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Maintaining ambition on energy renovation: a key issue for ecological planning

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France's energy transition strategy places a premium on decarbonising its building stock by 2030 and beyond. However, the French government has recently announced a number of decisions—budget cuts, reform of support schemes and changes to the energy performance diagnosis system—that could undermine the encouraging but still fragile momentum generated in recent years by energy renovation and the structuring of the deep retrofit sector. Beyond the achievement of decarbonisation objectives, this setback could jeopardise a strategy aimed at reconciling ecological transition with value and job creation, energy sovereignty and resilience in the face of future crises.

Energy efficiency: objectives, investments and benefits

The French economic adage according to which the health of the building sector is an indicator of the health of the economy as a whole seems equally true when it comes to decarbonisation. The building sector accounts for over 40% of final energy consumption and [25% of France's carbon footprint](#), including the entire value chain from construction to use.

It is also the sector for which the pace of decarbonisation between now and 2030 must be by far the fastest, with the aim of halving greenhouse gas emissions between 2022 and 2030, according to the [planning published by the General Secretariat for Ecological Planning \(SGPE in French\)](#). Reaching this target would mean virtually phasing out fuel oil (-90% consumption) and halving fossil gas consumption in buildings within 8 years. A highly ambitious but achievable goal, provided that the strategic orientations are clarified and the resources deployed are commensurate with this objective, as shown in a [recent publication published by IDDRI](#).

This trajectory also implies an unprecedented acceleration in the number of energy-efficient and deep retrofits, from less than 100,000 per year today to 900,000 per year after 2030, according to the guidelines of the French energy and climate strategy. It also implies substantial additional investment requirements: according to the latest [panorama of climate financing published by I4CE](#), the target trajectory implies a doubling of investment in energy-efficient home renovation, to more than 30 billion euros a year (compared with 16.4 billion euros in 2022), with the bulk of the additional effort to be focused on deep retrofits.

Public subsidies (MaPrimeRénov and energy saving certificates (CEE)) currently account for a quarter of the total investment triggered in the energy renovation of private homes. By maintaining this ratio between public and private funds, this investment trajectory would therefore mean doubling the budget initially allocated to MaPrimeRénov for 2024 (4 billion euros, ultimately reduced to 3), while ensuring that aid is redirected towards large-scale renovations.^{[1](#)}

While much of the debate has focused on public spending lately, it is essential to also consider the many benefits of energy renovation policies^{[2](#)}, in terms of decarbonisation^{[3](#)}, the fight against energy poverty^{[4](#)}, energy security^{[5](#)}, public health^{[6](#)} and the creation of value and jobs.^{[7](#)}

A setback on means, strategy; also on ambition?

The budget cuts to energy renovation aids announced in February 2024 can therefore be questioned in light of these multiple benefits, and more broadly when considering the [body of studies identifying the macroeconomic impacts of energy efficiency policies](#): they seem to indicate that public renovation aids can produce a direct and rapid gain for public accounts, thanks to the additional economic activity and tax revenues generated.^{[8](#)}

Recent political announcements^{[9](#)} seem all the more worrying in that they are not only limited to a reduction in the resources allocated (down 1 billion euros for the MaPrimeRénov scheme), but also combine this with a setback on strategic orientations and political ambition, with in particular the announcement that the target of 200,000 deep retrofits by 2024 would not be reached.

This strategic U-turn raises important questions on both form and content. The sudden nature of the decisions marks a break with the method of co-construction and consultation with all stakeholders that has been successfully applied over the past year.^{[10](#)} And in terms of substance, the reasons put forward to explain this unexpected U-turn seem at least in part to ignore the debates and work that led to the reform of the support systems [presented in the summer of 2023](#), based on the work of the SGPE.

As a matter of fact, recent decisions have pointed to the **collapse of the 'single-gesture' market** to justify its newly-accepted eligibility (including for worst-performing properties), whereas the 2023 process had rightly focused on the

need to severely restrict support for single-gesture work in favor of large-scale renovations, to limit windfall effects and ensure that the results of the work meet expectations (in terms of improved comfort and lower energy bills for households, and reduced greenhouse gas emissions for public authorities). Against a backdrop of budgetary austerity, this return to single-gesture work also raises questions about the efficiency of public spending.

The **excessive "complexity" of the new scheme, which is focused on deep retrofits**, was also put forward as justification for a new "simplification shock". This may seem a surprising argument, given that this scheme had been [presented in October 2023](#) and implemented barely 6 weeks earlier, with no chance to prove its efficiency, or even to produce any feedback to support this argument. Yet it seems logical that a major reform should take time and require adaptation at all levels of the value chain before it can be implemented.

Thirdly, the **widespread provision of support for households by a certified third party** ("mon accompagnateur Rénov") was another essential element of the strategy announced in 2023 that could be under threat. This overlooks the fact that this desire for generalisation is in line with a fairly strong consensus on the need to address three major obstacles for households: the complexity of the technical and financial set-up process for the renovation project, the lack of confidence in the quality of the work carried out, and the [increasingly marked risks of fraud](#). As a result, it seems essential to increase the resources allocated to training and accreditation of renovators, rather than slowing down the nascent momentum.

Finally, why should this "simplification shock" be focused solely on the MaPrimeRénov scheme? As matter of fact, the Energy Savings Certificates (CEE) scheme mobilises an a priori more substantial financial budget (4 billion euros estimated for 2024¹¹) and is the [focus of just as many questions](#) related to its associated massive fraud, its potential development, and its objectives and targets.

