BUILDING RENOVATION STRATEGIES UNDER THE SPOTLIGHT

DELIVERING THE ENERGY EFFICIENCY DIRECTIVE ARTICLE 4 - SURVEY-BASED RECOMMENDATIONS

Authors
Dan Staniaszek
Jonathan Volt

BPIE review and editing team
Oliver Rapf
Mariangiola Fabbri
Roberta D'Angiolella
Marine Faber
Cosmina Marian

Graphic design
Roberta D'Angiolella

Acknowledgement
BPIE would like to thank all the interviewees for taking time and sharing their knowledge to contribute to this important study. We would in particular like to thank the many partners in the BUILD UPON Horizon 2020 project (http://buildupon.eu/), across a number of Member States, who provided insightful comments based on ongoing interaction with stakeholder groups in their respective countries.

Published in September 2016 by the Buildings Performance Institute Europe (BPIE).

The Buildings Performance Institute Europe is a European not-for-profit think-tank with a focus on independent analysis and knowledge dissemination, supporting evidence-based policy making in the field of energy performance in buildings. It delivers policy analysis, policy advice and implementation support. www.bpie.eu

ISBN: 9789491143168

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EXECUTIVE SUMMARY

The objective of national building renovation strategies, as required by Article 4 of the Energy Efficiency Directive, is to establish long-term confidence in the market, spur investments and increase the renovation rate in the EU. While initial strategies (published in 2014-15) were a first step, Member States are required to develop a second and updated version by April 2017. Based on qualitative interviews with actors from different sectors, this report finds that more comprehensive action is needed for the EU and its Member States to ensure an effective renovation of the European building stock.

During the summer of 2016, BPIE interviewed 69 stakeholders from 12 EU Member States with a view to gaining a perspective on what has been achieved so far since 2014 in implementing building renovation strategies, and to get an idea of what can be expected for the second version of the strategies. Views were sought on a range of topics, including action on tackling barriers, legislative measures, engagement with stakeholders and introduction of financing schemes and other support measures.

The findings revealed a sharp divergence of opinion between governmental actors (governments and energy agencies), who generally felt that the implementation of the existing strategy and the preparation for the next one was going well, and non-governmental actors – industry, NGOs, and research institutes, who generally held a much more sceptical view. On questions regarding "implementation of the current strategy", the scores for governmental actors were in average 3.79 out of 5 (i.e. the best score), compared to just 2.72 for other respondents. Similarly, on "preparation for the strategy update", the scores were in average 3.70 compared to 2.64. It is clear that this mismatch in perspective leads to serious shortcomings in the strategy development and implementation processes, and needs to be resolved as a matter of urgency if the scope for a cost-effective renovation of Europe's building stock is to be realised.

Accordingly, governments and those involved in the strategy development process are encouraged to consider the following recommendations:

1. While there is no official requirement for Member States to respond to the Joint Research Centre's (JRC) findings on their national renovation strategy, governments should deeply reflect on the assessment and also take into account the overall learning process that has been witnessed throughout the EU-28 in this important, yet under-prioritised policy area .

2. With little time left until the submission deadline for the second version of the strategies, due in April 2017, now is the time to influence the strategy development process, and take on board the lessons from the first round.

3. Stakeholders have a lot to offer, and seem willing to support governments to ensure that strategies are effective. Where there are currently no stakeholder forums, governments should establish these as a matter of urgency.

4. Governments should identify comprehensive solutions to issues holding back the renovation market as a priority area for legislation and regulation or take other appropriate action.

5. Whilst there has been some progress on financing schemes, they lack a clear framework and do not give the long-term market confidence signals that investors require.

6. In parallel with finance, integrated support measures such as one-stop-shop programmes and quality frameworks need to be developed in order to increase the quality and quantity of renovations.

INTRODUCTION

This introductory chapter consists of two short sections. The first presents a brief background on previous assessments of national building renovation strategies. The second part describes the methodological approach, including how this report was conducted, countries included in the study, themes covered, and how the survey results are presented.

ASSESSING NATIONAL BUILDING RENOVATION STRATEGIES

In 2015, BPIE published the first ever assessment of a selection of ten national building renovation strategies[1] pursuant to Article 4 of the Energy Efficiency Directive (EED) and part of the National Energy Efficiency Action Plans (NEEAP). The study was later extended[2] in 2015 to encompass 18 Member States. The results made sober reading:

- Only 5 out of 18 strategies were deemed fully compliant with Article 4 requirements;
- 8 strategies were partially compliant, with shortcomings in one or more of the five sections of Article 4;
- 5 strategies fundamentally did not meet the basic requirements of the Directive.

BPIE's assessment concluded that no Member State had set out a clear, strategic path for the renovation of national building stocks. There was a lack of bold, determined action on the part of Member States that could be expected to lead to a significant upturn in renovation activity. Whilst some mentioned their long-term climate goals, such as greenhouse gas reduction, none of the strategies gave an adequate outlook of the evolution of the building sector in the medium- to long-term; rather, the focus was very much on near-term actions.

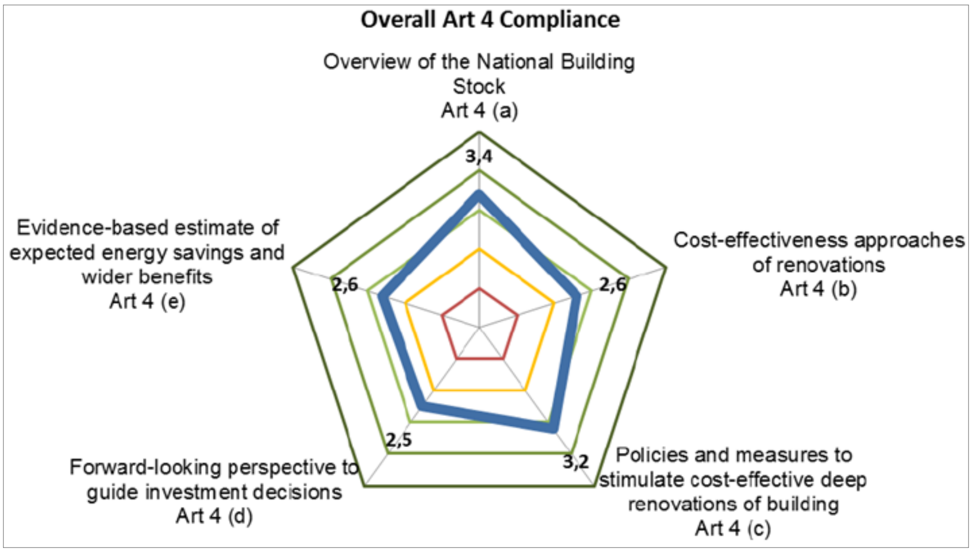
Subsequently, the Joint Research Centre (JRC) of the European Commission published its assessment of 31 strategies earlier this year[3]. The report covered 27 national renovation strategies, the three separate strategies covering Belgium's regions, as well as Gibraltar. The JRC used the same scoring methodology as the one developed by BPIE, and the resulting scores matched BPIE's earlier results quite closely. However, the JRC's "pass mark" criteria were somewhat more generous than BPIE's, resulting in 23 out of 31 strategies being considered "fully" or "almost fully" compliant.

[1]BPIE (2015) http://bpie.eu/publication/renovation-strategies-of-selected-eu-countries/

[2]BPIE (2015) http://bpie.eu/news/eceee-summer-study/

[3]JRC (2016) https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/synthesis-report-assessment-member-states-building-renovation-strategies

The JRC's result pentagon[4] below illustrates the average scores for all EU Member States as concluded by their assessment. As with BPIE's assessment, the highest score was achieved for the section on categorising the building stock, and the lowest was for the essential forward-looking perspective to guide investment decisions.



