

# D.T4.4.1 POLICY RECOMMENDATION AND ACTION PLAN

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Version 1  
04 2020





## Objective of the report

The main objective of this report is to summarize policy recommendations and a strategy in each partner country to pursue for a widespread and homogeneous application of energy efficiency measures in school buildings based on previous activities and bilateral meetings with policy makers to foster the policy implementation.

**Target Users:** *Local authorities, policy makers*



# 1. Current situation on energy efficiency in public buildings

## 1.1. National legislation and provisions for public buildings

The EED is transposed at national level through the Energy Act of Slovenia (EZ-1). The act is the base document for several energy regulations and strategies that are including the provisions of the EED. There are no specific documents at local or regional level that would transpose or include the provisions of the Directive.

## 1.2. National Energy Action Plans and other planning documents

National Action plan for energy efficiency (NEEAP 2014-2020), National energy and Climate Plan of Slovenia (NEPN) was adopted by the government of the republic of Slovenia in February 2020.

## 1.3. Local and regional legislation and provisions for public building

Documents that regulate the energy efficiency in buildings in Slovenia are issued at national level.

## 1.4. Local action plans for public buildings

In the action plan of the Local Energy Concept a municipality develops measures and specific actions to reach the set targets. These actions and measures include also the renovation of public buildings. The actions usually include what measures are planned for a particular building, but does not include the technical specifications of materials or installations such as details of the insulation, type of windows, etc. The only requirement is that the renovation has to be implemented according to the provisions of the *Regulations on energy efficiency in buildings*.

# 2. National, local and regional measures to stimulate energy renovation of public buildings

## 2.1. Financing from regional/local budget

With decree, the municipality determines the budget, the procedures for implementing the budget, the specificities of managing and selling real and financial assets and the extent of municipal debt and guarantees in the public sector at the municipal level

## 2.2. Funding from ERDF

In the 2014-2020 period, Slovenia, in accordance with EU cohesion policy, is managing one operational program (Operational Program for the Implementation of the European Cohesion Policy for the period 2014-2020), which includes the European Regional Development Fund (ERDF), the Cohesion Fund and the European Social Fund (ESF). Operational Program for the Implementation of the European Cohesion Policy for the period 2014-2020'' is a document which highlights the priorities of selected priority investments, in which Slovenia will invest European Cohesion Policy funds in the 2014-2020 programming period in order to achieve national targets within the EU 2020 objectives. The document is the starting point for further



coordination at both national level (ministries and other stakeholders), as well as with the European Commission

## 2.3. National funding

## 2.4. EPC

This Regulation establishes minimum height of achieving energy saving by end-users, types of energy services and measures to improve energy efficiency by achieving energy savings, the scope and the mandatory components of programs to improve energy efficiency, deadlines and scope of reporting on the implementation of programs to improve energy efficiency and the contribution to increase the efficiency of electricity use and the supplement to the price of heat and fuel prices to increase energy efficiency in accordance with the Directive of the European Parliament and Council Directive 2006/32/EC of 5th April 2006 on energy end-use efficiency and energy services and repealing Council Directive 93/76 EEC.

## 2.5. Loans

Commercial loans or subsidized interest rates through the EKO SKLAD (EKO FUND). Eko fund is an independent legal entity, with the Ministry of the Environment and Spatial Planning, being represented as majority in the Supervisory Board. Eco Fund's main purpose is to promote development in the field of environmental protection. The financial assistance is offered mainly through soft loans from revolving funds and since the year 2008 through grants.

Loans from SID Bank – promotional development and export bank 100% owned by the Republic Slovenia.

## 2.6. PPP financing

Public-private partnerships (PPP) are in fact the ESCO model for public institutions. A public-sector partner publishes a call for a private partner for energy renovation, renovation of public lighting, RES installations, cooling or other.

A private partner proposes a solution, and if successful in the call, he undertakes the entire project from start to finish.

All risks are assumed by a private partner, guaranteeing savings for the public partner. The investment is paid to the private partner from the savings achieved.

There is legislative framework for PPP projects. Its usage for EE projects in buildings is somewhat limited, due to the lack of private investors. However, with cohesion funding (40%), PPP projects are interesting also for the private investors.

