Global Sustainable Buildings Guide - China

Incentives for Green Retrofit

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# Are there any government-funded or sponsored schemes for improving the energy efficiency of existing buildings and, broadly, how do they work?

\* Full list of cited regulations at the end of this chapter.

Improving the energy efficiency of existing buildings is increasingly becoming a significant part of China’s energy conservation, carbon peaking and carbon neutrality plan. China has established various financial support plans and subsidy funds for specific improvements, such as the following:

In 2014, China consolidated several special funds and established the **Subsidy Fund for Affordable Housing Projects in Urban Areas**. Among other things, this subsidy fund supports energy conservation renovations of existing old residential buildings. Specifically, local authorities are required to improve the energy efficiency of existing buildings in the northern heating area. The northern heating area in China covers 15 municipalities and provinces in Northern China that need heating systems in winter.
In 2022, the central government allocated approximately CNY 30 billion to support renovations of old residential buildings, including improving their energy efficiency.

In 2015, to promote energy conservation, reduce carbon emissions and enhance energy efficiency, China established the **Subsidy Fund for Energy Conservation and Carbon Emission Reduction**.

In November 2023, the State Council issued the Carbon Peaking Pilot Scheme\*. Under this scheme, 100 cities or areas will be selected to implement various measures to reach carbon peaking, with the initial phase covering 15 cities. Among other things, the major tasks for the pilot cities include improving energy conservation in new buildings, and promoting energy conservation renovation of existing buildings and green construction methods.

Local authorities have also rolled out various financial incentives for improving the energy efficiency of existing buildings:

In January 2021, Shenzhen established the **Special Fund for Green Innovative Development in the Field of Engineering and Construction**. Among other things, the special fund supports green renovation and energy conservation renovation of existing buildings. In 2024, Shenzhen announced that it plans to allocate CNY 4.16 million for energy conservation renovation of existing buildings in the next two years.

In June 2023, Beijing established the **Incentive Fund for Green Building Development**. The incentive fund provides financial incentives for energy conservation renovation of public and other existing buildings.
For public buildings, the energy conservation renovation must have a minimum energy conservation rate of 15% for ordinary public buildings and a minimum energy conservation rate of 20% for large-scale public buildings. The amount of the cash incentive is up to CNY 20 per square meter based on the approved building area and should not exceed 30% of the total renovation cost.
For energy conservation renovation of other existing buildings, it should attain at least a 2-Star rating under the Green Renovation of Existing Buildings Evaluation Standard\* or the comparable local standard in Beijing. The amount of the cash incentive is up to CNY 60 per square meter based on the implemented construction area and should not exceed CNY 6 million.

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