet renewal, building modernisation, heat point reconstruction, boiler modernisation, ventilation and heating system upgrades, room temperature reduction, and replacement of electric motors or frequency converters. Building-related measures are prominent: building modernisation, heat point and boiler upgrades, ventilation and heating systems, and building automation together represent a substantial share, with building modernisation accounting for 55% of the energy efficiency plan.

Despite these measures, Lithuania had not reduced overall final energy consumption sufficiently to meet planned targets by the end of 2025. Energy savings have been achieved in specific sectors, including buildings and industry, but overall consumption has risen faster than planned savings, and the renovation rate is not yet sufficient to meet long-term strategic goals. This points to a key implementation challenge: Lithuania has a relatively mature policy framework, but the pace and scale of delivery need to accelerate if 2030 and 2050 objectives are to be met.



Vulnerable households, energy poverty and social protection

Lithuania's renovation framework includes substantial support for low-income and vulnerable households, particularly in MFABs. The policy approach recognises that high heating costs, inefficient older apartment buildings and energy poverty risks are linked not only to energy affordability but also to housing affordability and social exclusion.

Residents who live in MFABs using fossil fuels for heating can receive compensation covering 85% of the costs for partial renovation and 80% for comprehensive renovation, with technical assistance fully financed in both cases. Low-income residents receiving social assistance and living in buildings using other fuels can receive compensation covering 75% of partial renovation costs and 50% of comprehensive renovation costs, also with 100% coverage of technical assistance. Municipalities continue to cover credit payments for apartment owners receiving heating compensation after renovation.

Additional protective measures include 100% renovation subsidies for low-income households and individuals receiving heating compensation, heating cost reimbursement when costs exceed 10% of the difference between household income and state-supported income, and enhanced protection against disconnection for vulnerable electricity consumers. These protections include extended debt repayment periods of up to 12 months during the 2026 energy market reforms. MFAB renovation projects must achieve more than 40% thermal energy savings after modernisation, linking support to minimum renovation outcomes.

This framework is comparatively well aligned with the social objectives of the EED and EPBD. Its main strength is that vulnerable households are not only supported through bill compensation, but also through investment support for renovation. The main question over implementation is whether social services, municipal administrators and renovation support centres can coordinate effectively so that vulnerable households are identified early, informed and supported through the full renovation process.



One-stop shops and local implementation capacity

Lithuania has established and is expanding OSS for renovation advice. Since 2017, each municipality must have an energy efficiency administrator in a municipally-owned company or establish a public institution that provides consultations and assistance to apartment building associations, administrators, jointly managed buildings and residents. These hubs provide technical, financial and legal assistance for MFABs.

However, the quality and proactivity of existing services remain uneven. Some OSS cover all stages of the renovation process and help homeowners address technical, administrative and financial barriers, including access to grants and low-interest loans. However, many lack sufficient resources or qualified staff, while some exist largely on paper and have seen little or no operational activity to date. Support for vulnerable households exists in relation to apartment building energy efficiency, but residents seeking heating compensation or renovation cost compensation must still contact municipal social services departments. This creates a need for stronger integration between energy advice and social assistance services.

A significant expansion of the OSS network in Lithuania is planned from 2026, with centres to be created in all 10 counties. These OSS are intended to be closer to apartment owners, explain energy efficiency and available renovation measures, help fill in documents, and make procedures easier to understand. Planned advisory services include mobile consultations in all municipalities, individual case management for vulnerable households and micro-enterprises, support for applications under the Social Climate Plan and national energy efficiency measures, accessible information campaigns, training for social workers and other professionals, model investment plans for apartment buildings, help for owners in areas with higher concentrations of vulnerable households, public procurement advice, coordination with NGOs and the private sector, and data collection for energy poverty monitoring.



Building renovation as a core implementation priority

Renovation of buildings, particularly MFABs and public buildings, is a central pillar of Lithuania's energy efficiency strategy. Building renovation is expected to deliver more than 10 TWh of energy savings, with a strong emphasis on older Soviet-era apartment blocks. These buildings house a significant share of the population and are associated with high heating costs, poor thermal performance and substantial potential for CO₂ reduction.

Lithuania has operated a dedicated MFAB modernisation programme since 2005, aiming to reduce heat consumption by 50–70% in targeted buildings. The support framework combines public subsidies, technical assistance and preferential loans. Preparatory steps such as technical plans and energy performance certificates can be financed at 100%, while subsidies for energy efficiency measures range from 30% to 100%, depending on the call and project type. Preferential long-term loans are available through the JESSICA II fund, managed by the European Investment Bank and national partners such as APVA¹¹ and ILTE,¹² often without requiring deposits or collateral.

¹¹ APVA is Lithuania's Environmental Project Management Agency; it operates under the Ministry of Environment and manages the country's energy-efficiency funding programmes.

¹² ILTE is Lithuania's national development bank.

The next phase of MFAB renovation is expected to be supported through major calls. A call for complex modernisation of apartment buildings is planned for October 2026 and is expected to remain open until April 2028, with 643 apartment buildings expected to be comprehensively renovated. A further call for partial renovation is planned for the first quarter of 2027, with 2,367 apartment buildings expected to be partially renovated. Planned allocations amount to €259 million for complex renovation and €316 million for partial renovation.

This strong focus on MFABs is a clear strength of Lithuania's framework. It directly addresses a major segment of the residential stock and provides a structured mechanism for collective building-level renovation.



EPBD implementation and the National Building Renovation Plan

The Ministry of the Environment is responsible for developing Lithuania's NBRP. The draft was submitted in early 2026, while final plans must be officially adopted by 31 December 2026. The plan will replace the 2021 Long-Term Building Renovation Strategy and is intended to guide the systematic modernisation of the entire building stock by 2050, covering public, private residential and non-residential buildings.

Lithuania is also preparing several EPBD-related implementation measures. From 2028, all new public buildings are expected to be zero-emission buildings, followed by all new buildings from 2030. From May 2026, a system of renovation passports will be introduced. Solar energy integration is another important component: from May 2026, all new public and non-residential buildings with a floor area above 250 m² must be equipped for solar energy generation, with similar requirements to be gradually extended to residential buildings and parking areas.

