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Working together to reduce barriers to energy renovation in buildings¹

With buildings accounting for a significant 20% of Belgium's greenhouse gas emissions, accelerating decarbonisation in that sector is an imperative. LIFE BE FREE, a cross-sectoral partnership, was created to develop innovative solutions to overcome barriers to energy efficiency renovations and buildings decarbonisation. However, engaging and coordinating the diverse set of stakeholders to deliver concrete results is no small task, especially within Belgium's highly decentralised policy environment. LIFE BE FREE endeavours to take on this challenge through consensus building.

LIFE BE FREE

LIFE BE FREE is a partnership launched in October 2023 between Febelfin (the Belgian Banking Federation), VVSG (the association of cities in Flanders), Embuild (the Belgian Federation of Construction), The Shift (the Belgian cross-stakeholder platform for sustainability), Wattson (an energy service company) and Idea Consult, a consultancy, to accelerate the decarbonization of Belgium's building stock.² The partnership is funded by the European Commission's LIFE programme, the Commission's funding instrument for environment and climate action.

LIFE BE FREE aims to bring together all stakeholders in the buildings ecosystem to develop innovative solutions to overcome the many barriers – financial, legal, informational, administrative – that hamper renovation. The stakes are high. Buildings are responsible for approximately 20% of Belgium's greenhouse gas emissions and progress has been slow, despite new norms, obligations and regulations. In particular, the renovation rate of buildings stubbornly stood around 1%, whereas decarbonization required a tripling of that rate.

A remarkable feature of the LIFE BE FREE partnership is its national scope in a highly decentralised country where many of the policies relevant for the buildings sector are at the regional level. This choice was intentional. Indeed, even if the Federal State had so far been relatively passive when it came to buildings renovation, LIFE BE FREE partners had identified a number of levers that it could activate, for example around taxes and legal property regimes. It was therefore important to be able to engage at the national level. Moreover, diverging regulations across regions contributed to administrative complexity for contractors, lenders, owners, and other stakeholders. LIFE BE FREE partners were therefore keen to identify areas where harmonisation was possible, while respecting regional specificities.

¹ This case was prepared by Prof. Estelle Cantillon as a basis for discussion at the third UCB-SBSEM symposium "Business and Society" in May 2024. It seeks to describe, from the perspective of one protagonist, the transformation journey of their organisation and how they developed their governance and leadership model to support their sustainability ambitions.

² More info at: <u>https://febelfin.be/en/press-room/financing-the-economy/launch-of-life-be-free-a-unique-partnership-aimed-at-stimulating-financing-solutions-for-energy-efficiency</u>





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Organising work, setting priorities

LIFE BE FREE was built on the core belief that partners were fully aligned on their common objective to overcome the barriers to energy efficiency renovations and buildings decarbonisation. This belief was also reflected in the governance of the partnership and their methods of work. The partnership was led by a core team of six motivated individuals funded by the project (one in each partner organisation) who met on a weekly basis to monitor progress and coordinate work. Leadership for the different workstreams was assigned among them based on expertise and availability. Each individual also liaised with the rest of their organization to ensure smooth informational flow, validation, and continued engagement. This was especially important because four of the partners were memberbased professional federations. LIFE BE FREE progress was regularly discussed at board meetings of each organisation.

As with any new initiative, booking concrete results early on was essential to build visibility and momentum. The upcoming federal and regional elections of June 2024 and the local elections of October 2024 were additionally creating a window of opportunity, as some of the likely solutions would require legislative and regulatory changes. For these reasons, the partnership decided to prioritise quick wins and solutions with legislative or regulatory implications. Priorities were discussed at the first national event in February 2024 during which participants were asked for their views (**Exhibit 1**). The chosen themes for 2024 were condominiums (buildings under shared property rights), energy performance certificates, and insulation and other building renovation subsidies. Other themes identified for the future included the distribution of incentives between property owners and tenants, the renovation of public buildings, financing neighbourhood initiatives, and financing through Energy Service Companies (ESCOs) (**Exhibit 2**).

Leveraging the diversity of perspectives, building consensus

To ensure that all relevant voices were heard, the partnership decided to proceed through the organisation of thematic roundtables. Thematic roundtables brought together stakeholders and experts on one of the chosen themes. They shared their understanding of the current barriers and discussed potential solutions. Special attention was devoted, during these discussions, to low-income families, as barriers to renovation were especially material for them.

Roundtables were envisaged to meet 3-4 times per year or as often as needed to reach consensus. The core team prepared background documents, drafted proposals, recorded agreement points, and ensured progress was made. After each roundtable meeting, the lead team member for the roundtable made sure to ask participants for names or organisations that should be consulted to make further progress. The end goal was to produce sufficiently concrete proposals that could be taken up by those with agency to implement them.

As of April 2024, 5 thematic roundtable meetings had taken place or were about to take place, and some concrete proposals were taking shape. The partnership was also finalizing the composition of its advisory board, whose role was to validate priorities and provide a sounding board for the solutions that roundtables generated.

Open architecture

At the time of its creation, LIFE BE FREE included some of the key stakeholders of the buildings renovation ecosystem, but definitely not all. LIFE BE FREE partners were well aware of this situation and made sure to reach out to external stakeholders for the roundtables. The LIFE BE FREE partnership had also been designed as an open partnership, to allow other partners to join in the future in a LIFE BE FREE 2.0.



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Exhibits

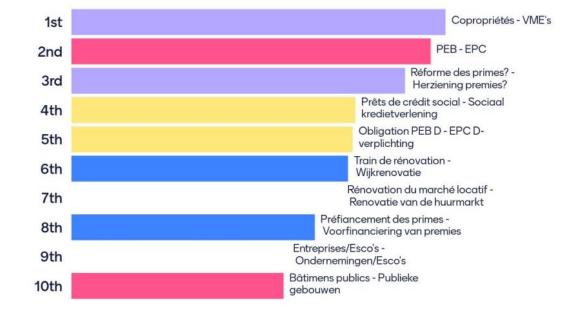


Exhibit 1: Results of poll among participants of the first national event of LIFE BE FREE regarding priority areas (February 2024)

Exhibit 2: LIFE BE FREE's agenda and timeline

