

EBRD-ECS (REEP Plus) Guidelines for Putting Building Renovation Strategies Into Action

Energy Efficiency Coordination Group

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2. **What** are some of the key considerations for moving from strategy development to (effective) implementation?

1 Why develop guidelines on implementing BRSs?



The obligation: the Contracting Parties were required to submit their BRSs under the revised EPBD prescription by 10 March 2023

Article 2a (EPBD 2010/31/EU, as amended by decision 2021/14/MC of the Ministerial Council of the EnC)

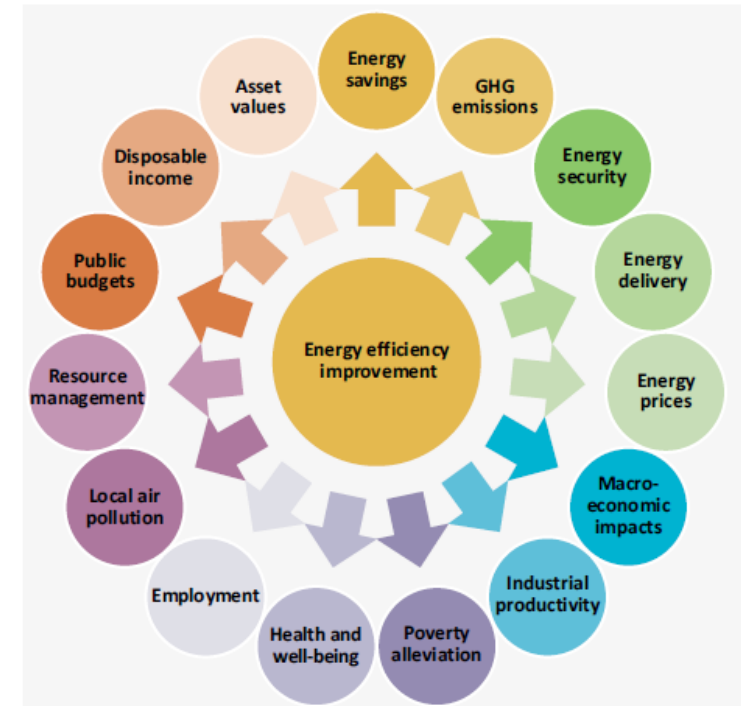
- ▶ **Renovation of all building types** so that they are highly energy efficient and decarbonised by 2050
- ▶ **Strengthened provisions** for the scope of the plans
 - Trigger points
 - Targeting of all public and worst performing buildings
 - Alleviation of poverty
- ▶ Must contain a roadmap with measures and progress indicators, with a view to the long-term 2050 goal of **reducing greenhouse gas emissions in the EnC by 80-95%** compared to 1990

- ▶ **No known precedent** for a strategy in the built environment of the **scope and ambition** required by EPBD Article 2a
- ▶ With BRSs being finalised, **attention must shift to implementation**
- ▶ A strategy alone is not sufficient – meeting the strategy's goals depends on **effective execution**

The rationale: if energy and emissions in the built environment are not radically reduced, decarbonisation goals will not be met...

- ▶ In the EU context
 - To achieve the 55% emission reduction target by 2030, the EU should **reduce buildings' greenhouse gas emissions by 60%**
- ▶ But, at the same time, the current energy renovation rate is estimated at only about 1% per year
- ▶ Hence, the need for a **Renovation Wave Revolution** that requires both the pace (~3% per year) and depth (>60% energy savings) of renovation to increase at an unprecedented rate and level