Worst-performing buildings are identified and prioritised through a combination of building condition data, energy performance certificates and municipal selection. The approach focuses on high-consumption, low-efficiency structures, mostly MFABs, where energy savings potential is greatest. Municipalities compile lists of the most energy-inefficient buildings. The Ministry of the Environment is responsible for investment policy and overall coordination, while APVA administers the full support cycle through the APVIS information system, including calls, applications, evaluation, project supervision and reporting.

ASSESSMENT OF DRAFT NATIONAL BUILDING RENOVATION PLAN FOR LITHUANIA

MFABs are strongly embedded in the [draft plan](#). The plan identifies MFABs as one of the priority segments for renovation up to 2030, with an estimated 8,200 MFABs to be renovated by 2030, corresponding to 44.3% of the MFABs expected to be renovated by 2050. It also recognises the practical scale of the engagement challenge: around 18,000 MFABs fall within the broader renovation trajectory, but the number of apartment owners whose approval and participation may be needed is close to 1 million. This is an important strength, as the plan explicitly acknowledges that successful renovation depends not only on funding and technical standards, but also on communication with building managers, administrators, co-owners, maintenance professionals and, where relevant, heat suppliers in buildings connected to district heating systems.

The plan builds on Lithuania's established MFAB renovation system and includes measures to improve communication, owner mobilisation, quality control and access to finance. Examples include renovation ambassadors, stronger information campaigns, interest compensation on renovation loans, commercial loan guarantees, and the use of renovation passports to enable staged and continuous renovation. The plan also recognises that quality assurance is essential for owner trust, proposing external control mechanisms at each implementation stage and stronger safeguards against poor workmanship, delays and negative renovation experiences.

The draft includes a dedicated section on energy deprivation and uses indicators such as the share of people unable to afford adequate heating, the share living in dwellings with leaks, damp or rot, and the share of people at risk of poverty or social exclusion. It also includes policy measures for strengthening vulnerable consumers' rights, reducing energy poverty, and improving housing affordability. Particularly relevant is the proposed renovation subsidy for vulnerable people to help avoid energy poverty, as well as the condition that measures increasing renovation-related benefits should not increase the tax burden for households at risk of energy poverty.

Energy sufficiency is present, although less explicitly than energy efficiency. The draft focuses primarily on reducing energy consumption through renovation, heating system improvements, renewable energy integration and improved technical performance. However, several measures go beyond conventional technical renovation. These include consumer education and advice agreements with energy suppliers, an information hub on energy savings, compensation and energy communities, public information on household heating, and campaigns addressing the health and environmental impacts of solid fuel and waste burning.

The plan includes a dedicated policy direction on district and neighbourhood approaches and integrated renovation programmes, covering energy, mobility, green infrastructure, waste and water management, local resources and circularity. The plan also proposes planning street renovation together with adjacent building renovation, helping link building-level interventions with public space and infrastructure upgrades.

The energy sufficiency dimension remains underdeveloped. The plan does not yet appear to frame demand reduction, efficient use of space, avoidance of unnecessary energy use or behavioural change as a distinct policy pillar.

The draft NBRP includes a dedicated section on integrated neighbourhood and territorial renovation programmes, with references to energy maps, geographic information systems, municipal capacity building, pilot projects supported by the National Decarbonisation Fund, and coordination between energy, climate and spatial policies. It also commits to supporting at least 10 pilot integrated territorial building renovation programmes by 2030. These programmes are expected to combine building renovation, renewable energy integration and efficient district heating and cooling, aligned with municipal heating and cooling plans.



Heating, cooling: district approaches and local planning

At present, local heating and cooling plans have been prepared or are being drafted in 12 large municipalities with more than 45,000 inhabitants. They must be updated at least every seven years under the Law on Heat Management, and define which territories are served by centralised heating and which are heated individually.

The plans reflect renewable energy and local energy efficiency priorities. They include the phasing-out of fossil gas, expansion of biofuels and heat pumps, and support for residents replacing old polluting boilers with efficient fifth class biofuel boilers or heat pumps. Around 15,800 residents have already upgraded their heating systems, with more than €52 million paid out, and a further €4.5 million in grants is planned for replacing polluting heating systems.

The plans also consider energy communities, local heating and cooling networks, waste heat, renewables and district-level renovation, and are linked to wider urban regeneration, district renovation and neighbourhood approaches. Implementation is described as a multi-stakeholder process: municipalities lead planning, citizens act as prosumers, housing associations manage building renovations, and energy communities facilitate local investment.



Renewable energy and citizen-led projects

The 2024 National Energy Independence Strategy aims for 100% renewable electricity by 2030, and the building renovation framework increasingly encourages solar energy integration in building renovation projects.

Energy communities are also referenced in local heating and cooling implementation, where they are expected to facilitate local investment. Citizens are described as prosumers within the broader energy transition framework. This suggests that Lithuania is moving toward stronger citizen and community participation in renewable energy, although the document does not provide detailed information on the legal status, governance rules or practical scale of renewable energy communities.



Social Climate Plan

Lithuania has submitted its SCP, and the European Commission approved it in June 2026. The plan was designed to guide the use of SCF resources from 1 January 2026 to 31 December 2032. Lithuania is expected to receive approximately €663 million in EU funds, which together with a 25% national contribution would amount to around €885 million in total investment.

The plan focuses on households experiencing energy poverty, vulnerable transport users, and very small businesses affected by the inclusion of buildings and road transport in the EU emissions trading system from 2027. Funding is expected to support home renovation, more environmentally friendly transport and cleaner mobility solutions. Almost half of the fund is planned for building renovation, with the rest allocated to transport transformation and cleaner mobility.

