



Verband Privater Bauherren e.V.

GENERAL STATEMENT ON THE COMMISSIONS' CONSULTATION PAPER

"Financial support for energy efficiency in buildings"

*The Association of Private Building Constructors (**VPB**) was founded in 1976 and is the oldest national organisation for consumer-protection within the construction industry. It is the main aim to support and conseil private building constructors in the field of legislation, administration and financial services and furthermore to guarantee a market-neutral and independent consumer protection to ensure a high building quality.*

PREFACE AND GENERAL CONSIDERATIONS

Foremost, the VPB welcomes strategies and initiatives to improve energy efficiency, to reduce the overall energy consumption and to excel living conditions within the building sector. There has already been a considerable number of legislative and standardisation measurements which highly affect construction activities throughout the EU. Recalling for instance the advanced requirements for new and to be deeply refurbished buildings laid down in the new Energy Performance of Buildings Directive (EPBD) or the ongoing debate on the Commissions' proposal for an energy efficiency directive. Furthermore, measurements indicated in the above mentioned documents concerning financial support on energy efficiency in residential buildings within the cohesion policy or the aim to coordinate the European energy policy in a more competent way find our approval. With this respect we would like to give comments on the following questions laid down in the consultation paper as follows:

1. Adressing market failures

(a) Are the barriers identified in this document the most important ones? If not, which barriers are missing and why are they important?

The ongoing political debate of Energy efficiency in buildings must not only be focused on the individual building solely but also on other sectors. The promotion and consideration of alternative and holistic neighbourhood head-supply solutions must stronger be taken into account. Cities and municipalities have charged for a considerable period of time with a prominent role to implement successfully possible energy saving and resource conservation possibilities. A number of integrated energy supply systems and cooperations with public or private providers in district heating services have already been developed on the local level.

(b) Which market failures would be most urgent to address? At what level (i.e. EU, national/regional/local) would these failures be best addressed?

The EU made already several efforts to support and accelerate energy efficiency within their financial framework. This must be further pursued. Main obstacle remains that several member countries have not called off the allocated financial means: e. g. a total of € 680 million could be used for energy efficiency measurements in Germany from the ERDF. Unlike France, Belgium and Great Britain the allocated funds have not been called-off by Germany. Therefore, the EU should encourage all Member states, to use the allocated financial support and to integrate them within their operational programs.

(c) How could these failures be best addressed? For example; how could behavioural change needed for quicker uptake of energy efficiency measures by society be triggered at the national level? How could the development of an energy services market for households be further stimulated? What could be done to increase awareness raising and promotion of energy efficiency in buildings? How could the business community (e.g. building sector, ESCOs, local banks, etc.) be better supported in delivering energy efficiency in buildings? How could the split incentive problem be best tackled?

2. Improving access to financing

a) Are the current EU-level financial tools for energy efficiency in buildings effective? How could the uptake of EU-level funding for energy efficiency (including cohesion policy funding) be improved? As a complement to tailor-made national or regional financial instruments (e.g. set up with a contribution from cohesion policy funds), what could be the future role of centrally-managed financial instruments at EU level in this context?

Several efforts have already been made to improve the Energy performance by financial and economic instruments. The funding programmes ELENA and IEE are just two examples as well as the opening of the ERDF fund to energetically retrofit the existing building stocks. Consequently, the EU-funding instruments should be aligned more exactly and simplified to the needs of individual groups such as building owners and consider specific national characteristics. Examples may be direct grants and more transparent application procedures for owner/occupiers or the tax depreciation for landlords and investors.

(b) How could more private financing (both from institutional investors as well as building owners) for energy efficiency projects be mobilised? What would be the role of public funding (both at EU and national level) in this context? Is access to (project development) technical assistance an issue and how could it be provided most efficiently at the national, regional and local level? How could both national and EU financing schemes be improved to best cover all segments of the market (residential, commercial, public buildings, etc.)?

The ambitious energy efficiency goals can only be achieved if the the financial measurements are based on a predictable long-term perspective and strongly supported by public funding on a high level. In Germany, for example, it is estimated that public financing would have to be increased to € 5 billion for sufficient results. Energy retrofitting should therefore be further supported and developed, for instance by the ERDF in the next EU funding period. On the other side, for owner-occupiers tax depreciation allowances are preferred to governmental grants. For the general acceptance, financial support of any kind for energy efficiency measurements must be (re)created in a transparent, manageable and comprehensive manner for SME and private user.

(c) Is there a need for guarantee systems related to building efficiency investments? If so, what guarantee systems for efficiency investments would be necessary and how should they be designed? Is there a need for other enabling mechanisms (e.g. risk-sharing, investment vehicles)?

(d) How could the capacity, knowledge and risk perception regarding energy efficiency investments be improved, both at financial institutions as well as with private investors and administrations at all levels?

3. Strengthening the regulatory framework

(a) Is there any need for further EU-level regulation to stimulate energy efficiency investments in buildings beyond the Commission proposal for a new Energy Efficiency Directive? If so, what should these measures entail?

A vast number of regulations, laws and technical rules already have to be considered. At EU level, financial support is available through various instruments and should therefore be implemented more effectively on a national level. Therefore one should raise the question whether additional instruments and/or increased legal restrictions will lead to achieve a sustainable success. The reduction and a coherent combination of various financial formats and legal proposals in the field of Energy efficiency would be more definitive.

(b) What could be specific measures to be taken at national level to implement and complement most effectively the EU-level regulatory framework for energy efficiency?

The existing support structures on the national level are generally well set-up, but should be further developed. It is of high importance to change the focus from solely Energy efficiency aspects towards a comprehensive building design approach covering issues such as inter-generation fairness, well-being and urban integration. This would ensure a certain balance between legal Energy efficiency aims and planning criterias such as usage, functionality and design.

(c) What are the specific needs for policy guidance and awareness raising among different stakeholder groups?

In particular, the successful feasibility of energy efficiency within the existing building stock will require further consideration. The focus on climate and resource protection as well as energy saving must be complemented by a holistic approach of integrated urban development. This can best be implemented at the national and local level to reach planners, building owners, tenants and policy makers comparably. The core issues of sustainability concerning the built environment include not only the building itself but comprises the neighbourhood and the city as an important concept, too. It must be ensured beside the ambitious aims which where addressed in the background paper that the preservation of cities and villages and the demographic change become a more highlighted issue than currently visible.

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