METHODOLOGY AND PRESENTATION OF RESULTS

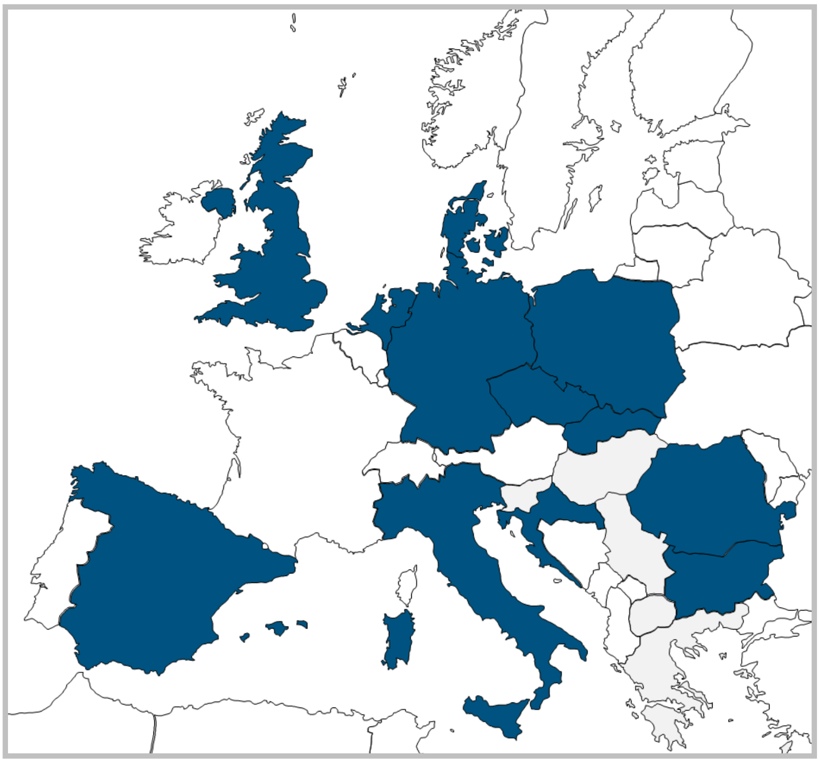
With only a few months left until Member States are required to publish the next iteration of their national renovation strategies (by April 2017), BPIE undertook a review of progress regarding the implementation of existing strategies, and the state of play in the development of the next versions. Research was conducted through a series of 69 qualitative interviews with stakeholders in 12 Member States representing five broad stakeholder categories.

- Governments or related agencies
- Research institutes
- Industry
- NGOs
- Energy agencies

The 12 countries were carefully selected based on their geographical location and size, with the aim of having a representative mixture. Six countries were chosen from older Member States, and six from newer Member States that have joined the EU since 2004.

[4] IBID – See above JRC reference.

Bulgaria
Croatia
Czech Republic
Denmark
Germany
Italy
The Netherlands
Poland
Romania
Slovakia
Spain
United Kingdom



With the objective to retrieve forthright answers, the survey was conducted with a promise of anonymity. The purpose of this exercise was not to “name and shame” different Member States, but rather to give a representative indication of the state of play. Therefore, no grading or comparison between the target countries have been made.

The interviews were held around a series of 11 questions (see Annex 1) which sought to probe the actual situation in each country, from a variety of perspectives. Interviews, nearly all of which were held by phone, web calls or in person, lasted between 15 and 70 minutes. The three themes covered were:

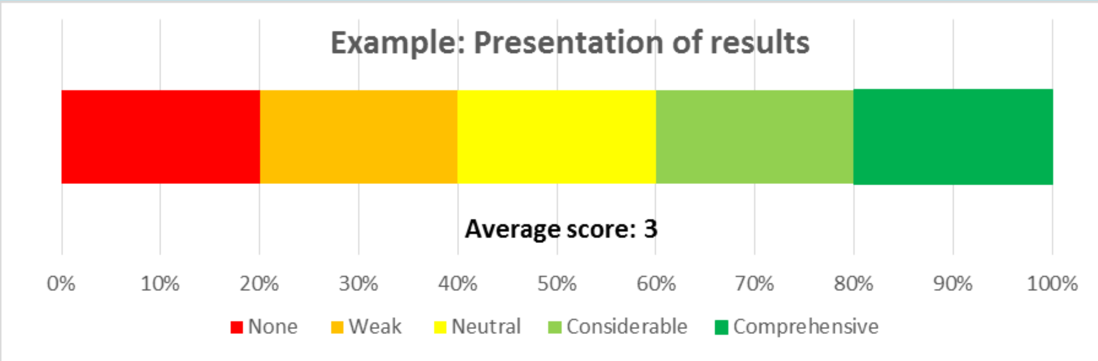
1. Progress with implementing the current renovation strategy;
2. Preparation for the second strategy due in April 2017;
3. Commenting the JRC’s assessment of the National Building Renovation Strategies.

Each question is discussed in the following sections.

SCORING METHODOLOGY AND PRESENTATION OF RESULTS

For each question, a score of 1 to 5 was applied, where, according to the question, “1” represented none or no action, while “5” represented a comprehensive or fully implemented action. The results were then aggregated to give an overall score, presented in the form of a bar, such as that illustrated below, where the red colour to the left shows the percentage of respondents answering “1” to a particular question, orange = “2”, yellow = “3”, light green = “4” and dark green to the right = “5”. The weighted average score is also provided numerically. Given that the mid-point of the 1-5 range is 3, any average score below this figure represents essentially a negative response to the question, thus the lower the score, the more negative the sentiment.

In the example below the answers have been perfectly equally distributed among the five grades, with the average score then being 3.



PROGRESS WITH IMPLEMENTING THE CURRENT RENOVATION STRATEGY

In order to assess progress with implementing the current renovation strategy, five topical areas were explored: legislative measures, financial schemes, barriers to renovation, support measures and stakeholder involvement in implementing the current renovation strategy. The results are presented in the following paragraphs.

Q1. Have legislative measures been enacted in order to implement the renovation strategy issues since 2014?

On the first question, most respondents replied that some action has been taken, but only a minority (12%) perceived the action as "comprehensive". Where legislative measures, such as new laws and revision of existing ones, have been implemented, they were largely viewed to be in accordance with the ones outlined in the national building renovation strategy.

Several respondents thought the most pressing problem was not the laws themselves, but rather the effectiveness of the laws in place. This ranged from the ambition level of the law and governance problems to issues of compliance. Some respondents suggested that a better "follow-up process" to continuously improve the measures' effectiveness was needed.

Common quotes on legislative measures

"Legislation on paper is quite good, trouble is with compliance and enforcement."

"No additional laws needed. It is the content of the laws – it is not ambitious enough."

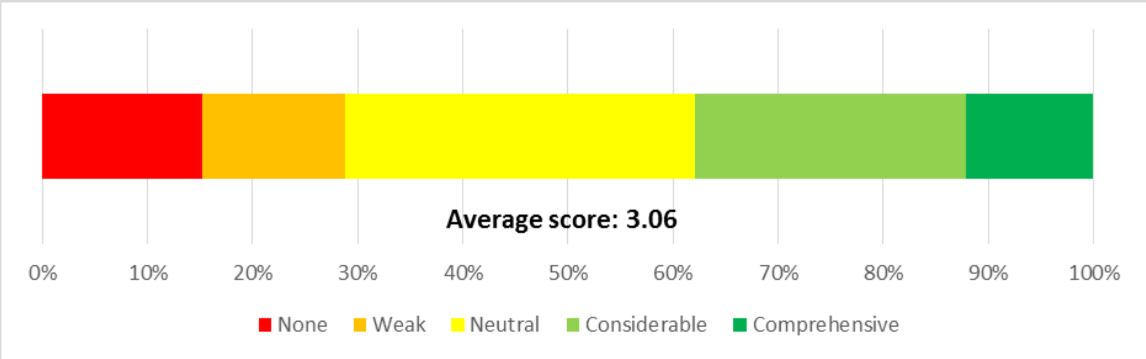
"The real problem is that there is no follow up!"