The SCP was prepared by the Ministry of the Environment together with the Ministries of Transport and Communications, Social Security and Labour, and APVA. Several stages of public consultation were held, involving around 100 representatives from more than 60 institutions and organisations, including ministries, municipalities, businesses, trade unions and NGOs. The plan includes socially vulnerable groups, people experiencing energy poverty, apartment buildings and social housing. Increased financial support for vulnerable households is expected to act as an incentive for all residents in an apartment building to carry out renovations, creating a broader building-level effect beyond direct support to vulnerable households.

A regional and municipal allocation methodology is being developed. Once legal amendments are approved and the new call for applications approaches, APVA is expected to publish maps showing the total amount of support allocated to each municipality. This can support a more geographically targeted renovation approach and strengthen links between national funding and local needs.



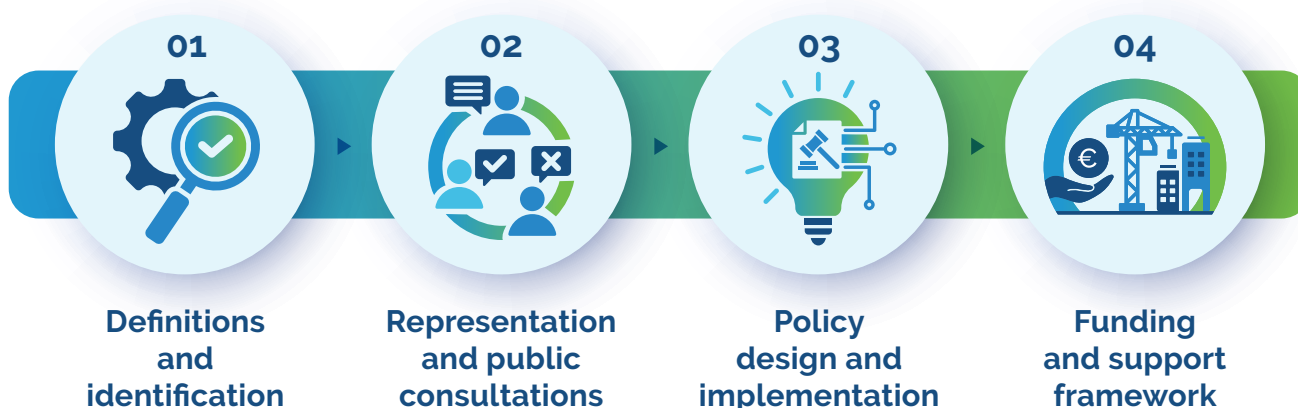
Overall assessment

Lithuania has a relatively comprehensive and operational renovation policy framework, with strong emphasis on MFABs, social support and municipal participation in the implementation process. The combination of national targets, long-standing MFAB renovation programmes, preferential loans, high subsidy rates, vulnerable-household support and planned county-level advisory centres provides a solid basis for implementing the requirements of the EED, EPBD and SCF. The emerging NBRP, renovation passports and zero-emission building requirements further strengthen the strategic direction toward 2050.

The main implementation challenge is not the absence of policy instruments, but the speed, consistency and effectiveness of delivery. Overall final energy consumption has not fallen fast enough, and renovation rates remain insufficient for long-term goals. Existing OSS vary in quality and capacity, while stronger links are needed between municipal energy administrators, social services, APVA, housing associations and residents.

4. Summary of policy gaps

This chapter synthesises the main policy gaps identified across the ComActivate policy work, drawing on deliverables D5.1 and D5.2, on tasks T5.3 and T5.4, and on the updated national check-ins for Bulgaria, Hungary and Lithuania. It brings together findings on EU policy implementation, national renovation and energy poverty frameworks; financing barriers for HOAs and MFABs; and the emerging role of resource centres and neighbourhood-based approaches. The purpose is to identify the recurring gaps that need to be addressed before Member States can deliver renovation and decarbonisation in a socially fair, locally implementable and energy-sufficient way.



Across Bulgaria, Hungary and Lithuania, the implementation of EU energy and climate legislation is moving in a broadly similar direction: building renovation is increasingly linked to energy poverty alleviation, local implementation capacity, and the need to prioritise worst-performing homes. However, the three countries differ significantly in how far these links have been translated into operational policy. Lithuania has the most developed implementation framework, especially for MFABs and vulnerable households. Bulgaria has made important strategic progress, but implementation remains fragmented and dependent on future institutional and financial arrangements. Hungary shows the largest unresolved gaps, particularly in relation to energy poverty targeting, MFABs, the NBRP and the SCP.



4.1 Definitions and identification

A central policy gap concerns the definition and practical identification of priority groups and building segments. Energy poverty, vulnerable consumers, low-income households, worst-performing buildings and priority renovation groups are increasingly included in national policy language, but their operationalisation remains uneven. In many cases, even when definitions exist, they do not yet function as practical tools for targeting renovation support, allocating funding, monitoring progress or identifying households most in need.

Another recurring challenge is the weak integration of social data with building-level energy data. Member States often rely on separate datasets: social assistance records, energy performance certificates, building registries, municipal information, heating compensation data or energy consumption indicators. These are rarely combined into a single targeting framework. As a result, it remains difficult to identify where poor energy performance overlaps with low income, underheating, arrears, a high energy burden, poor housing quality or limited capacity to finance renovation.

The identification of worst-performing buildings also remains a major implementation gap. Although the EPBD requires Member States to prioritise the worst-performing segment of the residential stock, many national systems still rely heavily on incomplete EPC databases, outdated building-stock information or programme-based applications. This can lead to a situation where renovation support reaches buildings that are administratively ready or better organised, rather than those with the greatest energy-saving potential and social need.

Energy poverty identification also remains too narrow in many contexts. Low income is important, but it does not capture all relevant situations as energy poverty and vulnerability are multidimensional issues. Households may be energy-poor because they underheat their homes, live in inefficient buildings, face high energy prices, use polluting fuels, accumulate arrears, or lack the means to invest in renovation. Low recorded energy consumption should therefore not automatically be interpreted as efficient energy use; it may indicate deprivation or unmet energy needs.