## 2.7. Other measures

In the framework of the Strategic Implementation Document "Operational Program for the Implementation of European Cohesion Policy for the period 2014-2020", Slovenia committed itself to the promotion of energy efficiency, smart energy management and the use of renewable energy sources in public infrastructure, including with public buildings, and the housing sector "supported the specific objectives of increasing the efficiency of energy use in the public sector and households. As a measure to support both of these specific objectives, the priority investment will provide for the development of a system for energy renovation of buildings on the basis of energy contracting as a new form of implementation and



financing of energy renovations of buildings. This system will be developed primarily in the public sector, if feasible, but also in the household sector.

### 3. Pilot projects findings

- *Number of audits held: 8*
- *Local specifications/problems with energy efficiency renovations (to nZEB standard)*

During pilot action activities energy audits in 8 schools were performed, discussions with school managers on energy efficiency topic were held and the energy efficiency measures leading to nZEB standard were proposed and explained. The results of the energy audits were presented to school managers and respective local authorities, open lessons on energy efficiency with pupils in schools were organized.

School management, staff and students are not highly motivated to save energy, as the programmes are not developed by the school's owners (region/city/municipality) nor by school's managements.

The level of technical knowledge on energy efficiency issues of the school staff and local authorities' administration officers is generally low and not sufficient for the energy efficiency projects settings.

### 4. Barriers and opportunities

During the Feedschools activities performed in Slovenia the following barriers were identified as the ones obstructing the extensive growth of number of energy efficiency projects in schools.

#### 4.1. Financial barriers

Barrier	Description	Opportunity
<b>Insufficient funds for maintenance</b>	Municipalities as owners usually do not have enough financial resources for reconstruction.	Municipalities should find a source for financing from external services.
<b>Inadequate distribution of risk between public and private partners</b>		
<b>Lack of interest for PPP project (monopoly situation)</b>	Not enough private capital is used in EE project in public sector (PPP projects), as this scheme is not trusted and there is lack of various providers.	
<b>Lack of external financial sources</b>		



## 4.2. Legislation barriers

Barrier	Description	Opportunity
<b>Buildings protected as cultural heritage</b>	A number of public buildings in Slovenia are culturally protected. The possibilities of renovation are limited due to the restrictions and expensive material required for renovation.	Compromise on the requirements and materials that should be used in historic buildings.
<b>Inadequacy of public procurement legislation</b>		Simplification of the procedure of public tenders.
<b>New legislation in the field of construction makes it difficult to implement projects in existing buildings</b>		

## 4.3. Technical barriers

Barrier	Description	Opportunity
<b>The owners sometimes don't know what they want</b>		
<b>After the expiration of guarantee, reimbursement of costs for repairing poor implementation is impossible</b>	According to the legislation, on public tenders the cheapest offer has to be chosen. Low prices often mean poor implementation.	Modification of the legislation, the cheapest and most expensive offer should be excluded.
<b>Lack of experts for identification of nZEB projects</b>		
<b>Public tenders - laws are not written for practise</b>	A lot of paperwork	

## 4.4. Communication and organizational barriers

Barrier	Description	Opportunity
<b>Too much paperwork required for the application of the project and reporting</b>		Simplification of the application procedures.



Instructions for the project preparation are extensive and vague		
Inappropriate timetable for the preparation of public tenders and documentation.	The deadlines for preparation of documentation and the procurement processes are often not manageable.	Faster evaluation procedure of subsidy applications that would give enough time for the implementation of procurement processes.
Inadequate project documentation	For older buildings it is difficult to find all the documentation required to obtain consents for renovation.	Flexibility of the approving authorities.

#### 4.5. Information and knowledge barriers

Barrier	Description	Opportunity
Lack of expertise	Lack of expertise in energy projects in legal and technical terms.	Involvement of external experts

### 5. Policy recommendations and action plan

#### 5.1. To overcome the financial barriers

- Municipalities should find a source for financing of external services.

#### 5.2. To overcome the legislation barriers

- Landmark Preservation Committee should be more flexible with requirements, especially regarding materials used for renovation. Such materials are usually very expensive and thus deter potential interested parties.

#### 5.3. To overcome technical barriers

- Modification of the legislation; the cheapest and most expensive offer should be excluded.

#### 5.4. To overcome communication and organizational barriers

- The evaluation procedures of subsidy applications should be faster. This way, the applicants would have enough time to prepare procurement processes.
- The approving authorities should be more flexible in releasing consents when it comes to the older buildings that lack certain documentation.



## 5.5. To overcome information and knowledge barriers

- Lack of expertise in energy projects can be resolved by outsourcing external experts in specific fields of project.