The general view among most respondents was that legislative measures should - to a greater degree - support deep renovation of the building stock. It was pointed out that inadequate renovation of buildings is a missed opportunity and risks giving renovation a negative public reputation. Some respondents saw badly designed tendering/procurement processes primarily benefiting lowest-cost bids, as a key reason for a low quality renovation process.

A notable difference was seen between governmental actors, who felt that they have implemented almost everything they had intended, and non-governmental actors who perceived it differently. 71% of governmental interviewees gave this question a “4” or a “5” (i.e. action taken has been considerable or comprehensive), while only 34% of non-governmental actors did the same (see page 24).

The overall result is summarised below.

Figure 1 - Have legislative measures been enacted in order to implement the renovation strategy issues since 2014?



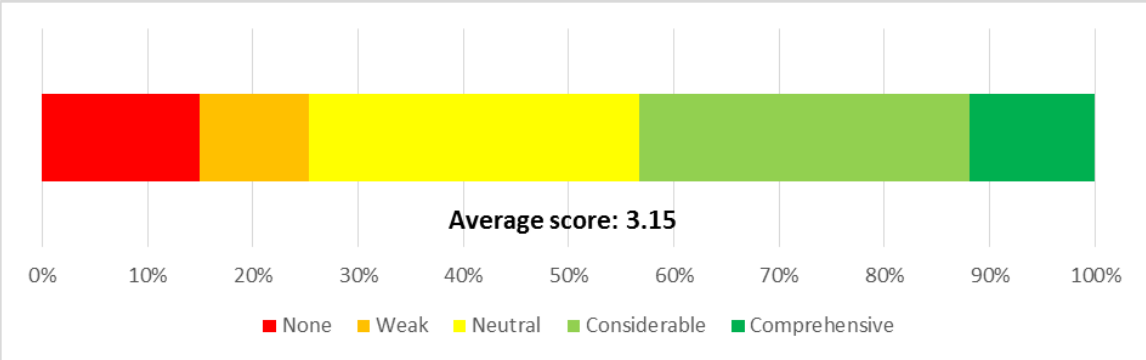
Key messages

- Legislative measures should, to a greater degree, support deep renovation of the building stock.
- Optimise the effectiveness of measures taken through good design, stakeholder involvement and a follow-up process.

Q2. Have new or amended financial support schemes been introduced since 2014 supporting renovation of the building stock (or certain parts of it)?

Financial support schemes are an important enabler to stimulate investments in (deep) renovation projects. This view was reiterated by many respondents from all Member States. Most of the respondents also agreed that some actions have been taken to improve the financial situation. As a result, this question received the highest aggregated score in the first section of the survey.

Figure 2 - Have new or amended financial support schemes been introduced since 2014 supporting renovation of the building stock (or certain parts of it)?



That said, many respondents were concerned about the effectiveness and design of the financial schemes in place. One respondent highlighted the *"problem with too much fragmentation and lack of coordination"* when describing the different schemes in place – similar statements recurred in several interviews. A related problem often mentioned is that different ministries are responsible for different grants/schemes and there is no effective coordination between them. As one respondent put it, *"they [referring to the authorities] do one thing with the left hand and contradict it with the right one."*

Common quotes on financial support measures

"It doesn't work as good as we would like it to."

"No new financial schemes or initiatives to push renovation."

"A big amount of public money accessible but the design is not good enough."

A related issue in many countries is the time-consuming processes and bureaucracy of developing and applying for funding, which has a negative impact on the effectiveness of schemes. Another problem raised was the short-term design of many financial support schemes, making it hard for building owners and investors to make long-term commitments. Supporting this view, there was a clear desire among respondents to see a clear roadmap for investment, as called for in Article 4.

It should be noted that respondents from Member States eligible for EU structural funds generally view their government's actions on financial support schemes more positively.

Key messages

- Create more effective financial support schemes, through better coordination, research, follow up and stakeholder involvement.
- Alleviate uncertainties in the market with long-term and steady subsidy schemes.

Q3. Has action been taken since 2014 to remove barriers to renovation?

While most respondents agree that some action has been taken to remove barriers, most also agree that a lot of hurdles are still present. The two biggest mentioned were finance and awareness/knowledge, but numerous other barriers were also cited. Respondents said that governments have not been effective enough in finding holistic solutions that address the hindrances holding back the implementation of cost-effective opportunities.

The **financial barrier** is, unsurprisingly, the most commonly mentioned one. Respondents' answers related to this barrier can be divided into three sub-barriers:

- **Fiscal constraints** are a problem for most countries. To overcome this, Member States could factor in the quantifiable wider benefits in terms of economic impact, societal benefits, and environmental improvements.
- **Lack of incentives**, or inadequate financial incentives, was another barrier frequently mentioned. Schemes were not sufficiently geared towards leveraging private investments and there was generally a lack of "reliable business models".
- The third sub-barrier refers to the **regulatory framework**. Many of the subsidies and schemes in place are too short-sighted and diffuse.

Common quotes on the financial barrier

"There is no public money available."

"We must have better economic incentives in place to push renovation."

"We would need a bigger involvement from the banks – interest on green loans is too high."

"Biggest barrier is the lack of reliable business models. Too big economic risk due to uncertainties of what future legislations will look like."

The second biggest barrier according to the respondents was **knowledge/awareness**, which manifests itself in two main areas:

- **Skills in the supply chain** were described as "a bottleneck", especially for deeper (nZEB) renovations. Respondents reiterated the "*limited knowledge of people doing the renovation*" and that "*more training is always needed*". The level of skills and the perception of the problem differ among countries. But, where needed, a number of stakeholders are involved with different skill-improving programmes.

- **Awareness among the public** of the benefits related to renovation <u>and</u> of how to implement a renovation project was perceived as a major problem. Many respondents proposed the set-up of 'one-stop-shops' (i.e. a service where building owners and investors can find all the required information) to improve the availability and feasibility of renovation.

<u>Common quotes on the knowledge/awareness barrier</u>

"More training is definitely needed at all levels."

"We must find a way to activate home-owners' demand for energy efficiency."

"Media and public uninterested in renovation. – Can be solved through campaigns and roadmaps."

"One-stop-shop would be a very good idea."

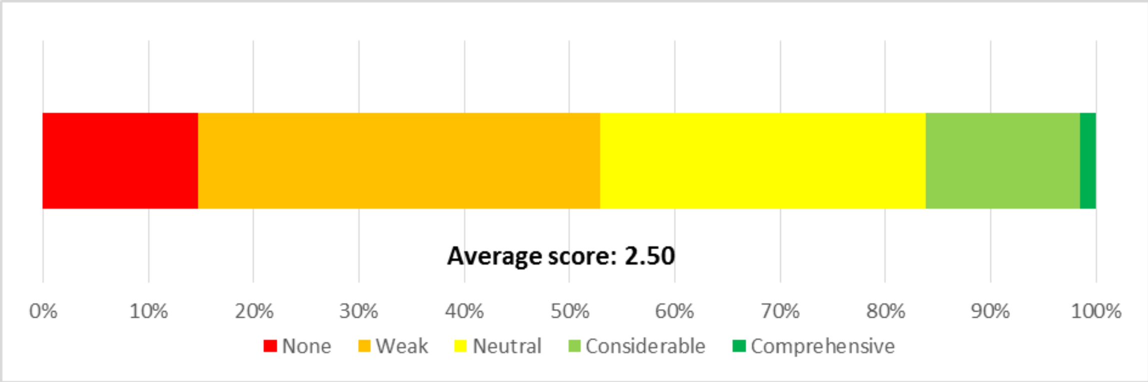
Other barriers frequently mentioned were:

- **High administrative costs and bureaucracy** reducing the incentive and motivation for building owners to renovate.
- **Legal framework** was, in several countries, described as an obstacle to investments and renovation because of "*too much complexity and hassle*".
- **Quality of data** – some countries have a problem with the unprofessional nature of some certifiers, which has caused reputational issues. - "*EPC implementation must be improved. We do not know how reliable the data is*".
- **Public procurement -** "*Contracts must be better designed - they should include more criteria than just price*".
- **Skepticism -** in some countries, renovation suffers from a "*bad reputation*", due to experiences of low quality and costly investments.
- **Split incentives** between landlord and tenants were also described as a big obstacle in many markets.