MFABs present a particularly important identification challenge. They are often treated as part of the general residential stock, even though they require distinct policy treatment because of collective ownership, HOA governance, shared technical systems, mixed-income residents, arrears risks and more complex decision-making. In many Member States, there is still no sufficiently detailed inventory of MFABs that combines building age, energy performance, heating system type, ownership structure, vulnerability indicators and renovation readiness.

Overall, definitions need to become operational tools. Member States need identification systems that combine income, social vulnerability, arrears, under-consumption, high energy burden, housing quality, building performance, tenure and municipal knowledge. Without such systems, renovation and energy poverty policies will remain poorly targeted and may fail to reach the households and buildings where intervention is most urgent.



4.2 Representation and public consultations

A major gap concerns the quality and influence of public consultation and stakeholder participation in the elaboration of strategic national documents. Most Member States organise some form of consultation when preparing national strategies, such as SCPs, NBRPs, or funding renovation programmes and schemes. However, the key issue is not whether consultation takes place, but whether it meaningfully shapes policy design and implementation.

In many cases, consultation remains formal, centralised or expert-driven. Institutional stakeholders, ministries, agencies, municipalities, professional organisations and NGOs may be involved, but affected households and vulnerable groups are less consistently represented. Vulnerable households, tenants, low-income homeowners, elderly residents, people with limited digital access and residents of MFABs are often treated as target groups rather than as participants in policy design.

Energy-poor households may face practical barriers that are not visible in formal consultations: these could include fear of debt, mistrust of renovation schemes, lack of information, limited capacity to navigate application procedures, concerns about co-financing, uncertainty about energy savings, or fear of rent increases after renovation. If such concerns are not addressed early, even well-designed renovation programmes may face low uptake, opposition within buildings or unequal participation.

There is also a need for stronger feedback mechanisms. Stakeholders may submit recommendations, but it is often unclear how these contributions influence final plans. Member States rarely provide systematic explanations of which recommendations were accepted, modified or rejected. This weakens trust and reduces the perceived legitimacy of consultation processes.

At building and neighbourhood level, participation gaps are even more important. Multi-family apartment building renovation depends on collective decisions, yet many programmes do not provide sufficient support for building-level deliberation, mediation or resident engagement. HOAs, property managers and residents need accessible information, technical explanations, financial guidance, and space to discuss risks and benefits. Without this, renovation may depend too heavily on already organised buildings and motivated residents.

OSS can help address this gap, but only if they go beyond information provision. They should act as trusted intermediaries that support resident engagement, explain policy options, connect households with social services, help HOAs prepare decisions, and ensure that vulnerable groups are included. Participation should therefore be understood not only as a consultation requirement, but as an implementation tool that improves trust, uptake and policy quality.



4.3 Policy design and implementation of measures

This third category of policy gaps concerns the design and implementation of building renovation and decarbonisation measures. A common gap within this category is the absence of integrated renovation pathways for MFABs. Measures are often delivered through isolated calls, individual technical interventions or short-term funding schemes. This can result in fragmented renovation, where insulation, heating system replacement, renewable energy integration, ventilation, energy sufficiency and affordability safeguards are not planned together. Such approaches may deliver some energy savings but fail to create a pathway toward deep renovation, zero-emission buildings or long-term decarbonisation.

Heating and cooling decarbonisation is not always sufficiently connected to building renovation. In some cases, heating system changes are promoted without first reducing demand through building performance improvements. In others, renovation programmes focus on the building envelope without considering clean heating, district heating modernisation, renewable heat, waste heat or local energy planning. This weakens the application of the Energy Efficiency First principle and may lead to oversized, costly or socially unfair investments.

Neighbourhood- and district-based approaches remain underdeveloped in many Member States. Renovation is still often organised building by building, even though area-based programmes can reduce transaction costs, improve resident engagement, coordinate heating and cooling infrastructure, integrate renewables, and support energy sufficiency measures. This gap is particularly relevant in urban areas with concentrations of inefficient MFABs, where district approaches could combine building renovation, heating transition, public space improvements, local renewables and social outreach.

OSS are increasingly recognised in policy, but their practical role remains uneven. In many cases, they are still emerging, fragmented, underfunded or limited to general advice. However, effective renovation delivery requires much more than information. Households, municipalities and HOAs need support throughout the full renovation cycle: outreach, eligibility checks, technical assessment, financing guidance, application support, collective decision-making, procurement advice, quality control and post-renovation monitoring.

Energy sufficiency also remains weakly integrated into renovation policy. Most national measures focus on energy efficiency and renewable energy, while demand reduction, behavioural change, efficient use of space, avoidance of unnecessary energy use, and shared local solutions receive less attention. Yet energy sufficiency is central to renovation policy because it links decent living standards with absolute energy demand reduction. Member States need to ensure that renovation programmes do not only improve technical performance but also support households in achieving affordable comfort with lower overall energy demand.

Finally, social safeguards are not yet systematically embedded in renovation programmes. Renovation can create affordability pressures through co-financing requirements, loan obligations, increased rents, higher property-related costs, temporary relocation, or unequal participation within the same building. These risks are especially important in mixed-income multi-family buildings. Policy design should therefore include safeguards against displacement, disproportionate rent increases, exclusion of low-income owners, and unequal access to benefits.



4.4 Funding and support framework

The fourth major gap concerns funding and support frameworks. Across Member States, financing remains one of the main barriers to socially fair renovation, particularly for low-income households, vulnerable residents and MFABs. The issue is not only the overall volume of funding, but also the design, predictability, accessibility and social targeting of financial support.

A recurring gap is the lack of long-term funding predictability. Stop-start funding calls, changing eligibility rules and uncertain subsidy levels undermine trust and make it difficult for municipalities, HOAs, contractors, banks and OSS to plan. Renovation markets require stable pipelines. Without predictable funding, local actors cannot build capacity, households delay decisions to renovate, and private finance remains cautious over where to place investments.

