

# Insulate - Tackling Climate Change Cost-effectively

The case for insulation as a cost-effective measure to tackle climate and energy security has been clear for some time. However, the wider competitiveness impacts of these improvements, on for example improved energy security, reduced air pollution and job creation have not been as clear. The European Insulation Platform (EIP), commissioned the Centre for European Policy Studies (CEPS), to analyse the wider competitiveness effects of different solutions to deliver climate change objectives. The results confirmed the key role of insulation as the most cost-effective solution. The EIP has come up with four recommendations to turn these results into concrete actions.

## EIP RECOMMENDS – LEAD BY EXAMPLE IN PUBLIC BUILDINGS

**WHAT IS AT STAKE** – Public buildings represent a significant proportion of the European building stock with public procurement representing 16% of total GDP and 40% of all construction spending. Schools, hospitals, government and local authority offices and other publicly owned or managed buildings therefore represent a huge potential for reducing energy use and greenhouse gas emissions in every EU Member State.

**WHAT NEEDS TO BE DONE** – Given that climate change and energy security are public goods and that energy efficiency measures in buildings save money, public buildings must act as shining examples of what can be done and the benefits of action. To make this happen, EU Member States should take the opportunity of the Energy Services Directive and the EU structural funds to ensure that all public buildings are of the highest energy efficiency level possible.

- **Energy End Use and Energy Services Directive** – As part of the Energy Services Directive Member States may choose to actively pursue energy efficient public procurement in the building sector as one of the two mandatory commitments that have to be taken from 2008. With 40% of all energy being used in buildings energy efficiency and in particular thermal insulation is a highly cost-effective solution to reducing energy use. Hence choosing this as one of the obligations is vital to ensuring that significant and cost-effective energy reductions are made. However, beyond the savings to be made through the measure itself, many positive knock-on effects are also likely to occur:
  - Awareness: By both renovating and then publicly displaying the results through an energy certificate in each building, public authorities will help to create awareness of what can be done as well as the benefits.
  - Market support: Demands by public authorities to build new buildings and renovate existing buildings to highly energy efficient levels will encourage the market to improve skills and knowledge in order to be able to win such contracts, thus supporting the overall markets transition towards low energy building approaches.
  - Leading the way: For any major market shift to occur, it is essential to have early adopters who act as a catalyst for change. Given the public good that can be realised through the public sector acting as an early adopter, it is essential that this happens.
- **Structural Funds** – within the European Union's structural funding mechanisms, significant financial support is available to Member State governments, particularly in the new Member States, to improve the energy efficiency of government buildings. This is a one-off opportunity for countries to significantly reduce their energy costs and dependence on foreign energy supplies.
  - From oil to teachers: In Slovakia recent changes in public spending have led to individual schools being responsible for their entire budgets including for energy. One school decided to insulate the building and through this has saved so much money that they have been able to employ more teachers, improving the quality of education for all as well as the environment.

**WHAT WILL IT ACHIEVE** – Ensuring that public buildings take the lead has the potential to act as a real catalyst for Europe's buildings as well as in itself savings billions of euros and millions of tons of carbon dioxide.