Stakeholders generally want to play a role in effectively identifying solutions to remove barriers to building renovation. More forums, where a positive dialogue between different stakeholders can be held on allocating problems and finding solutions, should be encouraged.

As can be seen in the chart, most respondents (84%) considered the action taken as "nil", "little" or "average". Worryingly, only one respondent perceived the action against barriers as "comprehensive".

Figure 3 - Has action been taken since 2014 to remove barriers to renovation?



Key messages

- Governments should improve coordination among actors and different measures to effectively address interrelated barriers in a systematic manner.

Q4. Have support measures been introduced or strengthened since 2014 supporting renovation of the building stock?

Policies and support measures can only achieve their objectives if they are geared towards the needs, desires and motivations of building owners. Many governments have been active with campaigns to raise awareness on building renovation, but effects are mostly perceived as "limited". Only 7% of the respondents viewed their government's action on support measures as comprehensive.

Improving the competence level is seen by most respondents as a critical tool to enhance the quality of the renovation process. This is also an area where respondents highlight many efforts taken at different levels, both by the public and private sectors.

Many countries have conducted information campaigns aimed at the general public, though non-governmental actors question the effectiveness of these campaigns. Some respondents want to see a new narrative around renovation, focusing more on the social and environmental benefits with the aim of alleviating possible negative connotations.

Common quotes on support measures

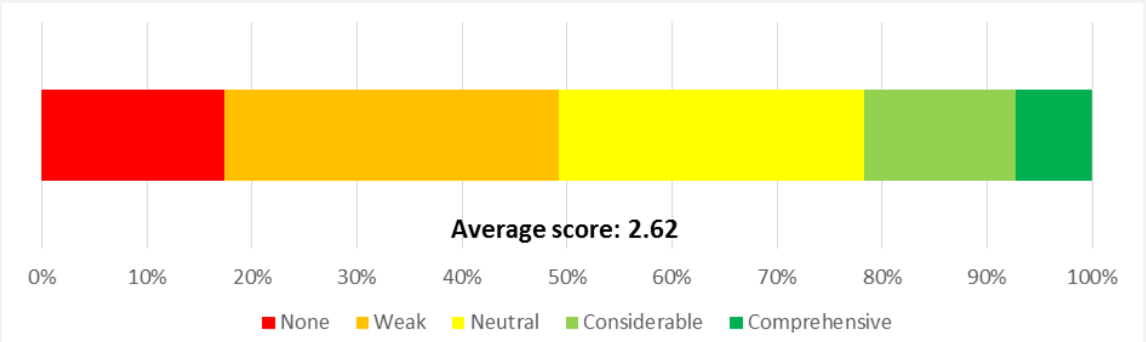
"We need to promote success cases."

"Campaigns have been short-lived and not very effective."

"We need a new narrative for building renovation."

The chart illustrates the mediocre score on actions related to support measures since 2014, with a majority of respondents grading it with a "weak" or "neutral" (i.e. a "2" or a "3") score.

Figure 4 - Have support measures been introduced or strengthened since 2014 supporting renovation of the building stock?



Key messages

- Deep renovation of the building stock will require a higher level of competence in all countries. More training of installers, auditors, local actors and other building professionals is a precondition for success.

Q5. Since 2014, has there been active engagement with stakeholders in the form of regular meetings/consultations regarding the implementation of the current renovation strategy?

Seeking relevant actors and stakeholders' input into strategy development will not only improve its quality, but also facilitate its delivery and implementation. Most respondents see some improvements on this aspect, although a majority of respondents wanted to see more regular meetings/consultations and overall more involvement of stakeholders. Comprehensive stakeholder involvement can be demanding, but in the longer term it is considered essential to foster an effective climate for renovation.

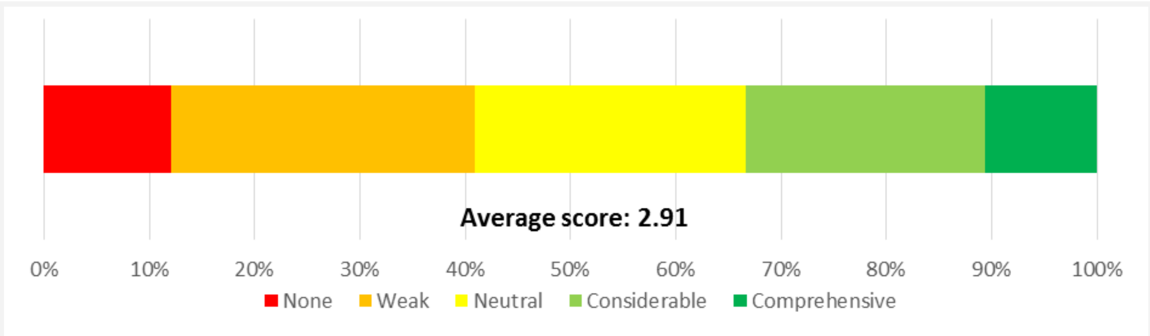
Common quotes on stakeholder involvement

"There is no link between the government and the ground level."

"They are listening but not acting."

Interestingly, government respondents felt they effectively reached out to stakeholders, but this view was not shared by non-governmental respondents. Recurrent comments from non-governmental stakeholders were *"they are listening but no action is taken"* and *"the information stream has been one-directional"*. Statements also supported by numbers: 63% of governmental respondents thought it was better than average (i.e. score of "4" or "5") compared to only 28% of non-governmental actors.

Figure 5 - Since 2014, has there been active engagement with stakeholders in the form of regular meetings/consultations regarding the implementation of the current renovation strategy?



Key messages

- Governments need to re-examine their stakeholder engagement processes to maximise their impact.
- A "one-way discussion" cannot foster an effective implementation process.

PREPARATION FOR THE STRATEGY UPDATE DUE IN APRIL 2017

Five questions were asked to gauge interviewees' views on progress with the development of the next iteration of renovation strategies which, according to the requirements of the Energy Efficiency Directive Article 4, must be updated every three years.

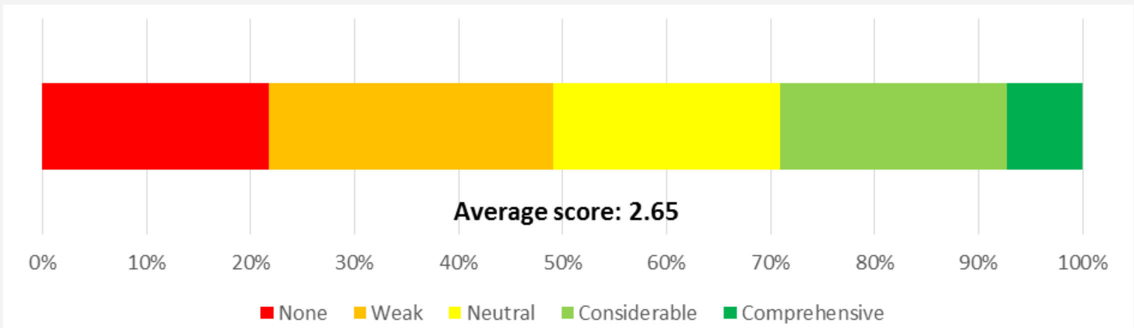
Q6. Has there been any action taken by the government that you are aware of to prepare for the next version of the strategy?