Grant design is another critical issue. Full subsidies for all households may be fiscally difficult and can reduce targeting efficiency, while loan-heavy schemes risk excluding households with a low income, limited savings or fear of debt. Member States therefore need differentiated funding models that reflect household vulnerability, building performance, renovation depth, and ability to pay. Energy-poor and very-low-income households need very high or full grant coverage, while moderate-income households may require partial grants combined with affordable loans or guarantees.

Pre-financing remains a major barrier, especially for vulnerable households who cannot pay renovation costs upfront and wait for reimbursement, even when support is formally available. This creates a gap between eligibility and actual access. Funding frameworks should therefore include advance payments, direct payment to contractors, municipal bridging finance, zero-interest loans, guarantee funds, or carefully designed repayment mechanisms with strong protections.

MFABs require dedicated financial solutions because they involve collective decision-making and mixed financial capacities within the same building. A renovation project may fail if some owners cannot contribute, fear debt or are in arrears. Conversely, proceeding without safeguards can create social tension and financial hardship. Member States need financial mechanisms that allow building-level renovation to proceed while protecting low-income residents. These may include household-level grant differentiation, solidarity funds, municipal guarantees, arrears support, separate repayment streams, or public coverage of vulnerable households' contributions.

Technical assistance is often underfunded even though it is essential for successful renovation. Financial support alone is insufficient where households and HOAs lack the capacity to understand options, prepare applications, agree collectively, organise procurement or monitor works. Funding frameworks should therefore treat technical assistance, OSS, municipal advisory teams, social outreach and project development support as core infrastructure rather than optional add-ons.

There is also a need to better connect EU funds, national schemes, municipal programmes and private finance. Social Climate Fund resources, Cohesion Policy funds, Modernisation Fund resources, national renovation programmes, municipal budgets and development bank instruments should be combined into coherent funding frameworks. Public finance should be used strategically to protect vulnerable households, de-risk investment, support deep renovation and mobilise private finance where repayment capacity exists.



4.5 Overall synthesis

The aggregated policy gaps point to a common implementation challenge across Member States: renovation policy still depends too heavily on households' ability to organise, apply, co-finance and navigate complex procedures. This risks excluding precisely those households and buildings that EU policy increasingly asks Member States to prioritise, i.e. vulnerable households, worst-performing buildings, and residents of inefficient MFABs.

A socially just renovation pathway requires four shifts. First, definitions must become operational targeting tools. Second, consultation must become meaningful, locally grounded and inclusive of vulnerable households. Third, renovation measures must be integrated across building performance, heating decarbonisation, renewable energy, energy sufficiency, social safeguards and neighbourhood planning. Fourth, funding frameworks must be predictable, accessible and tailored to the realities of low-income households and mixed-income multi-family buildings. Addressing these four category gaps would allow Member States to better align EPBD, EED, REDIII and SCF implementation with the wider EU direction on energy and housing affordability, consumer empowerment and energy poverty alleviation.

5. Policy recommendations

This chapter translates the policy gaps identified in the previous chapter into targeted recommendations for Member States. The recommendations follow the same four categories used in the gap analysis, so that each proposed action responds directly to an identified implementation challenge: (1) definitions and identification; (2) representation and consultation; (3) design and implementation of measures; (4) funding and support framework.

The recommendations focus on practical steps that can improve the targeting of support, strengthen participation and trust, support multi-family apartment building renovation, integrate energy sufficiency and neighbourhood approaches, and ensure that financial frameworks protect vulnerable households while contributing to long-term decarbonisation. Their replication potential lies in the fact that they address common policy and implementation bottlenecks: the need for operational definitions, better data integration, meaningful participation, stronger OSS, integrated renovation pathways, predictable funding, and safeguards for vulnerable households.

Although the recommendations are informed by the national check-ins carried out for Bulgaria, Hungary and Lithuania, they are not intended to apply only to these three countries. The policy needs identified reflect broader implementation issues that are also relevant for other EU Member States, particularly those with ageing residential building stocks, high shares of MFABs, low renovation rates, limited local delivery capacity, or persistent energy poverty risks.

5.1 Definitions and identification

Policy recommendation #1:

Establish operational definitions that directly trigger support

Member States should move from broad policy references to operational definitions of energy poverty, vulnerable households, low-income households, worst-performing buildings and priority MFABs. These definitions should not remain descriptive; they should determine eligibility for grants, technical assistance, protection from disconnection, renovation prioritisation and access to OSS support.

This is needed because the main gap is not the absence of policy language, but the weak translation of concepts into targeting systems. Bulgaria has started to recognise that low energy consumption may reflect underheating rather than efficiency, but it still lacks complete building and social housing data. Hungary has not yet operationalised energy poverty targeting. Lithuania has stronger indicators, but still needs better integration between social, municipal and building-level data.

In practice, Member States should **adopt multi-criteria identification systems combining household income, social benefit status, energy arrears, energy burden, under-consumption, heating compensation, building energy class, building age, technical condition, tenure type and municipal knowledge**. This should be used to create priority renovation maps at building, block and neighbourhood level.

Policy recommendation #2:

Combine social and building-level data into renovation priority maps

Member States should **create secure data-sharing frameworks that allow ministries, municipalities, energy agencies, social services, building registries and energy suppliers to identify where poor building performance overlaps with social vulnerability**. This should include energy performance certificates, energy audits, building typologies, heating systems, tenure and ownership structures, arrears data, housing quality indicators, social assistance data, and municipal outreach information.

This is particularly important for MFABs, where the building may be technically inefficient but households inside it may have very different capacities to participate. Without this combined view, programmes risk selecting better-organised buildings rather than those with the greatest social and energy savings need. Additionally, the gap analysis warns that funding can continue to favour applicants with higher readiness instead of systematically prioritising the worst-performing stock and vulnerable households.

Implementation should begin with municipalities that already have renovation, social service or district heating data. National authorities should provide a common methodology, while municipalities validate the data through local knowledge, home visits, HOA contacts and resource centres. Safeguards should ensure that personal data is used only for targeting support, not for punitive measures or exclusion.

