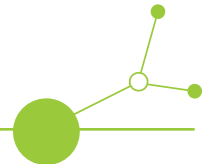


D.1.3.2 Regional Working Groups with Roadmap for engagement of stakeholders



Version 1

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A. Introduction

The central Europe region faces a very uneven energy transition due unbalanced economic development, distribution of technology and finance flows. Buildings, both public and private, account for 43% of the final energy consumption in EU and have been singled out in the European Green Deal as key drivers of energy transition. Energy efficiency investments must more than double to achieve the EU's new climate and energy targets, and this is increasingly urgent to deliver anticipated progress by 2030. The financing of the transition towards climate-neutral buildings remains a key challenge for which the EU is expecting member states to involve private investors to a much bigger extent than before.

The purpose of this document is to document the Regional Working Groups that were formed in each pilot region. These Regional Working Groups are comprised of important and relevant experts and stakeholders who are interested in the development and testing of MESTRI-CE holistic system consisting of Smart Data Hub, methodologies for achieving EU Sustainable Building and Green Financing.



B. Regional Working Groups with Roadmap for engagement of stakeholders

Austria

Status of Regional Working Groups

Since the Launch Conference and the workshop with the stakeholders of the regional working group in Austria had to be rescheduled the regional working group is not yet finalised.

The number and type of stakeholders comprising, or planned to comprise, the Regional Working Groups

Category	No.	Specification
Local public authority	6	Representatives of municipalities
Regional public authority	2	Representatives of National States
National public authority	1	Ministry for Climate Action
Interest groups and NGOs	5	Green finance alliance, klimaaktiv, Renowave

Summary of the stakeholders comprising the working groups

Although the meetings with stakeholders have not already taken place the Austrian partners have proposed to bring together stakeholders from across the Austrian government at the local, regional and national level, alongside interest groups and NGOs. These public sector stakeholders have been chosen as they have large building portfolios and obligations to meet deep-renovation targets, thus are most ideal candidates to both engage with and benefit from this project. Meanwhile, other stakeholders have been chosen who have technical skills to support the goals of the MESTRI project, primarily, deep renovation.

Next steps for further engaging with the Regional Working Groups

Meetings with these stakeholders are yet to take place, however, they are scheduled for the 1st of February. This is because in Austria we have sought to ensure a high level of engagement from stakeholders that can be sustained over the course of the project. One crucial component to achieving this is ensuring an in person launch event, thereby providing an opportunity to engage stakeholders in the MESTRI project in a detailed and meaningful way. This will be complemented by a workshop, whereby selected stakeholders will be invited to contribute to the software solution to the smart data hub to gain a more in depth understanding of the current situation in Austria, alongside the needs of different stakeholders. Once these first launch events and workgroup meetings have taken place and the regional working groups are well established, then they will be consulted on areas of the MESTRI project where they are able to contribute and will be kept informed of project developments.



Croatia

Status of Regional Working Groups

Stakeholders which were engaged during the launch event have been informally invited to join the regional working group, meaning that the group has yet to be formally established. The launch conferences in September identified most important institutions (building specialists, market regulators, financial institutions, ministries) with whom cooperation will be intensified in the following months.

The number and type of stakeholders comprising, or planned to comprise, the Regional Working Groups

Category	No.	Specification
Local public authority	2	City of Sveta Nedelja, City of Karlovac
Regional public authority	4	City of Zagreb, Zagreb County, Karlovac County, Krapina Zagorje County
National public authority	3	Ministry of Physical Planning, Construction and State Assets, Ministry of Finance, Ministry of Regional Development and EU Funds
Sectoral agency	2	REA North, The Croatian Financial Services Supervisory Agency (HANFA)
Interest groups and NGOs	1	Center for Social Innovation and Sustainable Development (CEDIOR)
Higher education and research	4	Energy Institute Hrvoje Požar (EIHP), Faculty of Architecture, Faculty of Civil Engineering, Faculty of Mechanical Engineering and Naval Architecture, (all University of Zagreb)
Enterprise	1	Zagreb Holding
SME	2	Zgradonačelnik d.o.o., Planetaris d.o.o.
Business support organisation	2	Green Building Council Croatia (GBC), Croatian Chamber of Commerce (HGK)
International organisation	1	European Investment Bank - Croatian regional office
General public	0	
Other	5	Croatian Bank for Reconstruction and Development (HBOR), Privredna banka Zagreb d.d., Erste&Steiermärkische Bank d.d., Interkapital InterCapital Asset Management, Croatian Agency for SMEs, Innovations and Investments (HAMAG-BICRO)

Summary of the stakeholders comprising the working groups

Please expand on whether meetings with these stakeholders have already taken place, and why these stakeholders were chosen, along with any other additional elements you feel are relevant.