In a matter of months, the next national renovation strategies should be published. However, nearly 60% of all respondents were either unaware of progress by the government in preparing for the next strategy, or said there was "little" or "no" action being taken. That said, the interviews revealed that some Member States have got as far as publishing first drafts.

Alarmingly, several respondents were afraid that their countries' strategy would be an "*emergency plan*", reflecting inadequate preparation and effort into the topic.

The prevailing view is that most countries will simply aim to update the previous strategy and the general impression was that they will not spend much time and effort on this.

Figure 6 - Has there been any action taken by the government that you are aware of to prepare for the next version of the strategy?



Key messages

- The planning process for developing the next versions of the renovation strategies needs to start now, if it hasn't already.
- The second renovation strategies should be more ambitious than a mere "update", and critically need to address the shortcomings of the current versions.

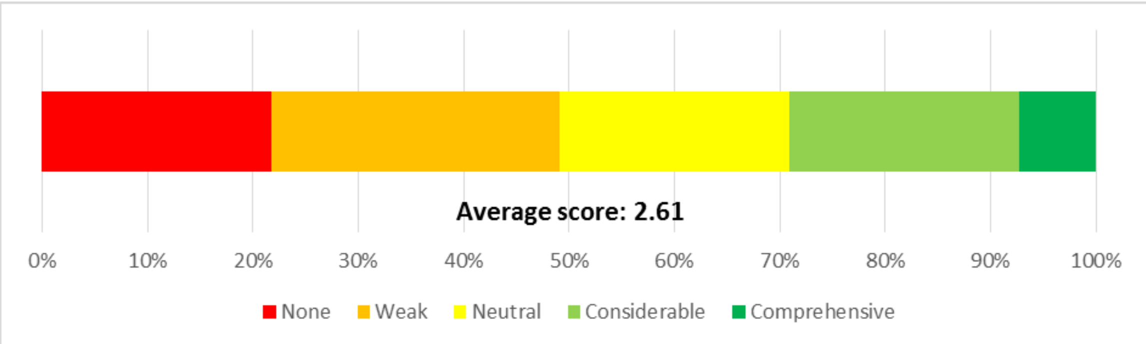
Q7. To what extent are stakeholder views being sought to inform the strategy?

Many countries had an extensive engagement with stakeholders in preparation for the first renovation strategy. According to the survey, Member States do not seem to prioritise stakeholder involvement as much in preparing the second renovation strategy.

Involving stakeholders generally occurs through forums/workshops. Forums initiated by non-governmental actors are often central in informing governments, most notably the BUILD UPON[5] process supported under the EU programme Horizon 2020. Several respondents stated that only industry stakeholders have the power to influence who gets their views across to the government.

Governments generally think they are engaging with stakeholders and seeking their input. However, stakeholders remain frustrated since they consider that most of their views are excluded from the strategy. It should, of course, be noted that stakeholders' views are far from homogenous.

Figure 7 - To what extent are stakeholder views being sought to inform the strategy?



Key messages

- Where there are currently no stakeholder forums, governments should establish these as a matter of urgency.

[5] http://buildupon.eu/

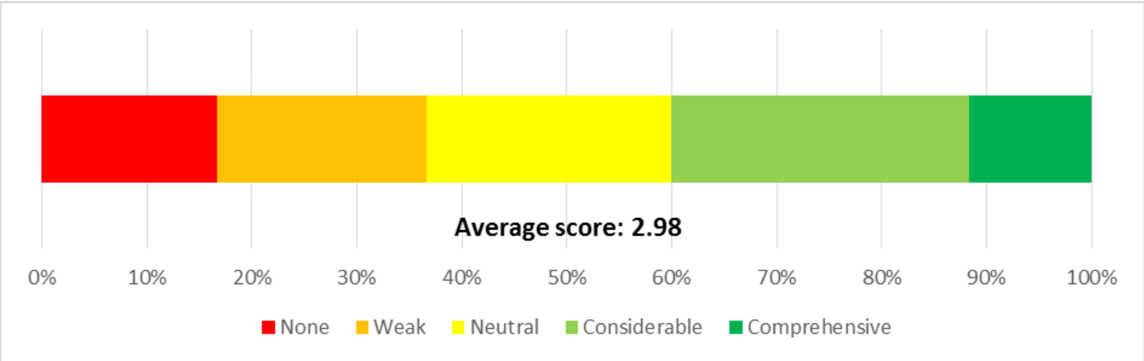
Q8. To what extent are your, or your sector's, views regarding the strategy being taken on board by the government?

While somewhat similar to the previous question, there was a more positive response concerning the extent to which individuals are able to present their own or their sector's views to the government.

The score for this question, substantially higher than the one for Question 7, indicates that, in most countries, it is only possible to get your message through if you: (i) put some effort behind your message and (ii) have access to the proper channels/networks. BUILD UPON is an example of a stakeholder forum where actors can align their views and achieve some results.

Several respondents pointed out that it was too early to determine if their government would take their views on board.

Figure 8 - To what extent are your, or your sector's, views regarding the strategy being taken on board by the government?



Common quotes on stakeholder influence

"They listen to the ones who are contacting them. No active engagement from the government."

"We do hope that BUILD UPON will be an opportunity to provide a concrete impact."

"Yes, we commented on the first version (of the renovation strategy)."

Key messages

- Governments should seek views from a broad set of stakeholders and allocate resources to effectively process and incorporate the information.

Q9. Based on your government's actions, how important is building renovation as a contribution to your country's energy and climate policy goals?

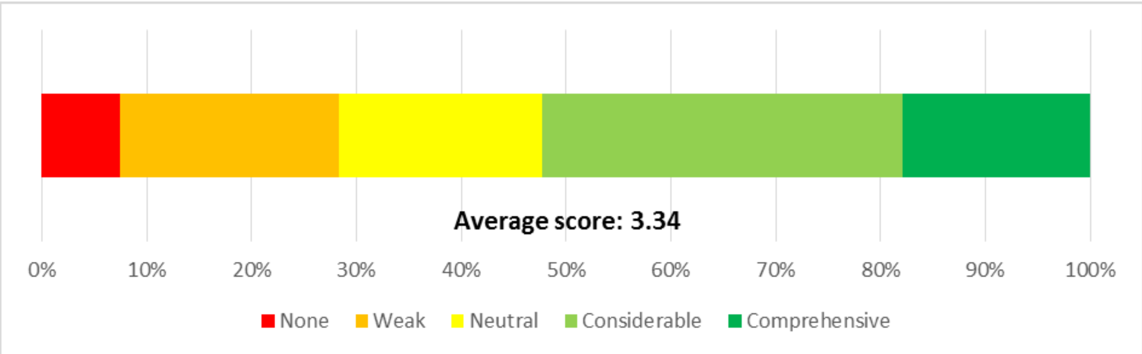
Almost all respondents agreed that building renovation needs to play a central role if the EU is to meet its energy and climate policy goals.

Regarding the link between the renovation of buildings and climate policy goals, respondents differed slightly in their views. Some respondents saw renovation as the key for their government to reduce greenhouse gases – "*the sector has the biggest energy saving potential*" – while others felt climate change was merely an additional "incentive" to renovation.

Several respondents noted that there is a difference between "*theory and practice*". While governments say renovation is an important tool to achieve these goals, respondents reiterated that talk is not enough, "*Governments should show that it is important*". Identified as the most obvious way to do so was through "*the budget*" or "*public investments*".

Some respondents reiterated the urgency of renovation also from a social point of view, with poor air quality in buildings causing health problems and reduced life expectancy.

Figure 9 - Based on your government's actions, how important is building renovation as a contribution to your country's energy and climate policy goals?