Policy recommendation #3:

Identify multi-family apartment buildings as a distinct priority segment

Member States should **treat MFABs as a specific renovation category in NBRPs, SCPs, Energy Efficiency Obligation Schemes and national funding programmes**. Identification should go beyond energy class and include collective decision-making barriers, ownership fragmentation, mixed-income composition, arrears risks, heating system type, and potential for neighbourhood-scale renovation.

Member States should therefore develop national inventories of MFABs, including pre-1990 mass housing, panel buildings, district-heated apartment blocks, and buildings with high concentrations of vulnerable residents. These inventories should be linked to renovation passports, municipal heating and cooling plans, and potential renewable energy or energy-sharing projects.

5.2 Representation and consultation

Policy recommendation #4:

Move from formal consultation to structured participation

Member States **should ensure that renovation and energy poverty policies are not only consulted on after they are drafted but co-designed with affected actors from the beginning**. Public consultations should include vulnerable households, tenants, owner-occupiers, homeowners' associations, building managers, municipalities, energy agencies, social services, civil society organisations, consumer groups, district heating providers and local intermediaries.

As a minimum starting point, Member States should publish consultation summaries explaining which recommendations were accepted, rejected or postponed, and why. This feedback loop would improve legitimacy, trust and implementation quality, especially where households are asked to accept co-financing, temporary disruption or collective building-level decisions.

Policy recommendation #5: Use building- and neighbourhood-level participation models

Member States should **complement national consultation with local participation formats: building assemblies, neighbourhood renovation forums, municipal energy poverty working groups, mobile advisory sessions, and targeted outreach through social services and OSS.**

This is particularly important for MFABs, where renovation depends on collective agreement and trust. Low-income, elderly, digitally excluded or debt-averse households may not participate in online consultations or formal public hearings, but their concerns can determine whether a renovation project succeeds. Participation should therefore be organised in spaces where residents already interact, such as in municipal offices, social service centres, building meetings, schools, community centres and local NGOs. OSS could play a central role in this process. They should not only provide information but also mediate between residents, municipalities, HOAs, financial institutions and contractors.

Policy recommendation #6: Include vulnerable households as policy participants, not only target groups

Member States should **require all major renovation and energy poverty programmes to demonstrate how vulnerable households were involved in their design.** This should include tenants, low-income homeowners, pensioners, households receiving heating compensation, people with disabilities, and residents at risk of arrears or underheating.

This is needed because vulnerable households often face barriers that are invisible in institutional consultation: these include fear of debt, mistrust of public schemes, lack of digital access, limited understanding of technical options, uncertainty about co-financing, and concern about rent increases or displacement. The gap analysis notes that vulnerable households are still more often treated as target groups than as participants in policy design.

5.3 Design and implementation of measures

Policy recommendation #7: Develop integrated renovation pathways for multi-family apartment buildings

Member States should design MFAB renovation pathways that combine technical renovation, heating decarbonisation, renewable energy, energy sufficiency, social safeguards and long-term maintenance. Renovation should not be limited to façade insulation or singular measures but should follow staged pathways that lead toward deep renovation and zero-emission building objectives.

This is needed because current delivery often remains fragmented. Bulgaria's model still depends heavily on funding calls and homeowner readiness; Hungary's delivery is concentrated on simpler measures in family homes; Lithuania has a stronger system but still faces challenges in pace, quality assurance and household mobilisation.

In practice, **each supported MFAB should receive a building-level renovation roadmap or passport, including technical measures, expected energy savings, heating system options, renewable energy potential, indoor comfort improvements, sufficiency measures, affordability safeguards and financing options for different household types.**

Policy recommendation #8:

Prioritise interventions through combined social, building and municipal outreach data

Member States should **use the integrated data systems described above (Policy recommendation #2) to prioritise renovation** where three factors overlap: poor building performance, social vulnerability and local implementation readiness. However, "readiness" should not mean only that a building has an organised HOA; it should also include the ability of municipalities and OSS to support buildings that would otherwise be excluded.

This is essential to prevent renovation programmes from favouring households that are already informed, organised and financially able to participate. National authorities should define priority zones, while municipalities and resource centres should validate the list through outreach, building meetings and social service information. For each priority building or neighbourhood, support should then be tailored: higher grants for vulnerable households, mediation for mixed-income buildings, technical assistance for HOAs, and simplified application procedures.

Policy recommendation #9:

Make neighbourhood and district approaches a standard delivery model

Member States should develop neighbourhood- or district-based renovation programmes as a core implementation tool, not only as pilot projects. **These programmes should combine MFAB renovation with municipal heating and cooling planning, renewable energy integration, energy sharing, public space upgrades, green infrastructure and local energy sufficiency measures.**

In practice, Member States should require municipalities above a certain size to identify priority renovation districts, especially where inefficient MFABs overlap with energy poverty and fossil-based heating. These districts should receive bundled technical assistance, dedicated funding windows, and support for energy communities or shared renewables.

Policy recommendation #10:

Establish one-stop shops as implementation intermediaries

Member States should **fund OSS as permanent local implementation structures, with clear mandates, staffing, service standards and referral links to social services, municipalities, energy agencies and financial institutions.**

Their role should include outreach, eligibility checks, support for building-level decision-making, application preparation, procurement guidance, quality control, resident communication, post-renovation advice and energy sufficiency support.

Member States should avoid creating purely digital information portals. Vulnerable and elderly households, and HOAs with limited administrative capacity, need proactive and trusted support. Mobile teams, local advisers and case managers should be part of the model.

Policy recommendation #11:

Apply social safeguards where renovation creates affordability risks

Member States should require **all renovation programmes to assess and mitigate risks of rent increases, displacement, unaffordable co-financing, increased taxes, loan arrears, or unequal participation within the same building.**

This is especially important in mixed-income MFABs. Some residents may be able to co-finance renovation, while others cannot. Some may benefit from lower energy bills but still face unaffordable upfront costs or higher housing costs. Tenants may face rent increases after renovation, while low-income homeowners may fear debt.