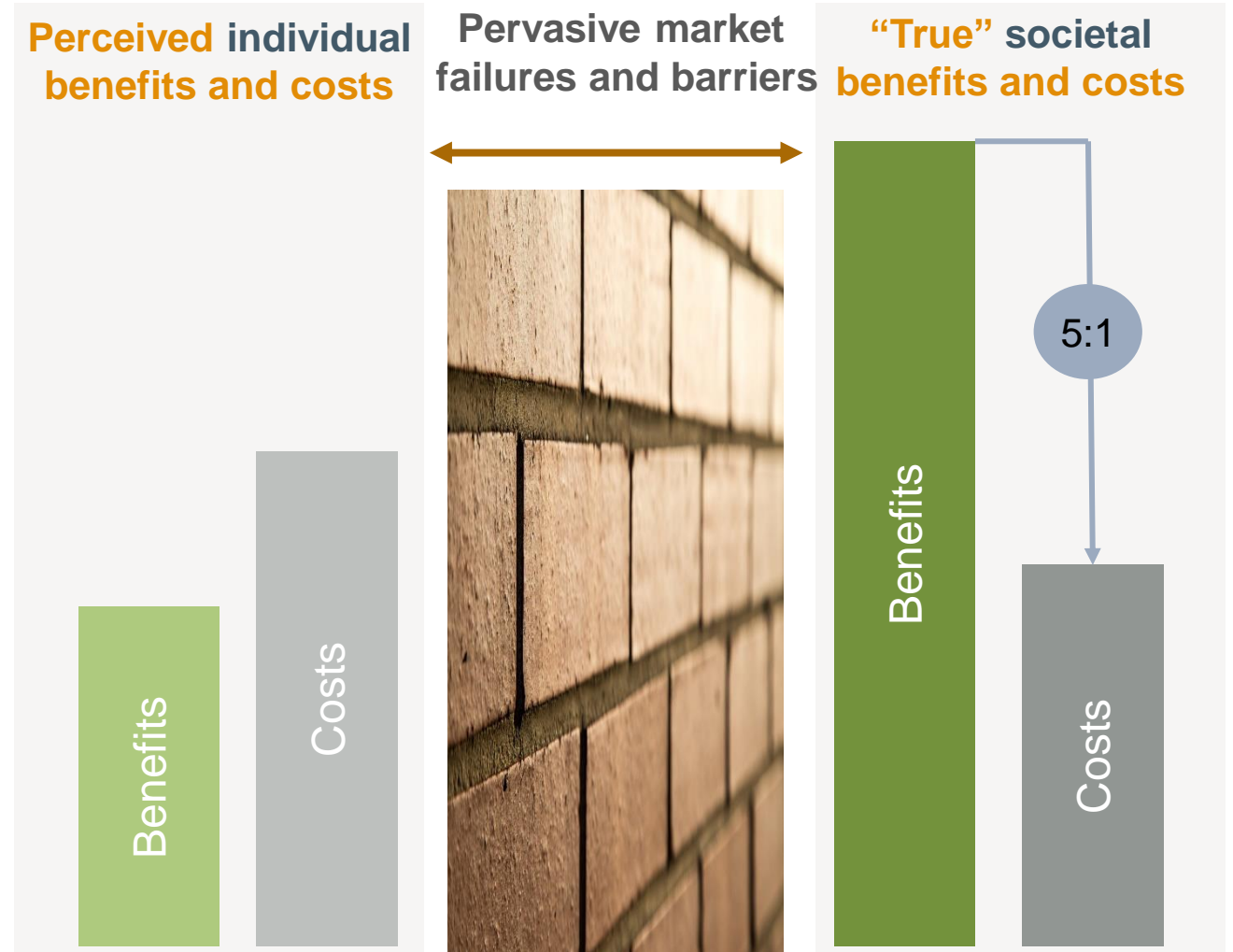
...and widespread economic, environmental and societal benefits will be foregone



Source: International Energy Agency (2014),
Capturing the Multiple Benefits of Energy Efficiency

The need: there is a large gap between perceived individual and holistic societal benefits that must be plugged by policy/regulation

- ▶ The decision to renovate is always an individual one, but various **market failures and barriers distort the cost-benefit calculus**, for example
 - Split incentives (landlords vs tenants)
 - Insufficient information
 - High transaction costs
- ▶ Many of these barriers apply throughout the renovation value chain and therefore require a **coordinated set of remedies** to address and overcome them