The stakeholders were selected based on their relevance to the main topics of the project and previous successful cooperation with them. Local and regional public authorities were chosen due to their large building stocks which require deep renovation and their obligations to meet long-term strategic decarbonisation targets. National public authorities are in charge of the development and implementation of national energy and financial policies and management of ESI Funds which makes them crucial stakeholders for any wider uptake of either technical or financial solutions developed by the project. One sectoral agency (HANFA) is a capital market regulator and thus relevant for some of the main financial instruments and models within the project (bonds, crowd-investing). REA North is a potential ambassador of the project who is operating in a different region in Croatia. National Energy Institute (EIHP), Faculty of Architecture, Faculty of Civil Engineering, Faculty of Mechanical Engineering, and two SMEs and BSOs represent building and RES specialists who are needed as peer-reviewing experts of tools developed within MESTRI-CE. CEDIOR is one of the few crowdfunding platform operators in Croatia but also an expert on engagement of citizens and capacity building programmes regarding citizen financing. Zagreb Holding has successfully managed to launch a sustainability bond emission, the first such by a publicly owned company, and its expertise will be needed in the financing pilot action. The financial sector is represented by all major Croatian banks, including the national development bank (HBOR) and a manager of investment funds. Their main motivation is to discuss market barriers and assist with the development of tools for the assessment of renovation projects on concrete portfolios of buildings. The EIB with its regional office has also expressed interest in monitoring project activities in this field.

Next steps for further engaging with the Regional Working Groups

The first formal meeting of the regional working group is expected to take place in the first quarter of 2024 and will be jointly organized by REGEA and ZSE. Important topics that will form the core of the piloting process within MESTRI-CE project, such as the tools for data management of buildings, standards for their renovation, innovative financial models, and market barriers that hinder faster decarbonization of buildings will be intensively discussed with the group.



Germany

Status of Regional Working Groups

As the launch conference for Germany in October has been canceled, we did not yet meet personally with the stakeholders and did not finalize the formation of regional working groups with them.

The stakeholders named below are the ones who already told us that they have a great interest in the MESTRI project and would like to participate in the course of the project.

The number and type of stakeholders comprising, or planned to comprise, the Regional Working Groups

Category	No.	Specification
Local public authority	1	City of Nuremberg
Regional public authority	1	Landesbaudirektion
Other	2	PSD Bank, Umweltbank

Summary of the stakeholders comprising the working groups

We are planning the postponed launch conference in January 2024. In this context, the stakeholders will have the opportunity to decide whether they would like to be permanently involved in the regional working group.

We chose the city of Nuremberg and the Bavarian State because they are both large real estate owners and we know from other projects that they are ambitious in the transition towards energy efficiency.

The two banks are both solely focusing their work on green finance and manage huge building portfolios as investments. This combination makes them ideal partners for all three work packages in the MESTRI-CE project.

All mentioned stakeholders confirmed that they would be interested in a smart solution to keep an overview over their real estate.

Next steps for further engaging with the Regional Working Groups

We already decided that the regional working group meetings will happen online after the first launch event. This will make it easier to schedule regular meetings. The frequency will be adapted to the state of the project and the feedback we get from the stakeholders.

In addition to the meetings, we will create an email newsletter updating the stakeholders about the newest advances. This will probably be sent out in a four- or eight-week rhythm in accordance with the feedback we get from the stakeholders.



Italy

Status of Regional Working Groups

The regional working groups have yet to be formalised. However, the launch conference in October already identified all the entities with which cooperation will be initiated.

The number and type of stakeholders comprising, or planned to comprise, the Regional Working Groups

Category	No.	Specification
Local public authority	1	Municipality Bolzano
Regional public authority	5	Autonomous Province of Bolzano Autonomous Province of Trento Alto Adige Environment Agency Regional Minister of Environment Energy Agency Friuli Venezia Giulia
Sectoral agency	1	Social Housing Institute Alto Adige
Interest groups and NGOs	4	CNA - Craftsmen Trentino - Alto Adige Association of Cooperatives Association of Freelancers SEV - Energy Association
Higher education and research	1	EURAC Research
Enterprise	2	Alperia Energy Provider Rete Irene
Business support organisation	3	IDM Marketing NOI Techpark Euregio+
General public	4	Planner
Other	3	Bank Institutes

Summary of the stakeholders comprising the working groups

After the kick-off meeting with the different stakeholders held in Bolzano on 26 October (see deliverable D.1.3.1), personal meetings were organised with the experts and institutions that were not present in order to widen the group of stakeholders and strengthen the financial part of the project.