In practice, safeguards should include rent caps or rent support where public renovation money is used, higher grant rates for vulnerable households, payment deferral options, protection from disconnection, exemptions from increased property taxes for energy-poor households, and mechanisms to ensure that renovation decisions do not exclude or penalise residents unable to contribute equally.

5.4 Funding and support framework

Policy recommendation #12:

Introduce differentiated grant rates based on need and building priority

Member States should **design funding schemes with differentiated grant intensity according to household vulnerability, building performance and renovation depth.** Energy-poor and very-low-income households should receive very high or full grant coverage, while moderate-income households should receive partial grants combined with affordable loans. Higher support should be available for deep renovation, worst-performing buildings and integrated district programmes.

The approach should avoid both extremes: full subsidies for all households, which are fiscally difficult and may reduce targeting efficiency, and loan-heavy models that exclude vulnerable households. Differentiated support would help align decarbonisation with social fairness.

Additionally, Member States should ensure that vulnerable households do not need to pre-finance renovation costs before reimbursement. This can be done through direct payment to contractors, advance grants, municipal bridging finance, on-bill or on-tax repayment with protections, zero-interest loans, guarantee funds, and payment deferral until sale or inheritance in carefully regulated cases. This is necessary because many energy-poor households lack liquidity even when they are formally eligible for support. These mechanisms could be administered through OSS or municipal renovation agencies so that households do not have to negotiate with banks or contractors alone.

Policy recommendation #13:

Create dedicated mechanisms for mixed-income multi-family buildings

Member States should **develop financial models for buildings where owners have unequal ability to contribute**. These could include household-level grant differentiation within a building-level project, solidarity funds, municipal guarantees, separate repayment streams, arrears support, and rules allowing renovation to proceed without excluding low-income owners.

A building-level project can fail if a minority of households cannot afford their share or fear debt. Conversely, proceeding without safeguards can create arrears and social tension. Dedicated mixed-income mechanisms would allow renovation to move forward while protecting vulnerable households.

Policy recommendation #14:

Ensure long-term and predictable funding pipelines

Member States **should replace stop-start calls with multiannual funding pipelines aligned with NBRPs, SCPs, Cohesion Policy, Modernisation Fund resources, national budgets, municipal programmes and private finance**. Calls should be predictable enough for municipalities, HOAs, contractors, banks and OSS to build capacity.

This is needed because intermittent funding undermines trust and prevents market development. Bulgaria's experience shows how expectations of future 100% grant schemes can reduce willingness to participate in co-financed programmes, while Hungary's lack of predictable public support has significantly weakened the renovation of MFABs.

A predictable funding framework should include annual renovation volumes, ringfenced allocations for vulnerable households, dedicated MFAB windows, funding for technical assistance, and clear rules for staged renovation.

Policy recommendation #15:

Link public and private finance with social safeguards

Member States should **use public funding to de-risk renovation finance without shifting excessive risk to vulnerable households**. Development banks, national promotional banks and commercial lenders should be supported to offer long-term, low-interest renovation products for HOAs and MFABs, backed by guarantees, standardised assessment tools and public co-financing.

The gap analysis in Chapter 4 points towards the need for tailored financial products, standardised procedures, development bank involvement, long-term financing and improved risk assessment models for MFAB renovation. Public funds should therefore be used strategically: grants should protect vulnerable households and incentivise deep renovation, while guarantees and concessional loans should mobilise private finance for households and buildings able to repay. The funding framework should support both decarbonisation and fairness by making renovation affordable at household level, bankable at project level and predictable at programme level.

5.5 Overall conclusions

Member States need to move from a broad policy framework towards an operational delivery system that can effectively connect building renovation and energy poverty alleviation. This requires clearer and operational definitions of energy poverty, vulnerable groups and worst-performing buildings, supported by integrated data systems that combine social, building-level and municipal information. Better identification is essential to ensure that renovation support reaches the households, buildings and neighbourhoods where it can deliver the greatest combined social, energy and climate benefits. At the same time, policy design must be grounded in meaningful participation, ensuring that vulnerable households, tenants, HOAs, municipalities, social services and local intermediaries are involved not only as target groups, but as active contributors to the design and implementation of renovation measures.

Member States should develop integrated renovation pathways for MFABs, strengthen neighbourhood- and district-based approaches, and establish OSS as permanent local intermediaries able to provide technical, financial, administrative and social support throughout the renovation process. Funding frameworks should be designed to make renovation affordable for vulnerable households and feasible for mixed-income buildings, through differentiated grants, pre-financing solutions, long-term funding pipelines, dedicated technical assistance, and financial instruments that combine public and private finance with strong social safeguards.

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Annex

This annex includes the guiding questions sent to national ComActivate partners to collect updates on the implementation status of relevant EU legislation in Bulgaria, Hungary and Lithuania. The questions were used to inform the national check-ins and to assess how EU requirements are being translated into national strategies, support schemes, institutional arrangements and delivery mechanisms.

We kindly invite you to contribute to this national check-in on the implementation of key EU building-related legislation by completing the questions below.

The questionnaire is structured by policy file and its relevant articles. Please provide detailed updates on the current status of their implementation, along with references or links to supporting documents (if available). We particularly encourage you to highlight the latest developments related to energy poverty, multi-family apartment buildings, one-stop shops/ resource centres, and neighbourhood or district-based approaches in your country.

Where questions overlap, you may cross-reference your answers to avoid duplication. If certain questions are not applicable, please indicate this briefly. Feel free to add additional relevant information that is not covered by any of the questions.

Updates on the status of the Energy Efficiency Directive implementation

Article 4: Energy efficiency targets/national contribution

The EU's energy efficiency target is raised to a "reduction of energy consumption of at least 11.7% in 2030 compared to the projections of the 2020 reference scenario".



Questions:

- What is your country's national contribution to the EU energy efficiency target?
- Are there any measures specifically supporting energy savings in buildings, and how multi-family apartment buildings are addressed?
- How is the national contribution linked to measures targeting energy-poor and vulnerable households?

Article 8: Energy savings obligation

Member States may require obligated parties to achieve a share of their energy savings obligation among people affected by energy poverty, vulnerable customers, people in low-income households and, where applicable, people living in social housing.