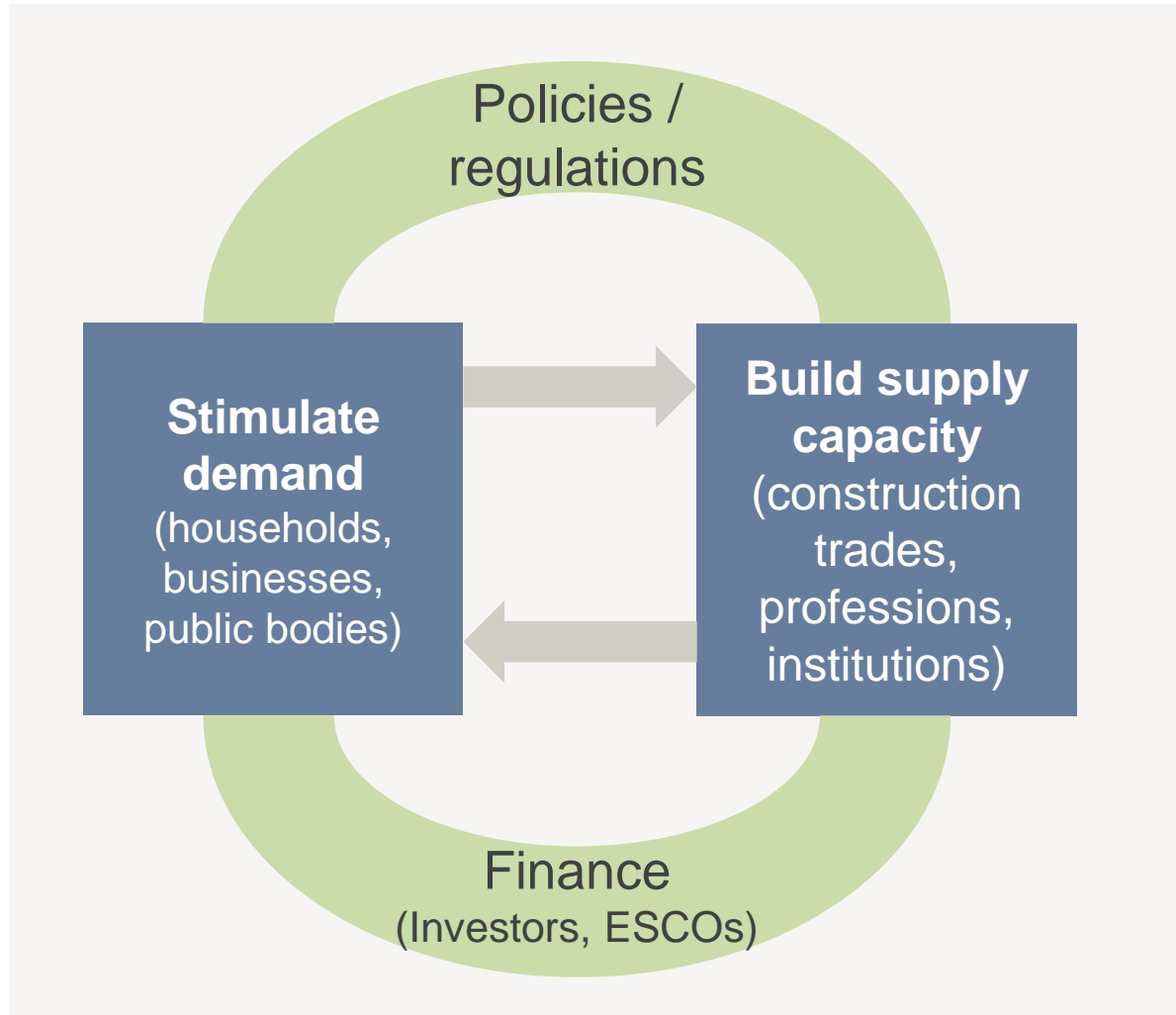


2

Key considerations for moving from BRS development to (effective) implementation



The fundamental challenge is to **stimulate** a step change in demand and **match** it with delivery capacity by effectively **executing** the BRS



BRS Implementation
(Orchestra of instruments and players to activate the market)

Establish a standing commission or taskforce to oversee BRS delivery



BRS implementation should focus on **six key tasks**, which seek to ensure speedy, inclusive and proactive delivery and refinement

1

Devise action plans

- **Individual action plans** with **targets** and **timelines**
- Allocate **budgets** and **responsibilities**
- Focus on different **market segments**
- Involve **regional and local authorities** to tailor the measures
- Detail how **financing needs** will be met (at least until 2030)

2

Engage stakeholders

- Stakeholder **engagement throughout**
- Seek **inclusiveness** and consider establishing **sub-working groups**
- Ensure **roles and responsibilities** are understood (enablers, deliverers, influencers)
- Promote **collaboration** and **consensus** building
- Coordinate with **other policy dimensions**

3

Sell the case

- **Publish** the BRS
- **Raise awareness and garner support** for the strategy
- Showcase the **wider environmental and societal benefits**
- **Develop targeted messaging** and campaigns for the different stakeholder groups

4

Close data gaps

- **Resolve data gaps** regarding **building typologies**, the cost of EE interventions, and the **wider environmental and social benefits**
- Collect data (including through **research**) needed for planning and prioritising **future renovation opportunities** and activities

5

Create momentum

- Seek **early wins**
- Specific actions for **publicly managed buildings**, thereby demonstrating **leadership**
- Start immediately with **priority actions** centred on key barriers ([see below](#))


6

Monitor and review

- **Periodic monitoring** and review in each **market segment**
- **Long-term evolution** and delivery of the strategy
- **Independent committee** to monitor and report progress
- Develop standardised and **streamlined indicators**

A key immediate focus for CPs should be tackling the barriers to achieving **early phase renovation delivery** on a **pathway to scale**

1. **Legislative and regulatory barriers**
2. **Institutional barriers**
3. **Technical barriers**
4. **Fiscal and financial barriers**
5. **Informational barriers**

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1. Close regulatory gaps and develop a favourable legal and regulatory framework
 2. Strengthen institutional capacity to ensure the efficient management and operation of the energy efficiency sector
 3. Ensure sufficient capacity building and development for construction industry professionals, workforce and suppliers
 4. Review the options for upscaled and innovative financial mechanisms for funding energy efficiency schemes
 5. Maintain an ongoing campaign directed at building awareness and confidence among all market sectors and players

Thank you for your attention and.....



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