Below is a brief summary of the various face-to-face meetings organised.

Meeting with Volksbank representatives

Volksbank is a regional Italian credit institution based in the city of Bolzano. The Bank is present in a large part of north-eastern Italy, namely in the provinces of Trento, Belluno, Treviso, Vicenza, Padua, Venice, Udine and Pordenone, with a total of 180 branches (at the end of 2021), more than 1,300 employees and approximately 280,000 customers.

There are currently no proposals for green mortgages or other ad hoc sustainability financial instruments. In general, traditional instruments are used, although 'green instruments' are starting to be tracked for ESG reporting. For the post-super bonus phase, a green mortgage is



being developed that will offer the most favourable conditions (yet to be defined) if the project meets the requirements of the European taxonomy.

The interviewees confirmed that subsidised conditions for green products should be supported by the public sector, as the bank is not willing to lose profitability or can only do so under certain conditions. Lenders are not yet able to easily identify when an investment can be considered 'green'.

Energy Performance Certificates (EPCs) are considered as one of the tools by which the Bank can assess the investment, especially when a refurbishment needs to be evaluated. In any case, the bank cannot bear the costs related to the production of the EPC. The interviewees consider that an agreement with external bodies for this activity, such as the Energy Agencies of the Autonomous Province of Trento and Bolzano (Agenzia CasaClima and aprie), can be profitable.

Respondents emphasise that, given the requirement for banks to report on the climate and environmental risks of their investments in their financial statements, it would be useful if the energy certification of buildings also covered these aspects.

Lending to individual owners or entire blocks of flats is viewed no differently from a risk perspective. The bank checks the reliability of customers by looking at the level of arrears in the blocks of flats.

ESCOs are also among the bank's customers, but they do not benefit from ad hoc solutions.

Below is a list of other products promoted by the Bank:

- SACE green loans for businesses. SACE is a joint stock company owned by the Ministry of the Economy and Finance and specialises in the insurance and financial sectors. Following the COVID-19 pandemic, SACE has been given the opportunity to support business investment also in the domestic market and to provide guarantees for green projects in the implementation of the Italian Green New Deal.

- Creditis microcredits for small green projects. Creditis Servizi Finanziari Spa is a financial intermediary specialising in the provision of consumer credit to private customers.

On 23 September, the bank also issued a green bond for institutional investors, which does not comply with the European Directive and was immediately oversubscribed. The green bond was issued on the bank's existing green assets, i.e. class A and B properties with mortgages.

Meeting with APE FVG (Energy Agency Friuli-Venezia Giulia) representatives

In FVG, tax deductions are the main instrument used for major renovations in private buildings. Regional funds are mostly targeted at partial refurbishment measures or dedicated to renewable energy.

ESCOs are usually involved through EPC contracts, which are generally unrelated to retrofitting.

PPPs are mainly used for heat supply contracts, which in some cases may include refurbishment, but because of the short payback period they are mostly used to replace heating systems.

Based on their experience, the interviewees pointed out that the Friuli-Venezia Giulia region is reluctant to set up guarantee instruments to cover the risk of upgrading. Nevertheless, a green bond for companies is currently being developed with the support of regional finance.



The implementation of Energy Communities is difficult in the absence of government decrees, even though high expectations have been placed on them.

As far as EIB or Elena funds are concerned, the difficulty is twofold. On the one hand, it is a question of building up a pipeline of projects, and on the other, it is a question of the willingness of the region, which prefers to award the work to local companies rather than publish European tenders.

Crowdfunding has been used to realise large photovoltaic installations. This type of co-financing by private individuals is a way for project proponents to engage in dialogue with the local community. However, it is difficult to finance refurbishment in the private sector if there are no incentives at state or regional level to bring forward capital.

Meeting with euregio+ representatives

euregio+ is an asset management company owned by the Autonomous Provinces of Bolzano and Trento and the public company Pensplan Centrum. It operates in the financial sector, pension fund management, real estate, private debt, private equity and venture capital.

At present, the structure is not involved in managing funds for interventions in the residential sector.

It manages a fund for interventions in businesses and hotels, which can be used to improve both the building envelope and the performance of production systems. The approach used is similar to green bonds in that it refers to ESG criteria used as a filter to select funding applications and how the results are calculated, but it does not currently follow European regulations.