Questions:

- What is the current design of the energy savings obligation scheme in your country?
- Has your country achieved the 1.3% of annual final energy consumption by December 2025?
- What share of the obligations is being delivered through measures in the building sector, especially for the residential sector?
- Are there specific obligations or earmarked measures for households affected by energy poverty, low-income households, vulnerable groups etc.? What types of eligible measures are used most often for multi-family apartment buildings?

Article 22: Information and awareness raising

3. Member States must create a supportive framework for market actors, i.e. "one-stop shops [...] for the provision of technical, administrative and financial advice" and "cooperation with private actors that provide services such as [...] financing solutions and execution of energy renovations".

They must also "remove regulatory and non-regulatory barriers to energy efficiency" that cause split incentives around energy efficiency improvements.

6. The one-stop shops referred to in paragraph 4 shall offer dedicated services for people affected by energy poverty, vulnerable customers and people in low-income households."]



Questions:

- Has your country established, planned, or expanded one-stop shops/resource centres for renovation advice?
- What services do these resource centres provide: technical advice, administrative support, financial advice, project aggregation, help with permits etc.?
- Do they have dedicated services for people affected by energy poverty, vulnerable and/or low-income households?
- Are the resource centres offering specific support for multi-family apartment buildings or district-scale renovations?
- Who is usually running these resource centres: municipalities, private entities, housing associations etc.?

Article 24: Empowering and protecting vulnerable customers and alleviating energy poverty

1. Member States must “empower and protect people affected by energy poverty, vulnerable customers, low-income households and, where applicable, people living in social housing”. To this end, they should “ensure access to finance, grants or subsidies bound to minimum energy gains and thus facilitate access to affordable bank loans or dedicated credit lines”.

4. Member States should establish a network of experts from various sectors such as the health, building and social sectors, or entrust an existing network, to develop strategies to support local and national decision-makers in implementing energy efficiency improvement measures, technical assistance and financial tools aiming to alleviate energy poverty.



Questions:

- What measures are in place to empower and protect people affected by energy poverty, vulnerable customers, low-income households, and, where relevant, people living in social housing?
- What financing tools are available for these groups: grants, subsidies, guarantees, soft loans, dedicated credit lines, or blended finance?
- Are the financial instruments tied to minimum energy savings or minimum renovation outcomes?

Article 25: Heating and cooling assessment and planning

Municipal heating and cooling plans should be prepared that consider the needs of local communities and the area-specific potential for energy efficiency measures. The role of energy communities in the implementation of heating and cooling projects should also be assessed in these plans.



Questions:

- Have municipal or local heating and cooling plans been prepared, or are they being prepared, in large municipalities (45,000+ inhabitants)?
- Do the plans reflect local community needs and area-specific energy-efficiency potential?
- Do the plans consider energy communities, local heating/cooling networks, waste heat, renewables, or district-level renovation?
- Are the plans linked to wider urban regeneration, district renovation, or neighbourhood approaches?
- What role do municipalities, citizens, housing associations and local energy communities play in implementation?

Updates on the Energy Performance of Buildings Directive implementation

Article 3: National Building Renovation Plans

Each Member State shall establish a national building renovation plan to ensure the renovation of the national stock of residential and non-residential buildings, both public and private, into a highly energy-efficient and decarbonised building stock by 2050, with the objective to transform existing buildings into zero-emission buildings.



Questions:

- What is the status of preparation of the National Building Renovation Plan (mainly for Hungary, as for Bulgaria and Lithuania the plans have been submitted)?
- How are energy poverty, vulnerable households, multi-family apartment buildings, and social housing reflected in the plan? How does the plan align with the Social Climate Plan?
- Does the plan include a neighbourhood or district approach to renovation?

Article 9: Minimum energy performance standards and national trajectory



Questions:

- How is your country identifying and prioritising the worst-performing buildings?
- What is the approach for multi-family apartment buildings, especially in worst-performing buildings and older housing stock?
- How will compliance be enforced, and which authority will be responsible?
- Are district-level or neighbourhood-based renovation programmes being used to help meet the trajectory?

Article 18: One-stop shops for energy performance of buildings

One-stop shops for the energy performance of buildings shall provide independent advice on the energy performance of buildings and may accompany integrated district renovation programmes.



Questions:

- Have one-stop shops for building renovation been established, piloted, or planned?
- Are they fully independent, and do they provide advice on energy performance, financing, permits, project preparation, and implementation?
- Do they actively support integrated district renovation programmes?
- Do they have a special service offer for multi-family apartment buildings, housing cooperatives, or homeowner associations?
- Do they have specific support for vulnerable households and people affected by energy poverty?
- Are they linked to municipal offices, social services, or local resource centres?

Updates on the Renewable Energy Directive implementation



Questions:

- What is the current status of transposition of the revised Renewable Energy Directive in your country, in particular regarding energy communities and citizen-led energy projects?
- Is there any national legislation regarding energy communities or citizen-led energy projects in your country?
- Are renewable energy communities or citizen-led energy projects being linked to renovation, district heating, or neighbourhood-scale projects?

Updates on the Social Climate Fund/Plan implementation

Elaboration of Social Climate Plans: they were supposed to be submitted by end of June 2025. The aim of the SCP is to address and mitigate the impact of carbon pricing on vulnerable households.



Questions:

- What is the status of your Social Climate Plan: submitted, under assessment, approved, revised, or still being prepared?
- Has there been a public consultation? Have municipalities, housing associations, civil society, consumer groups and vulnerable households participated in the public consultation?
- If the plan has not yet been submitted or approved, what is the internal timeline and remaining political process?
- How much of the plan is earmarked for building renovation, energy efficiency, and clean heating and cooling?
- What share is targeted at energy-poor or vulnerable households?
- How are multi-family apartment buildings addressed in the plan?
- Does the plan support neighbourhood-based or district-based renovation approaches?
- Are one-stop shops, local resource centres, or municipal support structures financed under the plan?



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