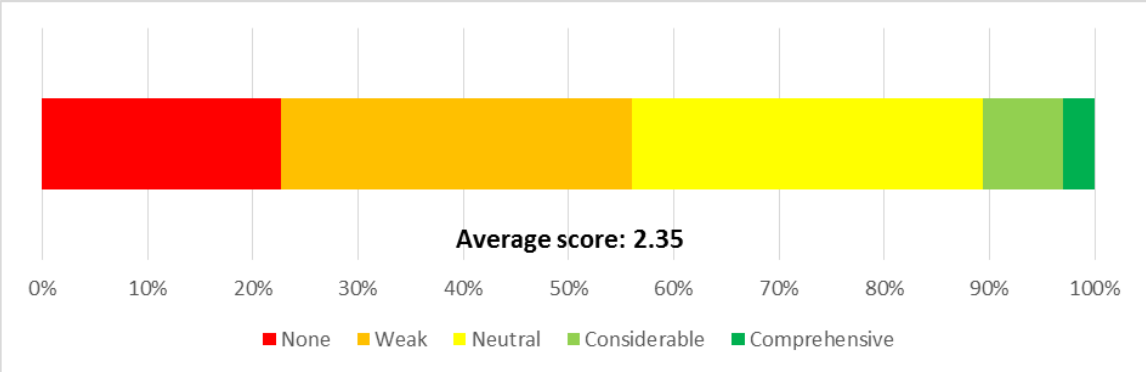
Key messages

- The role of the building sector needs to be more clearly spelt out in long-term climate and energy targets

Q10. Do you think your government is doing enough to ensure that the next version of the strategy will lead to an effective renovation of the building stock?

Of all ten “multiple choice” questions, this one scored the lowest average, 2.35. **Just 3% of respondents view their government’s actions as comprehensive** enough to ensure that the next version of the strategy will lead to effective renovation of the building stock. Respondents from all sectors and countries want to see more action and focus on building renovation.

Figure 10—Do you think your government is doing enough to ensure that the next version of the strategy will lead to an effective renovation of the building stock?



Key messages

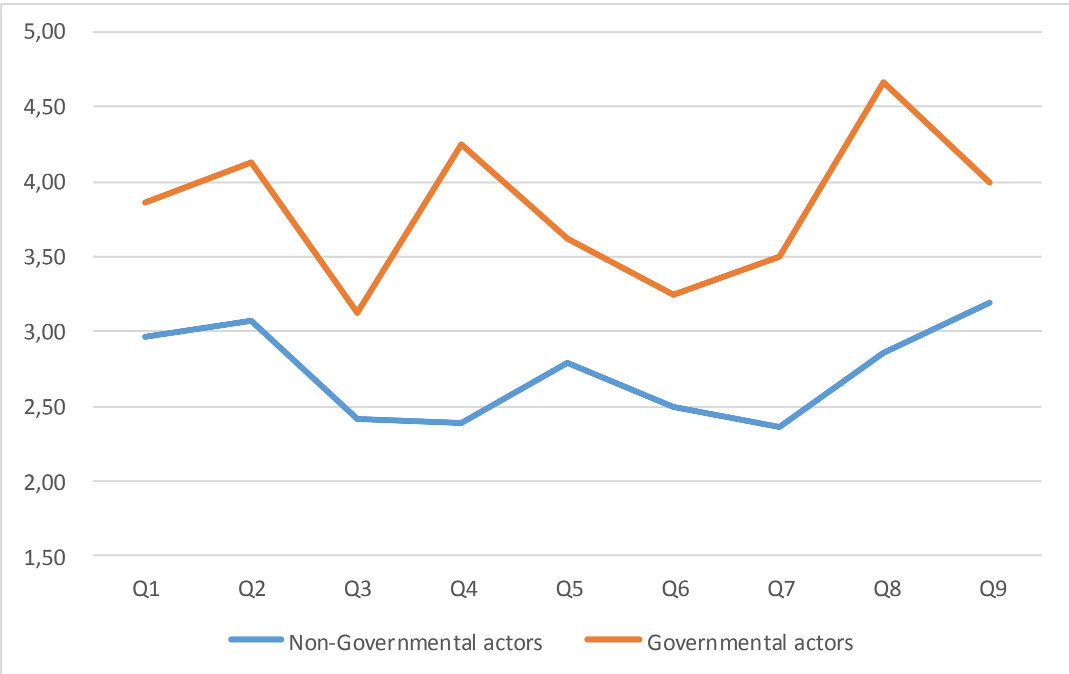
- Overwhelmingly, respondents from all sectors and Member States want to see more effort put into the development of effective building renovation strategies.

COMPARING GOVERNMENTAL AND NON-GOVERNMENTAL RESPONDENTS' VIEWS

Across the ten questions, a marked difference could be seen between respondents representing governments, and those representing industry, civil society or academia. The contrast can be seen by the significant difference in scores between these two groups, both in terms of implementation of the current strategy and preparation for the next one, as illustrated in the figures below.

What is striking is the extent to which governmental respondents considered action taken as either "comprehensive" (dark green) or "considerable" (light green). In a number of areas, these add up to well over half the total. This is in stark contrast to the red and orange bars of the non-governmental respondents, indicating "no" or "little" action/progress for the same questions.

Figure 11 - Average score across each question



This can partly be explained by the fact that government representatives and stakeholders have different perspectives of the problem at hand. Governments see the problem from where they sit – what is politically feasible at the moment (budget, upcoming elections, institutional barriers etc.). To a large extent, they compare the progress since the last strategy with their own organisational goals and expectations. For example, if their strategy included an information campaign and they implemented this campaign, they will most likely reward this question with a high score, no matter how effective it was in reality. In contrast, non-governmental actors compare to a greater extent the effectiveness of measures taken with what they would like to see (i.e. best option possible from their view).

Another part of the explanation relates to the government's struggle to develop measures that satisfy all the dissimilar views held by stakeholders. In many countries, the time and personnel allocated to develop new measures and strategies are insufficient for the complex task at hand.

The large gap between views held by governmental and non-governmental actors is still very alarming. In order to improve this, governments should:

- Increase stakeholder involvement;
- Enhance transparency of their work to build awareness and trust;
- Implement long-term strategies/targets to build confidence and to guide investments;
- Monitor and evaluate the impact before and after measures have been implemented.

Implementation of the current strategy – a comparison between governmental actors (upper graph) and non-governmental actors (lower graph)