Interviewees emphasise that working with ESCOs would be very interesting, but is currently too complex due to the lack of clarity in government regulation.

They are working with the Province of BZ to finance the installation of PV systems on public land through an investment fund, using a form of PPP (Article 193 of the National Public Procurement Code). In contrast to traditional PPPs, there are three main players: the public administration, which provides the land; major investors (such as the EIB or major banks, private investors), which provide the capital; and a third player, the manager, which could be an ESCo or a company such as Alperia or Dolomiti Energia. euregio+ decides who can act as manager and who cannot. In this case, there is no real contract as in a traditional PPP.



Next steps for further engaging with the Regional Working Groups

The MESTRI-CE project will be presented again at a conference on the "Right to Housing" to be held in Bolzano on 11 December.

Thanks to a meeting with the Director of the European Federation for Living (EFL), Joost Nieuwenhuijzen, we have been able to reach several associations linked to EFL who have shown interest in participating in the stakeholder group and with whom we will be meeting in the coming weeks.

It is also planned to present the project at the Klimahouse trade fair in Bolzano from 31 January to 3 February and at the SED trade fair in Caserta from 23 to 25 May, with the aim of involving potential interested parties, associations and bodies. In this way we will be able to extend the influence of the working groups beyond the regional borders.



Poland

Status of Regional Working Groups

Since the Launch Conference and the workshop with the stakeholders of the regional working group in Poland had to be rescheduled the regional working group is not yet finalised. However, the units with which cooperation will be initiated have already been identified.

The number and type of stakeholders comprising, or planned to comprise, the Regional Working Groups

Category	No.	Specification
Local public authority	20	municipalities
Regional public authority	2	Masovian Unit for the Implementation of EU Programs representatives Marshal's Office of the Masovian Voivodeship representatives
National public authority	1	Ministry of Climate and Environment
Sectoral agency	2	MAE, Mazovia Development Agency
Higher education and research	2	Warsaw University of Technology University of Warsaw
SME	5	Mazovian Energy Cluster Members
Business support organisation	5	Masovian Regional Loan Fund Mazovian Energy Cluster Members

Summary of the stakeholders comprising the working groups

MAE already proceed with engagement activities with the selected/targeted stakeholders during Launch Conference and workshops. In Poland we will focus on public sector stakeholders - at regional and local level as they have large building stock with ownership in place. They are also obligated to meet deep-renovation targets. Selected stakeholders at regional level are also in charge on regional funding distribution and allocation. The next sector will be SME's/ research organization and business support organisation who can support project and pilot development with technical& financial skills.

Next steps for further engaging with the Regional Working Groups

MAE will schedule regular consultations (both online and in person) and meetings with selected stakeholders in parallel with involving new ones if necessary to project development. The frequency of the meetings and consultations will be adapted to the state of the project, deliverables preparation and pilot action activities.



Slovenia

Status of Regional Working Groups

While Slovenia may not be designated as a pilot region, our commitment is to create a supportive environment where the project results can be transposed and tested, mirroring the processes in other pilot regions.

The group formalized its existence in October 2023 during the launch conference initiative.

The number and type of stakeholders comprising, or planned to comprise, the Regional Working Groups

Category	No.	Specification
Local public authority	2	Local Energy Agency - GOLEA Local Energy Agency - LEAG
National public authority	1	Ministry for Environment, Climate and Energy
Interest groups and NGOs	1	FOCUS
Enterprise	2	Resalta Kolektor Setup

Summary of the stakeholders comprising the working groups

Energy service companies Resalta and Kolektor Setup were selected based on their active engagement with local communities, SMEs, and enterprises. Their core business involves establishing energy management solutions and creation of decarbonization roadmaps, making them ideal partners for the MESTRI-CE project. These companies will provide a testing ground for project results, such as the Smart Data Hub.

Local energy agencies, GOLEA and LEAG, bring extensive experience in energy management for over 40 Slovenian municipalities. Their valuable feedback will contribute to refining the project's added values, and they are open to considering the integration of the tool into their own work.

Eco Fund and the Ministry will provide feedback from a policy and financial perspective, enriching the project with insights into broader implications. Additionally, FOCUS, as an NGO with expertise in similar projects, will offer valuable feedback, further enhancing the project's overall effectiveness.

Next steps for further engaging with the Regional Working Groups

The RWG will be actively involved 2-3 times per year to provide updates on project activities and share results. This engagement is essential to gather feedback and enhance the quality of our work. Meetings will be conducted through online sessions or round table events, facilitating efficient communication and collaboration.