

The statement delivered by H.E. Mr. Ciprian Lucian Roșca, Deputy Minister of the Ministry of Regional Development and Public Administration, Romania, on the 68th session of the Economic Commission for Europe

- The Session no. 2: Towards the Circular Economy – Innovation Policies for Smart Cities -

[How innovation can support the different pillars of circular economy? What is the experience of Romania in developing circular economy for smart cities?]

Dear Mr. Hunziker and dear colleagues,

The innovation is the key-ingredient for any form of evolution. Moreover, the innovation is critical for the changes required by the circular economy.

In regard to the Romania's experience in developing circular economy, I have to admit that the concept of **circular economy** has been recently acknowledged in Romania, in the governmental documents and national policies (more precisely, since the Circular Economy Action Plan adopted by the European Commission in 2015) even if the practice in the planning and implementation of activities related to consumption and production with limited environmental externalities happen for years, within the transition from the linear economy to more sustainable economic mechanisms.

As I participate in this event as representative of the Romanian Ministry of Regional Development and Public Administration, which is the Romanian authority for urban and territorial planning and development and for constructions as well, I would like to focus my speech on **the case of energy efficient buildings**.

Romania has implemented the **EU Energy Efficiency Directive** in the national legislation and, like any of the EU Member States, has the obligation to ensure that 3 % of the total floor area of heated and/or cooled buildings owned and occupied by the central government is renovated each year to meet at least the minimum energy performance requirements. *Up to the present time, Romania has completely fulfilled its obligation and even more.*

In 2018, Romania succeeded to **renovate about 9%** of the total floor area of heated and/or cooled buildings owned and occupied by the central government, calculated on the total floor area of buildings with a total useful floor area over 250 sqm.

In regard to the **EU Directive on the energy performance of buildings**, the Romanian Government is currently working on the elaboration of the

methodology framework for calculating cost-optimal levels of minimum energy performance requirements and on the upgrading of the national plan for increasing the number of **nearly zero- energy buildings**.

Starting with the first day of this year, all new buildings occupied and owned by public authorities must be nearly zero-energy buildings and, **from 2021, all new buildings must be nearly zero- energy buildings**.

In order to achieve these targets, the Romanian Government helps the local communities with grants from the national funding programs:

- The **National Program for increasing the energy performance of multi-family housing estates** (blocks of flats) built between 1950 and 1990. The funds required for the refurbishment works of any building are allocated: minimum 10% by the owners, maximum 30% by the local government and 60% by the central government. About 72% of the dwellings in the urban areas are located in blocks of flats and about 90% of the inhabitants own their apartments.
- The **National Program "Green House Plus"**, for private persons and local authorities. The grant covers up to 90% of the construction works, for new houses, or of the refurbishment works, for increasing the energy efficiency of existing houses. The funding conditions require the use of organic or natural energy efficient materials and the use of renewable energy systems (solar, wind or geothermal energy). The expected energy saving amount is substantial, as the total number of one-family houses is about 61% of the housing stock in Romania, and 95% of them are in the rural areas.
- The **Green Mortgage Program**, supported by the Romanian Green Building Council, provides discounted mortgage pricing available to suitably-qualified, prospective home buyers interested in buying a home or apartment subject to guidelines related to superior energy efficiency and environmental considerations. It applies only for buildings certified within the Green Homes program.

These programs and various other funding programs are partially supported from EU funds.

In 2017, about 40 real estate projects received green certificates. At this time, obtaining LEED (*Leadership in Energy and Environmental Design*) or BREEAM (*Building Research Establishment Environmental Assessment Method*) certification has become a practice in the segment of office buildings and large shopping centers.

The Romanian real estate market has grown significantly in the last years in terms of sustainability. In 2018, **Romania's performance in the field of energy efficiency was at the same level with other Eastern Europe countries**, as the

Czech Republic, Slovakia, Poland or Hungary, but the market forecasts a shift towards a higher level of sustainability. For example, **about half of the 2.3 million sqm of existing office space in Bucharest received green certification**, compared to only a third of the office inventory in Prague and Budapest. By the end of the last year, the total amount of the green buildings in the first 3 largest cities in Romania (Bucharest, Cluj-Napoca and Timisoara) reached about 3 million sqm.

In conclusion, Romania already implements the procedures for green buildings certification, not only in the largest cities, considered to be smart cities, but also in other cities. The availability of energy efficient construction materials, technologies and solutions has significantly broadened in the last years. The governmental funding programs for energy efficiency projects are in line with the latest upgrading of the quality system in construction and with the number and capability of the **certified energy auditors** to assess the real estates and issue energy performance certificates. In this respect we are on the preparatory process to elaborate the guidelines for energy efficiency buildings and we want to underline the importance of the **Framework guidelines for energy efficiency standards in buildings of the UNECE Committee for Sustainable Energy**.

Furthermore, the Romanian government aims to foster the development of the sector of constructions, including the green building developments, by upgrading the legal and regulatory framework on planning, permitting and construction works through the **Planning and Construction Code**, which is currently in work and will be launched in 2021.

Thank you!

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The innovation is the key-ingredient for any form of evolution. Moreover, the innovation is critical for the changes required by the circular economy, as the shifting from the consumption and waste of primary and non-renewable sources of energy to a closed-loop process of consumption, where every waste can be recycled and transformed in resources, with almost zero energy consumption. In regard to the pillars of the circular economy, the innovation fosters sustainability and opens up the wide range of **opportunities to transform the economy by creating new and more sustainable competitive advantages**. We are talking about innovation in the recycling of materials, in designing more efficient ways for the preservation of the biodiversity or of the cultural heritage, also in designing new technologies that support the human activities in a healthier way. But innovation is a matter of governance too, and I think that the national policies, the governmental programs for funding or social assistance, the norms and regulations – all these are subject to a **more creative governance** in charge with the sustainable progress of the circular economy.

However, as the notion of circular economy is not well defined and is used as a an "umbrella" concept associated with various terms, like *green economy* or *green growth*, *sustainable development*, *zero waste*, *industrial ecology*, a.s.o., and differs from one country to another depending on the specific regulations, services or industries

The matters that occur as mandatory in the transition from the linear economy to the circular economy include, among others, the amendment of the legal and regulatory framework and the development of specific funding mechanisms in order to stimulate the demand for goods and services with limited consumption and waste of primary and non-renewable sources of energy.

Thank you!