Figure 12 - Governmental actors

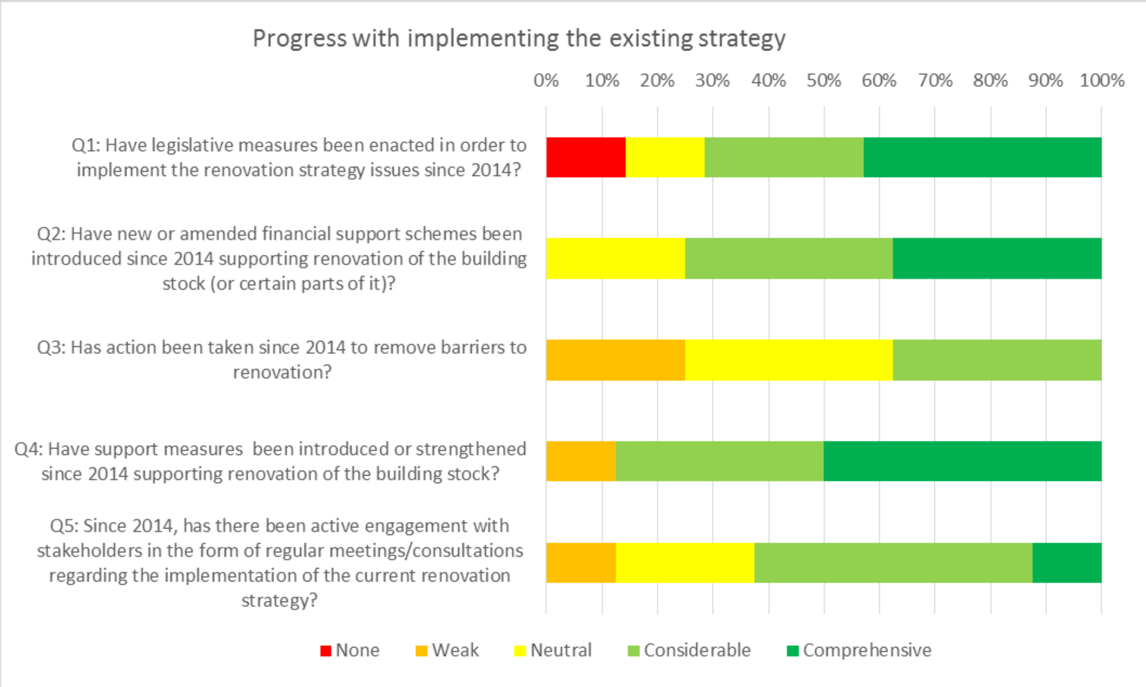
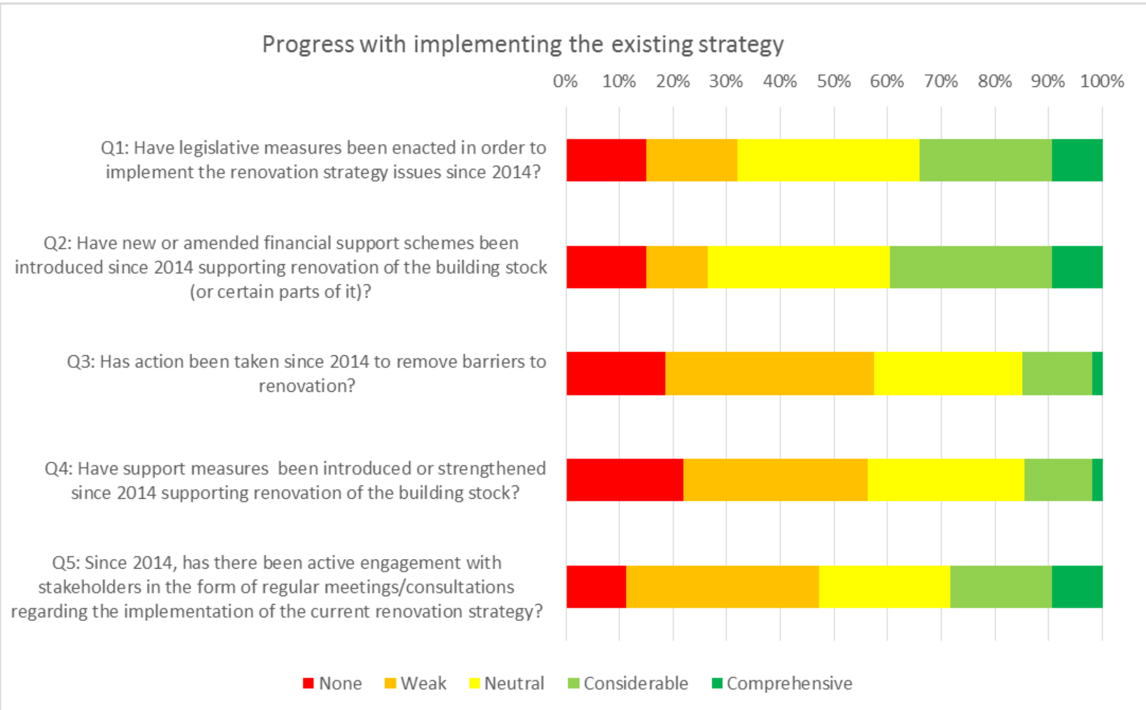


Figure 13 - Non-governmental actors



Preparing for the next strategy – a comparison between governmental actors (upper graph) with non-governmental actors (lower graph)

Figure 14 - Governmental actors

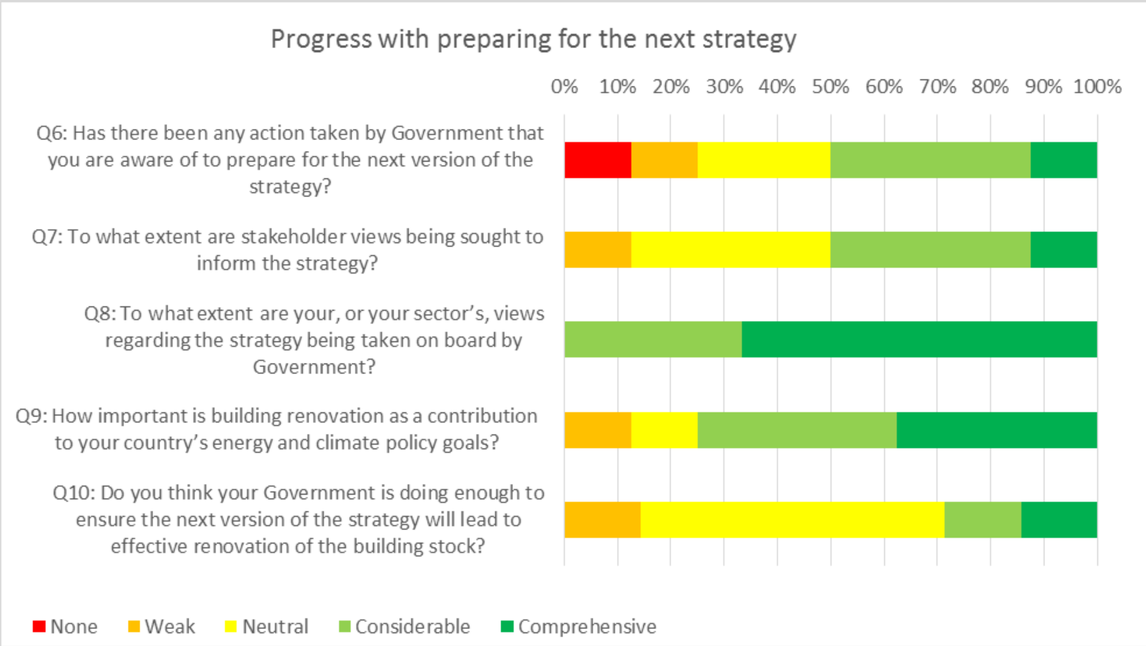
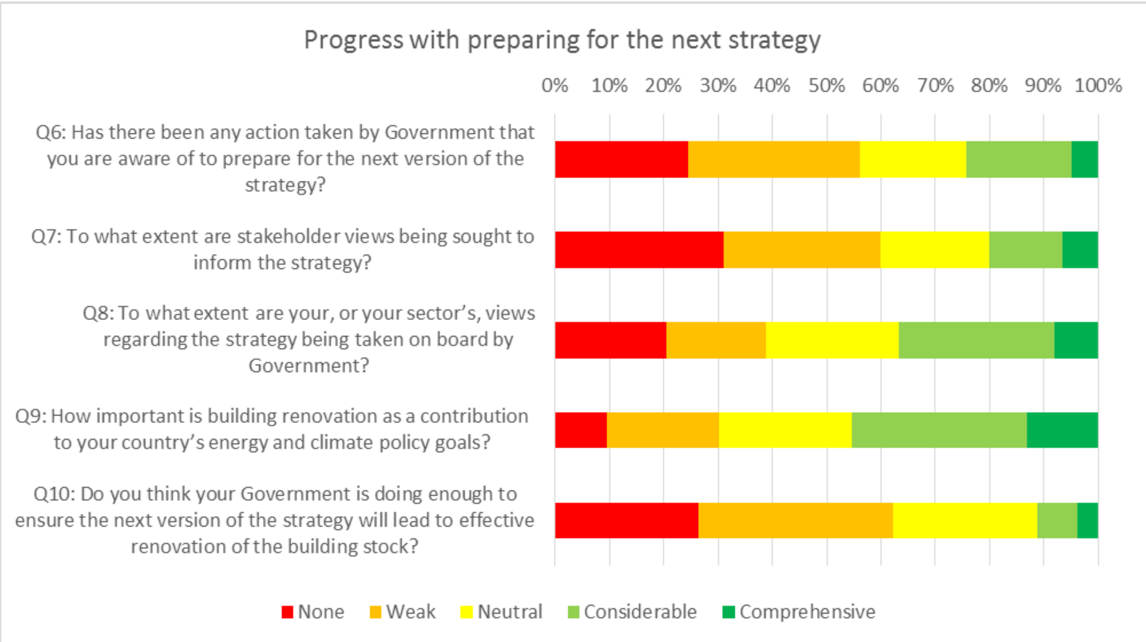


