CLIMATE ALLIANCE

Frankfurt Headquarters
+49 69 717139 0
europe@climatealliance.org

Brussels Office
+32 2 400 10 62
brussels@climatealliance.org

climatealliance.org

Briefing

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Renovation and Energy Poverty Alleviation Barriers in Multiapartment Buildings in Central Eastern European Countries

Karine Jegiazarjana, Eva Suba, Climate Alliance

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Taking local action on the global climate crisis

A new Synthesis Report on regulatory barriers to building renovation in Central Eastern European (CEE) countries was developed as part of the **CEESEN-BENDER project**. The report highlights key challenges preventing the large-scale renovation of multiapartment buildings (MABs) and outlines policy recommendations to accelerate energy efficiency improvements while tackling energy poverty in the region.

The CEE Region has some unique shared patterns and obstacles related to the building stock condition, energy poverty, and building renovation. The historical legacy of the construction of large housing estates during the post-war rapid urbanization period, regime change, privatization, energy crisis impacts, deterioration of building stock as well as bigger exposure to hidden energy poverty among others characterizes the region today. **It is estimated that on average 23.57% of the Central and Eastern European population is exposed to hidden energy poverty.**

The country variations should not be omitted though, currently, there are significant differences present related to the trajectories individual countries follow such as policies in place and laws, unique challenges to buildings related to climatic conditions, available financing and support options.

TARGET SETTING

Challenging Historical Context of the Building Stock

The decision-making process in MABs is complex, as following the privatization period the individual apartments started to be privately-owned. Hence the decision to renovate the building should align the priorities, opinions, and opportunities of at least the majority of owners in MABs, which is hard to achieve. This prevents the existing building stock from being brought into line with decarbonization targets.

Unreliable Building Stock and Energy Poverty Data

The unreliable and inconsistent building stock and energy poverty data is common across the region which does not enable a good analysis of the status quo, prioritization of the target buildings and population groups as well as the definition of policy priorities.

Lack of Policy Prioritisation

The regulatory and administrative barriers as well as the further need for capacity-building of public administrations to address the energy-inefficient building stock in CEE hinder the policy prioritisation.

Insufficient Financing to Meet the Energy Renovation Targets

The capacity to meet targets to a large extent is determined by the availability of financing that is insufficient in CEE to match the scale of the needed effort.

NATIONAL MEASURES

Addressing Energy Poverty

Although energy poverty is defined in most CEE countries in national legislation or in key strategic policy documents, the targeted and coordinated action for vulnerable population groups is still insufficient. The issue is often addressed at a general level, without differentiation among social groups and building types.

Insufficient Capacity and Involvement of the Local and Regional Government

In CEE countries multiple local and regional governments lack the resources and capacity to cope with the scale of the existing challenges. In addition, the fragmentation of institutional responsibilities requires more coordination effort and information sharing.

Financial Obstacles to the Implementation of the Measures

Significant financial gaps remain, particularly for financing deep renovations. This introduces uncertainty in the possibility of implementation of devised measures. The requirements related to energy efficiency in buildings in many CEE countries are costly to implement which creates a vacuum between the necessity to fulfill the commitments and the inability to cover the financial expenditure.

IMPLEMENTATION AND MONITORING PROCESSES

Inconsistent and insufficient reporting

In CEE countries the renovation outcomes are poorly reported, limiting policy evaluation.

Involvement of key social actors and citizen's initiatives

The weak support of citizens-led energy initiatives does not enable successful policy implementation and the wider replication of the already existing well-functioning community practices.

Inclusion principles in the support options design

The support options' design, does not explicitly address the just transition and social inclusion principles for energy-efficient renovation of MABs. In some cases, the comprehensive social criteria to define energy poverty and the definition of support are restricted solely to income status, which is insufficient to address the multifaceted issue.

PUBLIC CALLS FOR ENERGY RENOVATIONS OF MABS

The complexity of administrative procedures and application eligibility criteria

In many CEE countries complex administrative requirements and procedural barriers discourage potential applicants, especially building managers and co-owners who often lack the necessary expertise or experience in managing energy projects.

Transparency in the application and approval process

The application processing also often lacks transparency and clarity which deters the trust of the applicant. Data relating to public calls is often inaccessible, which makes evaluation, monitoring, and accountability of such calls and funds used challenging.

Insufficient support for the vulnerable groups.

Support programs were often not tailored or designed with accountability to the vulnerable population groups including the energy poor. Such a design of support may even aggravate the already existing inequalities, as groups with a bigger capacity would be able to apply for the support.

Complexity for Renewable Energy Integration

Renewable Energy Sources (RES) integration is not extensively supported within the existing public calls and programs. Additional challenges related to the technical obstacles and complexity of installing renewable energy systems in MABs also hinder RES integration.

Co-financing and availability of financial instruments

The lack of tailored financing instruments for low-income owners and their inability to co-financing also hampers the effective use of the available grant money, as if many owners from MAB cannot pay back an eventual loan on top of energy bills or afford the upfront capital for renovation.

Policy Recommendations

- **Improve the design of support programs for building renovation.** Programs should be based on a detailed analysis of the status quo and need identification. The improvements in design should also include: allocation criteria, program monitoring, and transparency as well as sufficient awareness raising. The design of programs and application process should be tailored to the social groups with different capacities ensuring that conditions of vulnerable and energy-poor are addressed.
- **Improve handling and access of the data related to building energy performance and energy poverty.** The effective mechanisms for building energy data collection and storage should be ensured. The national databases should aim to cover a bigger share of the building stock, while the establishment of a national strategy or overarching plan for data collection, storage, and effective use would enable the timely delivery of high-quality information to stakeholders, particularly policymakers. Calculation methods for the building energy performance should be transparent to allow comparisons with other countries in the region.
- **Improve conditions for the integration of renewable energy systems into a building.** The legislative and financial support for RES integration should be provided, including the empowerment of individuals with greater autonomy and self-governance over their own energy production and consumption. The good practices of RES integration that managed to overcome technical and financial barriers should be showcased to stimulate the political will and build stakeholder trust in new solutions.
- **Respect the partnership principle and increase participation.** Participation and partnership principles should be followed and respected for the policy design and implementation in CEE countries. Public awareness and support for the existing citizen-led initiatives will enable them to capitalize on and scale up the good practices of the local communities.

The main objective of **CEESEN-BENDER** (Building intErventions in vulNerable Districts against Energy poverty) is to empower and support vulnerable homeowners and renters living in multiapartment buildings (MABs) through the renovation process by identifying the main obstacles and creating trustworthy support services that include homeowners, their associations, and building managers.

Climate Alliance supports municipalities during the project by developing **training materials** and delivering trainings as well as by a synthesis of policy analysis on supporting energy poor households before and during energy efficient renovation processes in multi-apartment buildings. Climate Alliance is part of the project team, coordinated by Society for Sustainable Development Design (DOOR), together with University of Tartu (UTARTU), Local Energy Agency Spodnje Podravje (LEASP), Alba Local Energy Agency (ALEA), Medjimurje Energy Agency Ltd. (MENEA), Mazovian Energy Agency (MAE), Tartu Regional Energy Agency (TREA), Municipality of Alba Iulia (ALBA IULIA) and Central Eastern European Sustainable Energy Network (CEESEN).

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Karine Jegiazarjana
Project Manager, Climate Alliance
+49 30 240 882 77 **k.jegiazarjana@climatealliance.org**

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