Keeping up on the direction and ambition over the long term

Analysed in a broader perspective, this political sequence is part of a long list of political U-turns concerning energy renovation aid schemes, constantly being torn between the need—better understood than ever—to structure the market for deep retrofits with all its complexity on the one hand, and the temptation to rapidly mass-produce "single-gesture" work to achieve quick gains on the other, as analysed in detail in the [study published by IDDRI in 2022](#).

And these U-turns sometimes look like blind navigating through successive reforms, resulting in what the [2023 Senate commission](#) of inquiry denounced as "a public policy lacking consistency and legibility". This is one of the major challenges for ecological planning: maintaining a strategic course and supporting structural transformations, while resisting the temptation of cyclical turnarounds, which undermine the legibility and credibility of public action. The legitimate demands of industry players in difficult economic times should however not be ignored. But the political ambition behind the 2023 overhaul must be maintained, as events can sometimes lead to different solutions:

- the progressive reduction in single-gesture renovation activity was one of the intended effects of the initial reform, and does not necessarily call for a return to the old system; but it does require to do everything possible to get the deep retrofit market up and running as quickly as possible, as it offers an unparalleled potential market for professionals;
- the slowdown in new construction activity (which has been forecast for some time) means that a real strategy for the transition and training of professionals needs to be developed to meet the substantial needs in the renovation sector, a challenge that has also been clearly identified by the [SGPE's jobs and skills strategy](#);

- if the increase in the number of Rénov' advisors is identified as a hindrance to activity, everything must be done to speed it up through a "supply shock" capable of sustaining the momentum over the next few years; limiting third-party assistance and simplifying the system, on the other hand, runs the risk to generating even more potential fraud;
- and if households do not initiate enough comprehensive renovation projects following the reform of the system, the first step is to understand what adjustments would be needed to facilitate the move to action, rather than restoring the previous system, which had been—rightly so—criticised for its inefficiency and complexity.

Finally, this process must not overlook what has been the main strength of the French model of ecological transition, from the Grenelle de l'Environnement to the strategic processes conducted over the past year: i.e. a concerted effort based on a shared diagnosis and a willingness to co-construct decisions with all stakeholders.

1 It should be noted that, according to the [report on the State's financial effort in favor of energy-efficient renovation of buildings](#) (published as an appendix to the draft finance law for 2024), the overall public financing effort in favor of energy-efficient renovation amounts to 11.2 billion euros for 2024 (including 3 billion euros for MaPrimeRénov, compared with 4 billion initially forecast, as well as 4.6 billion for CEE, with the remainder corresponding to other aid programs as well as the cost of reduced VAT at 5.5%).

2 Benefits also include adapting to climate change (particularly during extreme heatwaves), combating building obsolescence and improving comfort for residents. For a more exhaustive overview of the challenges associated with housing renovation, see [IDDRI 2022 study](#) (p. 25).

3 In relative terms, the decarbonisation effort targeted for the building sector (-60% between 2019 and 2030) is much higher than that required for the economy as a whole (-38% over the same period). In absolute terms, the building sector is expected to account for 28% of the effort to reduce emissions (46 million tonnes of CO₂eq out of a total of 164), according to [data published by the SGPE](#).

4 According to the barometer of the National Observatory for Energy Poverty, ONPE), the rate of people reporting difficulties paying their energy bills doubled between 2019 (15%) and 2023 (31%), while 79% of households (compared with 30% in 2019) said they had restricted heating to avoid high bills.

5 [Iddri \(2002\)](#).

6 [MTE \(2022\)](#).

7 [SGPE \(2024\)](#).

8 See in particular the study by [Kronenberg et al. \(2012\)](#) on the Germany case study.

9 In detail, this political sequence involved 6 key stages:

- on February 12, [the first announcement](#) concerned the reform of the DPE (Energy Performance Diagnosis) for small homes, and the intention to reduce the conversion coefficient between primary and final energy, leading to at least 140,000 homes being taken directly out of the "worst-performing building" status;
- on February 14, the new Prime Minister declared an ["emergency for housing in France"](#), as well as a "supply shock" to increase the number of homes built each year by 30,000 over the next three years, without ever making the connection with renovation issues.
- on February 15, following a meeting with the French Building Federation (Fédération Française du Bâtiment, FFB) and the Confederation of Craft and Small Building Companies (Confédération de l'Artisanat et des Petites Entreprises du Bâtiment, CAPEB), the [Ministry of Ecological Transition announced a "simplification" of the renovation process](#), aimed at safeguarding aid for "single-gesture" work and limiting requirements for third-party support;
- on February 18, Bruno Le Maire announced savings of 1 billion euros on the MaPrimeRénov budget in 2024, therefore reduced from 4 to 3 billion euros (compared with 2.4 in 2023);
- on February 22, [Christophe Béchu, Minister for Ecological Transition and Territorial Cohesion, indicated that the target of 200,000 high-performance renovations by 2024 would not be met](#).
- Finally, on March 8, 2024, following the ["last chance appeal"](#) launched by professional federations, [the government specified simplification measures](#), ensuring in particular the eligibility of "single-gesture" work, including for worst-performing buildings, at least until the end of 2024.

10 2023 was particularly rich in work on energy renovation policies and strategies, including the [work of the SGPE](#), the [roadmap for decarbonising buildings](#), the [work of the Conseil national de la refondation](#), consultations ahead of the reform of the MaPrimeRénov scheme, the [Senate's commission of inquiry](#) into the effectiveness of energy renovation policies, and the [National Assembly's information mission](#).

11 See the [report on the State's financial effort in favor of the energy renovation of buildings](#) published as an appendix to the Finance Bill for 2024.