

Stuttgart, 29 April 2022

## Time's running out – why the German BEG funding for new buildings is needed

**For days now, everywhere we look we're forced to hear outcry, warnings and worries about changes to building efficiency funding – the German BEG scheme for new buildings. The criticism being levelled at the new rule, which means subsidies will only be awarded if sustainability factors are taken into account, comes in as many guises as the topic of sustainable construction itself. We no longer want to watch what is happening without passing comment.**

It's disappointing – and it's also annoying (and this must be stated up front) – that people are trying to nip the long overdue realignment of our funding system in the bud without even having attempted to implement anything, and that they're trying to do the same to the shift of focus towards holistic climate protection and more future-proof buildings. We're reluctantly watching a strange spectacle unfold, with each trying to out-trump the other in indignation and admonishment.

Of course the process wasn't ideal. But the 'major changes' that are so often talked about won't always be a smooth process. The calls one hears at conferences are always for urgency and the need for disruption. Which is what's now happening – on a small scale – and there's outright horror! Stakeholders and organisations are horrified, the same ones that so often in recent years took up the issues of climate protection and sustainability – and basked in *commitments*. It makes you wonder if they were just paying lip service. Because now that it comes to actually doing something, there doesn't seem to be much left of all the issues they pointed to.

Most of the cries of complaint come from two camps, which one can be annoyed about or simply find incredible. One camp revolves around a somewhat questionable understanding regarding the issue at hand. So what's that all about? Is it really about making as little effort as possible to obtain as much funding as possible? Where does this sense of entitlement come from – wanting to receive money for something that doesn't have the required impact, in order to tread the path of climate change mitigation? The effect of funding should be to steer people in a certain direction, otherwise it's senseless. After all, taxpayers' money is at stake. Also, the idea of funding is that it should pave the way for the solutions of the future – solutions that would otherwise not (yet) be implemented.

Unfortunately, the critics also don't seem to have comprehended that this realignment is based, among other things, on life-cycle considerations. This is certainly a sign of success! A number of years ago, the ratio of CO<sub>2</sub> emissions caused by the production of building materials (grey emissions) to CO<sub>2</sub> emissions stemming from building operation over a 50-year period still stood at 20:80. These days, more than half of the emissions of a KfW Efficiency House 40 (which only uses 40% of the primary energy of comparable buildings) come from production alone. Grey emissions can no longer be ignored if you're striving for a carbon-neutral society. So this is a success! The task now is to do as much as possible to minimise the remaining emissions by improving manufacturing processes, by using resources more economically and by being more frugal with carbon-efficient materials. We need to come at this from a positive angle – things are actually going in the right direction!

The second aspect that caused all the complaining is specifically directed at the role played by the DGNB in this field. It's being labelled as a lobbying organisation, a profit-driven company whose most important goal is to sell as many certificates as possible. To put this into context, for those who are not

familiar with the DGNB: we are an independent, non-profit organisation committed to serving the public good. DGNB GmbH, through which both the certification system and the DGNB Academy operate, is a wholly owned subsidiary of the association. Our work is not politically motivated. The goal pursued by the DGNB is to actively shape transformation in the building and property industry in order to promote sustainable design, construction and operation in the environment we build around ourselves. Not for financial reasons, but based on a firm conviction and the acknowledgement that this is the right and only way forward. Our more than 1600 members from all sectors of the trade and industry are a testament to this – not to mention the trust placed in us by our partners in Austria, Switzerland, Denmark, Bulgaria, Croatia and Spain.

In recent years, certification has proven to be a suitable tool for planning and optimising buildings, a tool that also makes sustainability measurable and transformation possible in practical terms. This is underscored by more than 9000 projects in more than 20 countries. It's neither a quick nor an easy journey, but it's the right way forward in the long term. Because it takes the complexity of building as a whole into account, as well as the individual nature of each building project. By offering a funding option for the new NH Sustainability Class – through the Quality Seal for Sustainable Construction (QNG), which falls under the BEG funding scheme – the federal government is picking up on the German understanding of sustainability. Not because the DGNB has been engaging in lobbying, but because – as explained earlier – the realigned system is the logical consequence and the right thing to do. For the DGNB, it goes without saying that one should voice one's support when things are going in the right direction, and as a result it has registered for the official process of seeking accreditation from the German National Accreditation Body (DAKKS).

So what's this all about? It's about finally being much more systematic about achieving the goals of building sector climate protection and resource conservation. It's about global goals – about climate change, the greatest challenge in human history. The IPCC report released in February said that the remaining window of opportunity will last around ten years. So there are ten years left to achieve a radical turnaround in global CO<sub>2</sub> emissions. Time is the most precious resource we have, especially in construction. We don't have the time to devote those ten years to researching what could have been done even better, or who else is responsible for what's happening, or who should set the ball rolling. The dreadful war in Ukraine and the resulting scarcity of resources is exacerbating the situation, so it's time we stood together to work on making things happen and finding solutions! The old KPIs of lobbyists – such as yet another ministerial appointment or quashing regulations that supposedly fuel costs – are obsolete and outdated, and have been so since at least the beginning of this year.

**What this is all about now is actively shaping change, supporting it – or at least not standing in its way!**

All we can say to the federal government is: stay on that heading! Keep up the pressure and continue moving forward on revising the Building Energy Act (GEG). To plan, build, refurbish and operate buildings in keeping with the defined objectives, we need this switch to CO<sub>2</sub> targets; we need to consider life cycles. We need transparency in the form of monitoring obligations in order to establish a basis for targeted and economically viable action.

The DGNB will, to the best of its ability, support this approach. We want to play an active role in facilitating the sharing of know-how across the board, offering joint solutions and seeing change as an opportunity – an opportunity to take responsibility and to actively shape the future of the environment we build around ourselves, taking us in the direction of sustainability and climate protection.

This is something we, our employees and our members stand for every day, even if that means more work for everybody and there's no guarantee that we will succeed. Because one thing should be entirely clear to everybody: **the biggest mistake we can make now is to not set the ball rolling – and waste even more precious time.**

We extend a warm invitation to everyone to join us on this journey!