

Recommendations for the improvement of the program of support and co-financing of energy efficiency improvement measures in the housing sector of the Municipality of Centar Sarajevo

The implementation of the program of support and co-financing of measures to improve energy efficiency in the housing sector in the Municipality of Centar began in 2017. The first program was launched on the basis of the Decision on co-financing the production of thermal facades - insulation of residential buildings for collective housing. This decision envisages the co-financing of energy efficiency improvement projects in multi-residential buildings in the amount of up to 50% by pooling funds with condominium owners, through the manager with whom the tenants have a contract for the maintenance of common parts of the building. Within the framework of this program, during 2018 and 2019, the insulation of collective housing residential buildings was realized in 8 buildings, and in 2020, in another 6 buildings into which the Municipality invested 228,000 KM.

In 2019, in parallel with its own program, the Municipality of Centar entered into Agreement on Cooperation on the Implementation of the Model for Improving Energy Efficiency in Buildings in the Sarajevo Canton, i.e. the *Insulate the Building* project implemented by the SERDA. This program was co-financed by the Sarajevo Canton and was initially implemented in 5 municipalities of the Canton. The level of co-financing was 45% and included individual and high-rise residential buildings. (To check the results of this program in the Municipality of Centar).

In 2020, the currently valid Decision on the co-financing of the construction of thermal facades-insulation of collective housing residential buildings was adopted, on the basis of which the last Public call for apartment owners to participate in the co-financing of measures to improve the energy efficiency of collective housing facilities was published on April 30, 2021.

The aforementioned decision from 2020 improved the previous valid decision from 2017, primarily with regard to the criteria for selecting beneficiaries. An earlier decision prescribed criteria that gave priority to buildings with a larger number of residential units, which is not in accordance with the principle of equality of all citizens when applying for public budget funds. In addition, the new decision gave priority to buildings where billing is done according to the measurement of energy consumption for heating compared to buildings that pay for heating flat rate per square meter. The responsibility for the implementation of this program has been also aligned with the new job classification of the Municipal Administration and assigned to the Service for Investments, Communal Development and Planning, including the special Commission appointed by the Municipal Mayor.

By analyzing the structure of the existing program and the results of previous activities, and in accordance with the experience of implementing similar programs in BiH, it is possible to define a certain number of proposals aimed at improving the implementation mechanism of the mentioned programs. Recommendations based on the performed analysis are given below.

1. Raising awareness about energy efficiency and reducing air pollution

Bearing in mind the low level of awareness about the benefits of implementing energy efficiency measures, including energy and financial as well as health and environmental aspects, it is necessary to invest more in informing citizens in general. To this end, it is necessary to initiate activities to promote the implementation of energy efficiency measures, including the website of the Municipality, where information on the benefits of the implementation of energy efficiency measures should be found, especially from the point of view of reducing air pollution and reducing energy costs. In addition, the Municipality should, through various promotional activities, work to continuously raise citizens' awareness of this issue.

2. Information of tenant representatives about the energy efficiency co-financing program

Program branding

In order to promote the program, it is necessary to develop its recognition in such a way as to develop the visual identity of the program, i.e. its logo and abbreviated name, as well as the slogan and short messages about the key benefits of this program.

Procedures and forms

Considering the complexity of the process of participation in the public call for co-financing measures to improve energy efficiency in multi-apartment buildings, it is necessary to continuously provide support to representatives of tenants who have a significant role in the preparation and coordination of the implementation of building insulation projects. To that end, it is necessary to provide the following:

- Detailed manual for the approach to the project of implementation of energy efficiency improvement measures in multi-residential buildings.
- Detailed application form for co-financing within the framework of the public call with instructions for filling it out.
- To provide a form and an example of preliminary measurements and estimate of works for energy efficiency improvement measures.
- Form of specification of individual costs of works, installed equipment, materials and costs for creating an energy audit with examples.
- Individual financing participation review form - financial construction with examples.

Web page

The mentioned manual and forms should be available on the website of the Municipality of Centar, together with other information about the program and public calls for co-financing, as well as program results. Accordingly, we recommend the creation of a separate section of the website where the mentioned program would be promoted together with all the mentioned information, procedures, forms and contacts for informing citizens and representatives of tenants.

Program coordinator

Within the Service for Investments, Communal Development and Planning, it is necessary to appoint a person who will be continuously in charge of coordinating the implementation of the program. The contact details of the program coordinator should be available on the program website on the municipal portal so that citizens and representatives of tenants and other interested parties can be informed.

Program presentations to tenant representatives

In order to inform the representatives of tenants about the way to participate in the program, it is necessary to organize a presentation of the program periodically, especially before the announcement of public invitations. The above presentations must be coordinated in advance with local communities and managers in order to ensure the presence of tenant representatives. Presentations should include the procedure for preparing requests for co-financing and forms and necessary documentation. The presentation should be given by the program coordinator.

3. Information of the representative of Managers about the energy efficiency co-financing program

Considering the role of Managers in the process of implementing the program, it is necessary to hold regular meetings with representatives of Managers and familiarize them with their role and tasks in the project. It is also necessary to familiarize them with the possibility and model of co-financing of condominium owners by the Manager through loans that would be repaid through increased fees for building maintenance.

4. Pooling of funds with higher levels of government and international projects

It is necessary to explore the possibility of pooling funds, first of all with the Sarajevo Canton, the City of Sarajevo, as well as the Environmental Fund of FBiH, which have funds for similar purposes. It is also necessary to actively monitor the projects of international donors including GiZ, UNDP, SIDA, EU, USAID and others who have projects in this field. It is also necessary to monitor the availability of projects and propose cooperation with international financial institutions that are active in this area, including EBRD, KfW, EIB and Finance in Motion, which also finance projects in the field of improving energy efficiency in the housing sector. Pooling of funds, either grant funds or in combination with credit funds, can significantly increase the availability of funds for this purpose.

5. Partnering with banks and microcredit organizations

The majority of banks and microcredit organizations offer loans for households with the purpose of renovation and financing of energy efficiency measures. In order to support the users of the program, it is necessary to first of all provide the users with information about the available credit funds and the terms of lending. In this regard, the municipality can also post information on available loans for this purpose on the program's website.

In addition, the municipality can direct part of the funds to the co-financing of the interest rate in order to enable program users to access credit funds for financing their own part of the necessary funds for the implementation of projects.

6. To improve the criteria for the allocation of funds

It is necessary to consider the effects of the criterion of the amount of total investment per square meter of living space, given that this criterion gives priority to smaller projects, which is not necessarily a justified criterion. In addition, bearing in mind the aspect of reducing air pollution, we recommend introducing a criterion that would stimulate the transition to more ecologically acceptable energy sources and support the replacement of boilers and stoves that use coal and solid fuels as well as fuel oil and other pollutants.

7. To simplify the procedure for allocating funds, Article 7

If possible, we recommend simplifying and shortening the procedure from the submission of the request to the approval of the funds and the implementation of the project.

8. To determine the procedure for monitoring the implementation of measures and verification of savings

After the completion of each insulating/heating project, it is necessary to verify the savings, that is, in the next heating season, to measure the savings in energy and money and record the result and compare it with the results provided in the energy audit. The mentioned approach enables the verification of the actual results of the project and can be used for promotion in the following periods as well as for securing further financing.

9. To improve the transparency of the selection procedure

It is necessary to publish the results of the evaluation of the received projects publicly (on the website) as well as the list of beneficiaries in order to create public trust in the transparency of the program.