Figure 15 - Non-governmental actors



RESPONDING TO THE JRC'S ASSESSMENT OF THE NATIONAL RENOVATION STRATEGIES

In this final section of the interview process, BPIE discussed with each interviewee their perspective on the assessment of their country's renovation strategy by the JRC[6]. The vast majority of the respondents generally agreed with the observations and recommendations contained in the JRC report. However, non-governmental interviewees in particular considered that overall, the analysis painted a more positive assessment than is the case in reality. The most common critique was that the assessment was too "kind", "nice", "limited" and a "tick-in-a-box" exercise, indicating that a more critical and "on-the-ground" assessment would have been more beneficial. Respondents, echoing the JRC, also highlighted the need, in particular, for significant improvement in the areas of the forward-looking perspective and cost-effectiveness analysis.

It should be noted that there was a noticeable difference among Member States on the possible impact of the JRC assessment on their governments' drafting of the second national building renovation strategy. Some respondents thought it might have a "positive effect" and be "useful in discussions", while others viewed the possible effect as "limited", "little" or "maybe indirect". Most interviewees believed their government was aware of the content of the JRC report.

Below are some of the individual responses to the JRC assessment of their country's renovation strategy:

- *"We are improving data for non-residential buildings";*
- *"We will be more careful and answer the Article 4 requirements more precisely";*
- *"Recommendations are helpful and will help us to prepare the new version";*
- *"Private financing issues are going to be included in the new strategy";*
- *"Better data of building stock and cost-effective approach will be included in next strategy";*
- *"Government will take recommendations into account. The strategy is a priority for us";*
- *"Government is working on the forward-looking perspective";*
- *"No official inquiry was received [on the JRC study], therefore no official response is planned".*

[6] JRC (2016) https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/synthesis-report-assessment-member-states-building-renovation-strategies

CONCLUSIONS AND RECOMMENDATIONS

This survey into stakeholders' perceptions of national building renovation strategies in 12 countries was undertaken by BPIE in order to gauge what has been achieved so far since 2014, and to gain an idea of what can be expected for the second version of the strategies, due in April 2017.

Across a broad selection of topics, implementation of the existing renovation strategies can only be described as average at best, though the assessment is much more negative if government views are removed from the results. If anything, the position regarding preparation for the next strategy is worse. Even government respondents feel that their own government is not doing enough to ensure that the next version of the strategy will lead to an effective renovation of the building stock. And, whilst there are some encouraging signs that the JRC findings are being considered, research does not suggest that the recommendations will fully be taken on board.

With just over half a year to go until the submission deadline in April 2017, there is still time to influence and improve the strategy development process. Accordingly, governments and those involved in the strategy development process are encouraged to consider the following recommendations:

1. While there is no official requirement for Member States to respond to the JRC findings in their national renovation strategy, governments should deeply reflect on the assessment and also take into account the overall learning process that has been witnessed throughout the EU-28 in this important, yet under-prioritised area of policy.
2. With little time left to the submission deadline for the second version of the strategies, due in April 2017, now is the time to influence the strategy developing process and take on board the lessons from the first round.
3. Stakeholders have a lot to offer, and seem willing to support governments to ensure that strategies are effective. Where there are currently no stakeholder forums, governments should establish these as a matter of urgency.
4. Governments should identify holistic and comprehensive solutions to issues holding back the renovation market as a priority area for legislation and regulation, or take other appropriate action.
5. Whilst there has been some progress on financing schemes, they lack a clear framework and do not give the long-term market confidence signals that investors require.
6. In parallel with finance, integrated support measures such as one-stop-shop programmes and quality frameworks need to be developed in order to increase quality and quantity of renovation.

ANNEX 1

THE INTERVIEW QUESTIONNAIRE

SECTION 1 – Progress with implementing the current renovation strategy

For each question the respondents were asked for a score on the scale 1-5, where 1 = no action taken and 5 = comprehensive action taken. 3 would be a neutral/average score. Please also expand on your response by providing further details.

No.	Question	Your answer					
		1	2	3	4	5	Don't know
1a	Have **legislative measures** been enacted in order to implement the renovation strategy issues since 2014?						
1b	Please describe						
2a	Have new or amended **financial support** schemes been introduced since 2014 supporting renovation of the building stock (or certain parts of it)?	1	2	3	4	5	
2b	Please describe						
3a	Has action been taken since 2014 to **remove barriers to renovation?**	1	2	3	4	5	
	Access to finance						
	Payback expectations/investment horizons						
	Price signals						
	Information						
	High transaction costs						
	Institutional and legal frameworks						
	Skills in the supply chain						
	Complexity and hassle						
	Split incentives eg landlord/tenant						
	Other (please specify)						
3b	Please describe						

4a	Have **support measures** been introduced or strengthened since 2014 supporting renovation of the building stock?	1	2	3	4	5	
	Government awareness campaigns						
	Energy agency awareness raising						
	Financial institution/scheme manager promotional campaigns						
	One-stop-shop or other support mechanism?						
	Installer training						
	Other industry support measures						
	Other						
4b	Please describe						
5a	Since 2014, has there been active engagement with **stakeholders** in the form of regular meetings/ consultations regarding the implementation of the current renovation strategy?	1	2	3	4	5	
5b	Please describe						

SECTION 2 – Preparation for the strategy update due in April 2017

In order to understand what action, if any, is being taken or planned to prepare for the next version of the renovation strategy, by focusing on the 5 component sections.

As before, 1 = none; 5 = being comprehensively addressed.

No.	**Section**	**Your answer**					
1a	Has there been any action taken by Government that you are aware of to prepare for the next version of the strategy?	1	2	3	4	5	Don't know
1b	Please describe						
2a	To what extent are stakeholder views being sought to inform the strategy?	1	2	3	4	5	Don't know
2b	Please describe						

3a	To what extent are your, or your sector's, views regarding the strategy being taken on board by Government?	1	2	3	4	5	Don't know
3b	Please describe						
4a	Based on your government's actions, how important is building renovation as a contribution to your country's energy and climate policy goals?	1	2	3	4	5	Don't know
4b	Please describe						
5a	Do you think your Government is doing enough to ensure the next version of the strategy will lead to effective renovation of the building stock?	1	2	3	4	5	Don't know
5b	Please describe						

SECTION 3 – Responding to the JRC Assessment of Renovation Strategies

Finally, we would like to ask you whether any **action has been taken or is planned** to respond to the comments and recommendations made by the Joint Research Centre on your country's renovation strategy.

ANNEX 2

THE INTERVIEWEES

69 interviews were conducted by phone, web calls or in person by BPIE personnel. The interviews lasted between 15 and 70 minutes, with an average of 30 minutes.

Sector	Number
Energy Agency	6
Government	9
Industry	28
NGO	13
Research Institution	12
Other	1

Country	Number
Bulgaria	5
Croatia	5
Czech Republic	5
Denmark	7
Germany	7
Italy	7
The Netherlands	5
Poland	6
Romania	5
Slovakia	5
Spain	6
United Kingdom	6

Buildings Performance Institute Europe (BPIE)

Rue de la Science 23
1040 Brussels
Belgium
www.bpie.eu

ISBN: 9789491143168